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News Review of Current Events the World Over

General Sales Tax Killed by Roosevelt's Opposition—Other Ways of Balancing the Budget Sought—Samuel Insull Freed by Greek Court.

By EDWARD W. PICKARD

PRESIDENT-ELECT ROOSEVELT has killed the general sales tax, for this session of congress at least, and Representative James W. Collier, chairman of the house ways and means committee, is trying to devise some other method of balancing the budget. In this effort he is being earnestly aided by Speaker Garner and the other Democratic leaders in congress. They placed emphasis on economy in appropriating government funds, examining closely the fixed expenditures, that amount to more than one billion dollars. Also they renewed their fight to bring about the legalization and taxation of beer.

When Mr. Roosevelt told in Albany that Washington reports said he was in favor of the sales tax he expressed, through a spokesman, his "horror" at the story, so Mr. Garner and the house Democratic leaders, who had said they would approve such a levy if it were necessary to balance the budget, abandoned the plan. The dispatches from Albany indicated that Mr. Roosevelt might exert pressure on congress to defeat the scheme if it were not dropped. He considers sales tax plans as belonging to two categories, the general manufacturers' sales tax, which he opposes, and the tax on special commodities such as the federal taxes now being collected on gasoline and tobacco, which he thinks should be continued for the present.

The house ways and means committee planned to begin on January 3 an exhaustive study of federal financing with Secretary Mills of the treasury appearing before it to give his views. Both Mr. Mills and President Hoover have recommended a sales tax to balance the budget.

Senate Democratic leaders, however, have expressed doubt that such a levy could be passed in that branch, and they have decided to make no efforts to attach financial legislation to the Collier beer bill as a rider.

REPORTS have been frequent that President Hoover would veto the Democratic beer and farm relief legislation and in this connection Senator Robinson, Democratic leader of the upper chamber, said in a statement that the Republican administration was engaging "in a policy of partisan political obstruction to prevent the enactment of legislation, apparently with the idea of forcing the incoming President to call a special session."

SENATOR PAT HARRISON of Mississippi, ranking Democrat on the senate finance committee, announced that after the holidays he would introduce a resolution providing that a senate committee should hold a conference with the nation's best economists, financiers and statesmen, to find the way to restore economic order.

Harrison's idea would include a study "of the whole economic situation, with a view primarily of obtaining constructive suggestions from leading economists, financiers and statesmen as to methods and policies to restore economic stability."

F. H. LA GUARDIA, the insurgent Republican representative from New York, introduced in the house a resolution to provide for the placing of capital on a five-day week basis by reducing the legal interest rate in the District of Columbia and the territories to 3 per cent, to reduce the interest rate on government securities by 2 per cent, and to cut the discount rate of government agencies to a maximum of 2 per cent.

The New York representative maintains interest rates

today are extremely high when compared with the buying power of the people and that they must come down. He said he purposely drafted his resolution in simple language and had used the five-day week illustration "so that even our bankers could understand it."

FIVE members of the senate judiciary committee have been appointed by Chairman Norris to consider the Black five-day work week bill, and hearings were announced to begin on January 5. The measure, which was introduced by Senator Black of Alabama, would limit the hours of labor on goods produced for interstate shipment to 30 a week; with six hours a day for five days. Norris, Robinson, Borah, Walsh and Black are the subcommittee, and they will take extensive testimony as to both the desirability of the legislation and its constitutionality.

QUICK work on the major appropriation bills went on in the house of representatives. The Interior department bill carrying \$43,652,904 for the fiscal year 1904 was passed after \$460,000 had been added for a heating plant at Howard university, the federally supported institution for negroes in Washington. In doing this 20 northern Democrats overrode the Democratic leadership and voted with the Republicans for the amendment. The house then went on to consider the Agriculture department supply bill.

The senate was in recess until Friday, but attempts were made to begin work on the judiciary committee beer bill by the judiciary committee headed by Senator Norris.

