

William Gibbs McAdoo

Former secretary of the treasury urges immediate reduction of tax burden. Declares for partnership between worker and employer in interest of industrial peace.

By Bruce Bliven.

IMMEDIATE reduction of the tax burden carried by the American people is one of the biggest necessities now confronting the country, in the opinion of the Hon. William G. McAdoo, former secretary of the treasury, and one of the men most frequently mentioned as a possible Democratic nominee for the presidency.

"While practicing, of course, the most rigid economy in government expenditures, it seems to me that the time has come for a substantial reduction in the burden of taxation," Mr. McAdoo told me when I called on him the other day.

"I think the present generation could with perfect propriety hand on to posterity the ultimate settlement of a larger part of our war debt than has already been funded."

Mr. McAdoo believes this should be done, even if it were necessary to raise \$1,500,000,000 in the next two years by issuing long-term bonds for \$750,000,000 per annum, substituting this revenue for a similar sum which it is now proposed to secure through taxation.

NOT AFRAID OF RADICALISM

It is interesting to note that here is one man in close touch with the administration who is not alarmed over the growth of radical doctrines in America.

"America is in no such danger from radicalism as the alarmists would have us believe," Mr. McAdoo told me. "I do not think a Bolshevik revolution in the United States is either probable or possible. I have to much faith in the sturdy patriotism of the American people and too much confidence in their love of law and orderly processes to be frightened by the reckless talk of an insignificant element of our people."

Mr. McAdoo believes that the firm maintenance of law and order, and for that reason lawless methods when used by a majority on behalf of principles I believe are just as repugnant to me as when used by a minority on behalf of principles I abhor."

Set down in chilly type these words are probably far less impressive than when spoken by Mr. McAdoo. He is that rarest combination, a fluent, rapid conversationalist who thinks quickly and is never at a loss for a word, who yet manages without effort to be thoroughly convincing in his statements. It is always a serious business to Mr. McAdoo, and this was, of course, especially true during the war, but in private life he is the most cordial of men.

IN EXCELLENT HEALTH Since he has recovered from the strain of his manifold duties at Washington during the war he looks, I should say, at least 10 years younger and much less than his age, which is 56. His face is ruddy, his black hair is brushed ruthlessly back, and I might add that his eyes are as bright as ever. He is projecting chin do not show the nut-cracker effect that the cartoonists are so fond of. In dress, manner, and appearance he is all the big, successful New York lawyer, with no hint of politician. He never held but one political office, he remarked, and that one the secretaryship of the treasury—the only position perhaps the most business and the least politics of any Washington job.

It is interesting to see that in spite of his many years as successful lawyer and as president of the Hudson Telephone company, with no hint of politician. He views on social and industrial questions are remarkably liberal and progressive. He believes in the only share of the fruits of government is the securing of the greatest amount of happiness and prosperity to the great masses of the people.

POVERTY WORLD'S DISGRACE "The strongest indictment of the present organization of society is the poverty of the common people, which is found in every country today," he said. "Millions have been one of the principal causes of poverty. I hope the war has really destroyed the old system of victory in an empty one if it has not."

"Prevailing discontent rests upon the firm conviction of those who toil that they are not getting a fair share of the fruits of their labor. This is the laborer of the farmer as well as of the laboring man, and of that great class of salaried men and women who are having a hard struggle to make both ends meet."

LIVING WAGE "Every worker should have a large enough wage or salary to provide a decent standard of living for himself and his family and be able by the exercise of reasonable thrift and industry to lay aside something for his old age. That is not possible today for large numbers even in America. We hear a great deal about high wages, and we forget that high prices absorb in many cases the entire increase and more than the in-

reparation clauses of the treaty and in other respects ought to be made within reasonable and just limits.

"What we must now do is to restore peace to the world. The only peace we are wondering what the very great American, Abraham Lincoln, would do in this juncture. I believe he would be thinking of what would advantage humanity, and not of what would advance the political party of which he was a member. Lincoln was human, not partisan. He knew the truth which Christ taught 1900 years ago, and he was the only noble foundation for peace and a real relationship between men or between nations."

