-Weekly News Analysis-

Reversal of Foreign Policy Seen In U. S., British Loans to China

By Joseph W. La Bine-

EDITOR'S NOTE—When opinions are expressed in these columns they are those of the news analyst and not necessarily of the newspaper.

International

Although U. S.-British sympathies in the Chinese-Jap war have al-ways been with China, industrialists of both nations have gladly profited by selling arms to more prosperous Japan. In the U.S., this activity continued unabated until last June 11, when Secretary of State Cordell Hull asked that it be discontinued. Still later came a serious blow to U. S. prestige when Japan, having conquered Shanghai, Canton, Hankow and Nanking, proceeded systematically to shut China's "open door" in violation of the nine-power treaty. Obviously, U. S.-British supremacy in the Orient was at an end unless the two nations would reverse their soft-stepping policy and take military or economic recourse against Tokyo. After weeks of undercover negotiation be-tween London and Washington, the recourse now emerges as economic. Still acting without apparent co-operation, the two capitals made sim ilar news on the same day:

Washington. The government-op-erated Export-Import bank advanced \$25,000,000 in credits to a New York company for exporting U. S. agricultural and manufactured



JESSE JONES

goods to China. Recognized as a very thinly veiled government loan, most funds will be used for automobile trucks and gasoline to haul mu-nitions over the new Chinese gateway from Burma. To mature in five years, the loan is guaranteed by the Bank of China. Chief U. S. negotiator was Jesse Jones, chairman of the Reconstruction Finance

corporation.

London. Now en route through parliament is an allotment of 10,-000,000 pounds for export credits to protect Great Britain's far-flung foreign trade from Nazi encroad Already earmarked is an initial credit of 450,000 pounds for the Cl nese government, to purchase trucks and roadmaking equipment for the new Burma gateway. Also under consideration is a British loan to the Chinese exchange equalization fund to help China's dollar.

Rumania

Of all the lesser European nations subjected to Nazi Germany's political-economic pressure, Rumania has alone stood up on its feet and barked back. Reason: Rumania has been able to buy her imports anywhere she desires, but Germany must have Rumanian wheat and oi Until last fall this upper hand served King Carol well, but the ring of Nazi-dominated nations around Bucharest has now grown so powerful that he must

Berlin or risk economic starvation. Thus Rumania watched anxiously as German aggression in Austria and Czechoslovakia threatened to wipe out her prospering trade with those two nations. Since most of Rumania's Czech imports came from Sudetenland, now a part of Germany, the Reich gained an enor-

mous advantage.

To woo Rumania successfully, Germany must only meet the dilatory competition of Great Britain, whose promise to buy part of King Carol's wheat surplus is overshadowed by a German offer to buy all Thus heartened, Rumania has signed a trade agreement whereby the Reich will take almost a third of its exports, meanwhile buying half its imports from Berlin. long Rumania can remain

cessfully smashed the rising Nazi party within his borders. Yet he followed this coup with a totalitar-ian declaration under which Rumania becomes a one-party country politically similar to Germany.

Spain

On a gloomy November day in 1931, Spain's parliament stripped King Alfonso of his citizenship and properties. Already, the previous April, Alfonso had left for France, soon taking residence in Italy where Premier Benito Mussolini has not been unfriendly to his once-royal

Since the loyalist government that ousted Alfonso is now fighting a losing battle to Generalissimo Francisco Franco, moreover since Italy and Spanish royalists are on Fran-co's side, observers have long thought Alfonso has a good chance of returning to the throne some day. Franco hinted as much last spring, indicating that he might retain for

indicating that he might retain for himself the premiership and thus make the throne a puppet post.

This theory is now strengthened by action of rebel Spain's council of ministers, not only restoring Alfonso's citizenship, but his lands as well. How soon—if ever—the exking will return to Spain is still a secret, but pessimists regard Franco's gesture as merely an insincere co's gesture as merely an insincere bid for continued royalist support which has been dwindling in recent

Smart politicians lay their cam-paign groundwork well in advance, swapping favor for favor, smelling out the trail that will most likely lead to success. Thus official Washington has started buzzing with rumors following (1) resignation of Commerce Secretary Daniel C. Roper and Attorney General Homer Cummings, and (2) Vice President John Nance Garner's return to the capital. That Mr. Garner visited President Roosevelt the same day Mr. Roper resigned gave an added zest to the game.

