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"With or without offense to friends or foes
I sketch your world exactly as it goes."
—BYRON

Dollar Wheat

The advance in wheat prices to the dollar mark for the first time in three years, and that of other grains in proportion, is due primarily to the "act of God" in supplying unfavorable weather conditions to reduce yields. Winter freezing, coldness and wetness in spring, blistering heat and drought in June have taken their toll before harvest time and the law of supply and demand does the rest.

However, there never was a political party in power that did not claim all the credit belonging to nature, credit for bountiful crops as well as high prices caused by crop failure elsewhere, so there is no particular objection to the democrats doing as the republicans always have and pointing to the restoration of dollar wheat after three years of less than cost production under republicans as a party achievement—and the republicans can only retaliate that it is the Roosevelt luck. As for the people generally, they do as they have been taught by the politicians—credit or debit the administration.

There are contributing causes to the increase in wheat prices besides mother nature. Present stores of wheat are nearing depletion. The farm allotment plan with its processing tax is having its psychological effect, as is the huge recovery plan on industry. Prospects of inflation, the abandonment of the gold standard, the international effort to curtail acreage all figure in the rising markets.

Industry as well as agriculture is on the mend. Security prices as well as those of commodities are advancing. Business curves are tending sharply upward. And for this more hopeful and optimistic viewpoint of the people, President Roosevelt and his recovery program are entitled to much of the credit—no one will dispute that. And everyone realizes that if his experiments prove unsuccessful they will be scrapped for new adventures.

The Chilean Bonds

Senate investigation of Kuhn, Loeb and Co., has revealed that the Coolidge administration commerce department under Herbert Hoover's direction in 1925 described as "safe and successful" the operation of the Chilean Mortgage bank which since that time has defaulted \$90,000,000 of securities held by American investors, which the international bankers underwrote.

The favorable commerce department report, prepared by a special agent of the bureau of foreign and domestic commerce, was the main factor in Kuhn-Loeb's decision to underwrite the issue. It was included in the prospectus issued by the bankers in inviting subscriptions to the loan, though the information not attributed to the department.

A moratorium proclaimed by a revolutionary Chilean government in July, 1931 led to default of the loan two months later at a cost to American investors of \$74,000,000 in shrinkage of the capital value of the securities which are now quoted at 13 to 15 per \$100 of par value. It was for assistance rendered in negotiating this loan that Norman H. Davis, President Roosevelt's European ambassador at large was paid a \$35,000 commission. He was not at that time holding public office. The banks made a gross profit of \$1,000,000.

The bankers themselves claimed to have carefully investigated conditions in Chile, stated that the country had an excellent reputation and that the default was due to the world wide depression which ruined nitrate and copper markets, and asserted that "nobody in 1925 could have foreseen the cataclysm in 1931."

This is probably correct, but it shows the folly of having the United States government or any of its branches act as financial advisers for foreign bond flotations, to the loss of American bankers and investors. This practice is now banned under the new federal blue sky law.

More Wet Recruits

By over-whelming majorities, California and West Virginia have joined the wet parade. One-third of all the states have now voted to strike the 18th amendment from the constitution, and the score stands 16 to 0 in favor of the 21st amendment, which deletes the 18th.

The result in the golden state was expected, but dry southern California returned a two to one vote for repeal, while San Francisco voted 16 to 1. West Virginia, however, has been dry for 20 years, yet it gave a 90,000 majority for repeal. The dries have given up hope of blocking repeal and have concentrated their efforts to delay a vote on it in enough states to prevent adoption for another year or two, and thus thwart majority desire—which will mean nullification.

The election results of these first 16 states to vote on the issue were forecast with over 95 percent accuracy by the recent Literary Digest prohibition poll. Six of the states voted slightly wetter than the straw vote prediction, five slightly dryer, while in California and West Virginia the same percentages materialized as in the poll. In two of the states complete returns of the popular vote are not available. As the Digest poll recorded all the states except Kansas in the wet column, there is little question of the outcome.

The National Whirligig

By PAUL MALLON

Washington — The whole inside story of this administration can be told in one paragraph.

Mr. Roosevelt keeps the liberal, nationalist and theorist Prof. Moley on one knee. He keeps the conservative, financial-minded Lew Douglas on the other. He lets them argue every issue while he listens, and pats them on the back. When they are exhausted he decides what should be done.

That is why one step is conservative and the next liberal. He sides

with Douglas one time and Moley another.

The system has worked very well politically and economically. No one knows what is coming. No one is ever completely satisfied with what is done. As a result, such strange bedfellows as Carter Glass and George Norris sleep more or less under the same tent.

The economic result is: we wink at the anti-trust laws and propose better working conditions; we put the radical bank guarantee into a most conservative banking measure; we have an inflation and a quasi-balanced budget at the same time.

The administration has the highest powered publicity setup any government ever had.

