

**THE FRONTIER**

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**ECONOMIC HIGHLIGHTS**

The late Congress will go down in history as an extraordinary body. Its total appropriations were exceeded only by the World War Congress. Almost without a dissenting voice, it gave the President powers and prerogatives it has prized since revolutionary days. It was the most docile, the most obedient, and the least imaginative Congress since the war. A list of its major bills, passed mainly at the request of the President, follows:

1. A bill enabling the President to inflate currency by forcing the Federal Reserve to buy Government securities, to issue new currency up to \$3,000,000,000, to lessen the gold content of the dollar up to 50 per cent, to accept up to \$200,000,000 in silver, instead of gold, in war debt payments.
2. A bill giving the President, thru a coordinator, wide powers in reorganizing and revising the railroads of the country.
3. A bill authorizing vast Federal developments in the Tennessee Valley.
4. A bill creating a Civilian Conservation Corps to employ 250,000 otherwise unemployed young men in the national forests at \$1.00 per day.
5. A bill authorizing the President to regulate transactions in credit, currency and other coinage; to place an embargo, in whole or in part, on gold; to forbid the boarding of gold by an individual in excess of \$100, and to restrict the activities of the Federal Reserve System.
6. A bill authorizing beer, in spite of the Eighteenth Amendment, thru revision of the Volstead Act.
7. A bill initiating a \$3,300,000,000 public works program in the interest of employment, to be controlled by the President thru a director of public works.
8. A bill to reduce agricultural acreage in production, with compensation to farmers for all land withdrawn from use.
9. A bill giving the President unprecedented control over industry, with powers to eliminate competition, fix minimum wages and maximum hours of work, regulate production, etc.

There were other bills, of course, but these are outstanding. Most far reaching of all is the last—it has not yet swung into action and it is not widely understood. Operation of the bill, in relation to particular industries, will be as follows: A trade group will draw up a plan designed to settle wage, price and production problems. It will apply to the administrator of the bill for authorization to put its agreement into effect. The administrator will then find out if the plan meets with the favor of most units within the industry. Representatives of labor, and a group of consumers, will be consulted. When all has been settled, the agreement will go to the President. If he finds it equitable, he will authorize it. If not, it will have to be redrawn. When industries are unable to agree among themselves, the President will be able to force a pact on them, by the power of a licensing system.

The bill will strike directly at "depression born businesses"—unhealthy sweatshops paying employees 15 and 20 cents a day, and similar anti-social institutions, and will eliminate disastrous, depression-prolonging competition. The danger of weakness in the bill is that it will very likely make it more difficult for the small business to operate, and will favor the more efficient, better-financed large business.

Most encouraging phase of the general business situation is not only that improvement has appeared in basic lines, but that it is being continued. In recent months there have been no "downs"—there have been many "ups". Recently reported was the sixth consecutive weekly increase over 1932 in electric power output—and each gain was larger than the one directly preceding it. Car-loadings are up—during the week ending June 10, they were 12.5 per cent over the same week in 1932. May cotton consumption was close to double that of May last year. The commodity and security price indexes have shown climbs for several consecutive months. The number of business failures has

taken a sharp drop. Iron ore consumption in May reached the highest monthly total since November, 1931. Improvement in employment and wage situations is reported from all parts of the country.

The United States is not alone in experiencing signs of recovery. Unemployment in the United Kingdom has declined. Favorable factors predominate in French business indexes. Conditions in Spain are fairly satisfactory. Trade optimism persists in Canada. New business activity is appearing in Japan. While economic conditions in New Zealand are dull, prices of export products have shown sharp rises. Prices for Philippine export products have been firmer.

**NATIONAL AFFAIRS**

By Frank P. Litschert

A number of newspapers have commented on the statement of Col. House the other day, to the effect that the United States is without a friend among the nations of the world. The statement is undoubtedly true, but why confine its logic to the United States? How many real friends has Great Britain, or France, or Italy among the nations of the world? Not one. Unfortunately there is no such thing as disinterested friendship among the nations of the earth, and never has been. Perhaps there will be some time in the future when the internationalists succeed in changing human nature, but that time is several thousand years distant. So the United States is in no peculiar position in lacking friends among the governments of the world. George Washington well understood the fact that there are no lasting and disinterested friendships among nations. That is why he advised us to avoid European alliances and entangling commitments with foreign powers.

