

# BRISBANE THIS WEEK

Nice Lump Sum  
The President at Work  
Free Tombstone  
Button-Pushing Days

Congress will give President Roosevelt a lump sum, a considerable lump of four thousand million dollars, to let him change from the system of doles and imitation jobs, "picking up leaves and pieces of paper," to real jobs and useful work.

In his new White House offices, President Roosevelt is at work on a "social security program," which will include unemployment insurance and old age pensions. The idea is to let pay rolls contribute to the cost of insurance and pensions. This might work well with normal pay rolls.

You hope that the President, in his wisdom, will include in any "security" program security for the nation, in addition to security for individuals, old or out of a job.

Unemployment insurance and old age pensions would do little good if a few thousand planes came flying from Europe or Asia to bomb our cities and spray them with poison gas. If they came now, they could do exactly as they pleased. We have no way of interfering with them.

Bruno Hauptmann's musings on fate's vagaries were interrupted the other day by a strange offer from Mr. Standish Hartman, who owns the old Flemington stone works, manufacturing tombstones, just opposite the Hauptmann jail.

Hauptmann was told, "If you are sent to the electric chair I will let you pick out your own tombstone, free, and help you write the epitaph. I will make it a work of art that people will go a long way to see, one that any man would be proud to have."

It should take genius to devise a tombstone that "any man would be proud to have" if he got it after being executed for murder.

A day is coming when no man will do any work harder than pressing a button, and science, incidentally, will make crime obsolete.

For instance, the Joliet (Ill.) jailer sent a fat "trusty" outdoors for a cigar, and the automatic "electric eye" at the gate saw him, flashed a light and the innocent fat "trusty" was searched. A small metal shoehorn was found in his big loose shoe.

The electric eye flashes when anybody passing the gate has any sort of metal in his possession. No prisoner's friend hereafter can take in a pistol, rifle or steel saw.

If you buy alcoholic drinks, buy from dealers in whom you have confidence. The federal government has seized one million one hundred thousand empty whisky, wine and liquor bottles to prevent bootleggers refilling them with bootleg supplies.

An empty whisky bottle, bought for two cents, filled with eight cents' worth of bootleg whisky, may mean profit for the bootlegger and mean poison for the consumer. Buy from a retailer whom you trust, who buys from those who manufacture legally, and buy brands that you know.

To comfort those appropriating and spending large sums of public money fighting the depression it can be said, quite reasonably, that there would be no danger in spending \$100,000,000,000 more, considering that the normal income of the United States, in really good times, is close to \$100,000,000,000. If a man spent one or even two years' income to settle all his troubles you'd think the price reasonable.

It would be a silly mistake, of course, to issue the \$100,000,000,000 in bonds and pay out another \$100,000,000,000 for interest, unnecessarily. That needs to be said and will be said quite often.

To remind that Harry MacCracken, seventy-five-year-old retired cattle puncher, jumped up when a bandit told him to sit still, and "drilled" the bandit through the shoulder, is mildly interesting. It is more interesting to read that it happened in a "suburban liquor store" of Colorado, where MacCracken spends his time sitting by the stove, "whittling." To sit whittling by a liquor store-stove seems a strange occupation for one seventy-five years old, who knows that time is whittling away his few remaining days.

The AAA asks congress for complete authority over all crops, all farm activities, and for \$40,000,000 to \$50,000,000 to move farmers from poor farms to better farms.

It is all benevolently planned, but many a farmer would prefer to stamp his foot and clap his hands in the old independent way.

The end of prohibition has not yielded all that was promised, and hoped for, in reform and in cash. Two-thirds of all the whisky sold is still bootleg whisky. That cheats Uncle Sam, and poisons many with bad whisky.

In big New York city, many went to hospitals after a "gray New Year's eve." It is little consolation to know that the number of alcoholism cases was somewhat smaller than during prohibition years.

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## CURRENT EVENTS PASS IN REVIEW

EIGHT AND A HALF BILLION DOLLAR BUDGET OFFERED BY THE PRESIDENT.

By EDWARD W. PICKARD  
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BECAUSE work relief must be carried on the federal budget will not be balanced for the coming fiscal year, and probably not for several years thereafter. In presenting the budget to congress, President Roosevelt admitted this, but without qualms. He estimated \$8,520,000,000 as the amount of money necessary to carry on the government's activities for the 1936 fiscal year beginning July 1 next. The expenses for the current year, partly estimated, are \$8,581,000,000.

