

WEEKLY NEWS ANALYSIS BY JOSEPH W. LaBINE

New Deal Will Seek Re-election On 'More-of-Same' Platform; Compromise Seems Impossible

(EDITOR'S NOTE—When opinions are expressed in these columns, they are those of the news analyst and not necessarily of this newspaper.)
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POLITICS:

Pronouncement

"You cannot expect this administration to alter the principles and objectives for which we have struggled the past six years!"

This was a campaign speech, thought members of the American Retailers association who heard Franklin Roosevelt's first pronouncement of New Deal policy in five months. Ordinarily such remarks are not surprising, but 1939 is a crucial legislative-political year in which the groundwork is laid for next year's election, and in which White House and congress must adopt and set in motion the program on which they will stand for re-election. The inevitable program: More spending, no concessions to business, no balancing of the budget.

A big national debt is nothing to fear, said the President, because part of it is offset by debts owed to the government through loans made on a "business basis" by federal lending agencies. Another part is invested in federally owned enterprises (like Boulder dam) which will pay out over a period of years. Generally speaking, he thought that

majority will be paying taxes to pay interest to the small number of families owning (government) bonds." Significance. Mr. Roosevelt's speech, resultant congressional spending, opposition to removal of alleged business deterrents and a rebirth of theorizing constitute the absolute antithesis of any effort to bring insurgent Democrats back to the fold in time for 1940. There can be no compromise; New Deal forces will carry the 1940 convention by forcing through a simple majority nomination rule, or they will strike out for themselves as a new party, leaving insurgent Democrats to put up their own candidate or join the Republicans.

NAVY:

Submarines

Checking its records after rescuers had brought up 33 live and 26 dead passengers from the submarine Squalis, the U. S. navy department could be both proud and abashed over its record since the first underwater craft failed to come up 25 years ago.

Reason for pride: Though 62 of her 90 odd submarines are over the accepted age limit, the U. S. has had no mishap since 1927 when the S-4 sank off Provincetown, Mass., with a loss of 40 lives. Another source of pride: U. S. submarine mishaps have been singularly fortunate compared with those of other maritime powers. Total loss of life in five U. S. accidents is 139; in six British accidents, 217; three Japanese, 215; two French, 106; three Russian, 170.

Reason for being abashed: Italy, the world's No. 1 submarine power, has experienced but one disaster.

MISSOURI:

Nephew Jim

Stone walls do not always make a prison. The walls of Alcatraz and Terminal island which have held Al Capone seven years did not stop his syndicate from ruling Chicago's underworld. Nor will the 15-month sentence at Leavenworth facing Kansas City's "Boss" Tom Pendergast keep that hearty away from Missouri politics. Convicted for evading federal income taxes, Tom Pendergast finds himself back where he started the day he inherited Kansas City's political machine from Brother Jim Pendergast. Today another Jim Pendergast—old Jim's son—is running the show while his uncle languishes in prison.

Looking ahead, Missouri politicians find that 1940 brings elections for a governor to succeed Lloyd C.

Congress. A spending spree succeeded the once highly vaunted economy campaign as house conferees approved the \$1,218,666,000 agricultural appropriations bill carrying \$338,000,000 in unbudgeted grants to farmers. Sentiment rose high for a \$500,000,000 public works appropriation, providing funds for another pump-priming program.

New Dealers. Since Mr. Roosevelt refused to alter his "principles and objectives" for the 1940 campaign, New Deal theorists felt safe in trying to sell unhappy U. S. business on the wisdom of accepting the present relationship between government and private enterprise. Turning economist for the moment, Secretary of Agriculture Henry A. Wallace urged that idle money be started moving again.

Simultaneously, before the senate's monopoly investigating committee, Assistant Secretary of State Adolf Berle Jr. not only scored idle dollars but suggested the U. S. do something about it. His plan: Junk our "obsolete banking machinery" which leaves small business "starved," creating in its stead government-sponsored capital banks and government-insured loans for small business.