It is true that many of the citizens of one country may admire the traditions, people and policies of another nation. But there is no such thing as true and lasting national friendship. There is frequently an alliance between nations, just as there is often mutual hostility between nations. But neither condition is permanent because it is dictated by self-interest and conditions which make for self-interest have a habit of changing this world of ours. For example, for centuries Great Britain and Spain were enemies, and so were Great Britain and France. Then the rise of Germany made allies out of France and Great Britain. The friendship has been cooled and warmed many times since the signing of the treaty of Versailles and will continue so to change its temperature. On the other hand, Germany and Italy, once allies, then enemies, have become friends again. But the friendship is apt to crack at any time over a disagreement of policy toward Austria.

Perhaps the latest example of the shifting likes and dislikes among nations can be found in the Orient. Japan and Russia were long time enemies. Often during the past few years they have seemed on the verge of war over the great Asiatic railroad. But during the past year a great change has come about. Japan has dared to invade Manchuria and to penetrate the Great Wall of China, and there has been no Russian protest. Later came the sale of the Russian "interest" in the much disputed railroad to Japan, and now comes the rumor that Russia may even dispose of her port of Vladivostok to her erstwhile rival.

What has caused this sudden change of hostility to friendship? Has it come about because the Japs and Russians have decided to join some international brotherhood whose fundamental principle is loving one's neighbor? Not in the least. It has been brought to pass by self-interest. In this instance the forming of a new understanding between Japan and Russia has been and will continue to be at the expense of poor China. There are interesting reports to the effect that Japan has been financed in her Chinese adventure by France. Then later have come stories of a closer understanding between France and Russia. Perhaps we will later learn of a Russo-Japanese-French understanding to exploit China with Russia and France getting concessions in other parts of the unfortunate country to make up for their disapproval of Japanese penetration of Manchuria.

The question then arises as to where Great Britain comes in on all this. Certainly with the most powerful fleet in the world Great Britain will have to be reckoned with. Whether she will eventually see advantage in permitting things to work out in the direction they are now heading, or whether she will oppose the supposed new combination, remains to be seen. John Bull is a good business man and can be counted on to look after British interests first.

At any rate friendships and misunderstandings among nations are only temporary, and the friends of today may easily become enemies tomorrow. So when Col. House or any other man of diplomatic wisdom rises to remark that the United States pos-

sesses no friends among the nations, we may well ask in turn, "Who does?"

**EUROPEAN DEFAULTERS**

Columbus, Ohio, Dispatch: Every consideration that can be shown foreign debtors of the United States has been shown.

In spite of numerous revisions downward of the debt agreements, and the moratorium of a year and a half granted in 1931, European nations seem on the verge of default, and it is virtually taken for granted that France and her allied nations will repudiate their debts, which in theory they have already done.

Great Britain, whose attitude has been more honest and who has maintained her payments up to the present, now threatens to join the others by offering a partial payment to Washington.

Since the settlements of reparations at Lausanne when Europe formed a solid front against the United States in economic affairs, hope of collecting the debts has waned, although this country has never conceded that German reparations were directly related to the sums borrowed here during and after the war.

More recently in the inflation act, a provision was included permitting Europe to pay in silver up to two hundred millions, making payment much easier, but then America in the process of freeing herself completely from a gold basis, and changing the status of many contractual obligations, thereby helped set the example upon which England seized as a pretext to avoid payment. And though the cheap American currency arising from this act should have simplified payments abroad, it had the opposite effect in that it incensed both France, now left nearly isolated on a gold basis, and England, by offsetting the depreciated pound with which she was striving for world trade.

But there is nothing for the United States to do except to stand firm upon its present debt agreements until after the London conference. Concessions now under pressure would mean not only loss of prestige and enormous sums, but would permit Europe to evade the stigma of repudiation from which she is not entitled to escape.

**IT WAS NOT FIAT MONEY**

Columbus, Ohio, Dispatch: Excavation on the site of ancient Pompeii has recently brought to light the skeletons of two men who from certain articles of dress still discernible, are known to have been slaves. A bag of coins and various articles of personal adornment were found by their sides. They were evidently carrying these when they were overcome by the shower of volcanic ashes.

They lay in an underground passageway leading to the strong-room of one Menandro, who must have been one of the very rich men of Pompeii, but whether, like faithful servants, they were trying to save the family treasure, or to make way with it under the general confusion that prevailed, must be left to conjecture. What matter now? Master and slave, riches and penury, power and poverty were leveled in the great disaster. The gold coins bear the images of Roman emperors, but they do not depend for their value upon that. It was not fiat money. The gold in them is worth today just about what it was when Vesuvius buried Pompeii and Herculaneum.