If one wishes to know who spends all these huge sums, an idea may be obtained from these figures showing the estimated expenditures for the fiscal year 1936:

1. Legislative, judicial and executive	36,595,000
2. Civil departments and agencies	788,057,169
3. National defense	792,484,265
4. Veterans' pensions and benefits	704,885,500
5. Debt charges	878,000,000
6. Interest	878,000,000
7. Retirements	636,434,000
8. Refunds	64,946,200
9. Recovery and relief	4,582,911,475
10. Supplemental items (for above groups 1 to 4 inclusive)	49,000,000
<b>Total expenditures</b>	<b>\$8,520,413,608</b>

Total receipts for the same period are put at \$3,991,004,639, so the estimated deficit will be \$4,528,508,970.

Of the recovery and relief fund the President asked that \$4,000,000,000 be placed at his disposal to be allocated by him "principally for giving work to those unemployed on the relief rolls."

Here are some other vital things disclosed by the message:

The national debt will increase from \$31,000,000,000 at the close of this fiscal year to \$34,230,000,000.

No new taxes are requested. Congress is asked to continue the so-called nuisance taxes which expire soon and the 3-cent stamp rate.

A national defense appropriation of \$899,948,065—the greatest in the history of the country—is requested.

A total of 137,134 federal workers are to be dismissed.

The \$2,811,000,000 gold profit has not been disturbed.

Veterans pensions in 1936 will reach the staggering total of \$704,885,500.

The accumulated New Deal deficit for three years on June 30, 1936, will total \$11,700,000,000.

While the trend of recovery and relief expenditures is downward, regular federal expenses will increase. This is due in part to a 5 per cent pay restoration for federal workers which involves \$65,000,000.

It seemed certain that some of the President's proposals would start bitter fights in congress. Old line Republicans insisted that such "squandering" of the nation's resources would lead to inflation and bankruptcy. The more radical legislators thought that four billions for work relief was not enough. Lots of senators and representatives resented the President's request for a free hand in allocating that fund, feeling he was infringing on their prerogatives. But the administration forces in congress are so overwhelming that there was no doubt that the budget would be accepted as presented.

PRESIDENT ROOSEVELT in his message to congress, delivered in person at a joint session, offered the law-makers a "new and greatly enlarged plan" of work relief. He did not estimate its cost, but asserted that the system of outright doles should be dropped and the government should undertake projects of slum clearance, grade crossing elimination and other public works that would give employment to about 3,500,000 persons now without jobs. The figures to be proposed for this were reserved for his budget message, but he assured congress that they would be "within the sound credit of the government."

Mr. Roosevelt declared the gains made in the year 1934 were greater than the losses and expressed "a strong hope in the coming year." He reasserted his belief in the "profit motive" but uttered a warning against wealth "which, through excessive profits, creates undue private power over private affairs, and, to our misfortune, over public affairs as well." This, naturally, was taken as applying especially to the public service interests, which have been so apprehensive of the administration's intentions.

As for a legislative program, the President made no attempt to outline one, but he did promise that definite legislation soon would be proposed covering old age and unemployment insurance, benefits for children and mothers, and other features of his social security plans.

He declared the nation was making headway toward the "new order," but under the framework of the Constitution, and he spoke of the increased industrial activity, benefits to agriculture and profits to merchants that have been realized. Then came this stern warning:

"Let him who, for speculative profit or partisan purpose, without just warrant would seek to disturb or dispel this assurance, take heed before he assumes responsibility for any act which slows our onward steps."

The President reported an unsettled condition in the foreign field, with the resurrection of old jealousies and passions and new strivings for armament and power in more than one land, adding:

"There is no ground for apprehension that our relations with any nation will be otherwise than peaceful."

Discussing the matters that will be brought before congress for action, Mr. Roosevelt said:

"Among the subjects that lie immediately before us are the consolidation of federal regulatory administration over all forms of transportation, the renewal and clarification of the general purposes of the national industrial recovery act, the strengthening of our facilities for the prevention, detection and treatment of crime and criminals, the restoration of sound conditions in the public utilities field through abolition of the evil features of holding companies, the gradual tapering off of the emergency credit activities of government, and improvement in our taxation forms and methods."

"We have already begun to feel the bracing effect upon our economic system of a restored agriculture."

"The hundreds of millions of additional income that farmers are receiving is finding its way into the channels of trade."

"The farmers' share of the national income is slowly rising. The economic facts justify the widespread opinion of those engaged in agriculture that our provision for maintaining a balanced production gave at this time the most adequate remedy for an old and vexing problem."

"For the present and especially in view of abnormal world conditions, agricultural adjustment with certain necessary improvements in methods should continue."

