H. O. L. C. MENACED BY POLITICS AGAIN

Efficiency Threatened by Pending Amendment in Congress.

BY DAVID LAWRENCE.

Politics—the cancer that is eating into the worth-while things in the New Deal and rapidly bringing them to the level of the Old Deal—has reared its selfishness once more in an attempt to break down the efficiency of the Home Owners' Loan Corp.

Nothing could be more important than integrity and honesty in the management of a governmental agency which refinances billions of dollars in home mortgages and collects many millions of dollars a month in interest.

If politics gets the upper hand the officials in charge will find themselves pressed by local political bosses to grant favors to their friends, either in giving them preferential treatment in the handling of their applications for mortgage loans or in making easier terms in collecting interest.

Amendment Pending.

But, unless public opinion says no, there will be adopted by the Senate and House very soon an amendment which on its face looks innocent, but which is a bold-faced attempt to put the Home Owners' Loan Corp. into the hands of the politicians, notwithstanding the courageous fight made by Chairman John H. Fahey to conduct the affairs of his institution on a business-like basis.

The amendment reads as follows:

"No person shall be appointed or retained as an officer, employe, agent, or attorney, in any regional or State office of the corporation who was, at the date of the establishment of such office, not a resident of the region or State served by such office. The amendatory provision shall go into effect within 90 days after the date of the enactment thereof."

On its face this appears as a simple effort to give the personnel in local areas a chance at the jobs in the regional and branch offices. But the facts are that 100 per cent of the employes of the State offices of the H. O. L. C. and about 90 per cent of the employes of the regional offices, including all executives and administrative officers, are actually from the States or regions where they now are employed.

Aimed at Managers.

What, then, is the aim of the amendment? The answer is that out of 11 regional managers, all but 2 are from areas other than those in which they are serving. This was deliberately done by the management in order to eliminate all possibility of local influence or pressure and nearly all of these regional managers were appointed only after they had been trained in the Washington headquarters of the H. O. L. C. For obviously the H. O. L. C. in its effort to decentralize and make decisions in the field had to depend on the advice and recommendations of the regional managers. There is too much at stake to follow any other plan.

So the amendment really is aimed at the nine regional managers who constitute the heart of the H. O. L. C. Once they are in control of the politicians, the rest of the personnel will become political, too.

It has been suggested that the H. O. L. C., rather than lose the services of its nine trained regional managers, would shift them around so as to conform to the new requirement, but this would seem to mean a complete rearrangement and possible demoralization of the work of the offices at a time when every effort is being made to accelerate action on applications and to handle the interest-collecting problem efficiently.

H. O. L. C. Fortunate in Two.

In the two regions where the present managers come from the same areas in which they operate, the H. O. L. C. has been fortunate in getting men of independent means and great ability, who are giving their time to the public service.

The sifting of 10 per cent of the employes of the regional offices who were not originally residents of the regions where they now are employed would mean considerable confusion and probably the discharge of many technically trained employes.

Senator Norris of Nebraska, independent Republican, warned his fellow Senators when the Home Owners' Loan Corporation law was first before Congress that it must not be made the foot ball of the patronage hunters, but his words were of little avail. Mr. Norris has high ideals of government; he believes in Government control of many activties, but he has been consistent in arguing for a non-political public service.

The reason, however, why the governmental control idea usually falls to the ground is that the politically minded in Congress regard the new officials and bureaus as their own particular property and as the opportunity for the award of special privilege.

Congress thus has another test of the virtue of the New Deal, and so has President Roosevelt in the amendment pending now, which would destroy the morale and the efficiency of one of the few governmental agencies that seems to have been run on a businesslike basis, free from party politics. (Copyright, 1935.)

Congress in Brief

By the Associated Press.

TODAY.

Senate.

In recess.

Interstate Commerce Subcommittee resumes consideration of Guffey coal bill.

Munitions Committee hears William B. Shearer in denial he threatened to scandalize shipbuilding industry.

House.

Interstate Commerce Committee questions witnesses on holding company regulations.

Agriculture Committee holds hearing on A. A. A. amendments.

