

## LOOKING AT WASHINGTON

By Hugo S. Sims, Washington Correspondent

**Economic Picture Is Not Reassuring; Facts and Debate Fail to Make Sense**  
The failure of business to improve and the apparent inability of industry to provide employment presents an economic problem to the nation. Recognizing the danger of a continuous decline, President Roosevelt last week attempted to outline steps which the Government might take to help the present situation.

Already Congress had authorized the RFC to use \$1,500,000,000 in funds already appropriated in making loans to industry and indefinitely extending the period within which these advancements can be made. Under immediate consideration was the appropriation for work relief. Congressional and WPA authorities estimated the outlay for the next fiscal year will be around \$2,000,000,000. Under discussion and awaiting the development of national sentiment was the proposal to use \$1,500,000,000 in a new spending program designed to transfuse public funds into the arteries of trade and industry. Exactly how this "pump-priming" fund would be used was uncertain.

It seems reasonably certain that any effort at "pump priming" will meet with serious opposition. The attack in Congress will be based on the opinion that huge expenditures at this time will injure business and destroy confidence and that further increases of the Government debt might lead to inflation if not repudiation. These arguments will be emphasized by business interests with a notable exception in favor of the use of Government funds to aid ailing industries, such as the railroads.

Of course, there are two sides to the argument about Government spending. The spenders hold that the Government must pour out its money to "fill the void" left by private capital. This, they say, will provide purchasing power and permit consumers to buy necessary products. As products are consumed, the need will arise for industry to make new products. This cycle, it is asserted, will lead to recovery. Opponents insist that the importance of a Government spending program is overestimated, that even four billion dollars will add less than six per cent to the income of the American people, and add that additional spending, involving additional national debt, will create uneasiness in the business community and frighten away many times this amount in private capital.

Meanwhile, it is important to realize that the country is not in the position it was in 1932 and early 1933. There exists a confidence in the safety of bank accounts, farmers are assured of a reasonable purchasing power, WPA employment has removed fear from the hearts of millions and there is no absence whatever of abundant capital resources. There is, however, one must admit, a definite antagonism between Government and big business.

The hostility between Government and business is extremely interesting. It has been emphasized by opposition toward practically every reform advanced by the Administration. It has been accentuated by increased taxation and efforts on the part of the Government to use the tax weapon to force business and industry to accept its program of reform. Business leaders, rebelling against this Government regulation, vigorously denounce Government interference with business and assert that, if let alone, private industry and capital will provide the means of successfully combating the business recession.

There are some strange angles to the picture. Earnings of many large corporations in 1937 set new records. In view of the fact that these

profits were made under regulations, restrictions and taxes, which, if anything have been lightened in 1938, the profits made in 1937 tend to disprove the allegation that the Government has wrecked business. On the other hand, some officials, notably Harry L. Hopkins, asserts that monopoly and controlled prices have enabled business to take the cream of the Government's efforts and thereby prevent the full success of the Government's program. Business, however, in the face of declining activity, continues a clamor for relief from taxation and reform and the plaintive plea is heard from various spokesmen that the President do something to remove fear by issuing a reassuring statement.

Altogether the economic picture of the country is extremely futuristic. To this observer, the recriminatory debate now going on and the facts do not make sense.

### Three Giant Industries Lag as Rail Problems Await Congressional Action

Several weeks ago, we discussed the railroad problem, particularly in relation to the securities held by various institutions in the nation. The importance of the railroad industry, however, to the economic well-being of the country, cannot be overestimated. Ordinarily, the railroads purchase twenty per cent of the capacity output of key industries as steel and bituminous coal, fuel oil and lumber. A million-odd employees in 1936 received nearly two billion dollars in wages and another million men employed in industries working on equipment orders earned approximately the same amount. It is easy to see what prosperity for the railroads would mean to the recovery which everybody is hoping for.

