

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

Europe Veers Away From War After Der Fuehrer's Speech; New Peace Overtures Possible

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FEDERAL SECURITY AGENCY Social Security Board Employment Service (from Labor Dept.) Office of Education (from Interior Dept.) Public Health Service (from Treas. Dept.) National Youth Administration (from W. P. A.) Civilian Conservation Corps	FEDERAL WORKS AGENCY Bureau of Public Roads (from Agr. Dept.) Public Buildings Program (from Treasury Dept.) Buildings Management (from National Park Service) U. S. Housing Authority Public Works Administration (to become Works Projects Administration) Works Progress Administration
FEDERAL LOAN AGENCY Reconstruction Finance Corporation Electric Home and Farm Authority Home Owners' Loan Corporation Federal Home Loan Bank Board Federal Housing Administration Export-Import Bank (from Credit Administration, Federal Farm Mortgage Corporation and Commodity Credit Corporation to be transferred to Agricultural Department)	TO THE PRESIDENCY Budget Bureau (from Treasury Dept.) Central Statistical Board (to be combined with Budget Bureau) National Resources Committee (to be President's planning agency) Federal Employment Stabilization Office (from Commerce Dept., to be consolidated with War Resources Committee)

GOVERNMENTAL REORGANIZATION (SEE WHITE HOUSE)

"To make democracy work... to ensure... free government..."

EUROPE: Prelude, Song, Postlude

Democracy was adamant one week before Der Fuehrer gave Reichstag and the world his answer to President Roosevelt's peace appeal. By four days before speech time Hitler had become adamant. Britain showed appeasement inclinations by rushing her previously recalled ambassador, pro-Nazi Sir Neville Henderson, back to Berlin. Next day, as Nazi Foreign Minister Joachim von Ribbentrop delightedly kept Sir Neville waiting outside his door, Britain indignantly inaugurated her first peacetime conscription and presented parliament with a \$6,213,000,000 budget (of which 47 per cent will go for arms). In the U. S., Secretary of State Cordell Hull warned Hitler to eschew more conquests in favor of "peace before war" via negotiation.

Poland prepared to defend her borders at all cost. With Rome and Paris waiting in straggling silence, the world finished its quavering prelude to the most vital speech Adolf Hitler will ever make:

Song. Never a brief speaker, Der Fuehrer took more than an hour to lay foundation for a point-by-point rejection of Mr. Roosevelt's peace plea, a rebuttal he interlarded with fine sarcasm. Biggest revelations: (1) Germany considers the Anglo-French-Polish non-aggression pact unfriendly, therefore denounces its 10-year friendship pact with Poland.

Postlude. Best opinion held the two-hour harangue a conciliatory refusal of Mr. Roosevelt's appeal. Said Kansas' Sen. Arthur Capper: "After listening to Hitler, I still hope Europe's troubles can be settled by peaceful methods." Informed observers left their loud speakers expecting both the U. S. and Britain to make new overtures, confident that war had been averted for the nonce, but certain above all else that Adolf Hitler positively holds the European whip hand.

WHITE HOUSE: Reorganization

"Dictator" criticism notwithstanding, U. S. governmental reorganization is substantially a sound idea if it promotes economy and efficiency by lumping miscellaneous, isolated and similarly functioning offices under a single administrator. Last year's reorganization bill stumbled partly because it might have given an unscrupulous future President too much power. Modified and passed this session, it allows the President six administrative assistants and permits him to draft reorganization plans which congress must accept entirely or reject within 60 days. Already submitted is the major portion of Mr. Roosevelt's plan (see chart above) designed "to make democracy work—to strengthen the arms of democracy in peace or war and ensure the solid blessings of free government..." Three new agencies (public works, social security, loans) will be managed by three of the six new \$12,000-a-year administrative assistants, each of which will have a \$9,000-a-year aide. Two more reorganization plans to come will (1) shift bureaus from one department to another, thus securing more logical classifications, and (2) reorganize intra-departmental machinery. Biggest contemplated objective in the latter plan, since dropped, was consolidation of all six of the treasury's investigative units, a step the President finally decided might lead to a U. S. copy of Germany's Gestapo or Russia's Orgpu.