Banking Committee continues hearing on omnibus banking measure.

Ways and Means Committee studies social security legislation.

Indian Subcommittee works on administration Indian bill.

YESTERDAY.

Senate.

Ordered investigation of N. R. A. by Finance Committee.

Elections Committee named subcommittee to study challenge of Cutting election.

Territories Committee voted to investigate the administration of the Virgin Islands.

House.

Ways and Means Committee discussed constitutionality of social security bill.

Judiciary Committee approved measures to permit States to enter into compacts to obtain uniform labor laws and to allow codification of executive orders.

Post Office Subcommittee approved bill to increase rates for airmail carriers.

What's What Behind News In Capital

Industries and Labor Advance—Nervous Talk Resumed.

BY PAUL MALLON.

The best balanced business picture since the depression started is presented by the chart this month of official Government figures.

Industry has surged forward steadily since last September. During the last 60 days it has maintained the level of about 90 per cent of normal operations. This has brought factory employment up to 81 per cent of normal and wages to 67 per cent, leaving wages, however, still somewhat out of line.

Retail business has remained about the same during this five-month industrial surge, operating at about 75 per cent of normal. The railroads are still lagging around 65 per cent of normal, but are showing improvement. The general price level has been mounting for five months, but only because foods affected by the drought are soaking temporarily. Other prices have not shown much change.

All this you may see by a glance at the following chart. It contains figures compiled by various Government and private agencies, brought up to date by expert private estimates for February.

Each figure (except prices) is based on the 1923-25 averages as 100. All figures except pay rolls are adjusted for seasonal variations so that they accurately reflect where we stand without regard to seasonal trends.

Industrials Easing Up.

Behind this bright picture is the fact that certain industrial lines have been easing up slightly during the last two weeks of February. This is noticeable particularly in steel, but not in industry generally.

At the same time there has been a renewal of private talk among business men about uncertainty. This time it is based on Congress. The indefiniteness of N. R. A. reorganization, the latest bank bill, the rail bills, the holding company legislation and the possibility of further tax proposals are more or less responsible. This feeling of uncertainty may not be entirely justified, but it exists.

Whether it will have any important effect on March and April business involves a guess on which competent observers are divided.

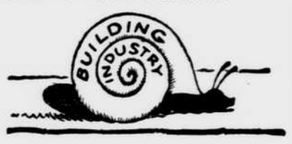
Autos Leveling Off.

The reason steel dropped was because automobile production is leveling off. Therein you have the best example of why it is difficult to gauge the immediate prospects of industry.

Steel production reached a maximum of 55 per cent three weeks ago, but it will soon be back around 45 per cent. Automobile production increased by fewer than 500 cars for the week ended February 23. Yet those inside the automobile trade will tell you that production for the first quarter of the year will be around 1,000,000 cars. It was 293,000 for January, probably 350,000 for February and need be only 350,000 for March to approximate 1,000,000 for the quarter.

After that, motor car output will depend entirely on sales. No one can hazard even a good guess as to what these will be.

The best indication that industry generally is holding up well lies in electric power consumption data. It has varied less than half a point during the last four weeks. Another hint of underlying strength is the car loading figure, which has been showing slightly more than seasonal improvement lately.



Building Very Weak.

The one almost hopeless factor is building. After the first brief flush of P. W. A. activity a year ago, building has failed to show anything but slight occasional flurries, which never developed into a trend. The latest favorable flurry is in residential building. January contracts were up to $22,400,000, a 50 per cent improvement over December. The amount, of course, is insignificant.

P. W. A. contracts awarded by Secretary Ickes in January amounted to $36,000,000, which was about one-third of the volume in that month last year. There will be hope for building after the pending work-relief bill passes, but not before.

Three Prices Near 1926.

The prices of only three commodities are relatively higher than farm and food prices now. That is, only the prices of building materials, hides, leather, and metals are nearer the 1926 level. And food prices are still going up.

The food price level for the January 12 week was 79.7 and by the February 16 week it was up to 83.1 in the official figures. But for the same weeks, all other prices actually decreased slightly, from 71 to 70.2.

All of which indicates that nature has her own commodity dollar.