Conservatives. A rebirth of spending and theorizing gave disgruntled anti-New Dealers a field day. Chief antagonist was Virginia's Democratic Sen. Harry F. Byrd, who commented on the next fiscal year's minimum total appropriation of \$10,000,000,000 (a peacetime high): "We have not been able to purchase prosperity on borrowed money, and the continued effort to do this will inevitably lead to disaster."

Mr. Byrd's chief complaint was against the President's minimizing of the national debt. Granting the money is owed domestically, Mr. Byrd thought most of it was held by banks, and consequently "the vast

LABOR:

Borrowed Leaf

In 1903 a Danbury, Conn., hatmaking firm sued United Hatters of America for instituting a nationwide boycott when denied a closed shop. After the U. S. Supreme court ruled the boycott was a restraint of trade under the Sherman act, a \$74,000 verdict was awarded against the union, was trebled (as provided by the Clayton act), but finally dropped when a deputy marshal found 10 years later that he could collect nothing.

Last April 3 a federal court jury awarded Philadelphia's Apex Hosiery mills a \$711,932 judgment against C. I. O.'s American Federation of Hosiery Workers for damages suffered in a 48-day sitdown strike during 1937.

Even as this case was being appealed, Republic Steel corporation borrowed a leaf from hatters and



REPUBLICAN TOM GIRDLER Matched C. I. O. for 2 1/2 million.

hosiery makers to enter the latest in a series of cross suits growing out of the "Little Steel" strike in 1937. As if to answer one suit, which demands \$2,500,000 in back wages and damages from Republic, Tom Girdler's company retaliated by demanding \$2,500,000 damages, costs and attorneys' fees. Trebled under the Claypool act, the total suit runs to \$7,500,000.

Chief values of the suit appear to be (1) neutralizing the damage claims made against Republic by C. I. O., and (2) focusing national attention on ineffectual employer-employee relations at a time when congress would just as soon adjourn without amending the Wagner labor act. Though he matched this setback by signing up coal miners in Kentucky's heretofore unorganized bloody Harlan county, John Lewis healed no wounds by allowing 13,000 employees to strike at Detroit's Briggs body manufacturing plant. Within 24 hours 65,000 workmen in assembly lines dependent upon Briggs bodies were idle.

EUROPE:

Parallels

Some 30 years ago was born a fearsome triple entente designed to safeguard peace. Its members: Russia, France and Britain. Meanwhile Italy was joining the Austro-German alliance and Europe's power seemed hanging in the balance.

In 1939 the history that repeats itself has popped up once more; Europe's power division parallels that of pre-World war days except that part of the old Austrian-Hungarian empire is now independent. Italy and Germany are bound in military unity while France, Britain and Russia are again side-by-side.

Examining the new status quo in comparison with pre-war Europe, observers find the triple entente even stronger now than then, Adolf Hitler's trumpet-blasting to the contrary. Devoid of colonies, befriended in Europe only by Italy and Hungary, the Reich is completely encircled by anti-aggression powers.

Trend

How the wind is blowing . . . JOBS—Of 100 universities and colleges surveyed by Minneapolis' Northwestern National Life Insurance company, 63 find greater demand for graduates than a year ago.

STAMPS—Coin-operated mail boxes which weigh letters, stamp them and drop them into a depository for collection, are being installed at New York.

POWER—Of 1,670,000 American horsepower, 92.7 per cent constitutes transportation horsepower, installed exclusively to move people and goods.

FOOD—U. S. bureau of dairy industry scientists have perfected a new food article with two surplus products—skim milk and cull potatoes. These, with a little salt added, are made into wafers, chips, sticks or croutons, and oven dried to crispness.

Bruckart's Washington Digest

President Wades Into Political Buzz Saw on Argentine Beef Deal

Affair Costs Mr. Roosevelt Dearly in Personal and Political Prestige; Executive's Explanation Never Caught Up With His Original Statement About Transaction.