In February the railroads had an aggregate deficit of more than \$40,000,000 and since last June, their cash on hand has dwindled by over \$110,000,000. Some of them have merely sufficient funds to cover ordinary day-to-day expenses and consequently no hope of buying needed locomotives and freight cars. To illustrate how the railroads' purchasing power has declined, figures show that in 1937, the carriers bought only twelve per cent of the steel industry's output. This is proportionately about the same share that they were able to take in the dark year 1932. Not only are the railroads unable to buy necessary rolling stock, but they are unable to buy materials and supplies to take care of adequate maintenance expenses.

Observers point out that the nation has three great industries—building, automobiles and railroads. Complete prosperity depends upon the profitable operation of these industries. Anyone of them can prevent a serious depression. When all three are out of gear, as they are today, the economic state of the nation is certain to be bad. With housing only slowly responding to Governmental stimuli and the automobile industry, overstocked on materials bought in the past, the importance of some recovery on the part of the railroads is easily apparent.

The entire question was thrown into the lap of Congress by the President three days after the House defeated his Reorganization Bill. While declaring "some immediate legislation" on the railroads is necessary at this session, the President did not tell Congress what the legislation should be. He transmitted the recommendations made by three Interstate Commerce Commissioners, together with considerable data, but refrained from advising the Congress as to particulars. Some observers saw in the presidential action a left-handed rebuke, with the implication that the

tunity to show its efficiency in directing governmental affairs.

The President had already made clear his opposition to any subsidy to maintain present levels of employment, present wage rates and present interest payments. He has insisted that there is no reason for the Government to guarantee railroad reorganization bonds and he has been positive in his declaration against Government ownership and operation of the railroads.

Despite the interest and efforts of a few congressmen, there are slight indications that Congress itself will do anything effective to meet the railroad situation. Undoubtedly, there will be many bills presented to Congress but few of them will be practical. It may end in some proposal to provide funds to enable the carriers to continue their business and repay the loans if possible. If not, the Government will face the necessity of taking possession of some of them and this will present the advocates of Government ownership and operation with a basis for renewed agitation.

### House Vote Hailed as Rebuke to FDR; Opponents Declare It Ends His Control

The Reorganization Bill, first brought forward in 1937, aroused very little interest. It had been generally conceded that some means were needed to tighten up the Government in the interest of greater efficiency. When the measure was brought up in the Senate last month, telegrams and letters of protest poured into Washington. A barrage of criticism was directed against the President himself, who was accused of seeking dictatorial power. When the Senate finally passed the bill—49 to 42—the President remarked at Warm Springs that "the Senate cannot be purchased by organized telegrams based on direct misrepresentations."

Subsequently, when the Bill was about to be considered by the House, the President issued a statement, say-

ing, "I have no inclination to be a dictator." This, however, did not stop the attack on reorganization. The telegrams and letters continued and most observers became convinced that the bill, not important in itself, had become a symbol of a determined effort to administer a rebuke to the President himself.

The President, who was working openly for the measure, undoubtedly exerted full pressure to secure passage. Although compromises had so altered the bill that it represented only a part of the Senate measure, the incessant attack was effective and the measure was killed by the vote of 108 Democrats, 88 Republicans, 6 Progressives and 2 Farmer-Laborites. The final tabulation showed 204 to 196 in favor of recommending the bill.

Undoubtedly, the controversy was seized upon by opponents of the President's political program as an opportunity to administer a personal defeat. It is just as certain that some of the opposition within both houses of Congress was motivated by a personal dislike of the President. There can be no question of this when one considers that the bill defeated was much milder than other measures similar to its essential sections which were passed by the House in a special session last winter.

While opponents of the President hailed his defeat as the beginning of the end of his influence and the termination of his control over Congress, the President termed the question "solely one of policy." He concluded, therefore, that the defeat of the bill offered "no occasion for personal recrimination" and said, "There should be none." Despite this, the chances are fairly certain that the issue will rise again in the coming campaign. The President, it is felt certain, will carry the fight for his policies to the voters during the summer and early fall.

