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Salem, Oregon, Wednesday, October 26, 1949

Anniversary of the 1929 Panic

Monday was the 20th anniversary of the worse peacetime disaster to strike this country-the 1929 stock market crash, which pricked the bubble of inflation and wiped out \$55 billion in paper values on the New York stock exchange

Stocks had been built up to absurd valuations through nation-wide stock gambling on margins-borrowed money. The panic started when 6000 shares of Montgomery Ward changed hands at 83 against a year's high of 156. Other stocks also hit the toboggan all along the line. The selling conflagration spread like wildfire across the nation and sale of the day was recorded.

There were three principal causes. First, stock prices had been allowed to soar out of all sane relation to their actual value. The credit for buying them had become tremendously over-extended. Second the beauty selling of his boat on the mendously over-extended. Second, the heavy selling of willamette slith-American securities when the Bank of England felt the ered up into the financial pinch following the failure of Clarence Hatry in along did a turn England, and third, the frolicing of the bulls and bears in over town and pools and rigged sales with "wanton disregard of the public t h e airport,

There are many differences of opinion as to what prolonged the ensuing depression to record lengths, mostly There had always been a comparatively quick recovery from our many other depressions, but none of them had ever tried the New Deal remedies which effected no cure until World War II brought recovery, and it was the long depression which caused the craze for security and Paradise Regained stability even if it meant regimentation and loss of free-

Another such financial calamity as that of 1929 is improbable. Banks are policed and deposits insured, markets are watched by the SEC, credit by the Federal Reserve bank, investors nowadays are wary, excessive profits heavily taxed, and Wall Street on good behavior.

Why Dr. Nourse Resigned

The resignation of Dr. Edwin G. Nourse from the president's Council of Economic Advisers, of which he is chairman, is evidently because the council was expected to make a set of facts fit a political policy or a preconceived eco-nomic theory instead of the neutral concept found in the law creating the council. Differences in conclusions between members of the council have been minimized, instead of supporting one set of conclusions, so as not to arouse partisan criticism of proposals.

Mr. Truman, apparently like his predecessor, the late FDR, wants his advisers to tell him how to carry out the pledges he has made in his campaign to activate his socialeconomic theories. He does not want to be given a num-ber of reasons why the economy will react adversely in-

In other words, the presidential advisers are not to furnish honest opinions but to find basis to support any policy determined upon before the advice was asked, and then expand this advocacy before congress and elsewhere.

An impartial and unpliant economist is not wanted as an adviser, for a conflict between the economist and the politicians is inevitable. What the executive wants is a group of yes men to secure a scientific window dressing for the administration. And there are plenty of such to replace Nourse.

Dr. Nourse first offered his resignation last December, after the election, probably realizing that he would be expected to try and find a sound economic base for carrying out the Truman campaign promises. Being both non-political and non-partisan, Dr. Nourse was not interested in sacrificing his honest professional opinions and made acceptance of his resignation mandatory when opportunity

City's Thanks to the Eagles

polio victim. To the local aerie of the Fraternal Order of are steadily Eagles, go the thanks of the city and the control of the city and the control of the city and the control of the city and the ci ing the drive that made the iron lung and portable respira-

The drive is a tribute, too, to local initiative, which supposedly does not exist any more, according to the federal to support ungovernment. When the Eagles first put out the call for confirmed redonations for the equipment to help polio victims, the response was immediate. At the time, the Capital Journal commented on this excellent instance of a group of people in the community taking the initiative on its own to meet a need that was so obvious.

Donations came from all kinds of sources-individuals, Donations came from all kinds of sources—individuals, organizations, and groups of people. For instance, a few waged against Greece so long women working in one of the local canneries pooled some but now has been suspended, slav official press reported that of their earnings to help the drive. Proceeds from a box-action against Yugoslavia.

The city is fortunate now to have this iron lung handy at all times. And the fund-raising campaign, sparked by the Eagles, is indicative of what local people can still do.

Puzzler: Couple's Daughter To Become Daughter-in-Law

North Bend, Wash., Oct. 26 (P)-It sounds like a purrier, but it's no puzzle to Mr. and Mrs. William C. Williams: their daughter is about to become their daughter-in-law. Kathryn, 16, will become the bride of their adopted son,

Fred, 20, Thursday night.

Kathryn's father, a lumber mill employe, forbade the marriage until she was 17. Thursday is her 17th birthday.

