

# News Review of Current Events the World Over

## United States Goes Off the Gold Standard and Moves Toward Inflation—Secretary Perkins Asks Federal Control of Industry.

By EDWARD W. PICKARD

"WE ARE off the gold standard," was the terse but momentous announcement by Secretary of the Treasury Woodin as he returned to his office from a conference with President Roosevelt; and at the same time the White House gave out the news that the Chief Executive had placed an embargo on the further export of gold, permitting the dollar to depreciate in foreign exchange, and was ready to ask congress for authority to put into action his

policy of "controlled inflation." Mr. Roosevelt himself calls this policy a program for control of commodity price levels and says it is designed to raise prices but to keep them from going too far up. He gave assurance that there would be no resort to "printing press money."

Senators Thomas, Byrnes and Pittman drafted the measure to carry out the President's plan, and it was promptly introduced in the senate as an amendment to the pending farm relief bill. It provides:

1. For expansion of credit up to \$3,000,000,000 through purchase of government obligations by the federal reserve banks. (This means the purchase in the open market of government bonds and was tried in the Hoover administration.)
2. As an alternative, for the inflation of the currency by issuance of greenbacks up to \$2,000,000,000 under the act of 1862, such currency to be legal tender for all debts, public and private.
3. For use of such greenbacks to meet maturing government obligations and to purchase government obligations.
4. For retirement of such greenbacks at the rate of 4 per cent a year.
5. For reduction of the gold content of the dollar not more than 50 per cent for the purpose of protecting American foreign trade from the effects of depreciated foreign currencies and to enable the President to negotiate an international agreement stabilizing monetary standards.
6. For acceptance of war debt payments up to an aggregate of \$100,000,000 in silver at a value of not more than 50 cents an ounce.
7. For coinage of such silver and deposit in the treasury for redemption of silver certificates issued against it, such certificates to be used for paying obligations of the United States.

Secretary Woodin drew up the order concerning gold exportation. Under it no gold is allowed to leave the country except that earmarked for foreign account before April 15 and such amounts as are required to save American business men from loss on commitments in foreign trade incurred prior to the proclamation of the new policy.

The United States thus has placed itself on the same footing as Great Britain and many other foreign nations. Its money is unstable in value in international trade. It was pointed out that Mr. Roosevelt could now with greater propriety propose that all nations go back to the gold standard together.

Effects of our plunge into the inflation pool were immediate. Prices on the stock exchanges and especially in the commodity markets went up with a rush and trading was heavier than for many months. Millions of dollars were added to the farm value of all grains, and cotton and sugar also moved upward, as did provisions.

On the London and Paris exchanges the dollar sank decidedly. Neither the British nor the French were pleased with the President's action. The London Daily Telegraph said: "Following America's latest action a demand will arise in every country for fresh depreciation so that exporters may not lose their power of competition in world markets. The new task of the statesmen is to prevent a chaotic process of competitive depreciation of currencies."

RIGHT now the eyes of the world are turned on Washington, for the series of talks between President Roosevelt and representatives of many other nations have begun, and if the hopes of the Chief Executive are realized they will result in the finding of a way out of the world depression.

Prime Minister J. Ramsay MacDonald was the first of the visitors to arrive and the first to confer with Mr. Roosevelt and Secretary of State Hull. Edouard Herriot, former premier of France, was close on MacDonald's heels, and the others are scheduled to follow rapidly. No one of the "conversationalists" is empowered to really decide anything, but all of them are free to express the views

of their respective governments on economic matters. It was understood that MacDonald would not talk much about the war debts, but Herriot was authorized to state France's position on that subject.

The whole series of conversations in Washington is a preliminary to the coming world economic conference, and the hope of President Roosevelt and Secretary Hull is that the way can be paved for rehabilitation of the world by the lowering of trade barriers and monetary stabilization. They will gladly abandon America's traditional high tariff policy if the other nations are willing to co-operate and reciprocate.

