

MEXICO

P. J. - Sunoco. Monday, March 21, 1938.

There was the deuce to pay in Mexico City today. (The seizure by President Cardenas of all the foreign oil properties, principally American, precipitated a crisis, a money crisis. There were long lines in front of the Bank of Mexico asking for hard money instead of the paper peso.) Merchants throughout the city had declined to accept <sup>paper</sup> currency in payment of goods, that is, had declined to give change in silver.

(The flag of the Republic of Mexico flew today over all oil properties. The Petroleum Administrative Council lost no time in asserting itself. It ~~prints~~ appointed union members to replace foreign managers, superintendents and engineers. The heads of the oil companies announced that they would fight, take the matter to the courts.) They would appeal against the action of the government.

The situation caused anxiety in Washington. Secretary Hull admitted that the government is seriously concerned over the situation and what might come of it. However, the State Department hopes some adjustment of the differences between the oil companies and the Cardenas government can be worked out in

a friendly fashion. Mr. Hull hopes it can be done before the situation gets acute and complicated.

It wasn't made any easier with the report that the *Mexican* unions had seized two American officials at Tamp<sup>e</sup>co. They are supposed to be held as hostages to force the payment of the wage rates demanded by the union.

A somewhat spectacular rumor came over the seas from Moscow today. ~~It stated that a~~ drive against foreigners especially ~~was~~ Americans. ~~It came to a head with the flashing of a report that~~ The Russian-American Chamber of Commerce in the Soviet Capital ~~had been~~ evicted, given forty-eight hours to quit.

About the same time it became known that the Russian Secretary <sup>to</sup> ~~of~~ the & Manager of the Chamber of Commerce had been arrested. <sup>And, other</sup> Also, Soviet citizens who have worked for American newspapermen as translators were thrown into the jug, <sup>such as</sup> ~~among others~~ the translator<sup>s</sup> for the New York Times Bureau in Moscow, ~~was under~~ <sup>and the</sup> ~~arrest as well as~~ a doorman at the American Embassy.

**But** - Later this afternoon that rumor balloon was punctured. The Russian-American Chamber of commerce was not evicted. It had been about to move its headquarters anyway and its lease on its present offices had expired. However, the news states that several Soviet citizens who have worked for Americans ~~WERE~~ are <sup>in</sup> ~~in the sneezer.~~ <sup>prison.</sup> One of them served as interpreter and translator during the last mass treason ~~xxx~~ trial in Moscow.

ADD MOSCOW

~~That denial came from the New York office of the  
American Russian Chamber of Commerce. The Secretary of the  
Chamber said there was no foundation to the report that it was  
being evicted from the Soviet Union.~~

However, a later cable from Moscow repeats the  
*of the American Chamber of Commerce*  
report that the eviction <sup>^</sup> actually will take place tomorrow.

*More Soviet confusion.*

There are patches of silver lining in the war clouds over Europe. That statement comes from a man who ought to know, Ed Keen, European Vice-President of United Press. From his point of advantage in Paris Mr. Keen thinks that war can be averted for months, even years. That is, unless there's another spark like the Sarajevo instance in 1914. to start the fire.

With the Austrian episode accepted by practically all governments, with the Polish-Lithuanian danger removed for the time being, the situation looks better than it has for a long time. There are powerful forces clamping down the lid on those who want to bring about war. Governments, says Mr. Keen, are calmer than the peoples they govern. There is panic in certain quarters of Europe, but it's among civilians and laymen. War, however, is made by governments, ~~ix~~ not by peoples. And he believes there isn't a ~~gover~~ government in Europe that wants war now. ~~John Bull doesn't want it until he's built a lot of those ships he's been planning, particularly airships.~~

## LITHUANIA

Peace bristling with bayonets on the Polish-Lithuanian frontier. The Poles, who twenty-five years ago were complaining that they were a down-trodden people, now have a powerful army massed at a neighbor's door. There to compel the Lithuanians to yield to Polish demands -- demands that are still nebulous.