The Williams adopted Fred in 1946. He is an air force pri-

vate, stationed at Spokane.

The young pair think the household relationship has its ad-

vantage in assuring a stable marriage.

"After all," commented Kathryn, "Fred's eaten my cooking; we know how the other looks in the morning, how we set when we're sick and each other's likes and dislikes." But if something should go wrong-who'll go home to



SIPS FOR SUPPER

Mystery Solved

Ed Amo and wife sitting in the quiet of their home out on route 8 the other night solved the mystery of what sounded like a ghost plane which hovered over the airport in the dense fog kept the ticker far behind-so far that it took four hours of Sunday evening and zoomed away in the mist and oblivion. Ed and eight minutes after the market closed before the final says they figured out what happened was that some young chap burst of

speed with too fog, did a turn turned back and

took to the river again. The fact that no plane has been reported missing, says Ed, gives credence to their So let's let the matter only once a year.

Aurora-Springtime fruits and the past six weeks in Aurora gardens. Fresh raspberries in the Robert Powell and Harvey Everhart patches, strawberries from the Miss Hilda Beiser and George Atkins places. A rhodo-dendron is blooming in the same block, dogwood in bloom are numerous, to say nothing of violet and camellia buds show-ing color. In Canby nearby azaleas are blooming in the yard of Mr. and Mrs. W. B. Bailey and a purplish rhododenis in bloom at the Toby

Christmas Spirit

the shoe and poultry expert, designates as "pullet" eggs from the Edwards Hatchery and Poultry farm. These "pullet" eggs weigh an average of three ounces each or over, about five to a pound and tapping a sample indicates they are all double yolked. Gosh, pullets that mother twins. At

Ed Gets His Orders

Little four-year-old "Butch" Rogers, grandson of County flowers have been harvested for Commissioner Ed Rogers, want-the past six weeks in Aurora ed his mother to drive him from Quinaby over to his grandma's house the other morning. His mother was sorry, but she told Butch she couldn't take him on account of a heavy fog and there being no yellow stripe on the road. "And that's y o u r Grandpa Ed's fault." she told Butch. "He could have a yellow line put on the road if he is bad, wanted to" So Butch hunted up Just Grandpa Ed and gave his or- C., the ders. "I want you to see there's sheriff of Prince Georges county, a yellow stripe put on our road Md. Earl Sheriff, had collected so I can go over and see grand- about \$49,000 from gamblers hristmas Spirit maybe Butch will get his yel-The Christmas spirit is getting low stripe.

Strange Ways of the Orient

Bangkok (49)-At the post office there are special boxes for posting mail - marked "Foreign," "Inland" and "Air Mail." Every few hours a postman comes with a huge bag. He empties each box and drops all the letters into the big bag.

MacKENZIE'S COLUMN

Fierce Moscow-Tito Quarrel Seems Mounting to a Crisis

By DeWITT MacKENZIE

The fierce quarrel between Moscow and the politically rebellious Marshal Tito of Yugoslavia seems to be mounting to a crisis Precisely how the Kremlin intends to apply the screws is still matter of conjecture. However, Mosha Pijade, member of the Yugoslav politburo, appears to have summed the matter up in

very moderate ! terms indeed when he told conle Sun-Activities

Russia and her satellites seem

re- DeWitt Mackensle ports reaching the American state department that the satellites, with Soviet backing, are planning a guerril-

la campaign against Tito, This would be patterned after the communist war which was Hungary, waged against Greece so long Then on October 19 the Yugo-

The idea of such a guerrilla offensive would be to establish base inside Yugoslavia and inspire a revolt among Yugoslavs. charged that satellite countries, This base would serve as the with Soviet help, were strength-

be overthrown by a rebellion their frontiers with Yugoslavia, from within his own country. Once his regime was disposed of Yugoslavia would again become a loyal follower of Moscow.

So far as Moscow is concerned it has made no secret of its he is a soldier of wide experi-intention to crack down on Tito ence and has been preparing for in due course. Many of its moves contingencies. He is credited by

have been made quite openly.

"We are prepared to defend this country until the last breath, regardless of whence the attack regardless of whence the attack they should have paid around comes. No one has the right, \$200,000. regardless of who he may be, to endanger a small people."