POLICIES of the Roosevelt administration are being expanded and extended so fast and so far that congress and the country are scarcely able to keep up with the pace set. One of the broadest and most revolutionary of its proposals was submitted to the house committee on labor by Secretary of Labor Frances Perkins in the form of a draft bill offered as a substitute for Senator Black's 30-hour week measure which was passed by the senate

and for the almost identical Connery house bill. It is designed to give the federal government full control not only over the hours of labor but also over industrial production and prices. The passage of this legislation and of the pending farm marketing bill would make Secretaries Perkins and Wallace virtual dictators over the economic life of the nation.

The legal basis of the labor bill is to be found in the interstate commerce clause of the Constitution and in the "unfair competition" sections of the federal trade act.

It is upon these legal powers that the secretary of labor is to depend to exercise the following authority:

1. To prohibit from interstate commerce articles produced by any industry working its labor more than 30 hours a week or more than six hours in any one day. Milk and cream are exempted; executives and managers are exempted; and certain exemptions are made in the cases of seasonal or other emergencies. Boards are set up to regulate such exemptions.
2. To limit and if necessary prohibit from interstate commerce the production of any plant or industrial group which is overproducing.
3. To investigate wages through a wage board, to fix and impose minimum fair wages; to publish the names of employers failing to raise wages in accordance with a direct order to do so; and to prohibit from interstate commerce goods produced by any employer refusing to comply with a wage order.

MYRON C. TAYLOR, chairman of the United States Steel corporation, has added his voice to the chorus of industrial executives who believe the course of the depression has turned. At the annual meeting of stockholders in Hoboken, Mr. Taylor, who is noted in the financial district for the cautiousness of his utterances, declared:

"Better times are ahead." And in support of this belief he cited the fact that the corporation was operating at 21 per cent of capacity, the first time that operations have reached this level since March, 1932.

MOSCOW'S famous trial of six British engineers and eleven Russians on charges of espionage, sabotage and bribery ended in the conviction of five of the Britons and ten of the Russians. L. C. Thornton was sentenced to three years in prison; W. H. MacDonald, who pleaded guilty, to two years; Allan Monkhouse, John Cushny and Charles Nordwall were ordered deported; A. W. Gregory was acquitted. The ten Russians were given prison terms up to ten years. There was nothing surprising in the outcome unless it were the mildness of the penalties inflicted.

The British government, which had been watching the case with intense interest, struck back at the Soviet union promptly. King George and the privy council declared an 80 per cent embargo on Russian imports and the Metropolitan Vickers Electrical Equipment company, employer of the con-

victed men, ordered an immediate appeal in behalf of the two defendants who were sent to prison.

CUBA'S political disorders, murders and bombings, of which much has been written in recent months, have finally engaged the attention of the administration in Washington.



Rep. Fish

Representative Hamilton Fish of New York has been urging our government to employ diplomatic intervention to end the "reign of terror," and said he would formally demand that Secretary Hull take such a step unless the administration got busy very speedily. For a time Mr. Hull seemed averse to any interference, but Mr. Roosevelt started things by calling the Cuban ambassador, Don Oscar B. Cintas, to the White House for a discussion of the situation. The ambassador also conferred with Sumner Welles, assistant secretary of state, and then Mr. Welles went to the White House for instructions.

Mr. Roosevelt has no desire to order military intervention in the affairs of Cuba, which he could do under the Platt amendment, holding that this would cost us a lot of money and besides would enrage President Machado and create an unpleasant diplomatic situation. Therefore his present plan is to take steps to redeem the island's financial situation, which is wretched, and to relieve the unemployment and discontent that are at the bottom of Cuba's difficulties. He and the State department wish to increase the sugar imports from Cuba by granting substantial reductions to the island on the sugar tariff. This, naturally, will not please the domestic cane and beet sugar industries, whose representatives are nervously watching developments.

There is a genuine fear among some officials in Washington that opponents to President Machado will, in their efforts to overthrow his regime, perpetrate some outrage against American interests in Cuba, thus raising a situation in which the United States might be compelled to intervene.

