

(October 21, 1935)

Behind the News in the United States

MR. RICHARD WALDO.

PRESIDENT, COLONEL BISHOP:—Today we are going to be honored to hear from a rather different type of individual in that he thought of the idea of putting truth into the news. With all due respects to my good newspaper friends, Mr. Waldo is the founder and progenitor of the truth in newspaper publication and advertising. As head of the McClure Syndicate which comprises some 400 daily newspapers in the United States with a very, very wide contact, he, of necessity, must keep his finger on the pulse of that great nation. His associations with men who are in office in high positions in the financial and political world must of necessity be very intimate. Four hundred daily newspapers means a great many individual sheets so that, when you pick up your newspaper in the morning and see things reported, you may well wonder sometimes where the information has come from. We are very, very grateful to Mr. Waldo for coming and I think we can safely leave it to him to tell us how that news is acquired.

MR. WALDO:—Col. Bishop, gentlemen, and as far as I can see, lady of the supporting cast, it is a great privilege to be here, a privilege which was extremely unexpected when it came to me. I am occasionally asked to speak for somebody who has got cold feet or has otherwise disappeared, and there is nothing tougher than that, and to have the privilege of six or eight weeks' notice before coming, has given me the opportunity to look forward all that time to the time of my arrival, and I would like to take this occasion to say the way in which the invitation was extended,

the details of getting here, and the layout of approximately how I was expected to handle myself after I got here, was more competently done than I ever remember having it done by the secretary of any organization. I have very warm recollections of the name of Philp.

There was a very good friend down in Texas, that rather rare bird, an honest Republican in the State of Texas. So much so that he became postmaster-general of the Hoover Cabinet. He made a fine record for himself and disappeared into Texas again when events over which he had no control transpired. I asked him his background. He said it was Canadian, and I did not need any more than that. I knew that he was a good man. We have a very great respect on our side of the border for your men over here. We think you have one of the finest forms of government in the world, and those of us who study government, who try to keep in touch with governments, believe that up here in Canada your fluidity, your party register or decisions, are considerably superior to ours in many respects. And we also believe that your highly intelligent habit of confining your political campaigns to a comparatively brief spell is something that we would do well indeed if we could emulate on our side.

In taking upon myself the task of giving you the news behind the news in the United States, I have undertaken a large order in the time at my disposal and I will do the best I can, hitting the high spots, but I am going to discontinue somewhat short of the time allotted in the hope that you gentlemen will cross-question me or bring up some points you would like to have me cover and which I have failed to touch on. I desire, however, to pay one more compliment or extend my appreciation to Mr. Fisher for having a sister of the name of Catherine who runs *Good Housekeeping Institute* in the United States. That is one of the great outstanding accomplishments of the magazine field. It was the outgrowth of very wide development on the part of men in the publishing business for a check on the false and fraudulent advertising which was indulged in by a vigorous minority in the United States. It was never anything but a minority, but it was so focussed that it interfered with the

operations of all. Miss Fisher has conducted *Good House-keeping Institute* for a number of years past, the publication of which it is a part, being one of the greatest money makers in the United States, so far as I know the greatest. Last year the figures gave it two and a half million dollars profit and to have a Canadian woman at the head is something of which you should be proud, as all who know her in the U.S. are proud. A Canadian bringing honor to her country and never forgetting for a moment that she is Canadian.

The first thing I want to bring out is that we watched your Canadian elections, which, as I understand, produced something of a shock, quite recently, to Toronto in particular. It had been made clear to us in the all too limited treatment of Canadian affairs which runs in the American papers (and I say that feelingly), it had made clear to us that one of the major considerations up here was whether a man of outstanding ability, a man of ability such as is rarely put at the public service, making his government largely a personal government, should be replaced by another able man who would use a large number of counsellors to shape his policies. Gentlemen, I think that our election of 1936 is going to be along not dissimilar lines. Therefore, it will perhaps be of interest to you today, if I deal with the situation as it existed politically, because, as you know, politics are shaping everything in the United States and we have not the horse sense to confine our campaign to a fortnight. We are already in the midst of it and we are confronted with the probability of a bitter knock-down and drag-out campaign. We shall have to look forty years to find its equal, to the well remembered campaign when Bryan and McKinley fought it out and if it had not been for Mark Hanna managing the campaign for Mr. McKinley, Bryan would have had the victory beyond any question. Mr. Roosevelt went into office at a time when everybody was willing to take anything he did on the hope that it would work out, because there was a condition of despair, a panic, to such an extent that it could not possibly be exaggerated. I asked an outstanding Republican Senator at the time, why he had voted a blank cheque to Franklin Roosevelt? He