WOULD DEAL WITH RUSSIA

Mr. McAdoo would have commercial intercourse established with Russia even under her present rulers. "The restoration of civilization in Russia depends on resumption of intercourse established with Russia even under her present rulers. 'The restoration of civilization in Russia depends on resumption of intercourse with the world. We can embargo commodities but we cannot embargo ideas. Russia has the absolute right to live under any form of government she chooses, even if we do not think well of it. It must be allowed to determine her own destiny, and if we will keep our hands off and let her alone she will do so.'"

There should be no more loans from the United States government to European governments, in the opinion of the former secretary of the treasury. He believes that except in time of war no nation has the right to tax its people in order to lend to other governments. "The restoration of peace and security he believes that private capital can be found in large amounts within the United States, which will be loaned to private individuals in European countries for use in rehabilitating genuinely productive enterprises."

COLLECTIVE BARGAINING

With the restoration of normal conditions, Mr. McAdoo believes that much of the industrial unrest in our own country will disappear. There are some problems, however, which will remain, and must be solved by the best effort of our combined intelligence. For example, he believes that "the right of workers to organize for collective bargaining and to quit work to enforce their demands must be unquestioned. That enlightened effort should be made to establish legal agencies through which differences between labor and capital may be heard, and, if possible, composed, but he protests that no law can be passed which will make a man an effective worker if he does not choose to be one."

"Efficiency rests on cooperation and contentment; it cannot be produced by compulsion," he said. "There is no power which can make a man work if he doesn't want to. We might as well face that fact first as to face the fact that the test of statesmanship that it shall bring about social justice and make unnecessary violent paroxysms with the industrial fabric. It is the bitter truth that in the past we have never, ever, secured any improvement without the strike. The fact that labor has this power makes its just exercise a matter of supreme importance. It should never be exercised in such a tyrannical way as to imperil the life and health of the community and resort to it should always be deferred where it affects those vital industries on which the life and health of the community depend, until every effort has been exhausted through instrumentalities created voluntarily or by law to satisfy the situation."

BORN IN GEORGIA

Though William Gibbs McAdoo speaks with such a pronounced southern accent, he has spent 28 years of his life in New York city. Born in Marietta, Ga., in 1864, he was educated at the University of Tennessee and admitted to the bar at the age of 21. He practiced at Chattanooga until he was 28, when he came to New York and entered the employ of the Hudson River and Manhattan Railroad company in 1892. He was later elected to the office of vice chairman of the Democratic national committee, and acting chairman during much of the campaign. President Wilson's cabinet was formed in 1913, and he was subsequently vice chairman of the Democratic national committee, and acting chairman during much of the campaign. President Wilson's cabinet was formed in 1913, and he was subsequently vice chairman of the Democratic national committee, and acting chairman during much of the campaign.

DEFENDS RAILROAD CONTROL

Of Mr. McAdoo's activities since 1913 and especially those during the war, there is no need for me to speak in detail. He was in charge of the railroads after they were taken over in December, 1917, and operated them throughout the war period. Mr. McAdoo did not have an interesting bit of secret history in connection with this matter. He stated that the roads were taken over largely because the allies were on the edge of starvation through lack of American food, which could not be moved to tidewater in this country. They actually curtailed munitions to get the food through. Mr. McAdoo flatly denies that government operation was either inefficient or wastefully expensive. He states that a steady and bitter propaganda to discredit government operation has been conducted, and that it has been successful in maintaining the public mind to an astonishing degree.

WAR COST DISCUSSED

I might add that he makes the same charge for a rehousing on the perpetual war scandals. "No war in history was conducted with so little waste and graft as this one," he declared. "It is not that we were not prodigally because we had to organize prodigally, but such expenditures were a true economy in the end. The best informed statesmen and military experts expected the war to last at least until the summer of 1919. When the armistice was signed the war was costing us \$60,000,000 a day. America's big scale efforts undoubtedly ended the conflict six to nine months earlier than would otherwise have been the case. By spending as we did we saved to the country the cost of six months' war, or \$10,000,000,000. This is not nothing at all. The original project of the matter—the many thousands of additional American lives which were saved by the early termination of the war—was in maintaining the public mind to an astonishing degree, but with the maximum effect, at a time when such expenditures were needed."