By WILLIAM BRUCKART
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WASHINGTON.—When I was a kid on the farm, my father used to warn me against getting too close to the big saw that was used to cut up wood for our kitchen stove—the old buzz saw, it was called. He was right. It could have done to me exactly what it did to logs of oak or hickory. Many times since those days, I have thought of the wisdom of those warnings as applied to other acts of life. And, the other day, I thought of how much trouble President Roosevelt could have avoided if only his advisors had guided him away from the buzz saw of Argentine canned corned beef.

It must be painfully evident to the President and to his advisors now that he waded right into a few million political buzz saws when he instructed the secretary of the navy to buy canned beef from the Argentine Co-operatives, Inc., for use of Uncle Sam's blue jackets. As a matter of fact, most of the President's stalwart supporters not only recognize that he got his hands badly mangled in the saw, but that he failed to have a "doctor" handy in the form of an offset for the grievous political error.

But the details of the situation ought to be reviewed in order fully to understand why so many people are saying that the Argentine beef affair has already cost Mr. Roosevelt dearly in political and personal prestige. Many are saying, indeed, that the cost has been greater than his ill-fated and badly judged plan to change the makeup of the Supreme court of the United States. All of the facts ought to be stated clearly for the reason that none now can foretell how widespread this prairie fire will be. Obviously, the Republicans will use it as ammunition in their warfare, and in all probability quite a large segment of old line Democrats are laughing up their sleeves about the damage the beef case will do to their pet hates, the New Dealers surrounding the President.

Facts of Argentine

Corned Beef Affair

Briefly, the facts are these: Pursuant to law, the secretary of the navy called for offers to sell the navy certain quantities of supplies, including 48,000 pounds of canned corned beef. The law says that government agencies must award the contracts to the lowest responsible bidder—the bidder regarded as able to fulfill the requirements of the navy. There is, however, another law that says, in substance, the government must award the contracts to a firm of citizens of the United States and that the products be made from the United States—provided they are equal to or better in quality than a foreign-made product and that the price is not too much higher than the foreign bid. The reason for this being, obviously, to encourage business in the United States and give jobs to our citizens for whom, as a national policy, the American standard of living must be maintained.

So, there is, first—quality and price, and, second—national policy. The bids on corned beef reached the navy offices. Argentine Co-operatives, Inc., offered to sell the 24 tons of corned beef at about 16 cents a pound. The nearest bid from the United States was approximately 23 cents a pound. In addition, there is a tariff duty of six cents a pound that is applicable to imports of beef—placed by congress to protect cattle growers in this country.

Navy officers felt there was considerable difference, but they were unwilling to assume responsibility for what some critics might say was a violation of the "Buy American" law. In the course of the consideration, the department of state learned of the situation, and Secretary Hull took a hand. You see, Mr. Hull has been having his own troubles with United States relations with the Argentine government. It has been necessary to prohibit importations of fresh beef from the Argentine because there is so much foot and mouth disease in the vast reaches of Argentine grazing areas. It has even become necessary to forbid the Argentine government to bring in steaks for use in its government pavilion at the New York World's fair. That did not leave a good taste in the mouth of the Argentine people. Mr. Hull was anxious to make a peace offer of some kind or another.

And it is to be remembered, too, that Mr. Roosevelt has been striving to knit North and South American nations together under his good neighbor policy. It would be a friendly gesture to buy something. Besides all of these, there is Mr. Hull's reciprocal trade treaty policy that needs bolstering every now and then. There was little mention of this phase; yet it seems reasonable to assume that it was in the back of the official mind.

President Became Tangled Up With the Buzz Saw

The question was put on Mr. Roosevelt's desk. He decided that the contract should be given the Argentines. That happened about the middle of April. There was no flurry about the matter then because few persons knew of the transaction. Eventually, however, information about the award leaked out and somebody asked Mr. Roosevelt in a press meeting whether it was true. That was where Mr. Roosevelt really became tangled up with the buzz saw.