PHILIPPINES: Problem Child

Less than a decade has passed since the U. S. fought Philippine independence demands, but tables have a way of turning. Given congressional assurance of early freedom, Philippine President Manuel Quezon hardly had time to exult before Japan turned imperialistic, swaggered into China and began grabbing off every piece of unprotected real estate within Asiatic waters. Since Japs already hold a strong commercial position in Manila, moreover since even a double-strength U. S. Pacific fleet might not be able to hold the islands against sudden attack, many Americans believe their nation should leave the Philippines before getting involved in war. Added impetus is given by U. S. agriculture's resentment over concessions to Filipino sugar.

Sensing that the U. S. was anxious to pull stakes, Manuel Quezon last year appealed to President Roosevelt and won an administration-sponsored proposal calling for political independence in 1946, the 25 per cent tariff being increased by 5 per cent a year until wholly effective in 1961. Since President Quezon will not be able to attend hearings this year, the bill is being tabled until next session. When he does arrive, Mr. Quezon will be offered an even stronger deal which members of the Senate committee on territories and insular possessions have already accepted unanimously, albeit secretly. The deal: If Filipinos will cut political ties with the U. S. in 1942, current 25 per cent tariff rates will continue until 1946 as under the administration bill. Then rates will jump 10 per cent annually until the U. S. washes its hands of the whole affair in 1953.

Still officially unannounced, the substitute bill (suggested by Maryland's Sen. Millard E. Tydings) has been hushed for fear Japan may sail into Manila immediately.

BOLIVIA: Democratic Dictator

Forbearers of Bolivia's 35-year-old President German Busch came from the country which supplied his baptismal name, but for two generations Busches have been loyal Bolivians. In 1935 German Busch emerged from the Gran Chaco war



BOLIVIA AND BUSCH His plan may work.

with Paraguay to find his country's government in horrible shape. Friendly to labor and business, boasting strong Catholic support, Youngster Busch became provisional president in July, 1937, when Col. David Toro's "socialistic" state was toppled. Last May he was constitutionally re-elected, beginning a task from which lesser men might have turned away.

Plagued by Nazism and Fascism, bankrupt and facing possible revolution if Bolivia's three Chaco war parties (Liberal, Republican, Socialist Republican) won the May legislative election, President Busch surprised the world by announcing a new type political animal, dictatorship to prepare for "a real democracy."

Observers give German Busch a good chance of succeeding. Having canceled the election, dissolved his congress and abolished constitutional guarantees on the plausible assumption that restive Bolivia does not deserve democracy at this moment, Colonel Busch is the world's first dictator to (1) invite "patriotic" criticism of his regime; (2) reject Fascism and Nazism "with pain," and (4) promise an election five to eight months hence to let Bolivia decide its own destiny.

PEOPLE: Shortstop to Cardinal?

Named archbishop of New York to succeed the late Patrick Cardinal Hayes, Most Reverend Francis J. Spellman, 49-year-old auxiliary bishop of Boston whose boyhood friends at Whitman, Mass., remember him as the town's best baseball shortstop and a better-than-average boxer. Forecast: That Archbishop Spellman will also be named cardinal at the June consistory in Rome. Appointed to the securities and exchange commission, liberal Leon Henderson, 44-year-old former NIRA board man and WPA economist.

Bruckart's Washington Digest

Restore Jobs by Helping in Sale Of Products of Farm and Factory That Is Philosophy of Head of Export-Import Bank Which Is Doing Good Work in Financing Trade With South America; Outstanding Commitments 229 Millions.

By WILLIAM BRUCKART
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WASHINGTON.—"I am supremely confident of one thing—we are making a dent in the job of getting back some of our foreign trade that was lost to other nations in the last few years. Nobody can be sure that we ever will get all of it back, but I am hopeful because this little institution of ours here is showing that it can function safely and satisfactorily."

That statement, perhaps, is the best summary I can give of the philosophy of Warren Lee Pierson, the president—and pretty largely the heart and soul—of the export-import bank. Likewise, it rather delineates the program of that little-known federal agency; because Mr. Pierson is determined to see American products, farm or factory, moving as of old into the hands of users and consumers in foreign lands. Moreover, to analyze the outlook of the man is to reach a conclusion that he believes the way to restore people to jobs in this country is to assist American farms and factories in the sale of their products.