The table referred to in Mr. Mallon's column follows:

(1926 equals 100.)

Year	Industrial production.	Pact'y employment.	Pay rolls.	Freight loadings.	Dept. store sales.	Bldg. contracts.	Wholesale prices.
1929 average	119	104.8	109.1	106	111	117	95.3
1930 average	96	91.5	88.7	92	102	92	86.0
1931 average	81	77.4	67.5	75	92	63	73.0
1932 average	64	64.2	45.3	56	69	28	64.3
1933—							
January	65	61.4	39.5	56	60	22	61.0
February	63	61.7	40.2	54	60	19	59.8
March	60	58.9	37.1	50	57	14	60.2
1934—							
January	78	75.1	54.0	64	68	49	72.2
February	81	78.4	60.6	64	71	4	73.6
March	85	81.0	64.8	66	77	33	73.7
September	71	73.9	57.9	59	75	29	77.6
October	73	76.7	61.0	57	74	31	76.5
November	74	76.7	59.5	59	72	31	76.5
December	85	79.0	63.2	64	76	33	76.9
1935—							
January	90	80.4	64.1	64	72	30	78.8
February (est)	90	81.0	67.0	65	74	30	79.4

(Copyright, 1935.)

Retired Manufacturer Dies.

WINSTED, Conn., March 1 (AP).—John Bateman Adams, 67, a retired manufacturer and native of Richmond, Ind., died Wednesday. He had lived here for the past 37 years and was president of the Franklin Moore Co., bolt manufacturers, until the company liquidated.

Kress Heiress Is Married

Copyright, A. P. Wirephoto.

Mr. and Mrs. Charles Wesley Frame after their marriage yesterday at the Park Lane Hotel, in New York. The bride is the former Miss Rosalind Kress, daughter of the Kress Chain Stores' owner. She is 24 and Frame is 28. They are motoring to Miami.

MELLON'S REALTY HOLDINGS PROBED

$20,000,000 Set as Book Value of Joint Account With Brother.

By the Associated Press.

PITTSBURGH, March 1.—More details of Andrew W. Mellon's wealth were brought into the records of his $3,089,000 income tax hearing today.

Howard M. Johnson, for two decades confidential secretary to the financier, said the book value of a "joint account" kept by Andrew Mellon and his brother, R. B. Mellon, was $20,000,000 in 1931—the year the Government claims the banker underpaid his income tax.

Witness Describes Holdings.

The witness described for the Tax Appeal Board the properties owned by this account, which were listed at $8,053,325.66, showing it controlled the $1,200,000 Pittsburgher Hotel, along with numerous other plots of land.

The book value on Andrew Mellon's personal holdings after he had transferred to his children's holding companies between $68,000,000 and $100,000,000 had been placed by Johnson previously at $97,000,000. This included his interest in the joint account.

Today's testimony was given under cross-examination by F. R. Shearer, attorney for the Bureau of Internal Revenue.

Witness and Lawyer Clash.

Shearer and Frank J. Hogan, Mellon attorney, clashed once over Shearer's reference to the joint account as an "organization."

It is the Government's contention that this joint account actually is a partnership and that certain securities Mellon obtained from it were subject to more income tax than he reported.

Among the assets of the joint account was a one-half interest in the "J. M. Guffey Coal." Johnson said this concern held extensive acreage in North-Central West Virginia and had been held for many years.

CANADIAN RADIO BOARD LAYS EXPANSION PLAN

Construction Program Is Projected to Give Complete Coast-to-Coast Coverage.

By the Associated Press.

OTTAWA, Ontario, March 1.—A construction program designed to give the National Radio System complete coverage from coast to coast is contemplated by the Canadian Radio Commission.

The program, if ratified, would entail erection of new stations or increasing the power of existing stations in Nova Scotia, Montreal and Toronto districts to cover Northern Ontario, Saskatchewan and British Columbia.

Action on the plans has been delayed, it was said, owing to a lack of funds. The program could be carried out, it is claimed, for something under $1,000,000. With it would be associated a plan to extend hours of national broadcasting.

Protection for Children.