While both the President and vice president look to 1940, they apparently look in opposite directions. No public utterance followed the conerence but it is quite obvious that Mr. Garner looks fearfully on the projected appointment of WPA Administrator Harry Hopkins to succeed Mr. Roper. The Roosevelt program: To strive for more New Deal gains such as governmental reor-ganization, and to give Harry Hop-kins a build-up for presidential nom-ination in 1940. The Garner pro-gram: To consolidate the adminisration's position, to unite arguing

factions and make a record in congress which will win public approval.

Both programs lead to 1940, but each goes down its own trail. In the inevitable compromise, it is expected that Mr. Hopkins will be named company as commerce secretary, but that in re-turn congress will demand drastic revision of relief administration.



VICE PRESIDENT GARNER

How this solution could clarify the 1940 presidential issue is not apparent; moreover, conservative ele-ments in the Democratic party doubt that the commerce depart-ment's immediate charge, U. S. business, will like the man whose job has been to dispense \$9,500,-000,000 since 1933.

washington's politicians have let pass almost unnoticed an equally important bit of groundwork leading to 1940. John L. Lewis, C. I. O. chieftain, has spoken publicly against a labor-sponsored third party, choosing instead to broaden his Labor's Nonpartisan league. Its program: To elect delegates in the

Bruckart's Washington Digest

Three Important Problems For Congress to Consider the number of states in which the chain operated. Sample: A chain operating in 48 states plus the District of Columbia would pay \$49,000 per store annually on each store

National Defense, Relief, and the Railroads Are Pressing Questions; This Congress Will Not Vote Money Just to Please the President.

> By WILLIAM BRUCKART WNU Service, National Press Bldg., Washington, D. C.

WASHINGTON .- If it were possible to close one's eyes to the tragedy of the scene and forget all about the sadness of the world, one might produce a masterpiece of humor concerning the situation in the nation's capital this week. After the manner of the circus hawker, one might shout that the greatest show on earth is about to open; one might call attention to the fact that this show is unlike most others because it has two "big tops," and one might, without stretching the imagination, suggest that if you want to understand what is happening, or is about to happen, you had best keep your eyes trained on both tents.

Yes, in all seriousness, there are two shows this winter. One of them has many actors, many voices. It is to be found in the halls of congress on Capitol Hill. The man on the flying trapeze never excelled by comparison with members of the house and senate. Never were there better clownish acts than are stage annually in those chambers. Instead of vocal applause and much clapping of hands, however, the actors in the Capitol Hill circus want applause in the shape of votes; they want to have the home folks ap-

Now, concerning the other tent, there is only one actor. But he controls many Charlie McCarthys. He used to operate a puppet show. He made his actors perform so well that they became known as rubber stamps. But an election has intervened. Some of the strings that controlled puppets have been broken, others have become knotted, and the master actor probably has somewhat more critics in his audience than he formerly had.

National Defense and the Railroads Serious Problems

And so we get down to cases. President Roosevelt will offer to congress in a few days his program for building up the national defense. He will tell congress, as well, what the needs of the destitute are and how he conceives that they must be

As a third great problem, and probably the most difficult as well as of concern to every one of us, there is the question of what to do to save the railroads of the country. No official seems to have found a proper or sane solution, but to me it appears that the time has come then national action is called for in a much more concrete form than the "intellectual liberals" surrounding the White House are accustomed to advance in bringing about the more abundant life. Trains run on money, as well as steel, and if the owners do not get some money very soon there won't be more than half dozen rail lines in the country that have escaped bankruptcy.

In addition to these problems, we are likely to see competition be-tween the two shows for some very juicy jobs. Of course, these concern largely the north ring of the Capitol Hill circus, namely, the senate, which must confirm presiden-tial appointments before the act is completed. It is not too much to expect that there will be considerable difference of opinion between the White House and the senate over a good many of these selections.

Congress Won't Vote Money Just to Please the President

From present indications, I believe it may be said that Mr. Roosevelt will get money out of the current session of congress only when the congress decides it desires to vote money. It will not vote money just because the President says money shall be voted. Further, it appears certain that there will be no more "blank check" appropriations. The end has come for that sort of thing. Hereafter, one may expect that congress will have its say as to what is done with the money, where and how it will be spent. In other words, there is such intense hatred of Professional Reliever Harry Hopkins that the bulk of the congressional membership is awaiting an opportunity to clip Harry's wings as the world's great-est spender. And it might be added just here, too, that there are certain senators and representatives who would rather welcome a chance to take a slap at the whole new deal relief setup, not to mention a side-

wise smearing that thereby would be given the President. It must be remembered that Mr. Hopkins is Mr. Roosevelt's closest friend and adviser.

