

ECONOMIC HIGHLIGHTS

Happenings that affect the dinner pails, tax bills and dividend checks of every individual; national and international problems inseparable from local welfare.

If it were a sporting event, the contest now being waged between the United States and Germany in seeking foreign markets, principally in Latin America, could aptly be advertised in this fashion: "Cordell Hull and His Reciprocal Trade Theory vs. Adolf Hitler and His German Barter System—the Show of the Century." As Business Week puts it, in more sober vein, "The political battle which ended in the Munich truce was fought almost entirely in Europe. Its sequel is a vast trade war that is going to be fought in the Americas."

This is primarily a conflict between two philosophies of world trade. Mr. Hull, as his long congressional record shows, is at heart a free trader. He is also a realist, and thus knows that the ideal of free trade is not attainable in the world at present—and in all probability will not be for decades to come if ever. Therefore, he seeks what he believes is the next best thing—trade agreements between this and other countries designed to promote the freest possible flow of goods with the lowest possible tariff costs. Mr. Hull believes in this not only because he thinks it is good for world commerce—of greater importance, he feels that strong and amicable commercial ties between great powers is the best guarantee we can have of world peace. So far a large number of treaties have been concluded, the most important one being that effected with Canada. And a new and potentially more important one still is about concluded with Britain, and will go into effect, according to schedule, the first of next year. Under the terms of these treaties, the great bulk of deals are consummated in cash—dollars, pounds, francs, lire, rubles, or whatever currencies are used in the nations involved.

When you do business with Germany, however, cash is the one thing you can't get. The Reich has next to no foreign credit. Therefore, at Hitler's bidding, Dr. Schacht of the Reichsbank put into effect a curious and novel scheme. If you, for instance, are an American manufacturer of typewriters, and accept an order for ten thousand machines from Germany, all you get when they are delivered is a credit. You may use this credit within Germany to buy cameras, toys, liquor, or anything else that is produced in German territory, to the value of the typewriters you have sold. If you have a market for such German products, or if you can find a buyer for your credit, well and good. But otherwise you can't get real money.

Today Germany, as this column has pointed out before, is looking more and more to South America. Conquest of the Sudetenland has greatly increased German industrial production, and she must find markets. Furthermore, she is often able and willing to make far better barter deals than we can make in cash deals. In central Europe Germany has already taken a large part of the great market, which once was largely monopolized by the English.

She is threatening to do the same thing to us in the western hemisphere.

What will come of this growing conflict—and make no mistake about its seriousness—cannot yet be forecast. Perhaps we will change our foreign policies somewhat in order to successfully meet German competition. And perhaps still more possible is the chance that Hitler will take the initiative in resuming trade relations with this country—the last trade agreement we had with Germany was cancelled by Hitler in 1934, and we have done relatively little business with her since. As Business Week also says, there are three big reasons why Hitler might desire this: (1) Germany needs American buyers to absorb some of the products of the Sudeten; (2) Germany also needs us to absorb some of the produce of her own internal industries; (3) if the Anglo-U. S. trade agreement does go into effect as seems almost certain, this will destroy a valuable export market for Germany, unless adjustments can be made.

This drama is well worth watching—it is the sort of thing that determines world prosperity or world depression, as well as peace and war. Whatever happens, it is a colorful and novel chapter in the long history of international commerce.

Races To Draw

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stables are represented, nearly all of which have participated in the race meets at Santa Anita, Tanforan, Bay Meadows, Hollywood and Caliente. Among those on their way or already here are the following stables:

E. R. Albee, Fallon, Nev., six horses.

Henry Sieck, Riverside, Calif., eight horses; and his famous jockey, Martin Sieff, leading rider in last year's meet.

L. D. Stewart, Payson, Utah, three horses.

Cuff Burwell, Taft, Calif., outstanding contender in last year's events, with four racers.

Senator Jack Robbins, Elko, Nev., is bringing a stable including the famous Miss Circle.

Tom Wheelwright, Ely, Nev., is bringing Grossbeck.

Bill Goodman, also of Ely, is coming with Dinora.