The middle of this month the Yugoslav government accused neighboring Romania of frequent violations of the Yugoslav border and airspace, and of attempts to "provoke armed incidents and unrest." Similar notes were sent about the same time to Russia, Bulgaria and

form countries as part of a mongering campaign against Tito's government,

official press further The capital of a new Red republic, ening their border guards and In short, Tito ostensibly would were building trenches all along

> In the face of these developments, Tito thus far has main-tained a rugged front.

This is not without reason, for informed American officials with having sufficient military As far back as October 3 the strength to handle any border

Marshal told his army officers fighting that might develop, that Russia had been "forging His army is said to total about its irons" against Yugoslavia. 60,000 and it is comprised of This was at the conclusion of some of the world's finest fight-Tugoslav army maneuvers and ing men.

WASHINGTON MERRY-GO-ROUND

Some Big Tax-Fraud Cases Are Delayed or Sidetracked

Washington-President Truman's warning that there must be a tax increase recalls the fact that bureau of internal revenue experts estimate they could collect close to a billion dollars more annually without increasing taxes-if they had better income-tax enforcement.

the 80th congress chopped off a huge army of income tax examiners, a group of hard-working, underpaid public servants who have the unpleasant but necessary job of cheeksary on people's in-

come taxes. While part of this cut per sonnel has been reinstated, the tax examiners are still woefully understaffed and able to inspect only a fraction of the re-

On top of this has developed another tax-payment deterrent -namely, delays and wire-pull-ing in the prosecution of tax

When the average taxpayer tions, naturally he figures he is entitled to do the same.

by a big hunky of jerky left on prosecution officers of the jus-our desk by W. A. Bevier and a tice department, most of whom dozen of what Jim Uebelman, are diligent public servants. tice department, most of whom has begun. are diligent public servants.

any rate, if this is what the attorneys are appointed under smearing Christmas spirit does it's too a political spoils system on the innuendo doggone bad it comes around recommendation of local senators and congressmen, they are sometimes more inclined to take Davidson. Byrd continued: orders from congressmen rather

> But whatever the reasons, which have been delayed or side- volved in a tax-fraud case. tracked between the justice de-partment and the district at- ly correct these lies, insinuations cases no politics may be involved him for libel."
>
> ed; but in any case the effect on ed; but in ed; the rest of the tax-paying public

Just outside Washington, D. the T-men found that the ma." So Ed took the matter up during four years though he with the court this morning and reported a total income of only \$8,400. But when the justice de-partment sent this case to U. S. Attorney Bernard Flynn in Bal-timore, he sent it back with advice that it was a difficult case

Again out in Kansas City, evasion is not enough if we are Kansas, the T-men caught an to avoid higher taxes next year, eminent doctor, Herbert Hessler, failing to report as income 1,000 fees received from patients dur- CAPSULES ing three years. The justice department sent the case to U, S. Attorney Lester Luther in Topeka for criminal prosecution, but Luther wrote back that he did not want to prosecute, because Dr. Hessler was too prominent in the community. The justice department instructed him to proceed anyway, however, and he is now doing so.

Another significant case, reer, whereby the Patenotres paid

Thanks to the diligence of one meet in London. or two treasury agents and a series of exposes by this column, the Patenotres were finally indicted in August, 1948.

However, the significant facts that the justice department had all its information available in 1945, and that Raymond Patenotre was in this country from 1945 on. Yet thanks to Patenotre's ability to hire one of the shrewdest tax attorneys in Washington, Ellsworth Alvord, no indictment was brought until

Even after the indictment, however another year dragged by, with much legal haggling over a compromise. Finally it was arranged that Madame Patenotre would plead guilty and pay a \$2,000,000 cash settlement if she didn't have to go to jail.

Most folks, of course, can't afford top lawyers or such big cash settlements.

Another interesting tax-fraud case was that of Bill Lias, well-After he entered his guilty plea, however, a considerate judge allowed Lias to withdraw his plea lowed Line to a jury.

At the subsequent trial, U.S. Attorney Lee Spillers not only bungled the case, but was put in an extremely bad light when it was disclosed that he had once received a large political con-tribution from Lias. Incident-

insisted on handling it himself.