PRESIDENTIAL POSSIBILITY



William G. McAdoo, who is regarded as a formidable candidate for the Democratic presidential nomination.

Waterfront Fight Old

Present proposal to clean all buildings off river front, and convert area into public levee recalls to memory attempts of Portland pioneers to accomplish this object 70 years ago.

CITY ENGINEER LAURGAARD'S proposal to clean all buildings off the waterfront from Jefferson to Glisan streets between the east side of Front street and the harbor line, and convert the area into a public levee, reminds old-timers of the aspirations of Portland in this same direction 70 years ago. Whether or not Pettygrove and Lovejoy, the original proprietors of the townsite, had a levee in mind is a matter of judicial doubt. One court decision held that the proprietors so intended and decided for the people. Another decision held that the proprietors did not create a levee, and even if they did, it was immaterial, as they did not have the right under their titles to the land to do anything of the kind. At that, the story of how Portland lost in the courts the levee which it is now seeking to establish, is interesting.

Away back in 1850, the year before Portland was incorporated, Josiah L. Farrish sued the town proprietors to compel them and their vendees from erecting buildings on the river bank in front of his property. Justice Pratt of the territorial district court issued an injunction after which the proprietors, and especially Coffin, set on foot a compromise with the citizens whereby a portion of the levee was to be private property and the remainder a public levee. Pending negotiations Coffin and others claiming under the proprietors erected buildings on the disputed ground. The compromise failing, the parties to the suit reverted to their original rights and brought the entire levee under adjudication.

Justice Olney decided the issue in an opinion handed down in the supreme court of Oregon in January, 1854. He reviewed the evidence taken at the trial and held in favor of the proprietors, who bought the townsite from Overton in 1845, did in fact dedicate the levee to the public. Reputable witness testimony to this effect and saying that the levee was never questioned until about 1850. Pettygrove testified that he had never intended to make the levee public property and had not told any one of such intention unless he was in a pet or under the influence of liquor. The court decreed that Water street, as Front street was then called, was bounded on the east by the Willamette river from the south line of Jefferson street to the south line of Ankeny street. Justice Olney did not deem it fit to order the removal of the buildings on the levee, but authorized the city of Portland to petition the court for the benefit of the decree whenever such removal became necessary in the public interest.

PROPERTY OWNERS LOSE

At the June term of the supreme court in 1854, certain of the defendants asked for a rehearing on the perpetual injunction granted by Justice Olney. They urged, as one of their principal contentions, that even if the original proprietors did dedicate the levee to the public, the dedication did not bind those who succeeded to the rights of proprietorship. This time the decision was rendered by Chief Justice George H. Williams, who was later United States senator from Oregon, attorney general of the United States and, in the late years of his life, mayor of Portland. He held against the defendants and held that the original proprietors had legally transferred any portion of their title to individuals or to the public, the transfers held good against the court, the original proprietors and made sales by the plat of Portland as laid off by their predecessors, were estopped from saying that the streets and public grounds were not such as the plat showed them to be.

DEADY VOIDS DECISION

Justice Deady dissented to the Williams decision and seven years later declared it void. "Notwithstanding the court decisions, the townsite proprietors of the townsite, Daniel H. Lowndale, Stephen Coffin and W. W. Chapman, asserted their claims to the levee. No serious trouble seems to have arisen until the early part of 1858, when the appearance of wood-yards on the levee caused one of the newspapers to suggest to the citizens 'the propriety of having an afternoon's

ed. Two years later Vaughn sued the city for \$17,275 damages and on February 14, 1862, was given a judgment for \$1000 in state circuit court.

Following the Vaughn incident, Mayor Robbins, on April 15, sent a message to the council in which he said: "The city is already engaged at law with individuals for lands claimed to have been dedicated to public use. I need not say that the public expects you to defend inviolate every equitable claim to the soil that it possesses."