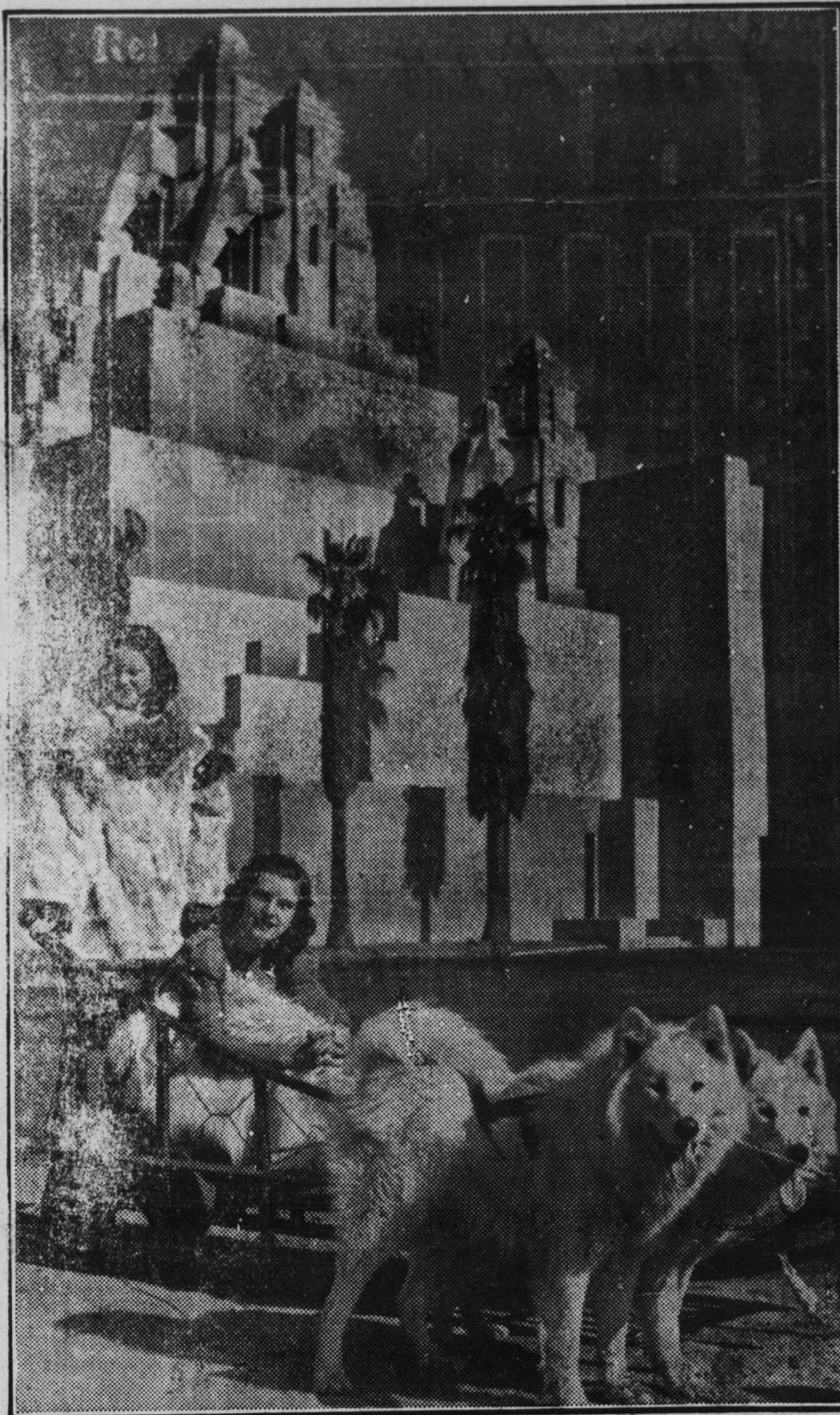
R. (Skinny) Lewis, of Ely, is bringing Santone, one of last year's favorites.

Another...
HIGHWAY ENEMY

The TRAFFIC SQUATTER

National Safety Council

Beauties 'Mush' to Fair



Laura Textor (left) and Bettina Norberg, who say Alaska is "the grandest place in the world," could not wait for opening of the California World's Fair next year. They "mushed" there with Trainer Bill Thompson's famous dog team and here are seen on palm-bedecked Treasure Island in San Francisco Bay.

W. L. Lierly, of Taft, Calif., with La Honda, the big winner of last year's meet, is on the way.

Don Zufeldt, one of last year's leading jockeys, is already quartered at the track with L. Ruth and Crown Flight.

W. L. Stuki, of Paris, Idaho, is stabled at the track with two excellent racers, Bitter Bark and Day Breaker.

Many notables of the screen and sporting world will enjoy the events with Las Vegas people. Among them will be Chief of Police Elmer Adams, of Burbank, Calif., who, with Jim Jeffries, former world heavyweight champion, the mayor and city manager of Burbank, and Gene Autry, singing star of screen westerns, will be here as guests of Bob Kel enborn over the first week-end of races. They will take advantage of the opportunity to do some duck hunting and to catch a string of the big fighting bass in Lake Mead.

Other notables coming are Rex

Bell, Dick Foran, and a party of other Hollywood notables.

The grounds about the grandstand and betting booths have been paved with hard-surface macadam to do away with the damage to shoes and clothing by the dust of previous years.

The track has been entirely resurfaced and reworked through the efforts of the Junior Chamber of Commerce. Another outstanding work of the Junior Chamber is the building of a new stable, adding 24 stalls to the horse-housing capacity of the track.

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