said, if you understood the farm holiday movement, you would not ask that question. But I presume you know about that, as much as the *New York Times* and the *Herald Tribune* print. Well, I happen to know a little more than that. He told me there was 750,000 men and women out of hand to such an extent that they were through with what he called and we call the Hill, the House and the Senate. They made up their minds we could do nothing for them. There was only one man they were willing to go along with and that was Roosevelt. These men were starving and, if they had happened to be in possession of arms, there would have been a condition beyond anything with which this nation has ever had even remotely to cope. They were perfectly willing to take Roosevelt and go with him. Calvin Coolidge I had the privilege of knowing well, I syndicated his writing for more than a year. I found him a far greater man than the newspapers were ever able to convey. He neither knew newspapers nor was understood by them. A man of astonishing ability. He had said prior to the Democratic convention, "I think they will nominate Franklin Roosevelt." "Why do you think so?" "Because when they get together in Chicago and listen to the great men of the west and find there is one easterner with whom the westerners will go along, little as they like him, they will be glad to take him." Some time subsequent to that convention I was sitting with Mr. Coolidge in his New York Hotel room; there were present his former secretary and Mrs. Hillis, Republican National Committeeman, New York State, and one of the wheel horses of the party. I took occasion to say, "Mr. Coolidge, you called the turn on the Roosevelt nomination." "Yes," he said. "I thought so." He turned to Mr. Hillis and said: "You thought so?" "Yes, I have been telling the party for two years, if we could not stop him before nomination we could not stop him afterwards."

Roosevelt swept in by something over 7,000,000 majority, carrying all but six states of the Union. He had a mandate to do anything he pleased. He got blank cheques. It is my personal opinion that it was taken as a personal mandate, and has been administered very largely as a personal

mandate. Very much on the order of one very able man conducting the affairs of a nation without having counselors on whom he must or will, if he chooses, lean heavily. It was the will of the president. Perhaps at the time nothing else could have been done but the result has been clearly what such a result is apt to be in any nation where democracy is rooted deep. There has been a great turn against Mr. Roosevelt. A really great turn. I felt it last March. I sit at a desk and have better men than I am, out making contacts, writing news, first class news. Nevertheless, now and then I like to get up from my desk and go places, making contacts. I set aside two months, taking aeroplanes. Cleveland is only two hours; Detroit three hours; Chicago four and one-half hours. I went into seven states; and I came back convinced that a tidal wave was setting in of tremendous proportions. The President keeps on top of everything, so much so that I was sent for before I had completed my report. I had the pleasure of knowing Mr. Roosevelt before as Governor of New York State. He wanted to know what I found. I told him. Republicans had become Republicans again. Those who were in favor of Baker or Ritchie were more than ever convinced that either one would have made a better President than he. But the women were standing up. That is about as well as I can sum up the situation today. Today women of property, like men of property, regardless of political party, have turned against Roosevelt. Below that thin, and it is a thin line, at the top, the women are still of the opinion that a man of his kind, a man of wealth and fine connections, an invalid, who had every reason in the world to sit at home and nurse himself, did a very splendid thing in coming to the front; and they admire him beyond any expression.

The best survey I know of, that has been made, shows that the slip has gone to a point where, if the election were held in October of this year instead of November a year hence, instead of seven million there would be something over three million majority. Not to be despised, but I know of no one, I know of no politician, Democratic or Republican, (and I have the privilege of knowing a very large proportion on both sides), who is willing to do anything