WHILE the congressmen were struggling with their problems, President Hoover and his party were sailing down the Florida coast, trying to find good fishing, but with small success. They made various stops but did not go ashore, receiving local dignitaries at the docks. At St. Augustine Mayor Mickler and a lot of other officials greeted the Chief Executive at the boat's rail and Mrs. Hoover received lovely bouquets, one sent by Governor Carlton and the other presented by Girl Scouts. Mail and telegrams that came aboard from time to time some of them relating to the war debts, gave the President occasional war and took his mind off the poor angling until the vicinity of Miami was reached, where the big fish were biting better.

SAMUEL INSULL, the fallen utilities magnate, was set free by the Greek Court of Appeals that considered the request of the American government that he be extradited, and he is at liberty to remain in Greece or go to any other country he may prefer. After deliberating two hours the court in Athens held that no evidence had been presented that Insull was guilty of the offenses of grand larceny and embezzlement of \$172,000, for which he was indicted by the grand jury in Chicago. It ruled that the money he was alleged to have taken might be considered a loan contracted for the benefit of the corporations involved, and that Insull obtained from it no personal profit, but acted in good faith. Greek lawyers and officials of the American legation said the decision was absolutely binding, and the latter indicated that the United States government would make no further efforts to extradite Insull on the evidence at hand.

ALARMED by the flight of money from the Union of South Africa, which has increased greatly of late, the government at Pretoria took emergency steps to remain on the gold standard. The cabinet, headed by Premier J. B. M. Hertzog, issued a decree forbidding all export of gold. It also withdrew sovereigns from circulation to prevent hoarding.

PROMINENT among those taken by death during the week was Brig. Gen. John J. Citty, retired, vice president and chief engineer of the American Telephone and Telegraph company. He died in Baltimore at the age of seventy-one years. General Citty was credited with many important developments in the fields of telephonic, telegraphic and radio communication.

During the war he was director of telephone and telegraph communications for the American army in France.

Norman E. Mack, New York member of the Democratic national committee for 32 years and former publisher of the Buffalo Times, died in Buffalo, aged seventy-four. He was one of the best loved of all Democratic leaders.

Col. Richard S. Hooker, commander of the American marines stationed in Shanghai, died suddenly at his home in that city while playing with his children.

THOUGH Japan, like all other nations, is hard up, its budget is the largest in its history, and in a statement to the diet the army office sought to explain why the military expenditures must be increased. The military system is to be readjusted and improved in four ways. The forces in Manchuria will be augmented, while those in Japan will be reduced as much as possible. Supplementary military education will be extended and improved. Army organizations are to be bettered in various ways. Supplies, such as munitions and uniforms, must be replenished.

Probably the only important business the diet will transact is the adoption of the budget. The disgruntled Seiyukai party hesitates to oust Premier Saito, though it could do so, and that gentleman is careful to propose a minimum of legislation. Korekiji Takahashi, finance minister, has announced his intention to ask power to control the exchanges, but has not indicated the method of control he proposes to adopt. The flight of capital, the value of which is left abroad to cover purchases of raw materials. How this can be checked unless export trade is controlled is not clear.

NORMAN E. DAVIS, chief American delegate to the disarmament conference and himself a Democrat, was one of Mr. Roosevelt's most important callers during the week. For two days the two men discussed privately and exhaustively the subjects of disarmament, disarmament, and disarmament, in all of which Mr. Davis is an expert. In the course of the conversations Mr. Davis told the President-Elect that he believed disarmament is necessary to a restoration of world confidence and credit and that he thought important steps had been taken toward reduction of armament. This, in turn, he predicted, would have a favorable effect on efforts for a successful world economic conference.

The first step, he said, would be to persuade France and Italy to endorse the terms of the London naval agreement of 1930, particularly regarding submarine construction. Disarmament advocates, he stated, believed they could ban submarines in spite of the objections of France and Japan, or at least limit them to coastal defense.

Then, by outlawing offensive weapons, poison gas, mobile heavy artillery and bombing airplanes and banning the manufacture of aerial bombs, the world would be ready to work toward restoration of confidence.

Mr. Roosevelt expressed the view that world security would return as the deadly instruments of war were reduced and mentioned that the late Premier Clemenceau of France had once told him that "the one essential for France out of the World war was security."

