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Is prosperity returning?, 1934.

WRHS
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ARCHIVES
IS PROSPERITY RETURNING?
WILL AMERICAN GO BACK TO THE OLD WAYS?

Delivered by
Rabbi Abba Hillel Silver
At
The Temple
On
Sunday, April 22, 1934

My friends, from all present indications it seems likely that our country is emerging from the long depression which has devastated American life for more than five years. For nearly five years a bitter and dreadful foe laid siege to all of our cities. Want and destitution invaded our country. And all over this fair land there hung like a pall this dreadful unemployment which brought suffering and misery to so many millions of homes.

The full story of this depression has not yet been told in its entirety. Its casualties in terms of physical loss, fortunes destroyed, businesses lost and liquidated, of impoverishment cannot be calculated. It is an appalling total.

But the cost in spiritual loss in human suffering, worry, the cost in the unhappiness which the depression brought into the homes, the strained tense anxiety to millions of homes, the cost of this depression in terms of what it has done to the younger generation of our day, to those young people who are entering adolescence, who were ready to take their places as working people and found no work and were compelled to spend four or five of the most critical and significant years of their lives in enforced idleness. The cost of this, what it means to the future generation, that cannot be calculated. Fortunately for the American people it did not yield submissively to the depression. We fought the depression with every sort of device to take care of the country-wide depression.

It is a remarkable tribute to our people, to the strength of their independence and to the moral reserves of our people that it came through as we hoped. It has come through these five years of tribulation an

undefeated and an unbroken people. And, now, after this long time and for the first time it seems that the tide of battle has turned in our favor. It seems that the invader is retiring from our territory. Millions of men are returning to work. Trade and industry seem to be gaining some of their lost momentum. There is a spirit of hopefulness of optimism, a return of that remarkable spirit which characterizes the American people.

We are facing the future today with much greater confidence than at any time in the last four or five years. If the present program continues, it is likely that we will have national economy. If, say, ^Iif. But it is not at all certain that this marked improvement is more than a temporary one. It is certainly not a complete improvement. We must not overlook this cold disconcerting figure. There are still about ten million people out of work in the United States. Still about 4,700,000 families dependent on public relief in some form or another. It is estimated that eighteen million people in the United States have bread only because the government provides for them. We have a long way to go to the full status of normalization in our life. There is no certainty that this improvement is a permanent one, that is to say, that a depression such as we have had will not occur again in the near future on a scale vastly greater.

I was in Washington a few weeks ago and I listened to the testimony of an expert economist. He said the next depression is likely to come in 1941. He assumed as a matter of course that there would be a depression. He calculated this because the conditions which brought about the last depression, the recent one, have not been eradicated and are still inherent.

We haven't yet built up an adequate defense against that demoralization which attacks our domestic economy now. During the depths of the Depression our country was ready to listen to counsel, to advice under a courageous leadership. Our president, Franklin Delano Roosevelt helped to teach our people to think freely, and in terms sometimes radical, concerning measures for the rectification of the abuses inherent. Plans were projected and little criticism was made of those plans.

The voices of the privileged had been silenced by the very fact of the depression they helped to bring about. The threat of the masses were sufficient to silence these voices. Some of these plans which were projected during the last depression helped to lift us out of the valley of the depression.

As soon as the country began to recover, resistance to the plans and to the projects which had been inaugurated began to make itself manifested. At first timidly and then more actively. Measures which brought about improvement were now denounced as obstacles. A year ago business men asked for more and more government funds for business projects of all kinds. Now that big business feels it can navigate alone it wants full freedom of exploitation which it enjoyed in the days of prosperity. It has recovered its old slogan. Now again you hear the cry for complete freedom and individualism in business enterprises.

NRA was the first to be subjected to this criticism. NRA was at first eagerly welcomed by the business elements in this country....

Section 7A

The opposition to the whole New Deal as it has been called, showed its hand when the Fletcher-Rayburn Bill was introduced last February. You will recall this bill was introduced to regulate the Stock Exchange curb market

which contributed so much to the Stock Exchange crash of 1929. Prior to that time there were the investigations by the Senate Banking and Currency Committee. The gambling, the manipulation, speculation with other people's money by high and mighty people, presidents of national banks made the country at large ready for rigid curbing and controlling of the stock market. A measure was finally drafted and introduced. The Stock Exchange launched one of the most infamous propagandas upon the American public so vast that the President of the United States was compelled to take a public stand. I am quoting President Roosevelt: "A more definite and more highly organized drive is being made against effective legislation (for Federal supervision of stock exchanges) than against any similar recommendation made by me."