REPUBLICAN postmasters who have demonstrated their efficiency are to be permitted to complete their terms. So announces Postmaster General James A. Farley, to the joy of several thousand G. O. P. office holders and the corresponding dismay of a great army of Democrats who would like the jobs. Mr. Farley says his party has long stood for the civil service system of competitive examinations and "will not abandon that high ground," so he gives out this message: "No incumbent whose term has not yet expired and who has been rendering loyal and efficient service to the government need have the slightest fear of removal. It will be the policy of the Post Office department to allow every efficient postmaster to fill out his term."

District attorneys, marshals and collectors are not under civil service and in time these places probably will be filled with deserving Democrats. Also there are hundreds of vacancies in the postmasterhips to be filled immediately, and these will be filled as soon as Mr. Farley's department has completed a study of examination methods.

The postmaster general makes the welcome assertion that the United States post office is going to pay its way hereafter. He aims to save \$72,000,000 in the coming fiscal year, and this, he believes, will suffice to balance the postal budget.

JAPAN'S armies in China continued their advance south of the great wall, driving before them disorganized or traitorous Chinese troops. The Japanese at latest reports had occupied the entire triangle between the wall and the Lwan river, with its base on the gulf of Pohal, and were moving onward toward Tientsin. They crossed the river near Lwanchow and bombarded that city and the surrounding region. There was great alarm in Tientsin, where some 400 Americans, mostly business men and their families, reside.

When the Japanese started their push into the undisputed Chinese territory south of the great wall the Lwan river was set as the limit. But the Japanese command now has announced that they will continue the pursuit as far as the Chinese continue to set up defenses. The Japanese authorities deny, however, that they intend to occupy Peiping and Tientsin. Their apparent plan is to create a buffer area out of the triangle to facilitate the consolidation of the newly conquered province of Jehol. They have gained control of all the important passes through the great wall on the southern border of Jehol and the gates have been sealed and heavy guards placed at them.

### CHANCELLOR HITLER



The forty-fourth birthday of Adolf Hitler, chancellor of Germany, was celebrated with elaborate ceremony throughout that country, the National Socialists making gifts that were distributed to all persons out of work and in need.

### HOUSE PASSES ARMS EMBARGO RESOLUTION

Vests Discretionary Power in the President.

Washington.—The house of representatives voted to give President Roosevelt full discretionary authority to prohibit the shipment of arms from this country to nations engaged in war.

By a vote of 252 to 109, the house adopted the administration arms embargo resolution and sent it to a dubious fate in the senate. Considerable opposition to the proposal has been shown in the higher body and the resolution is expected to provoke a heated controversy before it is finally disposed of.

As it passed the house the resolution gives to the President full power to declare an embargo against the shipment of munitions to foreign nations engaged in or threatened with war.

He would first secure the co-operation of other neutral powers in cutting off war supplies, and it was this provision which led opponents of the measure to brand it a back door entrance to the League of Nations. It was also charged that the President would have authority under the resolution to designate the aggressor in a foreign conflict and to direct the embargo against this so-called aggressor nation alone.

The vote followed almost strictly party lines, although 22 Democrats deserted their party to vote with the Republicans, and nine minority members voted with the Democrats.

The embargo plan originated during the Hoover administration, but was scuttled in the senate last session following approval by the house. The Roosevelt administration, however, introduced a similar resolution at the beginning of the extra session.

### Beer Taxes Are Offset by Other Revenue Declines

Washington.—Beer taxes, although they are bringing in millions, are being offset by declines in other sources of government revenue. The net result is a very small increase in the total income, treasury reports showed. Daily collections, including the beer taxes, are running about on a par with those in February and other pre-banking holiday months, the records show. Beer income, therefore, is thus far filling up a hole left by failure of old taxes.

### Jimmy Walker and Betty Compton Marry

Cannes, France.—Former Mayor James J. Walker and Betty Compton, American actress, were married here. The couple entered the city hall by the back door to avoid the curious persons. They were married by Mayor Gazagnaire of Cannes. Witnesses for Walker were his lawyer, Alfred Sharon, and the proprietor of his hotel, M. Martinez. Dr. Joseph Fisher, Walker's physician, was witness for Miss Compton.