SACRAMENTO, Calif., March 1 (AP).—Children born out of wedlock would be able to conceal that fact in the event their parents became legally married later, under a bill before the State Legislature. The bill provides for amendment of the birth certificate to delete all record of illegitimacy when the parents wed.

CHINESE TOWNS LOOTED BY REDS

Wholesale Executions Mark Flight of 25,000 Before Chiang.

(Copyright, 1935, by the Associated Press)

SIAN, Shensi, China, March 1.—A reign of terror, accompanied by wholesale executions and looting of towns, marked the passage of 25,000 Communist troops through Southwest Shensi Province during the last fortnight, missionary reports disclosed today.

The Reds poured into the district from Northern Szechwan Province, whence they were driven by Gen. Chiang Kai Shek's Nationalist government forces.

Some 25 missionaries abandoned their posts to escape the menace and fled through ice and snow covered mountains in quest of sanctuary.

Only two of the fugitives, Miss R. V. Thompson of Nevada, Iowa, and Miss Alma R. Artibey of Chicago, were believed to be Americans.

A portion of the scattered Christian workers, many of whom carried their children in their arms as they abandoned their stations, has been accounted for. About one-half their number was reported to have reached Fengsiang, to the westward, and Ankang, in Southeastern Shensi.

A group of missionaries left here to enter the mountains in search of their missing associates, while Shao Li Tzu, provincial governor of Shensi, ordered Chinese authorities to afford them every assistance.

Despite the period of chaos in Southwest Shensi, Chinese authorities here contend the Nationalist government will soon exterminate the Red invaders.

TWO AMERICANS SAFE.

PEIPING, China, March 1 (AP).—The United States Legation was informed today that the two missing American missionaries, Miss R. V. Thompson of Nevada, Iowa, and Alma R. Artibey of Chicago, had arrived safely at Fengsiang, 90 miles west of Sian.

DOUBLE CANDIDACY BY LONG POSSIBLE

Observers Say He Could Run for Senate After Governorship.

By the Associated Press.

BATON ROUGE, La., March 1.—Political Louisiana speculated today over Senator Huey P. Long's announcement that he would be a candidate for Governor in January, 1936.

As the special session of the Legislature prepared to speed 23 new bills on to final passage tomorrow, ending another of the momentous five-day gatherings of law makers, conversation in State House circles centered around the Senator's announced candidacy.

The gubernatorial primary is set for January, 1936, the same date as the primary for the United States Senate seat Long now holds. Some observers thought it unlikely that Long would wish to relinquish his seat in the Senate, particularly in view of his presidential aspirations.

The senatorial election formerly was scheduled for the Fall of 1936, but by a recent law it was moved up to January. It was said, however, that it would be an easy matter for Long to set the Senate date back again so that he could run for Governor in January and then, if he wished, for Senator later in the year.

The House yesterday readily passed all of Long's measures and sent them over to the Senate which promptly referred them to its Finance Committee, which in turn immediately reported them favorably.

The Senate is scheduled to receive the approved bills from the committee tonight.

WHOLESALE PRICES RISE

Increase Raises Index to 79.6 Per Cent of 1926 Average.

A continued rise in wholesale commodity prices last week was noted yesterday by the Labor Department. Prices during the week were 79.6 per cent of their 1926 average, compared with 79.4 the previous week, 73.4 the corresponding week last year and 59.7 the corresponding week in 1933.

The food index number was 83.2, compared with 83.1 the previous week and 67 the corresponding week last year.

6,000 Rabbits Caught.

Six thousand rabbits were caught in a recent drive in the Cummins district of Australia.

Coffee Crop Is Huge.

Nicaragua expects its present coffee crop to weigh over 3,000,000 pounds.

POLITICAL TRENDS CLASH IN MIDWEST

President Exceedingly Popular, but Many of His Policies Are Disliked.

This is the fifth and final article of a series contrasting conditions in the Northern States of the Midwest as Mr. Roosevelt of the editorial staff of the New York Herald Tribune found them on a recent tour and in the Autumn of 1933.

BY NICHOLAS ROOSEVELT.