Neither distaster nor time has been able to affect that value. And yet some insist that all money is at bottom, fiat. These old coins go to museums where their historical value is vastly more than that of the gold that composes them; but there is a lesson value in them that is specially needed just now when there is so much wild talk about money.

**WHY TEN PER CENT?**

The Republic Bulletin: According to press dispatches the European nations which owe us money are preparing to get together and offer us in payment of the so-called war debts a total of "ten per cent or nothing." A great many people, looking at the immediately practical result will jump to the conclusion that ten per cent is better than nothing and that we ought to take the ten per cent and forget the whole matter.

A more careful examination of the question, however, leads to serious doubt as to whether this is the correct view to take. Most of the European countries are well able to take care of their obligations, much better in fact than poor but honest little Finland who pays on the dot. France has the greatest hoard of gold in ratio to population, in the whole world, and Great Britain has on hand now more gold than ever. In addition, a little agreement on the scaling down of armament, would save much more than enough money to make these annual payments.

Again, if we accept a small sum in complete payment and wipe off the debt, it won't be long until some of these same nations will be back to borrow more money for new military adventures. If the books are clear they will have little trouble in getting it, if not from our government, certainly from international bankers who

will lend, not their own money but that of the people of the United States entrusted in their care. Then the trouble will start all over again.

But if they offer us ten per cent or nothing and Uncle Sam elects to take nothing but to keep the figures in red ink on his ledger, it will not be so easy to float international war loans in America in the future. That is why the borrowers are so anxious to have the slate wiped clean. They do not want to pay, neither do they desire to default because they know they may want to borrow in the future. In a very sound and sensible editorial on the debt question the Detroit Free Press recently said:

"Many persons, even here in America, are saying that in view of the general attitude of the country's foreign debtors, the thing for us to do is to throw up the sponge, and tell them they need not pay their obligations; that the people of this country should be taxed and made to pay in their stead. These individuals seem to think that by letting Europe put over its dead-beat game the United States will in some way further the economic rehabilitation of the world. They appear to forget that success in racketeering always breeds racketeering.

"The United States cannot force payments from countries that owe it money, because in many cases the only way to do so would be to go to war to collect, and that would not be worth while from any standpoint. But because it cannot exercise duress, it does not follow that America should make default easy and pleasant for those engaged in doing the bilking act. It can let the world know plainly what it thinks about that sort of thing and can serve notice that it is not going to forget. It also can remember the records of defaulters the next time they are in a tight place and want to borrow more funds.

"In particular the debt defaults should be a warning to the United States in considering the plans and proposals that may be laid before it in the course of the present Economic Conference, especially as there is plenty of reason to suppose that the chief aim of one clique present there is to 'soak America.' In any agreement reached, this country should take care to protect itself and not again be foolishly generous."

**THE DEMAGOGUE**

Detroit Free Press: Since the beginning of time the demagogue, the man with a glib tongue and a calloused conscience, always has been able to attract and hold public attention far more quickly and easily than the man who has been content to let his actions speak for him and has tried to think right and do right without boasting about it.

There is something in human nature

too, which makes a man incurably fond of a spectacular show, particularly a show in which there are victims. The Roman arena catered crudely to this instinct; so does the Spanish bull ring. The demagogue has through the ages played upon it with more subtlety and cleverness, and in consequence more dangerously.

From the beginning the person with an easy flow of language and no scruples, but with desire for notoriety or power has, in particular, been one of the great political, religious and social dangers of America because there has been no way of placing protective check upon him. Time and time again with reckless, specious, and oftentimes deliberately and maliciously false assertions, he has defeated statesmanship, sober thought and sound policies, and thrown filth upon what is clean, honorable and honest. He has, all in all, been a greater peril to this land than any outside foe.

Of late the radio has given the demagogue a new opportunity to exercise his dubious talents and in a peculiarly monstrous way. Hidden in a broadcasting room, secure from the chance of being obliged to face the objects of his attacks, unseen by his auditors, he has become an insidious voice out of the void, disseminating veiled propaganda or telling vicious lies to millions of people who have no possible way of determining whether he is speaking the truth or uttering falsehoods. The ancients in their most lurid flights of fancy imagined nothing more dreadful than this modern visitation.