Two members of the Lithuanian Cabinet have resigned as a gesture of protest. President Smetona declined to accept those resignations.

The correspondent of a London paper says he has inside information that the entire Lithuanian Cabinet is going to quit.

Latest tonight -- crowds are storming in the Lithuanian capitol, protesting against the surrender to Poland. And a later report -- the cabinet has resigned.

CZECH

~~There's going to be~~ a special meeting of the British  
Cabinet tomorrow. ~~the~~ Subject<sup>1</sup> ~~of it will be~~ - Czechoslovakia.

King George's ministers ~~are going~~ to make plans for lining up

France and ~~Great~~ Britain to bring about a ~~friendly~~ solution of

~~the~~  
*Czech*  
~~that dangerous~~ problem.

VIENNA

Nazi authorities in Vienna are exercised at the sensational report of suicides <sup>s</sup> ~~in Austria~~ ~~they're~~ <sup>- reports from Austria.</sup> "Much exaggerated," says the new government. "The number of suicides since Hitler grabbed

Austria, is only fifty-three." *And that seems more than enough.*

~~The~~ statement was issued today after another prominent Jewish writer, Egon Friedell, jumped out of <sup>a</sup> ~~the~~ window. He is known ~~to some people~~ in this country as author of <sup>a</sup> ~~the~~ "History of World Culture."

Evidently, the new Nazi rulers of Austria are beginning to have a hankering for good-will. They issued an explanation today.

"We have seized shops owned by Jews in order to protect those Jewish owners. <sup>Adding:-</sup> "If we hadn't done that they might have been plundered by

mobs. We also acted to protect the Aryan employees. <sup>continue:</sup> Actually, "they

<sup>1</sup> "we've also seized establishments not ~~only~~ owned by Jews; ~~They~~ ~~were~~ owned by Gentiles who have been exploiting and under-paying their workers. In such cases our commissars have not only raised wages but forced employers to pay arrears."

And the statement concludes: "Everybody in Austria is free to buy where he wishes but, we members of the Nazi Party, obviously avoid Jewish shops."

*Is that mollifying, or isn't it?*



BRAZIL

In Berlin the Nazi government is becoming exercised about Brazil. It is claimed that President Vargas's men have been making wholesale arrests of Green Shirts, the Nazis of the Brazilian Republic. General Vargas declared the Nazis an outlaw organization in his country. Most of the Green Shirts arrested are <sup>said to be</sup> ~~declared to~~ ~~have been~~ Germans.

The Police of Rio de Janeiro say ~~that~~ <sup>have</sup> they found documents ~~which~~ <sup>no</sup> indicate that the Integralistas, as Brazil's Nazis call themselves, have definite connection with what is described as "some foreign power." Nazi! Nazi!

SPAIN

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Sounds as though the east coast of Spain were rapidly falling into the hands of Franco, ~~his bloody divisions~~. His glorious <sup>artillery</sup> German and Italian infantry are advancing, ~~from the interior~~. There German and Italian bombers have laid five towns in ruins. The report of an eye-witness tells us that hardly a house in ~~these~~ five ~~places has~~ escaped ~~damage or~~ destruction.

We also hear <sup>this: - "No</sup> ~~the emphatic message "there will be no~~ armistice!" It comes from Franco's ~~Nationalist~~ headquarters at Burgos. <sup>It adds: -</sup> "The only kind of armistice we will consider would be one that's a prelude to the unconditional surrender of the Marxists."

~~Mrs.~~ Cordell Hull, Secretary of State followed the lead of the British ~~Government~~ today. First of all Downing

Street announced <sup>a</sup> ~~that it had~~ protested ~~to General Francisco~~

~~Francisco~~ against the bombing of ~~the~~ civilian <sup>s</sup> ~~population~~ in Spain.