Politically the Middle West is full of apparent contradictions.

President Roosevelt is overwhelmingly popular. But many of his policies are unpopular. The radicals are theoretically strong. But they are divided as to leaders and objectives. In Minnesota Gov. Floyd Olsen, who ran last Autumn on an ultra-radical State-socialistic platform, is losing ground—due in part to the strikes last year, which he had to put down with force. In Wisconsin the La Follettes are popular, except among conservative business men. Everywhere Father Coughlin is regarded as an oracle. Even the redoubtable Huey is beginning to arouse interest—apparently for the reason that of all the alluring economic gold bricks yet offered to the American people none has been so ingeniously designed to appeal to the economically uninformed as his suggestion that the topmost limit of personal fortunes be set at $3,000,000, but that everyone be assured of a minimum of at least $15,000. This knocks Townsendism and the forced distribution of wealth into a cocked hat.

Conservatism Coming to Fore.

But even if the prophets of radicalism still have their millions of followers, there are signs that the basic conservatism of the land-owning people is again coming to the fore. I had an interesting discussion on this point with one of the local leaders of the Progressive machine in Northern Wisconsin. He was a small business man who had never been in politics. He said that he had come to the conclusion that the salvation of America lay in the active participation of the small town business men and farmers in the political life of the country. He saw on the one hand the danger from the great corporate interests and on the other the dangers of State socialism. The only defense against these dangers was, in his mind, the organization of the men and women of small property to protect their own interests against these two threats. With this as an appeal he had built up a machine which not only had been instrumental in selecting and electing better types of local political leaders, but which was also carrying on a process of political education through bi-weekly meetings in different parts of the State to discuss current political and economic problems of interest to the local community.

Feeling Widespread.

The feeling expressed and translated into action by this man is widespread throughout the country. It is basically a conservative movement, even though it may prefer radical candidates like the La Follettes to the representatives of the old parties. These people, many of whom were formerly Republicans, and would be glad to support a moderate, conservative party, have the feeling that the present Republican party is the party not of moderate conservatism but of reaction. They are particularly distrustful of its Eastern leaders—so much so that for an outsider merely to mention such names as Henry Fletcher, Ogden Mills or Dave Reed is to risk unpopularity. Vandenberg of Michigan is regarded as more "reasonable," and a reorganization under his leadership might well meet with a larger favorable response, but the Middle Western Republicans demand Western leadership, not Eastern; progressive, not reactionary.

Finding Leaders Is Problem.

The great problem of the Republican party in the Middle West, as elsewhere, is to find men to take the lead. The issues will ultimately become clearer as the New Deal begins to crystallize and it will then be easier for the Republican party to create an effective opposition. For the present, however, opinions differ so sharply as to what the party should stand for that personalities inevitably are very much to the fore. The old familiar leaders are, for the most part, in bad odor. In Wisconsin and Illinois important groups of younger Republicans are hoping to obtain a larger share in the direction of party affairs. They cannot, however, dispense with or completely supplant the old leaders. But they feel that most of these leaders have been so frequently and effectively denounced as blind and reactionary during the last few years that they have come to be regarded as "damaged goods," and as such must be gradually replaced by other men.

Democrats Seize Opportunity.

The Democratic party, of course, is making the most of its opportunity. It has captured States, counties and towns in districts which for generations had been solidly Republican. Mr. Farley is not a man to let the grass grow under his feet. As a result he has extended the Tammany system of organization and assistance throughout all of these Republican strongholds. His task has been facilitated by the tendency of business leaders to support the successful Democratic machine instead of the Republican party, to which, while it was in power, they usually contributed liberally. The Republicans are thus not only without leaders, but also without funds, and, into the bargain, are believed to be the party of reaction.

Roosevelt Insures Supremacy.