Top-notch men who know their business have recently been installed at the Industrial Control headquarters and the Interior Department. They match the calibre of

other publicity experts in other governmental departments. The result is a minimum of friction and a maximum of favorable administration news.

You will not hear much about it but the Roosevelt economy program failed in one particular. They planned to abolish some twenty-seven customs collectors' offices in island cities. These jobs are political sinecures. They go to the boys who turn out the votes. You can imagine how many customs are collected each year in some midwestern cities.

The political pressure for keeping the jobs was strong. Local civic pressure was even stronger. Chambers of Commerce wrote hot protests. They considered it was a matter of government service to local importers.

They won. Most of the jobs will NOT be abolished.

A nice little surprise awaits municipalities planning to send delegations down here to grab off Public Works money. It will be a waste of time for them to come. The men in charge of that section here are hard-boiled. They are the same ones who administered the self-liquidating loans on the R.F.C. Nobody gets any money away from them without good sales talk. Towns will not be permitted to build head their means. Reasonable amortization of waterworks and sewerage projects will be required.

You might say Bernard Baruch was ex-officio President of the United States the last few days.

With Mr. Roosevelt out of town Baruch sat at Moley's desk. He had his man Johnson supposedly running the Industrial Control setup (Johnson always calls Baruch "Boss"). Another Baruch man, Peck, was running what Wallace left him of the Agricultural setup.

It was a complete Baruch picture on its face—but not exactly that underneath.

The administration really has no idea what it is going to do on war debts.

Those who handle the policy whipper they will just let the debtors come in and make offers. If they are much like the offers received on the June 15th payments the discussions will last a long time.

Any agreement must be submitted to Congress. It is doubtful if the administration will throw energetic support to any settlement. It will probably act only as an agent of Congress.

That means the debt problem will be with us for many months and probably years.

This talk about recalling Congress in the fall is pure speculation. The Republicans started it. They believe the New Deal bills will be so full of holes by then that Mr. Roosevelt will have to call Congress back to plug them.

The Democrats are not saying a thing. You can bet Mr. Roosevelt will keep Congress out of town as long as he can.

One town of 2,000 population wanted to build a \$400,000 waterworks and asked the R.F.C. for self-liquidating funds to do it. The R.F.C. turned it down. The new Public Works administrators mean it when they say they are going

ILLUMINATED VIOLIN CHORUS IS OFFERED

One of the unique scenes in the Warner Bros. picture, "Gold Diggers of 1933," which opens at the Capitol theater Saturday, is the song and dance number with 54 illuminated violins. Girls of the chorus play on these instruments in a gigantic ensemble, the lights being arranged to take the shape of the fiddle and bow so that the music can be heard and the instruments seen playing the air after the figures of the players are blacked out, giving a startling effect. "Gold Diggers of 1933" is a mammoth musical and dramatic spectacle based on Avery Hopwood's play and directed by Mervyn LeRoy. There is a noted all star cast which includes Joan Blondell, Warren William, Aline MacMahon, Ruby Keeler, Guy Kibbee, Dick Powell, Ned Sparks and Ginger Rogers.

BANKS ARE HOSTS

Silverton—Mr. and Mrs. Ed Banks entertained at noon luncheon Tuesday for Mrs. Allen Tutthill, formerly Miss Cecile Bennett, teacher in the local schools for a number of years, and Mrs. Tutthill's father and mother-in-law. Their home is in Oakland, Ore.

Brush College—Leland Nelson and his chum, James Keller of Los Angeles are here visiting at the home of Mr. and Mrs. Oliver Whitney. Young Nelson is a nephew of Mrs. Whitney. He is supposed to spend a month in Oregon visiting other points of interest but will be here most of the time.

to be hard-boiled. They probably will adopt a rule requiring amortization of projects within 25 years. Mr. Roosevelt's opponents are helping to circulate stories by a well-known iconoclast picturing the President as "King Roosevelt I." Louis Howe is called Field Marshal Howe. He is supposed to be in charge of Kils. The stories are really very funny and may offer the opposition a new mode of attack. For the present there is little opposition and no attacking.

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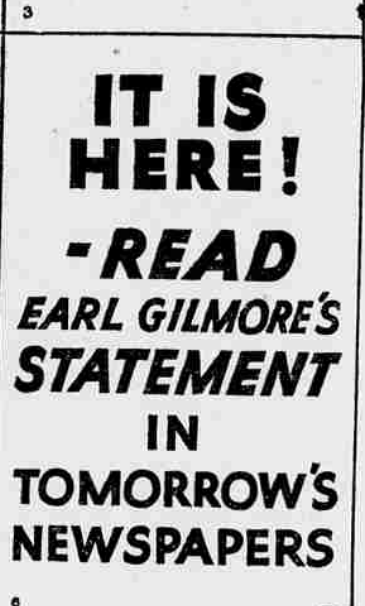
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