**Bindery Talk:** A racketeer on trial for murder bribed an Irishman with \$100 to hold out for a verdict of manslaughter. After being out for a long time, the jury returned the desired verdict.

"I'm very grateful to you," the racketeer told the Irishman.

"Did you have much trouble?" "Yes," replied the son of Erin, "I had a devil of a time. All the rest wanted to acquit you."

Bellhop (after guest has rung ten minutes): Did you ring, sir? Guest: Hell, no! I was tolling; I thought you were dead!

"Any old junk you want to get rid of, ma'am?" asked the dealer.

"Yes," she said. "If you wait a minute my husband will be here."

Junior came home from his first day at school. "Well, son," greeted his father, "how did you like it?"

"Aw, they asked too many questions," replied the younger edition.

"First they asked me my name, and I told them. Then they asked me your name, and I told them. They they asked me where I was born. I didn't want to be a sissy and say a maternity ward, so I just told them Yankee Stadium."

Former Mayor Walker says that he would rather become a gentleman farmer in England than return to politics in New York. And probably New York feels the same way about it.

**TRICKS of MAGIC EXPLAINED by Will L. Lindhorst**

**HOW TO GET A LOOSE CORK OUT OF BOTTLE**



BLOW SHARPLY INTO THE BOTTLE AND THE CORK WILL POP OUT

Pour water into a bottle until it is about three-fourths full, and drop a small cork into it. Stand the bottle on a radio cabinet or something higher than a table, so that you can hold your head upright and blow into the bottle. If you blow sharply the cork will pop out. The cork must be small enough to easily slip down the neck of the bottle.

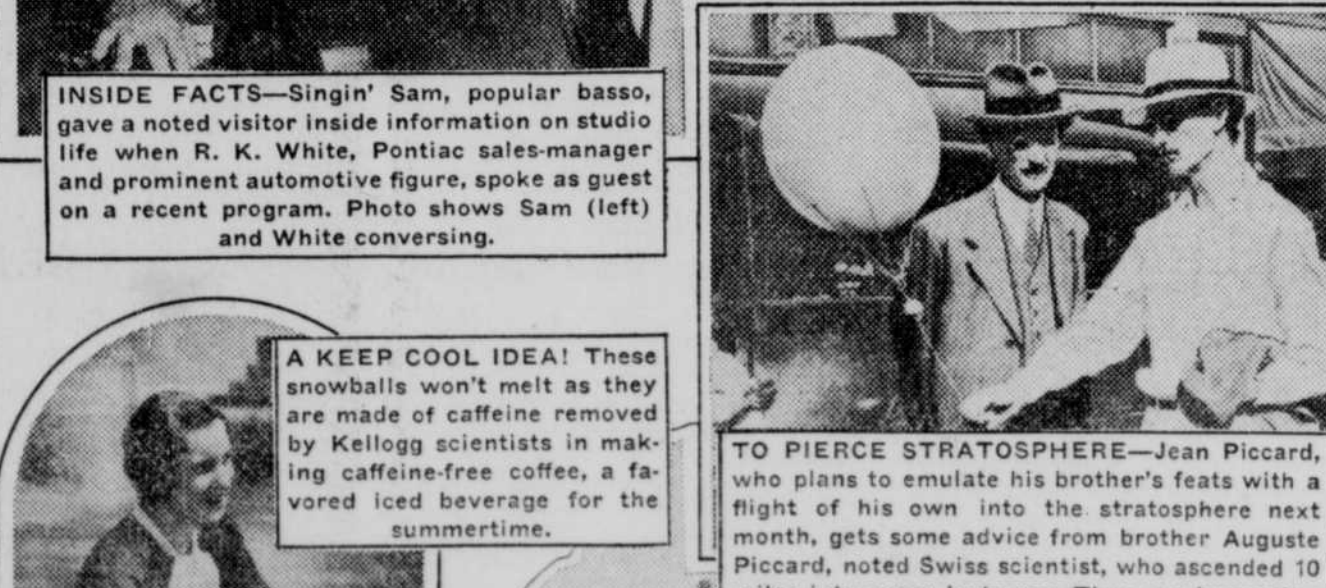
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**In The WEEK'S NEWS**