This national defense program about which the administration has been doing so much talking has its merits, I believe. As far as I have talked with officials, with students of interactional desired in the state of the of international affairs, with foreign representatives, I find none who is straight-out challenge to the democracies of the world that has been waved by Hitler, Mussolini and the others. Dictatorship is feeling its oats. With Communism on the one hand, and Freeding on the others. hand and Fascism on the other, there surely is need for prepared-ness, and that is what Mr. Roosevelt is proposing.

Big Navy Helps to Keep Foreign Statesmen Rational

It looks like a tremendous waste of money, because hundreds upon hundreds of millions will be spent for ships, for aircraft, for fortifica-tions. I always have felt that a big navy—the mere presence of it
—helped keep some greedy and aggressive foreign statesmen in their
right senses. The change in war right senses. The change in war methods that has come about from development of the airplane requires that our air force be strengthened. All of these things must be considered. But if they were not to be considered, I have two other reasons for believing the President is on the right track. I President is on the right track. I witnessed the terrific waste in the attempt to build a war machine in 1917 and 1918. If it is built up according to plans, without haste, by people who know their business, we will at least get something for our money—which we didn't in 1917. Those who have ever visited the James river in Virginia surely will agree with that statement after they have seen several thousand boats, built for war purposes, rotting to the water's edge without ever having been used.

The second reason to be mentioned is that expenditure of money for this type of construction is go-ing to mean jobs. It will take many people off of relief. Again, surely it is worth more to have something substantial built than to have strong men raking up leaves or building

Railroad Picture Important As Is the Defense Program

The railroad picture is as important in a domestic way as is the defense program. Indeed, I can not help wondering what our defense program would be like it tild that lines break down. I am told that the war department has figures the war department has figures showing that if the railroads were called upon to haul 25 per cent more traffic now than they hauled in 1937, some of the freight trains would be taking short cuts across corn fields and trying to leap over creeks.

Some of the senators and some administration officials want to provide additional government loans to the rail lines to help them build up their rights of way. That sounds foolish to me. To loan them more property is simply to beach their money is simply to break their backs with added debt. They have all of the debt that they can stand

I have about reached the conclusion that an actual subsidy to the railroads may be the best and the cheapest thing to do. Give them cash; treat them as other means of transportation have been treated. There is no use denying it, for the government has subsidized waterways. It is giving cold cash to the merchant marine. It has subsidized highway construction which in turn enabled the sale of motor cars. It has given funds for airport construction and has construction lighted airways for planes. Each and every one of these is a subsidy and calling them by any other name does not change the fact.

It would seem to me, therefore, It would seem to me, therefore, that if the administration and congress were to vote a plain subsidy of a couple of hundred million dollars a year for, say three years, they would be rebuilding an industry we must have for peace as well as war. The funds could be granted for use on roadbeds and buildings.

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Speaking of Sports-

Sports Writers Select Nation's No. 1 Athletes

By ROBERT McSHANE

ONCE more the nation's sports authorities have gone into their annual huddle, and again they have announced their yearly list of the country's most outstanding figures in the world of sports.

Admittedly it is no easy task to designate any one was as the No. 1

Admittedly it is no easy task to designate any one man as the No. 1 athlete of the year. The divergence of opinion was manifested when United Press sports writers picked Henry Armstrong as their "greatest," and Associated Press representatives named Don Budge.

Rightfully recognized as a man who may be the greatest fighter, pound for pound, that ever lived, Armstrong is the only one who ever held three boxing championships at the same time—featherwight, lightweight and welterweight.

The AP nominee,

The AP nominee Don Budge, nego-tiated an unprecedented tennis sweep in winning the Aus-tralian, French, British and American titles in one year before electing to cast his lot with the professionals. the professionals.