Every broker, every member of the Stock Exchange, everyone of the large companies, low or high, every employee of the brokerage houses was taken into this compelled attack upon the President and Congress. We have been flooded with letters from all parts of the country against this measure and the attack was initiated by the Stock Exchange, which is a ruthless body which will stop at nothing. When the state imposed an additional tax on securities to carry on relief work, the Stock Exchange threatened to move out of the city. They actually started to move out.

The attack on the President widened into an attack on the New Deal. You will recall at one of the hearings in Washington what was read into the records of Dr. Wm. A. Wirt. You laugh about it. To my mind it is a very ominous thing which has happened. Dr. Wirt testified that there was a plot to turn the government over to the Communists, by some of the higher ups and advisers of the President, that a Kerensky

or a real radical would take over the government. Of course Dr. Wirt has been discredited and made a laughing stock of. It was indicated that he bore false witness. But the ominous thing about it all is that Dr. Wirt and Dr. Rand are enemies of the New Deal and are using the same device that the Nazis used in Germany and that the Fascists used in Italy. They divert the attention of the minds of the mass with false propaganda. They agitate. They drive them mad with the scare of communism so that in the meantime they might carry through their reactionary measures. Dr. Wirt's plot to create a scare was exposed. A few days later another plot was uncovered.

"Representative Fred A. Britten (R.), Illinois, says the Roosevelt administration has a "Little Red House in Georgetown" which will overshadow the "Little Green House on K Street" where Harding administration policies were discussed by some of the ten president's friends and advisers.

"He talked about it today on the House floor, bringing Democrats to their feet when he said the government is run "in a Little Red House over here in Georgetown."

"No!" shouted Representative Thomas L. Blanton (D.), Texas. "It is run by an outstanding American in the White House."

"He takes part," Britten conceded.

"To whom did the gentleman refer in his statement about the Little Red House in Georgetown?" pursued Representative W.D. McFarlane (D.), Texas.

"I referred to a Little Red House down in Georgetown occupied by Mr. Cohen, Mr. Corcoran and Mr. Landis," Britten replied. "Almost every night in the week, men like Frederick C. Howe, oh, a number of men not

necessarily of the highest importance, not a cabinet officer, but the men who wrote the Fletcher-Rayburn (stock market) bill, meet there."

"It is the Little Red House down in Georgetown where are held the meetings which promote the Communistic legislation we all talk about in the cloak rooms."

"It is the Little Red House in Georgetown where every night from ten to eighteen young men of Communistic minds meet so-called young students."

"Every night in the week, Prof. Felix Frankfurter's hot dogs meet there; and they shape not all legislation, not all of certain peices of legislation, but they shape the elements in the legislation that we refer to as radical or Communistic; and the Little Red House is going to be printed on bank notes one of these days."

And this is not the last of the plots you will hear about to overthrow the government. It is a favorite device of reactionaries.... (Jewish names drawn into these plots). Before long you will be told that all this radical legislation was the work of Jews to overthrow the government. That sounds fantastic. I warn you that is exactly what happened in Germany. These people will stop at nothing. These reactionaries know how to appeal to the mob psychology much better than we progressives and liberals do.

During the election in November the representatives will avail themselves of the opportunity to exploit every weakness in the New Deal for partisan purposes. But that isn't all. The attack will be on the whole philosophy of the New Deal and the philosophy of the New Deal as defined by President Roosevelt is a wider distribution of the wealth and

and property of the nation. A redistribution of wealth. That is the keynote of the New Deal. That is going to be attacked by those forces which do not desire a wider distribution of wealth and property.

Last week a distant relative of the President, Colonel Theodore Roosevelt, recently elected President of the National Republican Club in an address caustically criticized the New Deal. "The new regime, he said, has violated and jeopardized constitutional privileges; "the attitude of the NRA is militaristic Prussianism"; a "gigantic bureaucracy" has been built up, which at best is "stultified, narrow and inefficient" and at worst is a "colossal and corrupt machine."