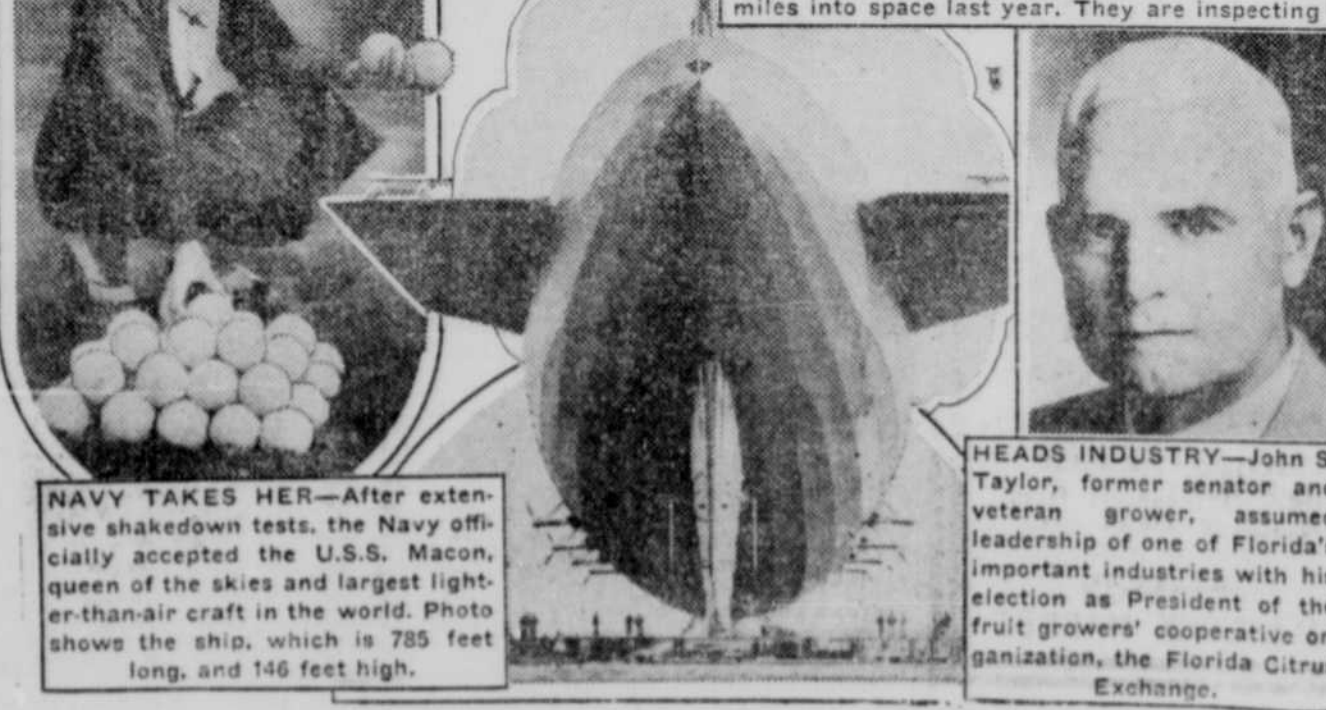
**INSIDE FACTS**—Singin' Sam, popular basso, gave a noted visitor inside information on studio life when R. K. White, Pontiac sales-manager and prominent automotive figure, spoke as guest on a recent program. Photo shows Sam (left) and White conversing.

**HE'S A SHE**—His—or her—voice betrayed this young "fellow," so Elizabeth, N. J., police investigated and found the slim youth pictured above actually was Miss June Clark, 15, of Needham, Mass. She had started running away from home, but the slip sent her right back again.



**TO PIERCE STRATOSPHERE**—Jean Piccard, who plans to emulate his brother's feats with a flight of his own into the stratosphere next month, gets some advice from brother Auguste Piccard, noted Swiss scientist, who ascended 10 miles into space last year. They are inspecting

**A KEEP COOL IDEA!** These snowballs won't melt as they are made of caffeine removed by Kellogg scientists in making caffeine-free coffee, a favored iced beverage for the summertime.



**NAVY TAKES HER**—After extensive shakedown tests, the Navy officially accepted the U.S.S. Macon, queen of the skies and largest lighter-than-air craft in the world. Photo shows the ship, which is 785 feet long, and 146 feet high.

**HEADS INDUSTRY**—John S. Taylor, former senator and veteran grower, assumed leadership of one of Florida's important industries with his election as President of the fruit growers' cooperative organization, the Florida Citrus Exchange.