<sup>QWZ</sup> ~~The~~ Secretary of State <sup>when</sup> ~~was~~ asked if he would follow suit, ~~and~~

~~he~~ replied: - "The United States ~~Government~~ has taken no such action and will not take any. "Nevertheless", he stated,

"Reports from Barcelona left no doubt of the appalling loss among civilians, men, women and children as a result of the recent air raids." And he continued, "I have on several

occasions stated the position of this government with respect to the bombing of civilian <sup>s</sup> ~~populations from the air.~~ <sup>And</sup> ~~And~~

~~he went on,~~ "I feel ~~that~~ I am ~~exp~~ speaking ~~fr~~ for <sup>all</sup> ~~the whole~~ ~~American people~~ when I voice a sense of horror at what has taken place in Barcelona".

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## NAVY BILL

~~Uncle Sam is well on his way to join in the armament race.~~  
The House <sup>today</sup> passed the Navy Bill that President Roosevelt asked for, almost identically as he asked for it. Forty-six new combat ships, twenty-two cruisers, nine hundred and fifty airplanes, that's the program. It will bring the Navy's air force to three thousand fighting planes. And it will bring into existence the most formidable ~~fighting~~ fleet Uncle Sam has ever owned.

The bill now goes to the upper House, where senators with pacifist leanings will take a crack at it. It's a foregone conclusion that the cracks will be plenty. But I am informed they won't mean much. I asked a Washington friend of mine about this and he said:

"All this opposition of Navy expansion is just a <sup>hope</sup> ~~scare~~ to the pacifist organizations who maintain an expensive lobby in Washington. It's just like throwing a bone to a dog. Let <sup>them</sup> ~~them~~ talk, and tell the world how much they love peace. But in the end ~~we will~~ get a fleet that will enable us to stand up to the world without getting our toes <sup>stamped on.</sup> ~~trod on all over the place.~~ That's the big navy viewpoint."

SPIES

24  
The spy scare made its appearance on the banks of the Charles River in Massachusetts today. Two Japanese ~~were~~ arrested for photographing the harbor bridge at Cambridge near the Massachusetts Institute of Technology. When they were taken to the station they identified themselves as officers of the Mikado's navy. One of them is a commander, the other a lieutenant-commander. They are both attached to the Japanese Naval Mechanical Engineering Corps. They carried elaborate and expensive cameras. Quite a number of films had been exposed. The Japanese officers ~~were asked~~ <sup>were asked</sup> ~~what~~ <sub>^</sub> what pictures had been taken and why. They declined to answer. The Department of Justice and the Bureau of Immigration were called in to take part in the investigation.

MORGAN

The T.V.A. rumpus now boils down to a duel. It's no longer a fight between Dr. Arthur Morgan, the Chairman, and his two co-directors. It's between Dr. Morgan and ~~the President of the United States~~, Franklin D. Roosevelt, who made ~~Dr. Morgan~~ <sup>him</sup> Chairman. ~~of the T.V.A.~~

There was an interesting episode <sup>today</sup> before Mr. Roosevelt resumed his inquiry at the White House. Camera men asked the three T.V.A. directors to pose for pictures. Directors Lillienthal and ~~Dr.~~ Harcourt Morgan declined to pose <sup>with Chairman Morgan.</sup> ~~for pictures with their Chairman.~~

Then the inquiry developed into an ultimatum from the President, which Dr. Morgan respectfully but firmly defied. The President asked him again whether he would cooperate in the inquiry. Said <sup>the</sup>

<sup>Chairman:-</sup> ~~Mr. Morgan~~ "For reasons I've given before I feel impelled to say <sup>Intimating his attitude was:-</sup> that I cannot participate further in these proceedings." Assuring you of my deep respect, I am, Very Truly Yours, Arthur E. Morgan."

~~Mr. Roosevelt~~ <sup>F. D. R.</sup> then gave ~~Dr. Morgan~~ <sup>the Doctor</sup> until half past two tomorrow to reconsider. He said in effect: "Cooperate, resign or be removed." Dr. Morgan contends that the President cannot remove

him except on grounds specifically stated in an Act of Congress, the Act which established the T.V.A.