The unknown factor in this situation is how strong the new Democratic machine in the Middle West will be when Franklin Roosevelt is no longer in the picture. So long as he is in the White House his great personal popularity and prestige insure Democratic supremacy. If he were a man of less political astuteness and personal charm it would be easier to predict how long it will be before he loses his popularity as completely as did Mr. Hoover. At present this date seems in a dim future. The more things that he does which are unpopular the greater the tendency to exonerate him from all responsibility for his acts. Mr. Roosevelt is still supreme. His magic radio voice can always recall the erring sheep to his fold. His readiness to discard unpopular advisers and unsuccessful policies keeps always a little ahead of popular criticism. The people have faith in Franklin Roosevelt. And that faith is still unshaken.

Hoarding of Goods Ended.

Hoarding of consumption goods in Germany has been almost completely stopped.

Roosevelt Enters Last Half Of Term in Confident Spirit

Healthy and Cheerful, President Leads Staff Through Maze of Work. Routine Well Ordered.

BY J. RUSSELL YOUNG.

Franklin Roosevelt is entering upon the last half of his administration, just as confident and hopeful as he was on that historic March 4, two years ago, when he took office, despite the obstacles and reverses he has encountered recently.

He has lost none of his good nature or his ability to joke and laugh even when things are not breaking so well. This side of the President's nature is void of sham. He is just as ready with his laughter and story telling behind the scenes as he is in public.

Of course, Mr. Roosevelt has his serious moments and many times during his days of toil the smile fades away, replaced by a frown, but this is not for long. He is gifted with an uncanny ability to cast off his worries and cares, and from all outward appearances to have completely removed from his mind anything of a depressing or serious nature. To those who are close to him this characteristic is one of his greatest assets.

Condition Is Excellent.

Were it not for this ability to transcend troublesome matters threatening to overwhelm him, he would lack the splendid physical and mental condition he retains today as he enters the home stretch of his epoch-making term as Chief Executive.

Fortunately for one of his nature, he is surrounded by a group of intimate associates who possess somewhat the same characteristics of "the boss." Probably this is not a coincidence. No doubt these men, who form the presidential secretariat, were selected because of this, as well as other qualications.

Although Lewis McHenry Howe, the principal secretary, is 10 years the President's senior, and does not enjoy robust health, he is gifted with a rare sense of humor. His dry and keen wit affords the President many a hearty laugh in moments when there might be cause to feel blue and dejected.

Col. Marvin Hunter McIntyre, four years the President's senior, and Stephen T. Early, who is in his late 40s, these being the other two members of the secretariat, are fun-loving and ready with a laugh.

It is agreed by each in this interesting little group that were it not for their more jovial moods, they scarcely could have endured the strain this long.

President Inspires Aides.

Although everybody around the White House has been working under a strain, no one seems to mind. The President sees to that. He knows how to keep them, as well as himself, in a good humor.

The work of the secretaries is heavier than ever before, the executive staff is more than twice as large as was President Hoover's, and the work of Rudolph Forster, the executive secretary, and that of Maurice Latta, his assistant, has doubled, but the President even has them smiling as they toil.

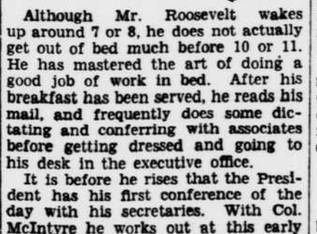
The mail is three times as great as it was during the previous administration, but Ira Smith, the chief of the mail division, can smile, as can Capt. Clarence Ingling, head of the file room, which has broken all White House records.

In other words, the good humor, the laughter, the cheerfulness of the President, premeates the entire place. It is well, too, because there have been some very dark periods, and the working hours have been long, as well as trying.

President Sound Sleeper.

Mr. Roosevelt has stood it all remarkably well. The strain has left few marks upon him. He may have an extra wrinkle or two. A few more gray hairs are noticeable, but if anything his bodily health is better today than when he took over the reins of government. Dr. Ross McIntire, the White House physician, who keeps a constant eye on the President, said only a few days ago that Mr. Roosevelt is in perfect health. Besides having the faculty to jest under all conditions, he has no trouble sleeping.

With him it is not a question of being able to sleep, but one of getting to bed. Seldom, if ever, does he turn in before 11 o'clock. Generally it is near midnight, frequently later. When his head hits the pillow he begins his sleep and wakes up refreshed and rested.