In the end, Lias was acquitted, even though he once had pleaded guilty.

ally, the justice department had wanted to try the case with a

special prosecutor, but Spillers

Latest tax fraud case which has come to the attention of this column is that of W. J. Hardy and F. McKenzie Davithe Arlington, Va., asphalt kings who were recommended for criminal prosecution by the

justice department last July. This decision to prosecute came only after one year's delay, and various discussions with attor-neys which included one consees certain big shots getting ference with Senator Byrd, plus away with spectacular tax viola-talks with other Virginia politicians.

Four months have now passed way in the mist and oblivion. Ed since the justice department's since the justice department's recommendation for criminal abroad in the land. As evidenced treasury tax examiners nor the by a big hunky of jerky left on prosecution officers of the justice department's recommendation for criminal prosecution reached U. S. Attorney department's recommendation for criminal prosecution reached U. S. Attorney department's serve such eyes shelf for fear the children will shelf for fear the childre Richmond, and no prosecution ball punish-

are diligent public servants. However, when this column And it isn't

But when tax frauds are sent recently raised a question as to even ourselves
to U. S. district attorneys for the reasons for the delay, Sencriminal prosecution, intermin- ator Byrd issued the following ried about. It's
we're so worcriminal prosecution, intermin- ator Byrd issued the following ried about. It's
we're so worcriminal prosecutions, developtemporal temporal temp

criminal prosecution, interminator Byrd issued the following ried about. It's you, lady. Why should you do not want to prosecute.

Sometimes local politics are involved, and since U. S. district a master of the technique of attorneys are appointed under smearing public men by lying a political spoils system on the innuendo..."

Byrd issued the following ried about. It's you, lady. Why should you do it to yourself again?

Don't trade the "new look" for the "gunnyack look." I'll admit there was a lot of foolish.

tervened on behalf of Hardy and

"Pearson has made other false than from the justice depart- charges against me and too frequently has made me a target of insidious innuendos. But I do not intend to have him malici-But whatever the reasons, ously create in the public mind here are some tax-fraud cases the impression that I am in-

This columnist has believed that, no matter what else might be said about him, Senator Byrd has always stood for honesty in has always stood for honesty in They call that the period of government. Therefore a state- "The Lost Generation" and ment from the senator that he has intervened with the U. S. blame it on the disillusionment attorney to hasten prosecution, rather than a negative statement that he has not intervened on behalf of the tax violators would be much more welcome from him.

A mere neutral attitude reout the family album and take a 1920's look — and we'll keep the garding tax collection and tax look. I know some families cake-eater under glass. It's a evasion is not enough if we are that keep their album on a high fair bargain.

Moscow Wants Showdown-Intelligence reports from the Balkans indicate that Russia plans to infiltrate Bulgarian, Hungarian, and Rumanian revolution against Tito.

Moscow would then trumpet this to the world as a revolution by Yugoslav patriots and would march across the border. A top American diplomat just returned Another significant case, reported in this column as early
as 1943, was that of Mrs. Eleanor Patenotre and her son over
concealed profits made from the
sale of the Philadelphia Inquirnot fight to defend Yuroslavia. Moscow is determined to force not fight to defend Yugoslavia.

a tax of only \$1,567 in 1930 when on why all American ambassa-The above facts are chief reasdors from the Iron Curtain coun-

Wall Street Parleys—Super- a warrant for the arrest of across the bridge, secret talks aimed at ending the gambler Finley, who saw him steel strike are taking place in coming and beat it for Polk and, knowing we would soon Wall Street.

County on foot via the Willam-catch him, climbed over the

It probably will be denied but ette River bridge. Inland and Bethlehem Steel, are not happy about the strike. All three companies had pension plans before the strike, and at a recent secret meeting in New 1948. Meanwhile, there were U. S. Steel to yield.

Even after the libert was brought until lin and Inland all pressured U. S. Steel to yield.

Enders Vacabase York, Bethlehem, Jones-Laugh-

runs U. S. Steel, wouldn't budge

MERRY-GO-ROUND

The visit of India's prime min-ister Jawaharlal Nehru to Washington will help the state department decide whether or not the U.S.A. recognizes communist China. Nehru is considered the wisest top official in the far east. with the exception of Australia's Herbert Evatt.

The American embassy has ca known Wheeling, W. Va., gambler who originally pleaded guilty to cheating the government out of nearly \$1,000,000, etc. bled the state department that cret Russian rockets someone's imagination. agents are checking.

BY GUILD

Wizard of Odds



Recall the Gunnysack Look? Is It on the Way Back?