Forty-five of the 67 aports critics who participated in the eighth annual AP

poll selected Patty Berg of Minneapolis as the overwhelming choice for No. 1 woman athlete of 1938. Miss Berg, who climaxed a brilliant golf campaign by winning the national championship, drew four times as many first place nomina-

tions as her closest competitor.
The Edward J. Neill memorial medal, perpetuating the memory of the grand boxing writer and war correspond-ent who was killed in Spain a year ago, went to Jack Demp-sey as the man who has done most for the fight game in 1938. The New York

Boxing Writers as-sociation, medal do-nors, voted Henry Armstrong hon-orable mention for the award.

Yanks Are Best Team

In a victory as decisive as their American league and World Series triumphs, the New York Yankees were named by AP writers as the outstanding sports team for 1938. Joe McCarthy's Bombers, who created a new all-time record by whip-ping the Chicago Cubs, four games to none, for their third successive world baseball championship, were placed at the top of the heap by 61 out of 67 writers.

And last but not least—Charles B. Howard's Scabiscuit was awarded the turf's highest honor when ad-judged the outstanding race horse of the year in a nationwide poll of turf and sport writers conducted by the Turf and Sport Digest. Seathe Turf and Sport Digest. Sca-biscuit won six races in 11 starts, finished second four times, and was third once during his 1938 campaign. His earnings were \$130,395, boosting his all-time winnings to \$340,480, placing him second to Sun Beau's \$376.744 all-time record.

It is entirely natural that not everyone will agree with the choice made by the critics. There are bound to be close decisions, but keep in mind the fact that sports authorities from everywhere had a

Football in France

FOOTBALL has taken many a rap I during the wane of the past sea-son, and the latest back-handed boost takes on an international as-

The American game made its dehat before sports-loving Frenchmen recently, and the verdict was that the best thing about the game is the "huddle."

A troupe of American footballers coached by Jim Crowley of Fordham played their first exhibition game in Paris, where thousands cheered the former collegians.

Several other exhibition games were scheduled for the U. S.

The game was described as a "combination of Rugby, soccer, wrestling and bullfighting," and "very much like a collision between an automobile and a bus."

The experts, however, were in-trigued no end by the huddle, though perhaps they were a little mistaken

as to its true purpose.

"It is by far the most interesting part of the game," one sports writer said. "It is apparent they gather to cheer, in the spirit of true sportsmanship, before each play."

Golf's Money Wizard

W ITH one major tournament left to play, Sammy Snead, links wizard from White Sulphur Springs, W. Va., has emerged as the greatest money winner in all pro golf history, accounting for \$19,039 prize money during the past year.

Snead's fairway income was announced by Fred Corcoran, tournament bureau manager for the Professional Golfers association, who worked in eight hour shifts to arrive at the total.

Johnny Revolta ran a poor sec-ond, annexing \$8,553 in eash prizes. Harry Cooper of Chicopee, Mass., leading money player of 1937 with \$14,300, landed in third place with only \$7,765.

Others high in this year's money Others high in this year's money brackets, announced by Corcoran:
Paul Runyan, White Plains, N. Y., \$7,475; Henry Picard, Hershey, Pa., \$6,800; Ky Laffoon, Northmoor, III., \$6,265; Ralph Guldahl, Madison, N. J., \$5,842; Jimmy Hines, Lakeville, L. I., \$5,525; Victor Ghezzi, Deal, N. J., \$4,831; Jimmy Thompson, Shawnee, Pa., \$4,750; Dick Metz, Chicago, \$4,137, and Horton Smith, Oak Park, III., \$4,058.

Uncrowned Champ

RED APOSTOLI, far and away the best middleweight in the fight business, wonders what he has to

The San Francisco be The San Francisco beilhop has knocked out Marcel Thil, the Frenchman who was generally recognized as champ; he knocked out Steele when Steele was recognized as American champion; he knocked out Sol Krieger, N. B. A. champion, and finished the list by stopping Young Corbett III.

And now he'd like to know how he can get clear claim to the title. If it can be done by polishing off Krieger again, he's more than willing to do just that at any time.

This 23-year-old lad who came out of a San Francisco orphanage to win fame and fortune is a quiet, unassuming young man, almost shy with strangers. His bashful man-ner belies his boxing instinct.

Once Freddie crawls through the ropes he's a changed man. He shuffles nervously about, smacking his fists together. He is eager to start throwing punches.