"From democracy the nation is being swept by the new policies toward autocracy, he asserted, toward the "old deal, older than time, the deal from which we have been rising through years of struggle."

"If the so-called New Deal prevails," he continued, "the hard bought gains for liberalism and individual liberty are lost."

The attempt, my friends, will be made, now that people see that prosperity is returning, to return America to the old ways. Congress itself has gone back to its old ways. You will recall that Congress for a year was docile because they felt that the American people wanted leadership of a positive sort and insisted on it. But recently Congress over-rode the veto of the President on the "Independent Offices Bill" to cause a vast expenditure of some quarter of a billion dollars on the heavily laden shoulders of the American taxpayer. Because the powerful organizations demand it of them, Congress again has begun to serve the interests of lobbyists instead of the people.

The struggle is now on, my friends. It will be a bitter, relentless

struggle between private government and public government, a problem which will have to be solved, a problem of who shall determine the destiny of the American people, big business organizations or the government of the United States.

And much depends on the position which our President will take in the next trying year. Someone commented on the President's position today:

"Mr. Roosevelt stands today precisely where Woodrow Wilson stood at Versailles. Mr. Wilson went abroad as the champion and the hope of the people of the world to contend with their industrial masters in the guise of a group of wily and sycophant politicians. Instead of fighting and if necessary disrupting the conference, Mr. Wilson conceded left and right in order to win his pet project, a League of Nations. He won his League, but only to find it and himself repudiated by his own disillusioned countrymen and to see the organization born as a sickly infant capable of no strong action. In a similar way, Mr. Roosevelt may for a time preserve unity in the Democratic Party and the out semblance of the New Deal by a series of compromises with big business. But eventually -- and possible pretty swiftly -- he will be discarded both by his party and by the public."

It was easy for Mr. Roosevelt to lead during the past year. Everything was in his favor. But there will be drafts upon his courage during the coming year. The evils, my friends, which brought down such an avalanche during the last five years cannot be eradicated by slogans, and propaganda. (Here you spoke of over-production etc.)

The New Deal as I see it is not a matter of choice. It is a matter of necessity. Our system can no longer operate. There must be central planning in thinking. In the past we produced for the sake of business, for

the sake of profit. We must now begin to produce for the sake of use, for the security of our people.

I came across this amazing statement a few days ago. Frank A. Vanderlip was interviewed recently and a question was put to him:

"Are you in sympathy with those of our financiers who maintain that it is both unfair and foolish to view the events of 1929 through the eyes of 1934?"

"I am not," he said at once. "Many a mistake made by them in the 1920's could and should have been avoided."

"For example?"

"The loaning of money to Germany by American and British bankers -- some eight hundred million dollars in our case, and some four hundred million dollars in the case of England. It was just as clear then as it is clear now, that not only would Germany default unless further and still more substantial loans were granted to her, but that her default would create a great international panic."

"And yet they chose to loan those millions to Germany. Why? Because of stupidity?"

"No sir. Because of cupidity."

This is not a Bolshevik speaking but an American. Many hundreds of millions of dollars earned by the sweat of American workingmen were exported to foreign country by bankers who knew full well that this country would default because the interest promised them was sufficient to make them default up their own trust to the American people. Why must this amount of money accumulate in the hands of bankers so that they can export it, so that it can go to waste? Why?

For years our industrial system tended to make profits center more and more in the hands of the few and what could the few do with the accumulated wealth? Instead of going back to the millions who make it, to pay the butcher, the baker and the candle stickmaker the money accumulated in the hands of the few.

The new system, the new age requires a new economic organization. The urging of the President for increases in wages is for the very salvation of the economic system. The reduction of hours is also so that more people can work.....

The solution lies in higher wages, shorter hours, less dividends to the rich who invest only capital and greater dividends to the producer who invests his labor.

The New Deal, my friends, as I see it, is coming to be. And if it doesn't come to be, one of two things will come to be. One will be Fascism and Fascism does not solve the economic problem. Mussolini and Hitler are examples. The other is Communism. All its achievements in the past fifteen years does not show that it brings prosperity.

