

Looking at WASHINGTON

SNAGS AT THE PARLEY

The Pan-American conference continued last week at Buenos Aires, with evidence of divergent viewpoints, chiefly between the United States and Argentina, which has close ties with Europe. These are emphasized by the fact that Carlos Saavedra Lamas, Argentinian Foreign Minister, only recently presided over the League of Nations and lately received the Nobel peace prize. For this reason, and others, there is a reluctance on the part of his country to sever relationships with Europe and depend upon an American policy of concerted neutrality, involving the breaking of bonds more than four hundred years old. Moreover, the Argentine idea of balancing foreign trade through bilateral pacts is diametrically opposed to Cordell Hull's most-favored nation policies.

GOOD WILL APPARENT

Even if nothing results from the parley except the usual run of platitudinous resolutions the gain that has been made is encouraging. The good-feeling engendered prevents any break in the sincere friendship for the United States and President Roosevelt's great defense of democratic ideals, at the opening session, has had a profound effect, not only in South America but in other parts of the world. His remarks were plain notice to the dictators of several nations that this hemisphere would unite to prevent aggressive action on this side of the oceans. Of course, no formal tie had been proposed last week, and none may be effected, but the present tendency is to look to the development of such policies of national cooperation that will make effective the attitude of the republics of the Americans.

ROOSEVELT RETURNS

With the return of the President from his South American trip this week political developments in the capital, looking toward the next session of Congress, acquired new speed. The contest between Messrs. Rayburn and O'Connor is generally regarded as settled favorably to the former and there are some observers who take the view that the latter will face a fight, possibly, to hold his present position of power in the House because of what is considered an unfavorable attitude to administration measures in the last session. However, we doubt if there is anything to this suggestion.

BORROWS AT LOW RATE

Government credit continues to enjoy strength, judging by the big over-subscription of the \$700,000,000 13-17 year bond offering last week at the record low interest of two and a half per cent. The issue was met by offers of more than four times the amount with some mail orders not yet received. The money will be used to retire \$400,000,000 in bills, pay \$138,000,000 in interest and increase the cash balance which Mr. Morgenthau desires to maintain at around a billion dollars. The item for interest attracts attention and emphasizes the importance of the very low interest at which the government is securing funds.

REPUBLICAN PLANS

Senate Republicans are already figuring on the session next month and up comes the question of determining what test shall be applied to determine whether a senator belongs to the party or not. The fact is that all those whose original political attitude aligned them with the Republican party will be counted and invited to attend the party caucus. This will include such senators as Norris, LaFollette, Shipstead and Lundeen. The former idea that a party man must have supported the presidential candidate will be waived, particularly in view of the fact that both Gov. Landon and Col. Knox left the Republican party in 1912 to join Teddy Roosevelt's Bull Moose organization.

Looking forward to rather dismal prospects, with only 17 members classed as Republicans, the leaders hope to revive the party and by adopting a liberal attitude toward legislative policies to give it a vigorous status. Sen. McNary, of Oregon, who is expected to be elected floor leader, will have the assistance of Sen. Vandenberg, of Michigan, in these rehabilitation moves. Committee assignments may be few unless the Democrats widen the ratio of representation to permit at least two Republicans on important committees. If former tradition is followed the ratio of representation will be five Democrats to one Republican.