

## Business and Administration Cooperate

### *The President Advocates Unemployment Insurance; Makes Inspection Tour of Tennessee Valley; Multiplying Signs of Recovery*

“OUR first task is to get the economic system to function so that there will be a greater general security. Everything that we do with intent to increase the security of the individual will, I am confident, be a stimulus to recovery.”

In these two remarks, made to the National Conference on Economic Security, which met in Washington last week, President Roosevelt outlined two of his principal policies for the coming winter. One is to encourage business expansion. The other is to increase the economic security of the average American.

The speech was made a day before the President left Washington on a trip through the Tennessee Valley to Warm Springs, Georgia, where he will remain until December 4, a month before Congress opens shop. Some commentators felt that he had gone suddenly conservative in this address, and had whittled his social security program down to a mere fragment of the original. Careful study of the text does not support this conclusion. But neither is there anything in the speech to injure the new era of good feeling between the Administration and business.

Unemployment insurance, the President revealed, would come first in his security program. He advocates a cooperative Federal-State undertaking, financed by contributions rather than taxes, with the Federal Government investing the funds and the State Governments administering insurance benefits.

Old-age and health insurance, he indicated, would come later on. He did not know, he said, “whether this is the time for any Federal legislation on old-age security . . . but I hope that in time we may be able to provide security for the aged—a sound and a uniform system which will provide true security.” As for health insurance, “whether we come to this form of insurance soon or later on, I am confident that we can devise a system which will enhance and not hinder the remarkable progress which has been made and is being made in the prac-



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Josephine A. Roche, newly appointed Assistant Secretary of the Treasury, and the first woman member of the “Little Cabinet,” confers with her chief, Secretary Morgenthau

tise of the professions of medicine and surgery in the United States.”

But, reverting to his idea that accelerated business activity would solve many relatively minor problems and that it must be achieved, he warned that “there can be no security for the individual in the midst of general insecurity.”

The new spirit of cooperation between business leaders and the Administration, which traces back to the meeting of the American Bankers Association at Washington in late October, apparently has been deepened by the New Deal landslide on Election Day.

The tremendous power and responsibility conferred on the Administration in the election may have made it more cautious. At the same time, the election seems to have convinced many business men that President Roosevelt will run things much as he wishes for two more years at least, if not for six more, and that they would be wise to act accordingly.

#### “Business Rarin’ to Go”

“Business has come to regard the realities of the situation,” said Henry I. Harriman, President of the United States Chamber of Commerce. “It recognizes that the country has given a mandate to the President.”

Meeting in Washington last week, the Chamber’s board of directors pledged

themselves to cooperate in the movement to promote recovery, and created a committee to work out a program to that end.

Similarly, last Sunday fifty of the country’s industrial leaders called upon American manufacturers to meet in New York on December 5 and formulate a recovery platform upon which industry can stand unitedly. “Business is rarin’ to go,” said Mr. Harriman.

There have been several other indications that business and Administration leaders are no longer pulling in opposite directions.

In his October speech to the bankers, the President said that when banks and other private credit agencies were able to take over lending functions lately performed by public credit agencies, “I shall be only too glad to curtail the activity of these public agencies.”

Many saw this promise partly fulfilled last week when the Home Owners Loan Corporation announced that it would receive no more applications until further notice. The HOLC has already taken over mortgages on about 650,000 homes, and purposes to make about 400,000 more loans by February or March, bringing its total disbursements to \$3,000,000,000. It is unlikely to continue activities thereafter, since it feels that private lending agencies are now getting in position to assume its tasks.

“This decision,” says the *New York Times*, which has become known for its authoritative treatment of financial developments, “can fairly be interpreted as a step toward relaxation of the ‘emergency’ régime and toward greater dependence on those natural economic forces which seem to favor recovery.”

There have been other steps of the same sort, it points out, among them last week’s decision by the Treasury Department to authorize all transactions in foreign exchange, transfers of credit and exports of currency other than gold certificates.

In an interview with *The Times* during



### First Into the Van

—Pease in the Newark *Evening News*

the week, Richard Whitney, President of the New York Stock Exchange, expressed the opinion, after a month of Federal regulation of the Exchange, that government supervision would neither destroy the broker's business nor disrupt the free market for securities. "In so far as the law may check real abuses," Mr. Whitney said, "it offers a new safeguard to the investor which should stimulate rather than hamper the volume of legitimate trading."

Meanwhile, there are multiplying signs of a business pick-up. "Business improved a little more than seasonably in October," according to a report issued by the National Industrial Conference Board.

"A definite recovery has taken place in the motion-picture industry this year, with improvement indicated during the coming winter months," Lamborn, Hutchings & Co. observed in their *Stock and Commodity Review*.

Addressing a luncheon at Detroit, held to celebrate the production of the ten-millionth Chevrolet, R. H. Grant, vice-president in charge of sales for the General Motors Corporation, declared: "I have found a solid basis for optimism. This is something that actually will come true. We will sell more cars next year than this."