### BIRTH ANNOUNCEMENT

Born to Mr. and Mrs. E. S. White, at their home at Belvidere, on Sunday, April 17, a daughter, Janet Elizabeth. Mother and baby are reported to be doing nicely.

## CROSS ROADS

Miss Mary Green, Mrs. W. G. Shaw and daughter, Anne Winborne, have returned to their home at Wagram, after a visit with Mr. and Mrs. W. H. Winborne.

Mr. and Mrs. B. M. Hollowell, Jr. and daughters were supper guests of Mr. and Mrs. W. A. Perry Sunday evening.

Mrs. A. B. Hollowell and son, Asa, Jr., Miss Esther Elliott and Wingate Rice Burroughs, of Aulander; Mr. and Mrs. J. W. Elliott, of Suffolk, Va., spent the week-end with Mr. and Mrs. E. N. Elliott.

Miss Marguerite Etta Evans has returned to Greensboro College, after spending Easter with her parents, Mr. and Mrs. B. W. Evans.

Mr. and Mrs. T. E. Parker and daughter, Dorothy, of Edenton, were guests of Mr. and Mrs. W. A. Perry on Sunday afternoon.

Misses Frances and Helen Evans, of Manteo, and Esther Evans, of Hertford, spent the week-end with Mrs. Z. W. Evans.

Miss Ella Mae Nixon, of the Burlington school faculty, spent the week-end with her parents, Mr. and Mrs. H. C. Nixon.

Miss Alma Winslow was at home from Chocod to spend the week-end with her parents, Mr. and Mrs. E. L. Winslow.

Justin Tune, of Mars Hill, is visiting Mr. and Mrs. B. W. Evans.

Mr. and Mrs. R. V. Knight and son, Bobby, of Tarboro; Mr. and Mrs. Aubrey Butler, of Roanoke, Va., spent Saturday with Mr. and Mrs. E. N. Elliott.

Mrs. Belle W. Parker, Misses Kathleen Parker and Nina Brown visited Mrs. Ethel Hoffer, at Gatesville, Sunday afternoon.

Mr. and Mrs. W. H. Winborne, Mrs. W. G. Shaw and daughter, Anne Winborne, and Miss Mary Greene were supper guests of Mr. and Mrs. Dick Winborne at their home in Suffolk, Va., Wednesday evening.

Mr. and Mrs. George Peele and baby, of Rocky Hook; Mr. and Mrs. Raleigh Hobbs and children, of Hobbsville; Mr. and Mrs. Wilbur

Hollowell visited Mr. and Mrs. Ralph Hollowell Sunday afternoon.

John Welch, of Washington, D. C., spent the week-end with his parents, Mr. and Mrs. W. D. Welch, Sr.

Mr. and Mrs. Lindsey Evans and sons visited Mr. and Mrs. E. N. Elliott Sunday evening.

Mr. and Mrs. Jimmie Sutton and baby, of Suffolk, Va., spent the week-end with her parents, Mr. and Mrs. Isaac Jordan.

Mrs. Alma Boyce is spending the week at Morehead City with her parents.

Miss Sallie Elliott has returned from a visit with Mrs. A. B. Hollowell and Miss Esther Elliott, in Aulander, and is now with her sister, Mrs. W. W. Bunch.

Mr. and Mrs. J. G. Perry, of Rocky Hook; Mr. and Mrs. T. C. Byrum and Mrs. Ellen Byrum, of Edenton, visited Mr. and Mrs. E. N. Elliott Sunday afternoon.

Miss Orene Hollowell, of Reidsville, and Weldon Hollowell, a student at Wake Forest College, spent the week-end with their parents, Mr. and Mrs. B. M. Hollowell, Sr.

Miss Louise Bush, a student at Peace Institute, Raleigh, has returned after spending the holidays with her parents, Mr. and Mrs. A. S. Bush.

Mr. and Mrs. C. J. Hollowell and son spent Sunday in Rocky Hook as the guests of Mrs. Hollowell's parents, Mr. and Mrs. R. W. Leary, Sr.