LEVEE DECIDED AGAINST

J. P. O. Lowndale proceeded with his building until November 9, when the city arrested his workmen and threatened to clean him off the levee as it had done with Vaughn. Then, upon the claim that he was a citizen of Indiana, he filed a bill for an injunction before Judge Deady in the United States district court. The city in its answer pleaded the decree of the Oregon supreme court in 1854 in the Parrish case. The Lowndale case was heard June 8, 1861, on the exceptions to the amended answer to the amended bill. Judge Deady ruled against the city, holding that Pettygrove and Lovejoy, the town proprietors who succeeded to the title of the levee, had never acquired any and had nothing to dedicate, such as a levee; that they simply held the naked possession of the land under the laws of the provisional government organized at Champanoe in 1843, according to the custom of the country, and when they gave up this possession to Daniel H. Lowndale he took it as though the foot of man had never been upon it.

Judge Deady heard the case December 5, 1861, on the pleading and proof and the following day rendered a decision adverse to the city. His points decided by him were the following:

1. That Pettygrove and Lovejoy took up the Portland claim in 1845 and held under the laws of the provisional government until September 22, 1848, when they sold to Daniel H. Lowndale, who in 1849 sold interests to Chapman and Coffin, as joint occupants.
2. That on April 29, 1852, the common council of Portland, by resolution, adopted the plat of the town drawn by John Brady as the city plat; that on August 2, 1860, the council by ordinance decreed the strip of land east of Front street to be a public levee, which ordinance was repealed June 14, 1861; that on August 6, 1861, the council by ordinance decreed the so-called levee to be private property and permitted the holders to erect wharves thereon.
3. That Daniel H. Lowndale perfected his title to the land under the donation land law of 1860.
4. That on April 29, 1852, the common council of Portland, by resolution, adopted the plat of the town drawn by John Brady as the city plat; that on August 2, 1860, the council by ordinance decreed the strip of land east of Front street to be a public levee, which ordinance was repealed June 14, 1861; that on August 6, 1861, the council by ordinance decreed the so-called levee to be private property and permitted the holders to erect wharves thereon.

LOWNDALE PERFECTS TITLE

That in 1854 and 1858 the city assessed the property and collected taxes thereon from Lowndale. That on April 29, 1851, and for six successive weeks Daniel H. Lowndale published a public notice claiming the land east of Front street and warning all trespassers to keep off. That the city's allegation of a dedication of the levee by Pettygrove and Lovejoy was not supported by evidence, but on the contrary was so-called levee and it appeared beyond doubt that Pettygrove and Lovejoy did make such dedication, it would be immaterial, as they had nothing in the land to dedicate. They had only the naked possession, which terminated with such occupancy, and could not by any act charge the land in the hands of any subsequent occupant or incumbents of the levee.

That the allegation that Daniel H. Lowndale confirmed the Pettygrove and Lovejoy dedication after he succeeded to the title was untrue as well as unproved. That the adoption by the common council of Portland of a (Brady) map upon which Front street was represented as being bounded by two parallel lines so as not to include a strip of land lying between it and the river was a solemn admission by the city that the levee was not part of Front street.

That the city of Portland be perpetually enjoined from asserting any claim to the levee. The city council, in a resolution introduced by William M. King, and adopted March 30, 1862, referred to the levee within three days. Apparently matters drifted until 1860 when the final fight over the levee began. In March George W. Vaughn, a former mayor of the city, built on the levee at the northeast corner of Front and Morrison streets and on July 1, J. P. O. Lowndale, a son of Daniel H. Lowndale, started building at the southeast corner of Front and Taylor streets. That day the council instructed the marshal to remove all obstructions after giving 24 hours' notice. The following day Vaughn put a force of men at a building 50x20 feet. On the morning of March 22 a large number of citizens headed by Mayor Robbins tore down the building which Vaughn had erected.

Pay Back Taxes to Vote

Atlanta, Ga., March 25.—(L. N. S.)—J. T. Brynarsky, 64, being desirous of casting his vote in this year's presidential election, has just paid his back taxes for 20 years.