Now, it is well to know that Mr. Roosevelt likes to talk. He also insists on telling the news writers all about a given situation—if he talks at all about it. He is decidedly fair that way. He talked at great length about the problem and the result of his speech to the writers was numerous headlines which read something like this: "President Roosevelt Orders Navy to Buy Argentine Canned Beef—Foreign Product Found Cheaper and Superior in Quality, President Says."

Came Outbursts on Floors Of the House and Senate

Within a few short weeks, Mr. Roosevelt's political hands were torn and bleeding. He was being ridiculed because he frequently referred in political campaigns to the need for helping "our undernourished one-third, our ily clad and ily housed" people. There were outbursts on the floors of the house and the senate. The New Deal leaders in congress could do nothing about it. The representatives and senators from the cattle country were denouncing his action and one whole day was occupied in the house of representatives where the President's political body was torn limb from limb.

The heat of the battle became so great that the house committee on appropriations which happened then to be considering the annual naval appropriations bill took action. It included in that bill, a prohibition that will prevent such a thing ever happening again. They were shouting: "The idea, feeding our navy men on Argentine beef," etc. Obviously, under such circumstances, the prohibitory clause was accepted by the house and the senate and it will be the law of the land.

Explanation Never Caught Up With Original Statement

Subsequently, Mr. Roosevelt sought to explain what he meant by the statement that Argentine beef is superior in quality. He pointed out that the Argentine practice is to can better cuts of beef because of the slack sale for fresh meat in that part of the world. But the explanation never has caught up with the original statement, and it never will.

When this attempted explanation came from the White House, I heard an old time political battler at the capitol observe: "That is mistake No. 2. One of the first rules in politics is 'never make a statement that you have to explain.' If you do, your explanation will get you into trouble. It is better never to explain anything."

Yet, in fairness, it must be observed that the price in the United States and the price the government must pay, therefore, results from a combination of circumstances. Our national policy for years has been to encourage what we advertise as the American standard of living. To that end, congress has passed laws, many of them. The Walsh-Healy act, for example, says that the government may not buy from any manufacturer who does not comply with stated requirements as to hours and wages for work. There is the so-called fair labor standards act—the wage and hour law—for another. Fifty more could be named.

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Speaking of Sports

Olympic Funds Are Headache To Committee

By ROBERT McSHANE

ONCE every four years Uncle Sam must find a way to raise funds with which to send amateur athletes to the Olympic games, wherever they are held.

This year the Olympic committee will stage a "stamp day" to raise the \$400,000 necessary to transport and care for athletes at the Finland games. Which means the committee will have to take upon itself the trouble and expense of selling sufficient stamps to pay the way for a delegation representing the U. S.

Several countries grant government subsidies to Olympic teams. This country does not. The U. S. team is dependent entirely upon the proceeds of a "tag day," "stamp day," or some other similar well-meaning but inefficient method of raising money.

Just as regularly as the games themselves, the committee, under the direction of President Avery Brundage, is forced to report, near the end of the fund campaign, that sufficient funds have not been forthcoming and that it may be necessary to curtail the number of athletes to cut expenses. It isn't the best publicity for Uncle Sam when word reaches other countries that the richest nation in the world cannot afford the comparatively small expense incurred by its athletes.

Not long ago Arthur Eilers, executive secretary of the Missouri Valley conference, wanted to add one penny tax to the price of each big college football ticket annually. Though this would be put into practice in only the larger schools, the proceeds would be such that the committee could forget all about their money worries. There would be sufficient revenue to meet any and all expenses of the team.

A. A. U.—College Friction

The surprising feature is that the Amateur Athletic Union, godfather to America's Olympic teams, flatly refused Eilers' offer. At least one logical reason for the refusal has been advanced. It is the friction between the A. A. U. and the colleges for control of the Olympic team. In the past, and to a smaller degree at present, the colleges



AVERY BRUNDAGE . . . is usually forced to report insufficient funds and possible curtailment of America's team.

felt they should control the committee due to the large number of college men on the teams. In addition, many of the other athletes out of school for only a short time, were coached and trained by college mentors. To some degree this friction has been removed through increasing college representation on the committee.