It is curiously true that some of the federal agencies which are doing important work and doing it efficiently are least known to the general public. They have no staff of press agents; they seldom "break into print," yet they seem to be serving all of the people well.

Department of commerce reports have been showing how our exports have declined through many months. The records give one the impression that the lines on the chart, showing totals each month, are in a race to see which one can dive faster or deeper. I have wondered where we were headed, as a nation of producers. Secretary Hull's reciprocal trade treaties have been getting exactly nowhere; and have done so at enormous speed. Secretary Wallace's ideas for selling our farm products have proved to be nothing but dreams and, like dreams, they vanished the next morning, except that perhaps the next day Mr. Wallace's publicity staff announced another plan.

Solution of Unemployment Is to Encourage Industry

"What," I asked Mr. Pierson, "is the answer?" His reply was quoted as the introductory paragraph. He seemed fully to recognize all of the difficulties confronting the United States at the moment. Further, there was every evidence that Mr. Pierson is one of the few officials of government who are aware that the solution to our unemployment problem is to assist industry so that it can re-employ workers. Unless industry can be encouraged, it appears that the nation is going to continue with 10,000,000 unemployed as it has for the last few years. I found it refreshing, therefore, to hear Mr. Pierson talk about how a dozen large factories have been kept open and with relatively full payrolls because the export-import bank was able to help foreign buyers who wanted American products but could not pay cash for them.

For reasons that I will mention subsequently, however, I had some misgivings about the operations of the export-import bank. I doubted that there would be repayment of money advanced by the bank.

"Well, the default is a thing that happens to a greater or less extent wherever credit is extended," Mr. Pierson explained. "If there were never any defaults, there would be no risk attached to banking business. But, unfortunately, that element must be taken into consideration. The fact that there is credit risk is why this export-import bank was organized. Of course, there were other reasons, but the instability of some foreign governments, the lack of exchange and such conditions made it necessary for our government to step in and help those who are trying to export American-made goods."

Collateral Behind Notes Is Guarantee of Payment

"It is to be remembered that goods for export go in larger quantities and that necessarily larger sums of money are needed to handle the transactions. In addition, we have found that, in many instances, the buyers were what can be termed as good credit risks, but they were unable to make payments of such large sums at one time. Nor were the American manufac-

Speaking of Sports

Dempsey Picks Buddy Baer to Vanquish Louis

By ROBERT McSHANE

WHILE the seemingly useless search for a white hope goes on in heavyweight ranks, former champion Jack Dempsey amazed fistic circles recently with the announcement that Buddy Baer is just the lad to remove Joe Louis' crown. It was unexpected because Buddy hasn't set the world on fire. It served as quite a boost for the younger of the Baer tribe, however, and should get him a few important fights. And right now he needs them. Buddy's defeat by Gunnar Bardlund hurt him in more ways than one. He lasted only seven rounds, giving up the fight before being knocked out. Since then his courage has been questioned. It should be said to his credit that he knocked out rough-and-ready Abe Simon after-



THE BROTHERS BAER

er Abe gave him a merciless slugging for two rounds. Buddy was badly battered, and when the third round came along Simon figured it time for a knockout. Instead Baer came out fighting, defeating Simon in a whirlwind third-round finish.

It would be hard to imagine a better fighting build than Buddy's. He weighs 240 pounds, and every pound is in the right place. He has a tremendous wallop that spells curtains when it lands. All in all, he looks like a champion. But so did another Baer—Maxie.

Granted that Buddy has size, punch and a fighting heart. He lacks one essential—quick mental reaction.

Set-up for Louis

Buddy, like almost any fighter, can spot an opening. But before he decides what to do about it the opening has disappeared. That kind of a fighter would find the going all too tough against the Brown Bomber. Louis is controlled lightning. He thinks and hits fast and hard enough to blast any opponent, regardless of size.

Maybe Dempsey was right. Buddy may be the logical throne occupant to succeed Louis. At least it's hard to point at any other contender and say "there's the man." Look over the balance of the field and try to pick one. Most fans have a pet fighter, but they only hope in him, and in their hearts know that the brown boy from down Alabama way is just too good for the object of their fistic affections.

A few short months ago Max Baer was in the ring with Joe Louis. The ending of the fight was, to say the least, inglorious. Max was counted out while resting on one knee.