PETROLEUM control provisions of the National Industrial Recovery act, specifically section 9 (c), are held by the Supreme Court of the United States to be invalid as unconstitutional abridgment of legislative power to the President. Eight of the justices united in rendering this decision, Justice Cardozo alone dissenting, and it was read by Chief Justice Hughes.

The section declared void authorized the President to ban interstate shipment of "hot" oil—that is, oil produced in excess of state quotas.

While the opinion did not deal with other phases of the recovery act, it aroused widespread speculation as to disposition of other cases. This was the first major "New Deal" case to come before the court. Some legal authorities pointed out that application to the act generally of the principle found untenable in this case might undo much recovery legislation.

The petroleum code itself was not involved in the decision. However, the decision was believed to finish the work of the federal tender board established as a regulation issued under authority of the provision involved.

Emergency legislation by congress to remedy the situation and to meet the objection of the court was reported to be an immediate likelihood.

THE Seventy-fourth congress, elected on the sole issue of support of the New Deal, began its first session on the dot and devoted its first day to the organization of the two houses and the swearing in of new members.

The lawmakers assembled in the Capitol were a serious looking lot, and with reason, for they have on their hands a big job, that of making the New Deal permanent; and in the doing of it they must solve some of the most perplexing problems that our national legislators ever have faced. It would seem that the Democrats will have no trouble in passing any legislation they wish, for they have an overpowering majority.

In the speaker's chair sits Joseph T. Byrns, chosen unanimously by his fellow Democrats. He is too much of a compromiser to suit many of them, but is now tied to the administration, which declined to oppose his election. John H. Bankhead of Alabama, like Byrns one of the old school, won the leadership of the house after a brief struggle. Senator Joseph Robinson of Arkansas was re-elected majority leader of the senate, and Senator Lewis of Illinois continues as whip.

In their pre-session caucus the Democrats voted to reduce materially the Republican representation on house committees, and decided to abrogate the 145 rule for discharging a committee and bringing a bill to vote within a week. The number now required for this action is 218.

PREMIER R. B. BENNETT of Canada, appealing for support for his administration, promises to give the Dominion a "New Deal" that bears a close resemblance to President Roosevelt's economic and social program.

Among the reforms the premier endorsed were: contributory employment insurance; a remodeled old-age pension scheme; health, sickness and accident insurance; amendments to the income tax laws to correct inequality of wealth distribution, minimum wages and maximum hours of work, and further legislation in the interests of farmers.

THERE were huge sighs of relief in the chancelleries of Europe when the success of the conversations in Rome between Foreign Minister Pierre Laval of France and Premier Mussolini was announced informally.



Pierre Laval

For two days the two statesmen discussed the points at issue between their nations and conditions in general in central Europe. Emerging from the last of their meetings, Laval, smiling broadly, said to a group of French and Italian war veterans.

"I am glad to tell you that Premier Mussolini and I are now in complete accord."

Without waiting for an official communique, those best informed said Laval and Il duce had reached a full agreement, the principal features of which are a joint declaration to preserve the independence of Austria, a five or six power pact of noninterference, and provisions for colonial concessions in Africa. The pact agreeing not to interfere with one another's internal affairs presumably will include Italy, Czechoslovakia, Yugoslavia, Austria, and Hungary; and later England, France and Rumania may be asked to adhere to it.

This Franco-Italian rapprochement, in the opinion of many high officials, will go far toward insuring the maintenance of peace in Europe, and in time may lead Germany to re-enter the League of Nations.

ISLANDS in the Pacific held under mandate by Japan, and which she says she never will give up though she has left the League of Nations, are virtually closed to foreign visitors, in violation of the treaty of Washington.

The permanent mandates commission of the league has reported that Japan announced she spent purely for civil and commercial purposes on ports on these islands are disproportionate to the volume of commercial activity. Further particulars on the expenditure were asked in the next Japanese report.

A Tokyo representative in his previous report sought to allay "suspicions" expressed in Geneva that Japan is building fortifications or constructing naval bases in the Marshall, Caroline, Ladron or Pelew islands, granted her after the World war.

The mandates commission has issued a communique saying "suspicions are constantly giving rise to comment in the world press, and one method of refuting them would be to afford free and unrestricted access to the islands for foreign travelers and vessels."

DEMOCRATS of Rhode Island surprised themselves and everyone else by gaining control of both houses of the state general assembly when a senate committee recounted the ballots from Portsmouth and South Kingston and declared two Democrats had been elected to the senate instead of the two Republicans who had been certified as winners by the state returning board. The Democratic legislators immediately organized the assembly, abolished the state appointed board of public safety and passed a reorganization bill to consolidate more than 80 agencies into 11 state departments.