By HAL BOYLE

New York (#)-Lady, say it isn't so. Please, say it isn't so, lady.
Say it isn't true—this report that female fashions are going

shelf for fear the children will

ment?

After denying that he had in admit there was a lot of foolish ural feminine architecture too
After denying that he had in admit there was a lot of foolish ural feminine architecture too
revened on behalf of Hardy and male yammering against the often decreed that the result male yammering against the "new look" a couple of seasons back just because it was novel. full of sugar on stilts-or plane Every man was surprised to see it turn out better than he had feared.

> But going back to the 1920's men slept in bathtubs wet with again is another thing. We can't hope for anything but the worst-because we went through been that madness before.
>
> Go back to the fig leaf of loved had done to their ruinous

in the long forlorn history or woman's struggle for style—anything but what you clothed yourself in during the mad, bad line, no bustline, no hips, no nothing—boyish."

Don't do it, lady. Please!

For if you do, the men will

it was the women. It was the time when girls would be boys. No wonder the boys refused to out on dates again escorted by row up and act like men. Remember? If you don't, get

For if you do, the men will have to dress like the 1920's, too. of the first World War. But it Recall a thing called "the cakewasn't the men who were lost; eater"?

turn to the pages pasted in dur-ing the 1920's—and be fright-

Remember now? Remember

how the girls drove men out of their last refuge — the barber-shop — to get those close-cropped boyish bobs? Remem-ber the short, shapeless dresses, the hats that fitted like a shield?

It was the fond ambition of every fashionable lass then to

look like a soda straw, but nat-

should resemble a gunnysack

legs.
Never have lovely ladies

they took up slacks. No wonder

homemade gin or plunged on the stock market. They had

been made desperate by the sight of what the women they

ened into fits.

eater"? He was the drugstore cowboy of that vanished era. Would you like to have to go

Well, save us from your

Tommy's Beloved Calico Dog To Be Buried With Him

Pittsburgh, Oct. 26 (P)—Tommy Arth's beloved calleo dog will stay with him—even in death. The toy dog will be buried Wednesday with the three-

year-old leukemia victim. Tommy died Sunday night, the callco dog clutched in his withered arms. The little boy had won the hearts of many sympathizers

while in Children's hospital when he pleaded for the dog. His parents hesitated to bring the toy to the hospital because of its battered condition.

Marion County Recollections-When John Minto Was Sheriff

One of the outstanding early day sheriffs of Marion county was John Minto.

He stood out in the crowd, tall, straight as an arrow and well proportioned. He was a sight for sore eyes. He was always well dressed—knew how to wear clothes and used the best of judgment their selection.
On a certain occasion, he held the lines and whip and we raced

best of the start, a couple of hun-

dred yards, and was due to cross the Polk County line in advance of the Sheriff of Marion Coun-While this celebrated foot race the gambler's ear that he stopty. was in progress, Frank Starr gambler, he ordered

We reached the street, lead- and slimy pile (and what it ing to the bridge, at the same did to the fine brown broad-time as Sheriff Minto who, bad- cloth suit he was wearing!) and

eatch him."

As we headed for the bridge, the sheriff jumped into the back made of the buckboard and, with We

just for it was unlawful to show our services. speed when crossing the bridge, big in those days, but we were moving too slow Starr, in time, adopted Fin-

railing when he was beyond the Ben Moreell of the Jones-LaughIt developed into a foot race water, and slid down a pile to
lin Steel company, together with
between the sheriff and Finley,
solid ground and headed for the
but the latter had much the
brush.

He was just about to make cover when Minto, jumping from the buckboard and pulling his gun, fired a shot so close to

and I, driving a team of cayuses slide down the same pile and to a buckboard, were on North freeze onto him. He then took slide down the same pile and Commercial street headed south. his turn sliding down the wet ly winded, stopped us, and proceeded to the west (Polk pointed to Finley, then well up County) approach to the bridge on the bridge, and on his way to where I, with team and buck-

oard, picked them up.
A little matter of jurisdiction "See that ? Well, A little matter of jurisdiction didn't bother Sheriff Minto. If necessary, he would have chased him into Tillamook County and

the arrest. hands on our shoulders, urged and his charge to the court house We were driving with caution, and county jail and each re-ceived a big silver dollar for it was unlawful to show our services. All dollars looked

for the sheriff. So, he grabbed ley's profession!

POOR MAN'S PHILOSOPHER