With the battle under way the

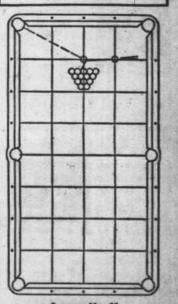
change is complete. His eyes blaze and a vicious snarl gives evidence of the same killer instinct that spurred Dempsey. He shows no mercy to opponents, and his cruelty amazes ring fans.

Five minutes after the bout he is again a bashful young man—champion without a crown.

Sport Shorts

DE PAUL university of Chicago has discontinued intercollegiate football because of "de-emphasized" gate receipts . . There will be no heavyweight championship boxing match at the Golden Gate International exposition. Mike Jacobs wanted a \$500,000 guarantee . . . Monty Stratton, Chicago White Sox pitcher who lost a leg in a hunting accident, has been offered a permanent office has been offered a permanent office job with that club . . . Michigan hunters bagged 40,637 deer in 1938.

Pocket Billiards By CHARLES C. PETERSON fational Billiard Associates and World's Tries



This diagram shows a one-third ball break shot.

When playing this shot, just forget about the cluster of balls at the left, about the cluster of balls at the sen, and take careful aim ½ left on the object ball; hold your cue level; make a firm bridge; strike the cue ball in the center; and by all means rest your cue on the table for a second after the stroke is delivered.

He also looks forward to 1940.

While gossiping over this morsel, Washington's politicians have let independent of Germany's beck-and-call is problematical. Like a child who wants cake but won't brush its teeth, King Carol has suc-

Congress Last winter Texas' Rep. Wright Patman offered congress a measure to tax chain stores out of existence.

Its gist: To levy graded assessments from \$50 per store on small chains to \$1,000 per store on large chains, each store tax to be multiplied by

Though boasting 73 co-sponsors, Mr. Patman's bill failed. Also de-feated was a New York state chain

store tax, which signified that chains had more friends than their foes had

expected. But an apparently dying

issue was revived as congress ad-journed, for Mr. Patman announced his bill would be introduced in Jan-

WRIGHT PATMAN

uary, 1939, as House Resolution No.

1. Battle lines since formed presage

chains and anti-chain agitators re-

Anti-Chain. Supporting Mr. Patman is a once-potent national trend (now questionable) which caused 21 state legislatures to enact chain store

taxes. Another state, Colorado, last month rejected a referendum to kill

a similar levy. Having won passage of his Robinson-Patman act, also an

anti-chain measure, Mr. Patman bases his new attack on familiar

charges that chains (1) force inde-

pendent merchants out of business; (2) cause low farm prices; (3) take

money out of the community.

Pro-Chain. U. S. census figures

show a decreasing number of chain stores and more independents, while

federal trade commission statistics

credit chains with distributing

\$8,000,000,000 in goods at an average

10 per cent saving to consumers. If the Patman bill passes, resultant taxes (with the Great Atlantic & Pacific Tea company, they would total more than half 1937's gross

sales) would destroy practically all chains, would reportedly wipe out 30 per cent of the farmer's market,

throw nearly 1,000,000 chain employees out of work and force a

sharp rise in retail prices. Chains

point proudly to their two-year cam-

paign of helping farmers move sur-

plus crops like lamb, beef, walnuts, apples, and canned grapefruit juice. Anti-Patmanites include the Amer-

for its 5,000,000 members (who charge the measure would increase

living costs and unemployment), and the National Association of Retail

Counting noses on the eve of congress' opening, Mr. Patman finds his 73 original co-sponsors dwindled to 32 through election defeats, while

Boards, which termed it "vicious

another has withdrawn support.

Lost, by the duchess of Windsor. the title of world's best dressed

woman, accorded annually by Par-

isian dressmakers. New title hold-

er: Mme. Antenor Patino, daughter-in-law of Bolivia's Simon Patino,

FORECAST

CANCELLATION of the 1933

concordat between Germany and

the Vatican, to precede enact-ment of Nazi laws directed

against the Roman Catholic

REVITALIZATION of Japan's

drive north and west of Canton,

to strengthen Tokyo's position in the event of a Russian war, which

INCREASE in lending power of

CANDIDACY of Franklin D.

U. S. Export-Import bank to ex-

pand trade with Latin America.

Roosevelt for the Presidency, not in 1940, but in 1944.

REQUEST by small business

men for congressional creation of a system of credit banks to meet

the needs of "little business."

is expected very soon.

tin millionaire.

church.

view their cases:

bitter contest next month, as

over 500.