The New Deal is the American way of solving the economic problem, a more cautious, a way which is experimental but which must be courageous. The business man who has vision and understanding of what is going on in the world will not rally to the banner of the misleading reactionaries but will stand by and hold the hand of the President and fighters who are trying not merely to lift us out of the depression but who are trying to correct the evils which brought it about so that our children will have a more secure and happier world in which to live.

Object Le



Wide World

Banker Vanderlip:

"Each time we impose too heavy a burden on the shoulders of the capitalistic system, it either breaks down or becomes State Socialism."



Wide World

Labor Leader Woll:

"We have learned that Rugged Individualism is but the alias of a wild elephant charging through the jungle and trampling everything under its feet."

WE moved our chairs toward the window on the left and came face to face: Mr. Frank A. Vanderlip—with the ascetic profile of Calvin Coolidge; I—with the gorgeous whiskers of Charles Evans Hughes. Had we remained where we sat before, we would have shared the company of McKinley and Theodore Roosevelt. There is no escape from history in the huge solemn hall of the Union League Club, where the majority of members are old enough to remember the panic of 1893, and the majority of portraits are young enough to participate in the recovery of 1934. There is no more appropriate place in the whole of New York to discuss the object lessons of the great depression.

We talked in hushed voices, conscious of the members in the leather chairs and the portraits on the somber walls. I asked questions. Mr. Vanderlip gave answers. My questions disclosed the optimism of a layman who believes almost ecstatically that we did learn something in the gloom and fog of 1929-1933. His answers were concise, if tempered by the knowledge of the short life of all previous "object lessons."

"Are you in sympathy," I began, casting a glance at the tightly drawn lips of Calvin Coolidge, "with those of our financiers who maintain that it is both unfair and foolish to view the events of 1929 through the eyes of 1934?"

"I am not," he said at once. "Many a mistake made by them in the 1920's could and should have been avoided."

"For example?"

"The loaning of money to Germany by American and British bankers—some eight hundred million dollars in our case, and some four hundred million dollars in the case of England. It was just as clear then as it is clear now, that not only would Germany default unless further and still more substantial loans were granted to her, but that her default would create a great international panic."

"And yet they chose to loan those millions to Germany. Why? Because of stupidity?"

"No sir. Because of *cupidity*."

COMING from Frank A. Vanderlip, a foremost American banker of the pre-war era, this sounded truly startling. To hear the former chairman of the National City Bank of New York accuse Wall Street and Threadneedle Street of "cupidity" is nothing short of a full-fledged revelation.

"You mean to say that the rate of interest offered by Germany was sufficiently high to make New York and London risk the safety of the principal?"

"I mean just that."

"So the first object lesson of the depression in so far as banking is concerned—"

"The first object lesson of the depression," said Mr. Vanderlip, "has to do with the foolhardiness of foreign loans, the second with the so-called liquidity, the third with the necessity of educating the average investor."



a scared rabbit that had become petrified in the middle of the road, then put on speed. He was not thinking of the four men in a dark-colored sedan.

It was easy to forget them, for they were no affair of his. Had these nocturnal travelers been sighted near Ludington, or Cadillac, or Manistee, or even down at White Cloud, they would have been his responsibility. But Benton Harbor was three hundred miles away.

And meantime, it was midnight. A lot of sleep he'd get tonight! He drove on. The interference in his radio had stopped. . . .

Seven days later, on the afternoon of August 28th, a tanned, frightened man with a mole on his chin and an unmistakable odor of sawdust in his clothes, climbed the rickety steps of the State Police post in Manistee, and asked for the officer in charge. At the moment Trooper Wandel happened to be alone in the post.

"Name's Smith," the stranger explained, and settled into a chair on the porch. "I came about my wife."

Wandel closed the screen door and stepped out briskly. He surveyed the man named Smith quickly, decided that he never had met the fellow before, and registered for future needs what he saw. Here was a rather intelligent citizen, not as poor as his overalls might lead one to believe. His eyes were alert but not particularly sympathetic; he was accustomed to manual work, as his hands and nails testified; and just now he was frightened and ill at ease.

"First name?" Wandel asked.

"Walter," the visitor told him. "Walter P. Wife's first name is Agnes."

"Where you from, Mr. Smith?"