### Summerville Charges Unfounded

Charleston, S. C.—Charges made against Gen. Charles P. Summerville, president of The Citadel, on the senate floor, were called "unfounded in fact" in a formal statement issued by the board of visitors, after an investigation. Senator Edgar A. Brown asserted that two cadets had been "railroaded" to trial for alleged offenses.

### Hylan Will Run Again

New York.—Former Mayor John F. Hylan announced he would be an independent candidate for mayor in the election next November.

### ROOSEVELT ASKS OUTPUT CONTROL

#### Secretary Perkins' Plan to Regulate Industry.

Washington.—The administration has submitted to congress a specific plan for a national board to regulate industrial production.

Secretary of Labor Perkins, acting on behalf of President Roosevelt, has laid the proposal before the house labor committee as an amendment to the pending 30-hour week bill.

The administration thus proposes to broaden the measure into a revolutionary venture in national economic planning and social reconstruction—spreading out employment through the shorter work week to open up jobs for millions of the 13,000,000 or more now idle and then attempting to stabilize that employment and earning power by controlling production.

The goal is to keep factories and mines operating at an even pace with output closely adjusted to market demands, instead of overproducing for a period, glutting the market with a surplus that forces prices down, and having to lay off workers.

Miss Perkins asked that regulation of production be placed in the hands of a new board of which she would be a member. It is not suggested that the board take over any industries, but it would be designed to have ample influence to obtain adjustment of production to a more stable basis. It is contended this not only would go far toward ending unemployment, but would help industry turn present losses into profits.

As a further means of bringing about even distribution of work and wages Miss Perkins has recommended establishment of other boards to supervise wage scales and working hours.

Instead of the flat six-hour day, five-day week limitation set in the Black bill passed by the senate, she would set a maximum of 40 hours a week and empower a board to make flexible adjustments below that figure as the needs of various industries demanded.

Similarly, no specific minimum wage would be fixed, but a board would attempt to maintain wages at a just scale and settle controversies. It was feared that any attempt to prescribe a definite minimum wage might be declared unconstitutional. The whole bill is certain to face a court test, and it was believed a specific wage provision would make it especially vulnerable.

### Prison for Two Britons in Soviet Sabotage Case

Moscow.—Two of the six British electrical engineers tried on charges of espionage, bribery, and sabotage were given prison sentences, while three were ordered deported and the other war acquitted.

Ten of their Russian co-defendants were sentenced to prison terms up to ten years. One was acquitted.

W. H. MacDonald, the only one of the British employees of the Metropolitan-Vickers electrical firm to plead guilty, received a two-year prison sentence.

L. C. Thornton, the company's chief construction engineer in Russia, who was described as a military spy by Prosecutor Andrei Vishinsky, was sentenced to a three-year term.

Allan Monkhouse, the Metropolitan-Vickers director in Russia; John Cushny, an engineer, and Charles Nordwall were ordered deported within three days. They will not be allowed to return to Soviet Russia within five years.

A. W. Gregory, charges against whom were withdrawn by the prosecutor, was acquitted.

### Three Sentenced for Kentucky Cult Murder

Inez, Ky.—Overruling a motion for a new trial, Circuit Judge J. F. Bailey sentenced John H. Mills to life imprisonment and Ballard Mills and Blaine McGinnis to 21 years' imprisonment each in connection with the Mills "human sacrifice" case.

The three were among the nine original defendants accused of murder and accessory to murder in connection with the slaying of Mrs. Lucinda Mills, sixty-seven, mother of John H. Mills, during a weird cult ritual last February.

### Fire Wrecks Home; Two Children Die; Others Hurt

Detroit.—Burns suffered when their home was destroyed by fire caused the death of George Day, seven, and his sister, Irene, five. Their father, Fraser Day, thirty-two, and a sister, Marion, nine, are in a serious condition. The mother, Mrs. Olive Day, had carried a one-year-old child to safety when firemen arrived to find the two-story flat building a mass of flames.