"I asked him for his definition of security," Mr. Roosevelt said. "He replied that for a thousand years no French babies had been born and gone through life to three score and ten without knowing some kind of trouble with Germany. Since that was true, he said, the guaranty of no war with Germany would constitute security for the French. I think that belief is still there."

INSULL SET FREE BY ATHENS COURT

Charges Civil, Not Criminal, Ruling Holds.

Athens.—Samuel Insull, former master of a great system of utilities centering in Chicago, was freed at an extradition hearing in the Court of Appeals, the highest court in Greece.

Mr. Insull took refuge here, coming from Paris after a county grand jury at Chicago had indicted him on charges of larceny and embezzlement in connection with the alleged borrowing of funds of the Middle West Utilities company for payment to a broker through whom his brother, Martin, was alleged to have operated in the stock market. Middle West went into receivership soon after Mr. Insull resigned his numerous corporation posts and went to France.

Martin Insull now is in Canada awaiting extradition hearing on the same charges, having been named with his brother in the indictments.

Samuel Insull now is free, by the court's decision, to remain in Greece or to travel into some other country which has no extradition treaty with the United States.

The court held that Mr. Insull had committed no criminal act under Greek law and that the facts showed no offense for which he should be held under the extradition treaty between Greece and the United States. Mr. Insull had not personally benefited through the acts charged in the American extradition papers, the court ruled, and the entire affair was a civil matter, not criminal.

Chicago.—State's Attorney Thomas J. Courtney, after learning of the release of Samuel Insull, cabled to Assistant State's Attorneys Bellows and Vlaches in Athens as to whether an appeal is possible. He said every possible effort would be made to carry the extradition case further.

M. H. Purvis, chief of the local bureau of investigation of the Federal Department of Justice, said the department in Athens would not affect the government's investigation here in connection with the receivership cases.

SAMUEL INSULL



Samuel Insull, former utilities magnate, was set free by the Greek Court of Appeals, which rules that the acts charged against him in the Chicago indictment were not crimes and rejected the request for his extradition.

LOW BID ON CRUISER HEARTENS NAVY MEN

They Hope It Will Result in More Destroyers.

Washington.—Bargain construction bids for the latest warship have aroused navy officers' hopes for some action soon designed to increase the destroyer strength of the United States.

The lowest bid for a 10,000-ton cruiser, offered by the Bethlehem Shipbuilding corporation of Quincy, Mass., was \$2,250,000 less than a contract for the same type ship, the Tuscaloosa, awarded a year ago.

In naval circles the Bethlehem offer to build the CA-39 for \$8,195,000 caused pleasant surprise. This estimate was \$1,329,000 under the next lowest bid made by the United Dry Dockers, Inc., of Station Island, N. Y., and acted as a stimulant to naval officers who have been worried over what they regard neglect of the government's building program.

Admiral William V. Pratt, chief of naval operations, contends that the most serious condition with which the navy is confronted today is that concerning destroyers.

The new heavy cruiser to be laid down after March 1 will keep the United States up to her treaty strength in ships of this kind. But, naval officers stress, this country lags far behind in the matter of light cruisers, having a total tonnage of 70,000, while entitled to 140,000 under the London treaty.

In battleships the United States is pretty well "up to snuff," as the sailors say. The comparative naval strength today of the three powers signatory to the Washington and London treaties gives the United States 394 warships of 1,151,470 tonnage; Great Britain, 325 ships of 1,259,074 tons, and Japan, 247 ships of 846,123 tons.

House Votes Big Sum for Howard University

Washington.—Political self-interest conquered concern over the taxpayer in the house, as northern Democrats, with an eye on the negro vote, joined with Republicans in appropriating \$400,000 for a heating plant at Howard university, federally supported institution for negroes in the capital.

By a vote of 138 to 105 the condition precedent and approved the amendment to the Interior department appropriation bill offered last Friday by Representative Oscar De Priest (Rep., Ill.), lone negro member of congress.

Having swelled the total by nearly half a million, the house then passed the bill, carrying \$43,652,904 for the Interior department 1934 fiscal year.