For his part the T.V.A. Chairman told newspaper reporters: "I do not intend to tender my resignation. In my judgment it would not be in the public interest." And he said further: "I do not choose to run away." Then he added: "I am leaving for Yellow Springs, Ohio, tonight. <sup>And</sup> I do not intend to communicate with the White House between now and two thirty P.M. tomorrow." That sounds positive and unequivocal enough.

The rumpus brought from Speaker Bankhead a statement in behalf of the White House. He said: "There's no disposition on the part of the President to avoid a congressional investigation of the T.V.A."

## REORGANIZATION

President Roosevelt won a skirmish in the Senate today; ~~it was~~ in the fight to put over his Reorganization Bill, the bill there is so much agitation about. The opponents of the measure lost out on an attempt to push through an amendment ~~it was~~ offered by Senator Harry Byrd of Virginia. The amendment would have required the President to reduce the expenses of all federal departments by ten per cent. The vote against it was fifty-six to twenty-eight, not a strictly party line-up as several Democrats as well as ~~Mr~~ Byrd of Virginia voted for the amendment. Senator Byrnes of South Carolina took the President's side. "The responsibility for economy," he said, "should be on the shoulders of Congress, not on the President." Senator Bailey of North Carolina, who is one of the opposition, spoke in pessimistic vein. "When we attempt to put in an amendment for a reduction in expenditures, it is a most discouraging thing to be told that it is impossible."



LEHMAN

Here's a fiery statement that Senators received in Washington today. "The taxing policies of the federal government are threatening the independent sovereignty of the states." So said Governor Herbert Lehman of New York. He said it in a letter to the Finance Committee of the Senate which is considering the Tax Bill passed by the House. Governor Lehman went further, saying: "This country was organized and has grown and prospered under a system of independent sovereign states. The extent to which the federal government is ignoring the rights of the states in the tax fields and virtually monopolizing those fields is truly alarming."

~~And there's more to come. "The result is," New York's~~  
~~Governor says, "that the bulk of state and local revenue is~~  
~~shouldered by real property."~~ <sup>He</sup> ~~And he~~ points out also: "The  
result of the present schedule of income tax rates will be to  
prevent the accumulation of large estates. In consequence of  
that, we'll have a lower tax yield in future years."

HOLD-UP

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The two-gun men of the wild and woolly west were outdone today at Cody, Wyoming. A masked man, looking like an oriental, appeared at a service station in Cody. He pulled two guns and started to hold up the attendants. One of them grabbed a handy pick handle and smashed him over the head. While the man was down the attendant took the two guns from his hands and found a third in his hip pocket. But he hadn't looked far enough. The bandit came to his senses and pulled a fourth gun out of his shirt, shot the attendant, and ran away.

DARLING

3 1/2  
It's pretty rare to find a man about whom nobody every says a bitter word, not even his closest friends. One such is in the news today. Privately he is known as J.N. Darling of Des Moines, Iowa. Publicly he is Ding, one of the great American cartoonists, and admitted by all newspaper men who have met him to be also a great fellow.

This is Ding Darling week, because President Roosevelt has proclaimed it as National Wild Life Restoration Week, and <sup>that</sup> is ~~Ding Darling's~~ <sup>Darling's</sup> idea. The preservation of wild life has always been ~~his passion~~ <sup>dear to Darling.</sup>

For two years he was head of the United States ~~Bureau of~~ Biological Survey. After two years he quit in disgust and as a protest. Conservation, he said, is the stepchild of every American government. Whenever you propose any serious practical step towards the preserving of wild life, you find yourself backing some influential department or another. If I am not mistaken, he wrote a lively and flashing piece about it in the SATURDAY EVENING POST.

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Ding has some <sup>ding dong</sup> ~~powerful~~ facts back of his arguments.

"Where wild life can't exist, man can't exist!" ~~It's of enormous~~

~~economic importance~~ The sum in America spent ~~for~~ every year for

hunting, fishing, camping, etc., is close to one billion dollars. *Sound*  
*A cash registers going ding! ding!*  
And ~~that's quite aside from the fact~~ ~~wild life contributes is~~

~~pleasure and beauty~~ And sound of me saying

$\frac{1}{4}$  s-l-u-t-m.