### Control of Congress

A definite improvement in business, some business men feel, would give President Roosevelt firmer control over Left-wing members of the next Congress.

The President's control over Congress also will depend to some extent on the person who is elected Speaker of the House of Representatives. Hence the wide-spread interest in the present fight over the Speakership, which will not be settled until Congress convenes in January.

At the moment, the leading contender appears to be Representative Joseph W. Byrns of Tennessee, at present Democratic floor leader, but there is no lack of other aspirants. The battle is complicated by

sectional jealousy between the South and the North over Congressional jobs.

So far, the President has kept hands off this contest, tho its outcome will mean much to him. His attitude has been described as one of "armed neutrality."

One of his last acts before leaving Washington was to make Miss Josephine Roche, of Denver, Assistant Secretary of the Treasury. Miss Roche, a mine-owner, is nationally known for her social service work and her championship of union labor. Earlier this year she ran for the Democratic nomination for Governor in Colorado, but was defeated. In her new position she will have charge of the Public Health Service.

The President also made Francis Biddle, a lawyer of Philadelphia, Chairman of the National Labor Relations Board.

Thereupon Mr. Roosevelt turned his attention to the Tennessee Valley, an area of 40,000 square miles, and the site of one of the most vast and venturesome experiments of his Administration.

Increased use of electric power, with firm government intervention to keep rates at a minimum, is a matter close to the President's heart.

Last week, the White House itself made public a report by the Power Authority of New York State, based on an investigation ordered by Mr. Roosevelt while he was Governor of New York, in 1931. According to the report, the cost of distribution in that State justifies a rate "of not more than three and a half cents per kilowatt-hour for a use of fifty kilowatt-hours a month, instead of the average of six cents which these customers are now paying."

If the St. Lawrence waterway and power project, rejected by the last Senate, were put into effect, the report declared, consumers in New York, Pennsylvania, New Jersey, and New England would save nearly \$200,000,000 a year.

President Roosevelt apparently intends to ask the next Senate to reconsider the advantages of the St. Lawrence project.

Meanwhile, there is the Tennessee Valley project, supervised by the Tennessee Valley Authority, and it is already a going concern. Power development, lower electric rates and cheaper equipment, inland navigation, reforestation and flood control, all form part of the TVA program, and the President had opportunity to note them all. He saw great hydroelectric dams under construction, a model town near completion, millions of newly planted trees, and miles of model highways.

In Alcorn County, Mississippi, where a non-profit-making, county-wide association buys and distributes TVA power, he said: "You are proving something that some of us have believed to be true for a great many years. And, in proving it to the rest of the United States, you are going

to make life easier for the average family in a great many other places."

Finally, at Tupelo, Mississippi, which has a municipal power-plant, and is another TVA customer, he congratulated the city for its "community rugged individualism."

No other act or utterances of the President during the week interested the press more than his speech to the Economic Security Conference.

### Press Comment

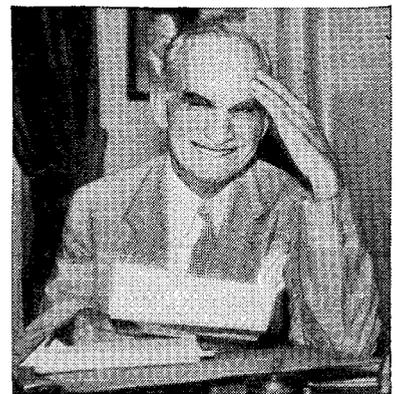
"As an indication of a new tendency in the President to look for escape from the depression by encouraging industry to do the escaping itself, the speech is as reassuring as it is interesting," said the New York *Herald Tribune*.

The New Haven *Register* struck a note of doubt, remarking: "There is a grave question as to whether there are not so many problems under attack now, some of them with poor success, as to make it very unwise to attack even the unemployment insurance subject with experimental legislation at this time."

And the Denver *Post* observed: "England's experience with unemployment insurance shows that, while it is possible in normal times to insure workers against loss of employment, no system will work during a world depression such as we have been experiencing."

The Boston *Post* thought that, "while many aged persons who felt that old-age pensions were but a few months away will be bitterly disappointed at the prospective long delay, there is little doubt that in time an effective system will be devised."

The Baltimore *Sun* remarked: "The President's suggestion that one step be taken at a time will be reassuring to those who have feared the immediate adoption of an elaborate and expensive program, as well as to many believers in social security who are able to see that impetuosity in this direction might easily defeat its own object and destroy even the security that already exists."