"Ludington." The fellow paused. "That is, Ludington's my home. Living up the Manistee River just now. Running a mill at a little place called Packet."

"Oh, yes." Wandel nodded. "And what's the trouble with your wife?"

"She's disappeared."

Wandel looked quickly at the other's throat, which was bare, the gray shirt thrown open, and saw the flutter of tense nerves, and the unsuccessful efforts to swallow.

"When did you see her last?" Wandel asked.

"Week ago tonight. I've been thinking she'd come back."

"Week ago tonight," Wandel repeated. "Monday. What time?"

"What time'd she go? That's what I don't know. She was there when I went to bed. When I got up in the morning, she was gone. She sleeps in a little room of her own, on the side of the house away from the mill. Likes to stay in bed late mornings, you understand. Don't want to be disturbed by me getting up early."

(Please turn to page 92)



Agnes M. Smith.

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of their own labors.
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or's voice welled strong-

large dark-colored sedan
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ast Lansing radio-station
deep chuck-hole, dodged



Walter P. Smith.

AFTER two and a half months of political maneuvering, some of it of the shadiest possible sort, Mayor LaGuardia's New York economy bill has become a law. The bill was considerably modified before it passed, and one wonders that the Mayor consented to receive it in its present emasculated form. As it is, after about a thousand jobs have been eliminated and savings have been effected by salary cuts and payless furloughs, there will remain a deficit of some twelve million dollars in the city budget. The 1934 budget was made up with an allowance of \$23,900,000 to pay interest on city bonds in the so-called bankers' agreement; \$50,000,000 has been allocated for the same purpose in 1935. It is evident that large additional funds must be found to meet these obligations. They cannot come out of the salaries of city employees; everything that can be asked of these persons has been asked. Some of this money must come from the taxpayers, and Mr. LaGuardia has already proposed a city business tax. It is expected that great pressure will be brought to increase the five-cent fare. This will meet with popular disapproval, which will react strongly against Mayor LaGuardia. It is hard to see why he does not take steps at once to head off this loss of popular support by a firm stand in favor of amending the bankers' agreement. This cannot be done except by the consent of the bankers, but there are a number of things that the Mayor could do to bring the bankers to terms. He might, for example, propose the establishment of a municipal bank. At any rate, along with the inevitable proposal to increase taxes should come a plan to loosen the chain the bankers have placed about New York's neck.

THE Philadelphia *Public Ledger*, which gave up its lusty, crusading birthright for a mess of Cyrus H. K. Curtis's *Saturday Evening Post* pottage, died last week after a varied and sometime honorable career of ninety-eight years—but, as Norman Thomas told the Academy of Political and Social Science, the loss to American journalism is not great, "because the comic strips have been saved." The *Ledger* was swallowed up by the Philadelphia *Inquirer*, and the consolidation will retain the worst features of both papers, but fifty comics will be published every Sunday, and the circulation is expected to increase by leaps and bounds. J. David Stern's far-seeing *Record*, the only competitor in the morning-newspaper field, has taken up the gage of battle, and it too will print fifty comics, all different. A lively circulation war is obviously in the making, and perhaps it can be settled definitely whether there is any use in printing news at all or whether it would be better simply to print 120 pages of comics, as so many disillusioned newspapermen believe. But the death of the *Ledger* is proof in itself that the first duty of a newspaper is to print the news. The *Ledger* did not; it printed its own interpretation of the news. The *Inquirer* has been barely a step removed from the *Ledger* in reactionary policy, and that only because of the last vestiges of the influence of James Elverson, the onetime publisher.

PRICE-CUTTING is a subject on which the consumer and the seller will never agree. Your average citizen may admit on Sunday that it is poor sportsmanship for a department store to sell books for less than the wholesale price and make up the loss by selling something else for more than it is worth. In his thoughtful moments he will recognize

the cultural value of the neighborhood bookshop and comprehend the piquant but persuasive logic which maintains that if that cultural value is to be preserved, the owner of the bookshop must be allowed to make a profit. But on Monday when the average citizen turns customer and wants to buy a book, or a can of sardines, he will be found at a cut-rate counter, first, because he has always been taught to get as much for his money as possible and, second, because he knows that is the only way he can make both ends meet. He wants, in other words, to have his culture and eat it too. For such reprehensible consumers it is well to have codes setting the price level below which they may not sink. The new booksellers' code provides that no book may be sold within six months after its date of publication for less than the price set by the publishers. That will certainly fix the unscrupulous cut-rate department stores. But will it send the customer back to the small shop to pay more for his books, thereby preserving our bookstore culture? Or will he merely buy fewer books? Time alone will give the answer, which will be particularly interesting to those who feel that even at cut rates the prices of books are in general too high from the point of view of cultural development.