U. S. Dept. of Agriculture Develops New Fertilizer

Washington.—Announced peat, a new fertilizer material, has been developed in the laboratories of United States Department of Agriculture. The product has not been developed commercially yet, but chemists of the department say that the manufacturing process is simple and relatively inexpensive. Small scale experiments with plants have given promising results.

World Power Meet to Be Held in Sweden

Washington.—The International Power congress to discuss the supply of energy in relationship to large-scale industrial establishments and transportation services will be held in Stockholm, Sweden, from June 23 to July 7. The Commerce department has been notified.

SALES TAX HOPE GOES GLIMMERING

Roosevelt Opposed; Special Session Certain.

Albany.—President-Elect Franklin D. Roosevelt let it be known that he is flatly opposed to a general federal manufacturers' sales tax. He was manifestly annoyed over dispatches from Washington stating that Speaker John N. Garner, Vice President-Elect, had acted under his direct instructions in reviving the general sales tax as a means of balancing the budget.

"Friends of Mr. Roosevelt would be horrified at the very thought that he in any way favored a general manufacturers' sales tax," said one of the close associates of the President-Elect.

When asked if Speaker Garner was acting on his instructions, Mr. Roosevelt replied that he had not recently communicated with Mr. Garner, except to request him to come and see him.

In making known his determined opposition to the general sales tax, the President-Elect indicated a disposition not to adhere to a strict hands-off policy if an attempt is made to pass such a levy at the present short session of congress.

"It should not be assumed that he would preserve a hands-off policy in that case," said one of Mr. Roosevelt's close associates.

He displayed a favorable attitude toward special sales imposts, however, such as the existing taxes on tobacco and gasoline. It is believed he would welcome additional levies of that nature during the short session.

Mr. Roosevelt has been a consistent foe of the general sales tax throughout his two terms as governor. He rejected it a year ago in his conferences with Senator Seabury, C. Mastick and other members of the state tax division commission. Several general sales tax bills were introduced in the legislature, but lacking encouragement from Mr. Roosevelt and also falling to have the support of the legislative leaders, they died in committee.

Washington.—Senate and house leaders admitted "that all hope for passing a sales tax at this session of congress had gone glimmering."

On the house side Speaker John N. Garner read a report from Albany stating that President-Elect Franklin D. Roosevelt had expressed "horror" when advised that he had been represented in the newspapers as endorsing a sales tax.

"That," remarked the Texan, and Vice President-Elect, "means the end of the sales tax, I guess, for this session."

Leaders of both houses admitted their helplessness to push a general sales tax past the radical alliance in the house.

With no sales tax in prospect and with President Hoover's attitude on the beer bill and the promised Democratic version of farm relief legislation still uncertain, a special session of congress became a virtual certainty. Democratic leaders said that they saw no chance to avoid a special session shortly after President-Elect Roosevelt takes office.

WASHINGTON BRIEFS

The Reconstruction corporation agreed to lead Corpus Christi, Texas, \$500,000 to repair the Lafitte dam on the Nueces river, which was partly destroyed in 1930.

Levi Cooke, prominent Washington attorney and legislative representative of the United States Brewers' association, died of a heart attack. He was fifty years old.

Improvement in the business situation in some parts of the world was pictured by the Department of Commerce in its weekly summary of conditions abroad, but trade was at a standstill in a number of countries, reflecting uncertainty in world markets.

Minneapolis Publisher Acquitted of Extortion

Minneapolis.—Owen Remington, publisher of Brevities, Minneapolis tabloid weekly, was acquitted of attempted extortion in Hennepin county District court. He was tried on a charge of attempting to extort \$50 from Miss Vern Nalezny, Minneapolis, to stop publication of a story concerning her.

Saves Girls From Drowning

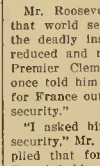
Charlton, Pa.—Three girls were saved from the ice-choked waters of an abandoned limestone quarry by George Myers, forty, a pumper in a mine.



Rep. Collier



N. H. Davis



Sam Insull



Rep. F. H. La Guardia