more than to say, "Yes, he has a good majority, but wait until we hear from the Supreme Court and then let us see. The Supreme Court is going to hand out decisions on Monday which you will read with a great deal of interest on Tuesday, or possibly Monday, in the newspapers, decisions which will have to deal with the very root of what we call the New Deal. No man can undertake to guess accurately how they are going to decide, but I can assure you that out of a very carefully prepared judgment there is every reason to believe that the decisions will have devastating effects; whether they will overcome the emotional appeal remains to be seen. How great that appeal is two figures will indicate. One is the 1916, the last Presidential year in which we had a preponderately male vote and eighteen and one-half million votes were cast. By 1932, the younger generation of women were getting into politics. A large number of older women never did have anything to do with the vote, and by 1932 the vote was thirty-nine and three quarter millions. While we increased population 20 per cent. we increased our balloting for President 115 per cent., and what it did to the historic parties has not been discovered. We know in 1928 the women of the country unquestionably voted against Mr. and Mrs. Al. Smith. They didn't like the radio, the New York pronunciation, which came to them over the radio and they didn't like photographs of Mrs. Al. Smith which were published. They voted against Mrs. Smith and put Hoover in the White House. In 1932 they voted against Hoover and for Roosevelt and what politicians want to know is, is there anything to make women vote against Roosevelt, and unless there is something invented to make women vote against Roosevelt, chances are poor to defeat him. His majority will be heavily reduced, but he will go in. And the Republican party is in a queer position. There are a great many of the leaders who do not want an election. There would be no greater misfortune than for the Presidency to go to the Republicans because, as one outstanding man of the Hoover cabinet told the Republicans of New York, "Whoever has charge of the country from 1936 to 1940 must increase the taxes, must bridge the gulf, and whatever party is in will, in my judg-

ment, be thrown out on its ear at the next election. Let it be the Democrats. Let them stew in their own juice. They have started this New Deal. Let us put up a fight for position; let us not win."

The cleavage in the Republican party is indescribable in any brief spiel, other than to say the extreme west and east not only do not see eye to eye, but in the east there are two powerful groups that almost illustrate what Macaulay says in his *Lays of Ancient Rome*. There is a very powerful group of industrialists, and now I am giving you something I am sure you have not heard; very few people in the States have heard it. Hitherto many of the most important contributors to the Republican Party funds gave at least \$5,000,000 wherever they choose to put it, and that is a tidy sum even in the United States. They believe there is a bankruptcy in organization as evidenced by the split so wide and so deep that there is an opportunity for an entirely new group to come in and make itself felt. The hope is not only through their party but through the Republican party to carry Congress away from Mr. Roosevelt, which seems an almost impossible thing to do, but every conceivable effort will be directed to that end. It is being directed now with a degree of local organization that I think transcends anything we have known and at the proper time a series of bombs will be let loose that will make this election something business men will shudder over. If they carry through their purposes, this outside group, all of them names known throughout the world, I believe, with perhaps one or two exceptions, they propose to nominate Mr. Hamilton Fish, Congressman, of New York State, which has the largest number of electoral votes in our College system. They believe, he with the American Legion—he has been active in it, and among the greatest of our Red baiters—he will make the strongest surprise candidate that can be pulled. It may not work that way. It may even work with Herbert Hoover who said to a friend recently who asked, "Shall we have the privilege of voting for you next election?" Hoover said, "Nobody wants me, but I have sufficient power left to see that the nucleus remaining of the Republican party is not captured by any radical vote." He is strong with the

people who believe our settlement of the liquor question was not happy. He has no desire to restore conditions before prohibition, but to approach something like your Canadian system, with easy access to light wines and beer and rigid control of hard liquor. And so far as the women are concerned, in the United States there is no question it would be an issue with them. The women are again saying they see a great deal of money, that ought to go into the home, going into the liquor stores, and are beginning to grumble about it.

One big thing with us was the passing of Senator Huey Long. Had he lived it is the opinion of newspaper men who know their territory that he would have carried five states against Roosevelt in the southeast. It was Long's intention to run, not for '36, but for position in 1940. It would have disrupted the Democratic party. A masterful man, a wonderful man, not a straight man; never pretended to be straight; didn't think it was necessary; believed the American people are perfectly willing to have a man who feathers his own nest well, if he divides with them. I am not sure that he is not right. I do not know whether you hear of anything of that kind up here. But we hear a great deal of it and Senator Long was under retainer to some of the big Republican Corporations and was doing magnificent work for them. When he died big artillery was silenced. It changed decisions more than you could possibly believe. There is no one to take his place. He is the kind of man that appears once in a hundred years; that may be often enough.