Although Mr. Roosevelt wakes up around 7 or 8, he does not actually get out of bed much before 10 or 11. He has mastered the art of doing a good job of work in bed. After his breakfast has been served, he reads his mail, and frequently does some dictating and conferring with associates before getting dressed and going to his desk in the executive office.

It is before he rises that the President has his first conference of the day with his secretaries. With Col. McIntyre he works out at this early hour a schedule of engagements of the day. With Steve Early he goes over the news of the day and considers what may be discussed with White House correspondents at his daily press conference. With Col. Howe each morning he goes over the political situation, at least to the extent of discussing strategy in dealings with Capitol Hill.

Sees Associates in Bed Room.

Besides conferring with his secretaries, the President frequently sees members of his Cabinet and other key associates of the New Deal while in his bed room. Postmaster General Jim Farley seldom misses seeing the "Boss" each morning before the latter leaves his bed room. Mrs. Roosevelt and other members of the family generally come in during this period to say "Good morning." This includes the grandchildren, as well as the grown-ups. Mr. Roosevelt has frequently said that a 10-minute romp with these lively youngsters starts his day off just right.

When Mr. Roosevelt gets to the executive office, which is generally around 11 o'clock, he remains there until dark. Unlike his predecessors, he does not return to the White House mansion for luncheon. At 1 o'clock in the afternoon he has a desk lunch served in his office. Always he has one or two friends or associates as guests, and often takes this occasion to hold a conference without loss of time.

The President's daily office engagement list is usually made out for calls of not more than 15 minutes' duration. Sometimes he can dispose of a caller in five minutes, but he is more apt to run over the 15-minute period, thereby delaying other engagements. Usually when the President leaves his office and starts back for the White House, which is generally about 6 o'clock, he takes a swim in the specially-built pool. This is his principal exercise, although occasionally he breaks his daily routine by going for an automobile drive in the afternoon.

Rests Before Dinner.

Then follows a brief rest in his study on the second floor before making ready for dinner, usually held at 7:45, after which there is an hour or two of motion pictures or music. Usually there are guests for dinner. Along about 10 o'clock the President goes to his study.

If he has visitors with whom he wishes to talk business he will sit them in easy chairs in front of the open fire. If not, he will sit at the desk, pore over papers, write, or dictate.

Mr. Roosevelt is as happy as a schoolboy if there is nothing pressing and he can nestle deep in a big chair in the study, read a good book or magazine, or perhaps review his stamp collection. He has been known to smilingly remark when indisposed for a day or two with a cold: "Now I can get in some good reading and look over my stamps."

But while Mr. Roosevelt and his group of smiling, loyal assistants always appear to be happy, and can always take time to tell or hear a good story, they have the faculty of working hard and noiselessly—that is, to get their work done without much fuss and without those about them knowing it is being done.

HOAX THEORY OUT IN MURDER PROBE

London Police Begin Search for Remainder of Corpse in Trunk Mystery.

By the Associated Press.

LONDON, March 1.—Scotland Yard today discarded the hoax theory regarding the human legs found last week in a train in Waterloo station, deciding they had a murder mystery to solve.

An exhaustive check of hospitals, morgues and medical schools showed that no bodies or parts of bodies were missing.

A large force of detectives was assigned to make a minute search of the many parts in the London area in the belief that the torso of the man's body from which the legs were chopped may be hidden there.

The hue and cry arising from the mysterious dismemberment killings which started with the Brighton trunk crimes of last Summer will be brought formally to the attention of the House of Commons next Thursday.

Japanese Shakespearean Dies.

TOKIO, March 1 (AP).—Shoyo Tsubouchi, noted scholar who translated Shakespeare's entire works into Japanese, died yesterday of pneumonia.

PRESIDENT PLANS TWO MESSAGES

New Policy in Dealing With Congress Believed Indicated by Report.

By the Associated Press.

Plans are being made by President Roosevelt to send two separate special messages to Congress calling for laws to regulate utility holding companies and all forms of transportation, according to reports from official quarters.

This intention was described as a further illustration of a new policy adopted by the President in dealing with Congress. Officials said the President probably would not send the messages urging passage of the legislation until after the congressional committees, working on special reports regarding the measures, had formulated the bills.