PRESIDENT ROOSEVELT did not wait for the opening of congress to start his fight against immediate payment of the veterans' bonus. The commander of a Legion post in Texas wrote him for information on the matter and Mr. Roosevelt replied at length, detailing his reasons for opposing the payment. He argued that the obligation is not immediately due; that of 3,500,000 certificates outstanding, 3,038,500 veterans have borrowed \$1,690,000,000, or "more than the present worth of their bonus certificates," and that when the veterans borrowed 50 per cent of the face value of the certificates in 1931 they used the funds to discharge their debts.

This last point, according to National Commander Belgrano of the American Legion, is one of the strongest arguments for immediate payment of the adjusted service certificates.

Speaker Byrns admitted that the cash bonus bill would pass the house "because there is no opposition to it there," but he added that if the measure is finally enacted the administration will insist on some additional taxation to meet the estimated \$2,000,000,000 expenditure. It is believed the senate also will pass the bill, but leaders doubt its passage by congress over the Presidential veto that is regarded as a certainty.

TWO thousand eight hundred bills were introduced and referred to committees on the first day of the new congress. Number 1, handed in by Representative Wright Patman of Texas, provides for the payment of the adjusted service certificates of veterans immediately in cash through the issuance of greenbacks. Patman and other supporters of this plan call it "controlled inflation."

Lenke of North Dakota, Republican, introduced a measure for the liquidation and refinancing of agricultural indebtedness. The liquidation would be carried out at a reduced rate of interest, according to the bill, by establishing an efficient credit system, through the use of the federal farm loan and federal reserve banking system. Lenke also provided for the creation of a board of agriculture to supervise the program.

Continuance of the HOLC was proposed by several congressmen. The bond issue of this agency would be increased anywhere from one billion to four and a half billion dollars in the various bills introduced on the subject.

# Washington Digest

National Topics Interpreted  
by William Bruckart

Washington.—Now that the President has laid before congress his request for the new appropriations, financial students are wondering more and more when the end of this government spending is to come. It will be remembered that Mr. Roosevelt said a year ago that the total public debt should not exceed \$31,834,000,000 and that that figure should be reached around June 30, 1935. When it is considered that the present public debt exceeds \$28,500,000,000, it becomes difficult to understand how the President will succeed in sticking to his original assertion to hold the national debt at the figure named.

The Treasury department has just released its annual report and this reveals an increase in the public debt of approximately six billion dollars since June 30, 1933, an eighteen months' record. It has made the total cost of the recovery spending program aggregate something over twelve billion dollars since January 1, 1931, when the spending spree really began. To make the vast amount more readily comprehensible, if you take the time to figure it out you will find that the government has been spending borrowed money at the rate of almost twenty-three thousand dollars a minute in the last four years. To illustrate further the magnitude of this sum a figure expert here has calculated that there has been about one billion minutes since the birth of Christ and, therefore, the federal government in the last four years has added about twelve dollars to the public debt for each of the minutes since Christ came on earth.

But to get back to the present plan, presentation of the budget with its maximum outlay of around seven billion dollars recalled to some leaders the assertion by the President respecting the topmost limit for the public debt. In the budget message which he presented just a year ago Mr. Roosevelt boldly stated his belief that "the government should seek to hold the public debt" to the figure of \$31,834,000,000.

"Furthermore," he added, "the government during the balance of this calendar year should plan to bring its 1936 expenditures including recovery and relief within the revenues expected in the fiscal year 1936." The fiscal year 1936 begins next July 1. And frequent pronouncements from the White House have made it clear that a balanced budget in that time is quite unlikely. In addition, the treasury said in its annual report that taxes always lagged behind in reflecting recovery of the country. For example, income taxes to be paid on March 15, 1936, and in the subsequent installments of that year will be the result of levies on earnings of the current calendar year. No one expects earnings in 1935 to be normal. It is obvious, therefore, that the balancing of the budget in the fiscal year beginning July 1, 1936, becomes almost a physical impossibility unless the President should do the unexpected by cutting off every one of the sixty-five or more recovery and relief agencies and should cut off all federal funds for relief of the destitute. If that were done, it is estimated by fiscal experts that ordinary receipts by the treasury would come close to meeting the ordinary cost of the regularly established governmental agencies.

There had been frequent contentions by avid New Dealers that Mr. Roosevelt's second budget recommendations would provide a clear picture of his general fiscal policies. If their statements remain true, they resulted in setting up one of the most paradoxical conditions in the history of this nation.