We have another man, the Governor of Kansas, Alfred Landor. He managed his own affairs well, made an excellent record in Kansas and is tried. If he comes through his present issue undoubtedly he will be raised. A western Calvin Coolidge, a little quiet farm type of man. No presence, no personality, and in competition with Mr. Roosevelt—well, the administration says, "Bring on Landor, that will be all right with us." But however it goes, there is going to be a hot time in the whole nation.

One or two things that will interest you gentlemen with American investments. You know the Securities Exchange Control—the S.E.C.; a marvellous piece of work has been

done. Joseph Kennedy did the organization. Kennedy had made fortunes out of rigging the market and was brought in on the basis it takes a thief to catch a thief, on the basis that there were no tricks of the trade he didn't know—nobody could put it over on Kennedy. And when he was in there they were not even tried. Landis came in, a government trained man, who learned astonishingly from Kennedy, and now the funny boys are trying out their stunts. You are likely to see some fire works from him in a short time that will surprise the smooth guys.

But the biggest thing is partly due to the banking law. Of course you know the thing that raised the very mischief with the world was our speculating along in 1926, '27, '28 and '29. The larger issues broke in 1928, but there were enough people able to go to the banks and borrow all the money they wanted for speculation at a time when there were no customers except these speculators and who, when they had to hunt for customers, found there was nothing but the hole into which they and the rest of us fell, because the banks operate largely from the loan department desks.

And there is the supervision of the Federal Reserve which I believe (because I believe the men of authority who have expressed confidence) that it will be impossible again for manipulators to borrow millions and tens of millions for speculation.

We are today putting everything sunny side up. Everything is not sunny side up with the United States, I assure you. We are moving; business is better. But we have not any illusions; we are not yet out of the woods. We can see the fringe of the woods. I think we and you and the rest of the world shall not again put our money into a seemingly sound situation and then have it run away with by a group of gamblers who care for nothing in this world but their own personal profits. We have at long last brought public opinion to bear at the point it should. We are going to have a bull market in the United States. Prices are going up; increased purchasing is visible in every part of the Union. Out at the Pacific Coast they are reaching away beyond 1929 levels; in Florida they are well beyond 1929. It is the past history of the country that when your resort areas pick

up that is the signal that you can depend upon. It started two years ago in Florida and California. I have seen some figures that are amazing. I think we shall see stocks go up. They are now at the 1932 level. But I do not believe there is going to be any run on the markets. Thank you for your patient attention and ask me some questions if you would like to.

CLUB MEMBER:—What about the trade treaty?

MR. WALDO:—You can imagine how delighted we were to think of realizing again the flow of trade back and forth. We always took too little from you. We have been educated to a realization that we have to take a lot more and certainly in Washington, in Hull, there is a man whose life is wrapped up in working out a treaty of reciprocity. He believes in it, holds his job because he does, and I think when treaties are brought forward you will find no juggled proposition is going to be offered you with the United States holding the handle. It is going to be a two sides affair.

In the Italo-Ethiopian situation, the arm of Italy is not controlled by Mussolini, but by the King of Italy and the Crown Prince. That is an amazing statement and if it had not come from one of the highest sources, I should have doubted it. But that is the fact and not one newspaper, so far as I know, has printed it. Gen. Badoglio has been appointed to the highest command and he is against Mussolini and is the king's man. There is going to be no war with Great Britain. Great Britain has understood thoroughly what Mussolini's position was with the royal family. They have created a magnificent issue for the forthcoming election. The Labor party put in an organization that threatened an over-turn. They are not going to have it because the new issue appeared. As one of the outstanding men of the government said to our European correspondent: "With any kind of luck we ought to be able to take Mussolini's head." Now if Mussolini sticks his neck out a bit further his head will go. It is said he will go a certain distance in Ethiopia; would then be stopped and what he had taken would be given to you, including the Adowa region, including this important part of the highlands to which the offi-

cers' families and the executives could go, with the terrible conditions in the lowlands making that necessary.

CHAIRMAN, COLONEL BISHOP:—It is seldom we have the pleasure of having such interesting information as has been given to us today on American politics and the situations as to parties and what is likely to happen. I think I am expressing your wishes in saying to Mr. Waldo that we are deeply grateful to him for his frankness, facility of expression, and interesting information and perhaps I should say, let us hope his prophecies may be realized.