That fact hurt Maxie a great deal more than the actual loss of the fight. He has a long way to come back to regain the confidence fans once had in him.

Old Jack Roper was thrown into the ring against Louis with no more chance than the last chop in a boarding house. At least he gave West coast residents a chance to see the champ in action.

It would be useless to recount the fights Louis has had. There's been something the matter with every opponent. Jim Braddock was not only washed up, he was also a victim of arthritis. Tommy Farr, reminiscence of Phauling Phil Scott, stayed 15 rounds when the champ had an off night. Max Schmeling was little more than a shell. John Henry Lewis was half blind and wholly scared. He knew he couldn't stay a round. And didn't.

Revamped Par

FRED CORCORAN, tournament manager of the Professional Golfers' association, believes that par, as it is now computed, is a completely outmoded standard.

Logic, duffers to the contrary, is on his side. During the winter's P. G. A. tour the winners were 8 and 10 shots under par in almost every 72-hole tournament. Golfing topnotchers can do it every time when they're really playing in form.

Golf, with those men, is a profession and business. They work at it all day long, practicing endlessly. It has been said that when Jug McSpaden shot a phenomenal practice round of 59 in Texas, he went immediately to the practice tee and worked there for two hours. Par can't hold down men like that.

Corcoran has doped out a solution. And he believes it will be accepted in the near future. His plan:

He compares two holes, one is 330 yards, the other 415. On the present yardage basis par for each is four. The 350-yard hole is straightaway, there are no traps to speak of and no out-of-bounds bordering the fairway. The 415 yarder's green is guarded by a pond, it is heavily trampled and has out-of-bounds to the left of the fairway and beyond the green.

According to Corcoran's system the 350-yard hole would be given a value of four. With that as a basis, the second hole would be rated at four and four-tenths. Then, by totaling figures for each hole, par would be set.

The idea certainly has merit. It is much more flexible than is the present method, and its adoption would save Old Man Par from the severe beatings he has taken in recent years.

Shining Road

ONE of the reasons baseball is a shining road to thousands of American youngsters is shown in the national treasury's annual salary report. The road should shine—it's paved with gold.

Hank Greenberg of the Detroit Tigers is the highest paid player in baseball today, and with the lone exception of Babe Ruth, the highest paid of all time.

In 1937 the Detroit Base Ball company paid Greenberg \$38,500. Income tax returns for 1938 have not been checked as yet, but it is taken for granted that Hank's salary was not reduced last year, and that his last year's record gave him an increase.

Mickey Cochrane received \$45,000, that amount representing three salaries, one as player, one as manager and the other as club vice president.

The New York Yanks paid Lou Gehrig \$36,000 in 1937, advertising him as the highest paid ball player of today. Internal revenue department figures established the fact that Greenberg led by \$2,500.

Bill Dickey—regarded by many as baseball's best catcher—received \$18,000 from the Yanks. Gabby Hartnett, playing manager of the Chicago Cubs, received \$17,535. Billy Herman, second baseman, \$17,000.

Dick Bartell, former shortstop with the New York Giants, now with the Cubs, received \$17,000. Mel Ott, Giant outfielder, \$17,500.

Babe Ruth is still the holder of the high salary record in baseball. The Yanks paid him \$70,000 in each of three years—1927, 1928 and 1929. In 1930 and 1931 he was paid \$30,000, and in 1932, \$75,000.

Sport Shorts

IN HIS early baseball days, Bill Terry was once sold to the Knoxville club for \$750. He thought that was too cheap, so he didn't report.

Dr. John Bain ("Jock") Sutherland, former Pittsburgh university football coach, recently accepted an appointment as chairman of the Pennsylvania state board of oral hygiene. He will organize and coordinate dental clinics.

Jim Braddock, former heavyweight champion, received \$51,983 from the Braddock-Gould enterprises in 1937. Marquette and University of Detroit will renew athletic relations next year after a lapse of five years. There were 19 pitchers in the major leagues, and 8 in the National, who won 15 games or more last season. Paul Waner has won the National league batting championship three times. Fred Hutchinson, Detroit's young \$50,000 pitcher, is still a mystery man. His control has been lacking so far this season and he probably needs another year to season.