Criticism Recalled.

The method followed by Mr. Roosevelt in the last Congress of sending special messages and drafts of legislation to Congress at the same time aroused in legislative circles the criticism that he was relegating Congress into a "rubber stamp" category.

Whether his message on utility holding companies will ask Congress to lay a complete ban against such organizations or will simply suggest a prohibition of certain practices was not made clear. It is on the former principle that congressional groups are looking, however, after conferring with him.

Already considerable opposition has been aroused against the Rayburn bill under which such holding companies would be abolished by 1940.

Robert E. Healy, a member of the Security and Exchange Commission and former counsel of the Federal Trade Commission, told a House Commerce Committee yesterday he would propose changes in that section of the bill which calls for holding company abolishment in the next five years. He did not say what changes he would propose other than that they would call for "liberalization" of that section.

Views on Transportation.

Officials who have followed the transportation proposals during their progress through the several separate committees and Government agencies which studied the problems said they expected the President to send a broad mesage outlining in considerable detail his views on what should be done.

While no official would talk for quotation, these experts confidently predicted that the President would ask for the establishment of a transportation Commission which would have authority over all forms of land, sea and air carriers.

Into the Presidential message they expected to see written portions of the findings of almost half a dozen different agencies which have made long studies of the varying phases of the whole picture of hauling.

SCORES TO TESTIFY IN MATRICIDE CASE

Typist on Trial in Death of Mother—Former Employer Also Accused.

By the Associated Press.

LAUREL, Miss., March 1.—The first of threescore State witnesses was called today in the trial of Ouida Keeton, 30-year-old stenographer, charged with murder in connection with the death of her widowed mother.

W. M. Carter, Laurel business man and former employer of Miss Keeton, also has been indicted in connection with the slaying.

The State contends Carter struck Mrs. Keeton over the head with a poker on the night of January 21, carried the body away and dismembered it. It further contends Ouida carried the victim's legs to a spot on a lonely country road where they were uncovered by a hunting dog.

A jury of 12 farmers was completed last night after a day during which the defendant, seated in a wheel chair, apparently collapsed. Doctors revived her.

Jailed for Shooting Dog.

OKLAHOMA City, March 1 (AP).—Sam Tatum must serve six months in jail because he shot a neighbor's dog, although the dog recovered. Tatum was sentenced yesterday after he had pleaded guilty to charges of cruelty to animals and carrying concealed weapons. He said he had a grudge against the neighbor.

Your Income Tax

Deduction for Losses Other Than From Sale or Exchange of Capital Assets.

Deductions for losses are divided into four classes, and to be allowed must follow closely the wording of the income-tax law. Losses are deductible if incurred (1) in the taxpayer's trade, business or profession; (2) in any transaction entered into for profit; (3) from fires, storms, shipwreck, or other casualties, or from theft, and (4) from wagering transactions.

Business losses result, usually, from the purchase and sale of merchandise. Such losses usually are ascertained by means of inventories, which are required whether in the opinion of the commissioner of internal revenue their use is necessary to determine the income of any taxpayer.

The term "transaction entered into for profit" means any kind of business proposition. For example, a taxpayer purchases an automobile to be used solely for business purposes, and which is sold at a loss. As this is a business proposition from start to finish, the loss is deductible. But if he had purchased the automobile to be used for pleasure or convenience, the deduction would not be allowed; it was not a transaction entered into for profit.

A loss sustained in the theft of an automobile purchased for pleasure or convenience is deductible, as it falls in class 3. If, because of faulty driving but not of "willful negligence," an automobile maintained for pleasure is damaged, the taxpayer may claim the loss sustained, as it comes within the meaning of the word "casualty." Where damage results from the faulty driving of an automobile with which the automobile of the taxpayer collides, the loss occasioned the taxpayer likewise is deductible.

Losses from wagering transactions, whether legal or illegal, are deductible only to the extent of gains from such transactions. The excess of such losses over the gains is not deductible.

All losses are deductible only to the extent to which they are not compensated for by insurance or otherwise.