Looking back over the whole Roosevelt period, the thing which observers have never been able adequately to explain is who or what effected the change in the President's views on fundamental financial questions. It is too obvious to precipitate an argument that the President's views have changed. When one goes back to his first message to congress or beyond that to his campaign speeches and the platform upon which he made the race for the Presidency, it is futile to attempt to reconcile those utterances with the subsequent spending and borrowing program in which his administration has indulged. It will be recalled that Mr. Roosevelt declared in his inaugural speech an intention to balance the budget and wipe out the deficit left on his lap by the Hoover administration. He went on to say that if congress in its generosity voted sums that placed the budget out of balance it was under the necessity at the same time to provide taxes to raise the excess expenditures.

Since there can be no dispute that Mr. Roosevelt's views have changed and he has acted in accordance with his own found principles, the interesting thing is who brought about the revision of views on the part of the President. Some of the President's virulent critics have asserted in the opening days of congress that Mr. Roosevelt was wholly uninformed as to the needs with which he was confronted when he was making his campaign speeches. They say he found his original promise to be all wet and he took the only alternative to stave

off a bitter row in his own party, offering much money for congress to spend.

Among the President's friends, I have heard private expressions that Mr. Roosevelt had been misled by some of the group who held his ear at the start of the administration. These men referred to a number of the so-called Progressive Republicans like the LaFollettes, Norris, Hiram Johnson of California, and Bronson Cutting of New Mexico. Several of these were so well liked by the President that they were invited to enter his cabinet. Consequently, there are those who believe that Mr. Roosevelt followed the advice of the Progressive Republican group much more closely than leaders among the old-time Democrats. Most of the Progressive Republicans are spenders at heart, according to the general view here. And they are also men who regard a balanced budget as not very important. So, while no one can say definitely what influences altered the President's stand, it certainly is regarded among observers here as being a situation in which the wind makes the straws point toward the so-called progressives as having joined hands with the President in initiating what has come to be the greatest outpouring of taxpayers' money, except in war-time, since our government was established.

Organization of the new congress has resulted in a very old cry, but it is new, since we have not heard it in fifteen years. The cry we are hearing now from Republicans and from northern Democrats is the wall that "the South is in the saddle."

While there certainly can be nothing criminal about the South being in the saddle, it provides a grand political issue both within the Democratic ranks and between the Democratic party and what is left of the Republicans in congress. It also touches a question that has been discussed many times, namely, the wisdom of the seniority rule in congress. The seniority rule provides that the oldest members in the point of service shall inherit committee chairmanships and shall have other positions of honor in the house and senate.

Out of the 69 Democratic senators only 24 come from what is known as the solid South. Of the 317 Democratic members of the house, only about 100 are thoroughly acquainted with the yell of the Confederacy. Yet in the face of this tremendous growth of Democratic membership coming out of the North and the West, the South is in the saddle more solidly than ever.

The speakership of the house went to Representative Byrns of Tennessee, who succeeded to the place made vacant by the late Henry T. Rainey of Illinois. Mr. Byrns had been Democratic leader and his promotion left a vacancy to which Representative Will Bankhead of Alabama was elected, thus moving leadership further to the South. The only plum, if it be a plum, that went north of the Mason and Dixon line was the selection of Representative O'Connor of New York, as chairman of the rules committee.

In the senate we see Vice President Garner, the presiding officer, a Texan. The majority leader is Senator Robinson of Arkansas. The powerful committee on finance is presided over by Harrison of Mississippi; the senate committee on banking and currency is controlled by Fletcher of Florida; and the committee on agriculture is headed by Smith of South Carolina. One could go on and name many others although I believe the consensus is that the seniority rule has not worked to produce as many duds for senate committee chairmanships as has occurred in the house.

Democratic leaders in the house have made certain that they will not be embarrassed this year as they were in the first New Deal congress. In that session they were constantly harassed by the radicals who sought to force votes on legislation which the President and his advisers did not want and which for the same reason the Democratic leaders did not want. The radicals accomplished their purposes by use of what is called "the rule of discharge of committees." But that rule has been amended so that to invoke it now, actually a majority of the house will have to sign a petition.

Under the previous rule, the signature of 145 members of the house was sufficient to compel the discharge of any committee from consideration of a piece of legislation referred to it for action. The necessary number of signatures was obtained in three embarrassing cases last year. The soldiers' bonus bill was brought out by that method; the Frazier-Lenke farm mortgage inflation bill was released for a house vote in the same manner.

The new house organization, however, is determined not to be embarrassed in that manner. It succeeded in Democratic caucus—binding on all Democrats—in having the original rule amended so that now there must be a majority of all house members affixing their signatures to the discharge petition before it becomes operative.

Checking Radicals

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