FOR WEEKS, while we waited for spring, we followed with breathless interest the efforts of the Soviet Government to rescue the survivors of a shipwreck who were marooned on a cake of ice that was slowly breaking up and drifting toward the Arctic Ocean. Rescue planes darted busily back and forth above the polar waste in vain. Sometimes they got lost and did not turn up again for days. Sometimes they could not even leave their bases as blizzards raged across the top of the world. Sometimes there was no news at all in the daily papers. The suspense was terrible. We gradually began to feel as if we were living on an ice floe that was slowly but surely cracking and drifting and melting away at the edges. Every warm day filled us with apprehension; cracked ice in glasses made us as nervous as a cat. The night the ice broke under one of the wooden huts and half of it floated away we retired into our hastily improvised igloo and waited for the end. The rescue planes finally did arrive. By that time all of us, the survivors and ourselves, were slightly groggy from anxiety, exposure, and weeks of short rations. Dr. Otto Schmidt, the commander, had finally gone to bed with pneumonia and a high fever. It was a great moment when the deliverers appeared after two long Arctic months. But let the news dispatches of April 11 describe the unforgettable scene that took place on that ice floe which was still drifting slowly but surely toward the Arctic Ocean.

On entering the camp the first thing Ushakov [the copilot] did was to call together all the members of the marooned group in a soviet. He then gave them a full report of the results of the Seventeenth Communist Party Congress which was recently held at Moscow.

What happened after that can at last be told, now that we have returned to America. We sealed up the copilot and his report in an igloo, took his plane, and with our departing foot gave the ice floe a gentle shove toward the north.

[Some figures in regard to Russian trade with Germany appeared in these pages in our issue of April 11. Through error the figures were given as dollars when they should have been marks.]

It's Time to License Business

PRESIDENT ROOSEVELT returns from his bout with the fishes to a new Washington. In the last few weeks Congress has overridden his wishes in a series of measures not of vast importance in themselves but indicative of an effort to take back the practically autocratic authority which it vested in him last spring. This authority, of course, was never voted willingly. It was granted in a belief that the people demanded it and a fear of defying that mandate. Congress now suspects that the mandate is no longer operative. As Arthur Krock, Washington correspondent of the *New York Times* puts it: "The legend of invulnerability has been shattered."

But in our belief the President's danger from Congress is inconsequential beside his danger from himself. No defeat from outside is comparable to the defeat which he administered to himself in the automobile settlement. In that he allowed himself to be deflected from the avowed purposes of the New Deal to an indefensible concession to the demands of big business, which feels that it has now obtained enough in the way of recovery so that it can cut loose from federal assistance—and restraint—to wallow once more in its old familiar mudhole. Writing from Washington in the *New York Post*, George Durno offers the following explanation of the automobile agreement:

Those who should know say Mr. Roosevelt privately—and bluntly—threatened the auto magnates with imposition of federal licenses to operate. And the manufacturers are reported to have blandly told him to go ahead and see what happened. . . . Bear this in mind, however—President Roosevelt and General Johnson didn't turn tail because they feared the auto industry per se. The movement to the rear was inspired by very definite knowledge that the auto men were merely a spearhead for big industry as a whole.

We are disposed to accept this as a plausible explanation, but we dissent vigorously from the conclusion:

The Administration could have cracked down all right, but it knew industry had decided to stand its ground and see how much of a dent was made. This would have forced the issue in the grand manner. Unfortunately, it would have raised hob with the country generally. It was imperative to apply the old theory of the greatest good for the greatest number.

On the contrary, the defiance of the automobile makers was a definite challenge to the New Deal and should have been accepted. The time has come when Mr. Roosevelt must fight, even at the risk of defeat, or experience the far more humiliating and crushing disaster of repudiation by the people and relegation to the limbo of Just Another Politician. We believe Mr. Roosevelt's popular prestige is not yet seriously impaired. He can still reassert his authority in Washington, but he must fight big business to do it.