Mrs. W. D. Welch, Jr., and daughter, of Washington, N. C., spent the week-end with her parents, Mr. and Mrs. J. C. Leary. Mr. Welch came for the day Sunday and took them back.

Mr. and Mrs. C. J. Hollowell and son visited Mrs. Joe Eason Sunday evening.

Hutchings Winborne has returned to Oak Ridge, after spending the Easter holidays with his parents, Mr. and Mrs. W. H. Winborne.

Mr. and Mrs. W. D. Welch, Jr. and daughter, and Mr. and Mrs. J. C. Leary spent Sunday with Mr. and Mrs. W. D. Welch, Sr.

The dodo has been extinct since 1681.

## Isn't this the real problem of Beer —and almost its only problem?

THERE ARE people, of course, who steadfastly and sincerely believe beer to be intoxicating, or its use sinful, harmful, or a first step toward use of "hard liquor."

Just as sincerely we hold that the weight of the evidence is overwhelmingly against them...that beer is a mild, wholesome food beverage...and that "there is nothing more promising to combat the evil of too much alcohol than the opportunity of drinking good beer."

No...it is not in beer itself, we believe, that its gravest problem lies, but in those conditions, undesirable to us all, which sometimes surround its sale.

How should that problem be handled...by brewers, by retailers, by consumers, and by the public authorities? On its handling, we believe, depends the ultimate success or failure of the art and science of brewing, with all its manifold contributions to human pleasure and happiness and to the farm and industrial welfare of this country.

In that belief, a short time ago the Brewers Foundation was organized...to align the brewing industry with forces working for the public good in this country.

Our underlying motive...to perpetuate and promote our industry...is of course obvious. But equally obvious, we hope, is the fact that our interests coincide with the public interest.

Important progress has been made. Brewer-members of the Foundation already represent nearly half the production of beer and ale in the United States; and these members are

pledged, individually and collectively, to the Brewers Code, one significant clause of which is as follows:

"We pledge our support to the duly constituted authorities for the elimination of anti-social conditions wherever they may surround the sale of beer to the consumer."

Being practical men, we promise no miracles. We cannot immediately or effectively "police" the quarter-million points where beer is sold (nor, to be fair, have we legal authority in many cases to do so). Nor can we, immediately, bring about full compliance with the law among all retailers, nor honest enforcement by all authorities.

But a beginning has been made...and we do promise that you will see results from it.

How far we can go, and how soon, depends very much on ourselves...but partly also on you.

Public opinion, once aroused, can operate to bring about honest enforcement of existing laws. Restriction of your patronage only to legal, respectable retail outlets can and will operate to raise retailing standards. Public preference for the products of Foundation members\* will bear witness of your approval both to members and to cooperating retailers, and will encourage them to renewed efforts.

This is, therefore, at once a statement of our objectives and an appeal for your support, without which we must fall short of our high hopes. We urgently invite your full and sympathetic cooperation.

### UNITED BREWERS INDUSTRIAL FOUNDATION

21 East 40th Street, New York, N. Y.

Correspondence is invited from groups and individuals everywhere who are interested in the brewing industry and its social responsibilities.

\*Identified in the advertising of members by this symbol.



We Heartily  
Endorse the  
**CLEAN-UP  
PAINT-UP  
CAMPAIGN**

And From Us  
You'll Need...

ANTISEPTICS  
LOTIONS  
DISINFECTANTS  
After the Work  
Perfumes  
Cosmetics

**WALKER'S**



**FRESHEN UP  
'CLEANING UP'**

Why bother about snacks or meals at home during the Campaign? "Knock off" work for an hour and come down for a tasty sandwich...a refreshing soda...a cup of the best coffee in town...exactly the right thing for jangled nerves and weary bodies.

We use only the best of foods and beverages, and our tea cream—well, we think it's the finest in town. COME IN AND REFRESH YOURSELF!

Giant Milk Shakes

**Clean UP  
PAINT UP**