Taxation Problems

Assessor Henry E. Reed recommends consolidation of city and county governments and the merger of the many tax levying bodies that now operate independently.

By Henry E. Reed, County Assessor.

In a previous article in the Sunday Journal Assessor Reed discussed taxation problems connected with the consolidation of city and county governments and the merger of the many tax levying bodies. This functions independently.

Reduced to its simplest language, the voters of the state are to be called upon to authorize Crook and Curry counties to issue warrants to cover current expense, and later their electors approving, issue funding bonds to take up on the warrants, and the debt passed on to a future generation. It is a pernicious piece of legislation that has been passed at the state election in May, even though it be local in character. It is the entering wedge for the widest sort of public financing.

ILLUSTRATIVE of the grip in which legislative enactments enacted by a certain amount of public sentiment, may hold a tax levying body, is found in the act of 1917, authorizing a levy of 15-100ths of a mill for the purpose of financing the city's only directory, when the county budget committee was sitting in the fall of 1918, it was requested to include an item for the festival, but declined. Later the county commissioners provided in the budget for the festival, but eliminated the appropriation when strong objection was voiced by a group of taxpayers. Had the full 15-100ths of a mill been increased for the festival, the 1918 valuation it would have called for about \$49,000, or much more than one-half of the 6 per cent increase to which the county commissioners were asked and received from the Multnomah county commissioners, as a board, have no jurisdiction over their expenditure. Both come within the purview of Section 3 of Article II of the constitution. The city's tax levies are collected by the county school superintendent reports to the board the school census and the per capita and the levy is made on that basis. The library reports its needs and the levy is made when the taxes are collected they are placed in the respective funds, and thereafter the county commissioners may not in any way divert them, may not even transfer an excess from the general fund to be used for general county government.

APPORTIONMENT IS FIXED

One more word in regard to legislative grants of new or additional taxes. At the session of 1919 the county school fund was increased by 100 per cent, the \$10 per head of school population and the library tax from a maximum of one-half mill on the assessed valuation to a maximum of 1 mill. The school fund was increased from \$100,000 to \$1,000,000 and the library was given all it asked or the proceeds of 74-100ths of a mill. In the extension of the city's tax levies for the school and the library in excess of the 6 per cent limit and the county school fund with about 5.5 per cent above the 6 per cent limit. As to these two funds it should be said that the county commissioners, as a board, have no jurisdiction over their expenditure. Both come within the purview of Section 3 of Article II of the constitution. The city's tax levies are collected by the county school superintendent reports to the board the school census and the per capita and the levy is made on that basis. The library reports its needs and the levy is made when the taxes are collected they are placed in the respective funds, and thereafter the county commissioners may not in any way divert them, may not even transfer an excess from the general fund to be used for general county government.

LEGISLATION ESCAPES CENSURE

The tax supervising and conservation commission, in its recent report to Governor Olcott, called attention to the excess levies for the school and the library, and evidently accepting the library levy as part of the general county levy, charged that the county constitutional limit was exceeded. The constitutional limit is about \$78,000, which is true that the two levies, considered jointly did exceed the limit by the amount named, but nearly all the excess is chargeable to the library. As the county commissioners keep very close to the limit in their own levy. Whether the commissioners are to be held responsible for voting an excess beyond the limit is a question which the general county government, the county school fund and the library are to be considered as a whole, as some assert, and their aggregate levy subjected to the constitutional limit. If they are to be considered as a whole, then the library or the county school fund, relying upon legislative authority, may in any year so exceed the limit as to seriously impair all other functions of county government. If each stands upon its own merits, as seems the just and reasonable way to interpret the enactment, then each must answer for itself if it exceeds the limit. However, this is an undjudicated question and it may yet be called up to embarrass county government throughout the state. The tax supervising commission freely criticized the county commissioners for doing what they apparently could not escape, but showed tender solicitude for the legislative enactment, mentioning the chief source of the trouble.