It is to be regretted that the committee takes this stand. As a business proposition it leaves little to be desired as a means to raise money with which to meet Olympic expenses. No one who could afford from \$1.50 to \$5.00 for a football ticket would object to paying one cent extra for such a worthy cause. This fund could be handled at no additional cost by the colleges, and would eliminate the expenses associated with the printing, distribution and selling of stamps.

On the basis of one cent per ticket any football game drawing 50,000 spectators—not an unusually large crowd—would contribute \$500 to the fund. Many games draw almost twice as many. So it would be a simple matter to collect the necessary \$400,000 in four years. Only 800 games with an attendance of 50,000 each would guarantee that amount.

Until the committee finds an acceptable plan, Olympic teams will be forced to rely upon voluntary contributions from the public. At best this method is inefficient and unwieldy and leaves much to be desired.

The End in Sight?

ALL is not quiet on the Western conference football front. This was brought to light when Big Ten athletic representatives met recently to discuss the matter of recruiting and subsidizing football players.

The officials evidently realized that they have dealt in generalities all too long, and have decided to take direct action. And back of this direct action is the desire to start a nation-wide movement which will sharply divide intercollegiate athletics into two classes—one class operating on the "play-for-pay" basis, and the other simen-pure as regards the subsidizing of athletes.

Western Conference Commissioner John L. Griffith is not unaware that various Big Ten schools may have sinned in the matter of paid athletes. But he proposes that the



MAJ. JOHN L. GRIFFITH

conference be put in order so the Western conference can refuse to play any of the "play-for-pay" group when schedules are being considered.

In his own words: "It is manifestly unfair competition for a school which may have boys actually working their way through school in a legitimate way asked to meet boys who are subsisting on a regular 'salary,' as is the case in some sections."

On the heels of this meeting came the announcement from Ann Arbor that 50 University of Michigan athletes, representing every varsity sport, strongly advocated a play-for-pay policy in the Big Ten. The athletes, in a letter to the campus newspaper, claimed there is a great deal of ignorance "of the conditions under which members of the university teams are forced to live; the difficulties they face in financing their education, and the sacrifices they make for their college."

This letter fully endorsed a recent editorial appearing in the college paper which called for three months a day for football players, tuition scholarships for all athletes, and action through the Big Ten athletic organization to provide for standard rules of subsidization for all schools of the conference.

Contrary as they may seem, the opinions of both students and officials have something in common. The students want open, above-board subsidization. The officials want none of it. But they both want an end to the present underhanded system. It is unlikely that much regard will be paid to the undergraduate requests. Most college boys are apt to overshoot the mark in attempting to win their point.

Never has there been a more logical time for schools throughout the nation to solve once and for all the question of paid players. Not even the most optimistic can find anything to be proud of under the present system. It teaches youthful athletes that the only crime is in being caught and that clever cheating pays good dividends.

Regardless of the outcome, any change will be an advantage over the present hip-pocket system of proselytizing and subsidization.

Sport Shorts

A TEAM of six Argentine golf professionals will tour England this year . . . The Rood twins, Carl and Bill, who are 5 feet 8 inches tall and weigh 135 pounds each, are co-captains of the University of North Carolina tennis team. Each won nine and lost one of their first 10 1939 singles matches . . . Tony Lazzari was the fourteenth player Bill Terry has tried at third base since he became manager of the Giants seven years ago . . . Casey Stengel says he changed from an ordinary to a good hitter when he learned to hit that outside ball to left instead of pulling it . . . Madison Square Garden in New York claims a record softball game of 16-18 for a benefit game staged by Bob Ripley. (Released by Western Newspaper Union.)