Wide World

Representative Joseph W. Byrns, Democrat, of Tennessee, leading candidate for Speaker of the House

# Supreme Court to Reopen the Mooney Case?

*That the Action Already Taken May Lead to Review of the International Cause Célèbre by the Nation's Highest Tribunal Is the Hope Expressed by Most Newspapers*

THE case of Tom Mooney, already an international *cause célèbre*, was brought to the fore again last week when the United States Supreme Court stepped in for the second time and ordered the Warden of San Quentin Prison, where Mooney is incarcerated, to show cause within forty days why the prisoner should not be allowed to file petition for a *habeas corpus* writ.



Then—

Mooney has been fighting constantly for eighteen years for his release from a life sentence for complicity in the 1916 San Francisco Preparedness Day parade bombings in which ten persons were killed outright and forty more were injured. In 1918 he appealed to the Supreme Court, but it refused to review the California courts' decisions declining to grant a new trial. The court's reentry into the case, therefore, is regarded as significant.

The Supreme Court's action was merely preliminary, and by no means indicative of the final disposition of the case which has become a major symbol of the labor-capital struggle in this country and abroad. Mooney is an avowed radical who engaged in union activities before his conviction. The court's action was taken on a sworn petition alleging that the State of California deliberately used perjured testimony to convict Mooney, and, tho it had subsequently admitted the perjury, still denied him any judicial means by which his conviction could be set aside.

## Possible Decisions

If the State of California, through the San Quentin warden, is unable to show cause why the *habeas corpus* writ should not be granted, it is likely that the United States Supreme Court will review the case. If it finds that Mooney has not been denied his constitutional rights, the famous prisoner will stay in jail. If it finds otherwise, there are two possible decisions. One might set Mooney free by denying further jurisdiction to any other court. The other might order a new trial in California at which the controversial evidence of perjury, hitherto excluded in California, would be introduced.

In 1914, when the Supreme Court denied a review to Leo M. Frank of Georgia in a case similar in its legal aspects to this one, Justices Oliver Wendell Holmes (now re-



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The Preparedness Day Parade in San Francisco, July 2, 1916: the figure of a hatless man leaning over the wall on the right is Tom Mooney

tired) and Charles Evans Hughes (now Chief Justice) dissented. In their opinion, written by Justice Holmes, they said:

"Whatever disagreement there may be as to the scope of the phrase 'due process of law,' there can be no doubt that it embraces the fundamental conception of a fair trial, with opportunity to be heard. . . . We are not speaking of mere disorder, or mere irregularities in procedure, but of a case where the processes of justice are actually subverted. In such a case the Federal Court has jurisdiction to issue the writ."

It appeared likely that the phrase "the fundamental conception of a fair trial" and its interpretation by the new alinement on the Supreme Court bench, now considered fairly liberal, would do much to decide the fate of Mooney.

Mooney's main argument, on which he is appealing to the Supreme Court, is that the courts of California were unable technically to take cognizance of evidence produced after the trial that a witness against him was guilty of perjury. This witness was Frank C. Oxman, an Oregon cattleman, against whom strong charges of perjury were made after the trial was over. The trial judge sent the additional evidence to the Attorney-General of the State, declaring his belief that a new trial was warranted. The Attorney-General handed it up to the Supreme Court of the State, which ruled that it could not pass upon anything that was not already in the record of the case. This is law in many States, the object being to prevent endless litigation.



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And Now

Five California Governors have denied Mooney's applications for a pardon. President Wilson, in 1918, influenced Governor Stephens of California to commute Mooney's sentence to life imprisonment.

The Wickersham Commission, appointed by former President Hoover, reported that the Mooney case was a reflection upon the administration of justice in California. Because of the commission's disinterestedness, this finding carried much weight with impartial observers.

Press comment last week was unusually interesting in that most editors, including many conservative ones, expressed the hope that the Supreme Court would review the case, and thus clear up any doubts as to the fairness of Mooney's original trial.

Press comment follows:

**New York Daily News**—The case has become another of those capital-labor things like the Sacco-Vanzetti case, and the Moyer-Haywood-Pettibone case. . . . However, there is a doubt of Mooney's guilt; and no man should be jailed or hanged unless his guilt is proved beyond a doubt.

**Los Angeles Times**—Action of the United States Supreme Court . . . is of itself not particularly significant. The Court had allegations before it that it has been proved that Mooney was convicted on perjured testimony, that State officials knew at the time it was perjured, and that California has refused to right wrong. Such allegations are without factual basis. Nothing of the kind has been proved; in fact, the contrary has been established.

**Cleveland Plain Dealer**—Thomas J. Mooney is entitled to a fair trial. That he did not get it in 1917 is the inescapable conclusion from the evidence gathered through many years of investigation.

**Philadelphia Evening Public Ledger**—He (Mooney) lost because the statutes did not give any tribunal in the State a right to overset a jury's verdict, whether based on perjured testimony or not.

**Washington Daily News**—In moving toward jurisdiction in the case of Tom Mooney the United States Supreme Court is helping to redeem America's judicial system.

**New York Daily Worker**—Let there be no illusions in the "impartiality" and generosity of the United States Supreme Court.