IS PERNICIOUS LEGISLATION

What is to be the result of all this voting of new expenses by the legislature? We have the answer to the question in the constitutional amendment referred to the people by the recent special session and to be voted upon in May. It proposes to amend Section 10 of Article II, which limits current debts and liabilities of counties to \$5000, and says, in part, after quoting the old matter in the section: "Provided, however, that either Crook or Curry county, or both, may issue warrants drawn on its treasurer to evaluate debts and liabilities imposed on it by law and which the county is powerless to prevent and may issue bonds in an amount not to exceed 2 per cent of the assessed valuation of all the property in the county to fund its warrants so issued, etc."

LIMIT IS BENEFICIAL

Such has been the working of the 6 per cent limit, that the evident wording of the enactment and the common interpretation of it is that any increase voted above the 6 per cent in good for only one year. Whether this construction shall be supported by the opinion of the supreme court is yet to be determined. However, if the interpretation above outlined be correct, the legislature has found a way to get around the enactment by submitting continuing levies for specific purposes to the people and having their approval. So, also, the extra three mills voted at the special session in November, 1919. The legislature has gone a step farther and is submitting to the people a constitutional amendment authorizing Crook and Curry counties to issue warrants to be followed by bonds, covering expenditures imposed upon them by law and which they are powerless to prevent. It will be seen that the legislature, through the market road and motor vehicle acts, has placed additional revenues at the disposal of counties, while at the same time leaving their exercise of the 6 per cent limit unimpaired. Despite the operation of the constitutional provision which have been noted, the 6 per cent limit has produced satisfactory results, in that taxes have increased less in Oregon than in Washington and Idaho, where there is no restraint upon the 6 per cent limit. All things considered, the 6 per cent limit is entitled to re-examination on its merits, at least to determine what it really means in respect to continuing levies.

Four acts levying additional taxes

(Continued on Page 8)

1,500,000 SERVED A YEAR—THERE'S A REASON
Look for the Steaming Cup

LUNCH ROOMS
THE COFFEE CUP

Clean Food
Deliciously
Prepared

Free Appetizing Places

133 Park	124 Broadway	332 Wash
----------	--------------	----------

Roast Beef.....20c	Baked Beans.....10c
Roast Veal.....20c	Fish.....20c
Stewed Beef.....15c	Pastries.....5c, 10c, 15c
Hamburger Steak.....15c	Coffee, Tea.....5c
Chicken Pie.....20c	Salads, from.....5c, 10c, 15c
Veal Stew.....20c	2 eggs, any style.....15c

Meal Tickets \$5.50 for \$5.00—Good at Any of the Stores
Plenty for Twenty—No Charge for Bread
We Make and Bake Everything We Use
MOST TALKED OF AND BEST THOUGHT OF EATING PLACE IN THE CITY
We Serve the Best and Sell for Less
The man who does not advertise may know his business, but nobody else does.

The Funeral Question Answered

(Questions which are asked by the public)

WHY do certain Undertakers charge so much for their casket and service?
WHY are they so heartless as to take advantage of the bereaved at this opportune time?
WHY sometimes absorb all of the small savings or the entire insurance instead of drawing a money line?
We all know why.

The workingman with small earnings is hit hardest, and even the rich complain. This is how it is done:
They advertise all the finery of an establishment, all the way from the veranda to the private driveway.
The impression is given that the subject of money and prices is not even touched on.
Right there you are deceived. You select a casket and materials regardless of price. Should you not be heard from after the funeral within ninety days, the collector would be at your door with an exorbitant bill and extras which you had never thought of.
This is not Miller & Tracey's policy. We want you to inquire of us, even before you call an undertaker, what a respectable funeral will cost.
This is the reason why we advertise our prices and service.
The subject of price and money is brought up so you have a thorough understanding of what you are getting and for what you are paying.
We extend credit to all who wish it.
Liberal discount allowed all who meet their responsibilities within thirty days.

MILLER & TRACEY

INDEPENDENT FUNERAL DIRECTORS
WASHINGTON AT ELLA ST.
Main 2691—578-85