Mr. Roosevelt stands today precisely where Woodrow Wilson stood at Versailles. Mr. Wilson went abroad as the champion and the hope of the people of the world to contend with their industrial masters in the guise of a group of wily and sycophant politicians. Instead of fighting and if necessary disrupting the conference, Mr. Wilson conceded left

and right in order to win his pet project, a League of Nations. He won his League, but only to find it and himself repudiated by his own disillusioned countrymen and to see the organization born as a sickly infant capable of no strong action. In a similar way, Mr. Roosevelt may for a time preserve unity in the Democratic Party and the outer semblance of the New Deal by a series of compromises with big business. But eventually—and possibly pretty swiftly—he will be discarded both by his party and by the public. On the other hand, he may fight for the New Deal, probably disrupt both of the old parties, and become the leader of the more progressive group in a realignment. Whether subsequently this new party won or lost, Mr. Roosevelt would be assured of an outstanding place among American Presidents. Mr. Roosevelt cannot be ignorant of the tremendous increase in the worldwide distrust of the efficacy of political democracy in an industrial system guided and propelled only by the spur of profits. Radicals have long held that in such circumstances government could not control industry but that industry was bound to control government because government was inevitably the creation and servant of industry. Fascists have lately expressed the same distrust of the efficacy of political democracy, but they have foolishly concluded that the remedy lay in surrender to the complete control of the privileged masters of profit-propelled industry. Mr. Roosevelt, neither radical nor fascist, still believes in the power of political democracy to dominate industry. He has a unique chance to give battle and test his philosophy. It may, not improbably, be the last such chance offered to an American President.

If Mr. Roosevelt elects to fight big business, he must use the one edged weapon which he possesses—he must invoke the licensing clause of the National Industrial Recovery Act before it expires at the end of its first year. Otherwise it will not be renewed by Congress, and the New Deal will soon be swamped in a series of long-drawn-out and inconclusive court actions, if it does not die first of administrative paralysis. Congress is thought to be ready to sabotage the NIRA if it is again opened for discussion. Mr. Roosevelt must defeat that plan not by refusing to put the measure again in the hands of Congress but by proving to the country that the licensing clause is capable of making the New Deal real and thus developing a public demand for a continuance of the power which Congress will not dare to ignore. Without question the licensing clause is the cutting edge of the NIRA. If Mr. Roosevelt invokes it in respect to any industry, he need no longer plead or compromise with business to carry out his ideas, nor rely upon the doubtful penalty of fines in case he succeeds in getting courts to assess them after a tedious and disruptive process of litigation. If any business under a license refuses to comply with federal orders, Mr. Roosevelt has only to revoke the license and thus end operation or carry it on under government direction. Undoubtedly exercise of the licensing authority conferred by the NIRA opens an avenue to executive abuses, but this is a danger that must be faced unless the New Deal is to be abandoned before it has been fairly begun.

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SAYS U.S. IS RUN BY LITTLE RED HOUSE

Britten Asserts Group in Georgetown Plots Com- munist Laws.

WASHINGTON, April 20.—(AP)—Representative Fred A. Britten (R.), Illinois, says the Roosevelt administration has a "Little Red House in Georgetown" which will overshadow the "Little Green House on K Street" where Harding administration policies were discussed by some of the then president's friends and advisers.

He talked about it today on the House floor, bringing Democrats to their feet when he said the government is run "in a Little Red House over here in Georgetown."

"No!" shouted Representative Thomas L. Blanton (D.), Texas. "It is run by an outstanding American in the White House."

"He takes part," Britten conceded.

"To whom did the gentleman refer in his statement about the Little Red House in Georgetown?" pursued Representative W. D. McFarlane (D.), Texas.

"I referred to a Little Red House down in Georgetown occupied by Mr. Cohen, Mr. Corcoran and Mr. Landis," Britten replied. "Almost every night in the week, men like Frederick C. Howe, oh, a number of men not necessarily of the highest importance, not a cabinet officer, but the men who wrote the Fletcher-Rayburn (stock market) bill, meet there."

A Benjamin Cohen is an interior department counsel; Thomas Corcoran is an RFC attorney and J. M. Landis is a federal trade commissioner. Howe is chairman of the Consumers' Advisory Council of the farm administration.

"The men who re-wrote the Fletcher-Rayburn bill are there every night; the men who re-wrote it the third time are there every night," Britten continued.

"It is the Little Red House down in Georgetown where are held the meetings which promote the Communistic legislation we all talk about in the cloak rooms."

"It is the Little Red House in Georgetown where every night from ten to eighteen young men of Communistic minds meet so-called young students."

"Would the gentleman prefer the 'Little Green House on K. Street' that owned and robbed the country for twelve years?" asked Representative Charles V. Truax (D.), Ohio.

"The Little Red House in Georgetown is going to stand out more than the Little Green House stood out some years ago under a Republican administration," Britten replied.

"Every night in the week, Prof. Felix Frankfurter's hot dogs meet there; and they shape not all legislation, not all of certain pieces of legislation, but they shape the elements in the legislation that we refer to as radical or Communistic; and the Little Red House is going to be printed on bank notes one of these days."

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NEW DEAL SCORED BY COL. ROOSEVELT

Taking Office as Republican
Club Head, He Calls on His
Party to Defend Liberty.

SEES 'PRUSSIANISM' IN NRA

Constitution Swept Aside by
Growing 'Autocracy' at
Washington, He Says.

Denouncing the policies of the
New Deal as "ominous," "bully-
ing," "bulldozing" and "reaction-
ary," Colonel Theodore Roosevelt
caustically criticized the adminis-
tration of his distant cousin, the
President, last night in an address
to the National Republican Club.

The new régime, he said, has vio-
lated and jeopardized constitutional
privileges; "the attitude of the NRA
is militaristic Prussianism"; a "gi-
gantic bureaucracy" has been built
up, which at best is "stultified, nar-
row and inefficient" and at worst
is a "colossal and corrupt ma-
chine."

From democracy the nation is be-
ing swept by the new policies to-
ward autocracy, he asserted, to-
ward the "old deal, older than time,
the deal from which we have been
rising through years of struggle."
"If the so-called New Deal pre-
vails," he continued, "the hard-
bought gains for liberalism and in-
dividual liberty are lost."

New Leader of Club

1. Present indications - emerging
for 74 yrs - for -
Fortunes were lost - Cost -
We did not yield
now, for first time
If, present tempo
2. I say, "If" - temporary improvement - Actually not complete
10 M - 4,700,000 - more > 18 M.
Long way to go to normal
3. No certainty - permanent - will not occur again - is there
Washington - 1941
Not yet built up adequate defence - The conditions
4. During depths of D - country ready to listen - counsel
A courageous leadership
Plans were proposed - to rectify
little criticisms
The voices of privilege
And some of the plans - bec. they were - actually
5. But when the devil
as soon as country began to re- resistance
Timid - The very measures

PRESIDENT ROOSEVELT SAYS:

✓ "A more definite and more highly organized drive is being made against effective legislation (for Federal supervision of stock exchanges) than against any similar recommendation made by me."

whereas a year ago - men asked for more govt in business
now - free; Recovered old slogans - hammock -
meddler - Linsay - fair

IVRA - just welcomed - Section 7a -

6. Opposition - shows its hand

Fletcher - Rayburn Bill - regulation of Stock Exchange
and - Revere - "Senate Banking Thursday Com"

Richard Whitney - propaganda - Roosevelt

Attacked widened

James H. Rand Jr. "Com for the Nation"

Mr. William G. West - Plot -

Frontal device of reactionaries - Red Herring -

Nazis.

Of course exposed - But.

Cong. Fred A. Britten - "little Red House in

Georgetown" Invite

Jewish Angle

Attack on brain-trust -

7. Republicans - Election - "a wider distribution of the wealth & property of the nation"

Ogden Mills -

Col. Theodore Roosevelt -

Autocracy of old deal

8. Attempt to have Amer. go back - old ways

Congress, too - "Independent Officer Bill"

Listening to powerful lobbies

9. Struggle is on

Privilege - public interest; private gain of publicist

who shall control

will pub. democ. dominate

Test will soon come. Roosevelt.

Just "Nation"