

# Washington Digest

National Topics Interpreted  
by William Bruckart  
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Washington.—President Roosevelt has come out again with a statement that the burden of taxes is regrettable and that there must be no new levies nor tax increase by the next congress. He chose to get his views to the public by staging a conference at the White House the other day when he summoned Chairman Harrison of the senate finance committee and Chairman Doughton of the house ways and means committee for a breakfast meeting to discuss the subject. He followed this almost too quickly by releasing a statement, a letter from Secretary Morgenthau that substantiated the spoken word of his two congressional leaders.

But somehow the word from the White House prompted many observers here to pick flaws in the pronouncement; they began at once to find several places in the new picture that appeared to have been smeared over by the paint brush, and, in addition, there was a sudden yelp from the Republican national committee which did not help Mr. Roosevelt's plans to show the country that the tax burden had reached its peak.

The Republicans were quite harsh because they called attention to the fact that Mr. Roosevelt on three previous occasions had assured the country there would be no new taxes, and that in each instance new tax legislation somehow or other had been enacted by congress.

Aside from the presidential declaration that there would be no new taxes nor increases in the present levies and that there would be a study of the general tax structure, the President made the point through Secretary Morgenthau's letter that there were a good many hundred millions in "recoverable assets." He also urged upon the country that business has improved so rapidly that additional federal income may be expected from the present tax rates. This latter, of course, is true providing business holds its own or moves to higher levels but it is with respect to the recoverable assets that many questions now are being asked. For the sake of clarity, it may be explained that the recoverable assets to which Mr. Roosevelt referred consisted of the loans of federal money by the various emergency agencies for relief and recovery purposes. There are the millions loaned by the Reconstruction Finance corporation; the equally large amounts loaned by the Works Progress administration and the Public Works administration to states, counties and cities for relief or for job-making construction. In addition, there are loans by the Home Owners' Loan corporation, the Federal Farm Credit administration, loans for crop production, for marketing, and countless other types. These are all carried on the books as recoverable assets and their total may amount to as much as \$8,000,000,000.

The policy of the New Deal administration is to consider these at their face value. It is the claim of the White House consistently that these loans will be repaid and that they can be used to retire an equal amount of the national debt, which, indeed, is true if the loans ever are repaid.

So, whenever the New Deal is called on to defend itself against charges of imposing a gigantic burden of tax or an equally gigantic burden of public debt, its spokesmen attempt to demonstrate that the public debt figure as well as the taxes must be considered in their relationship to these recoverable assets.

To explain the Roosevelt position further, one may recall that a month ago when the public debt reached the staggering total of \$33,779,000,000 the Treasury secretary contended in a public statement that against this sum there should be offset the cash assets in the general fund of the Treasury, then totaling \$2,681,000,000 and the \$2,000,000,000 of gold that is sterilized in what is known as the exchange sterilization fund.

"In addition," Mr. Morgenthau added in his statement, "we have certain assets representing obligations due us upon which the Treasury will realize cash and which will ultimately be available for debt retirement. These recoverable assets—millions to home owners, to farmers, to railways, to banks and insurance companies, to states, and cities—now total more than \$4,000,000,000. These three items—cash on hand, stabilization fund and recoverable loans—provide an offset of \$8,750,000,000 to the \$33,779,000,000 public debt."

It thus is made to appear directly in issue how completely the Roosevelt administration calculates using these recoverable assets in retiring the public debt. Having gone so thoroughly on record, it is difficult to see how there could have been such a mistake made as developed from the White House conference on taxes. I refer to the

inclusion in Secretary Morgenthau's letter of a reference to the recoverable assets as one of the reasons why no new taxes will not have to be levied. Some critics have stated boldly that the White House statements on the recoverable assets cannot be justified. Their assertion is that if the Treasury properly included recoverable assets as a thing to be used in offsetting the public debt, then by the same token those recoverable assets, or repayments of them, cannot be used to reduce the tax burden. In other words, the money represented by those assets cannot be spent in two different ways. Either it must be used to retire public debt or it must be used for current spending by the administration. It seems to be simply a refusal to believe the old adage that you cannot have your cake and eat it too.

If I should attempt to analyze the situation in the light of a personal equation I think I might properly say that if I loaned \$500 to a friend and at the same time if I borrowed \$500 from a bank, I might properly say the \$500 loaned to the friend could be used to pay off the bank loan. So far, so good. But if the friend repaid \$250 to me and I spent that \$250 and had no other resources, I can't quite figure out how I would pay the bank the \$500 I had borrowed from that institution.

Although perhaps my worries as an individual about government policies may not be very important because I am just one individual, I entertain considerable fear about those recoverable assets in another respect. For some reason—and I think I can state it—I doubt that a very large portion of those recoverable assets ever will be collected. I have a hunch that in the next fifteen or twenty years the bulk of those debts which the Roosevelt administration counts as repayable will be cancelled or defaulted. In either event, I think I see how politics is going to play an important part and I am convinced further that Mr. Morgenthau and Mr. Roosevelt as well, if he shares Mr. Morgenthau's belief, is overlooking that very vital influence when he holds these loans as likely to be repaid.

I recall that the late Albert C. Ritchie, four times a Democratic governor of Maryland, predicted that the money loaned for the various purposes outlined above, would never be paid back. Indeed, Governor Ritchie, who was a very practical man and who thoroughly disliked deluding himself, used the word "repudiation" in connection with these debts. He said they would be handled just like the \$11,000,000,000 of war loans made to European nations.

It is a noble thought, of course, that the loans will be repaid, yet it is quite apparent that a cancellation drive is already under way. I think most of those who do me the honor to read my column will recall that more than a year ago I directed their attention to the reduction in interest rates which congress had ordered on many of the loans. That is simply the first step. Cancellation proposals, undisguised, are bound to follow.

Unless I am mistaken, the astute Jesse Jones, chairman of the Reconstruction Finance corporation and a man who never kids himself, already has kissed good-by to many of the millions that have been loaned by his agency. Of course, the Reconstruction Finance corporation carries those loans on its books and counts them still as valid. But I am of the opinion that Mr. Jones probably regards those items as dead debts.

But to go further with the idea of cancellation, it takes no stretch of the imagination to say that the Home Owners' Loan corporation, for example, will soon have a good many thousand foreclosed properties on its hands. It takes no more imagination to say that politicians who have ridden into office with promises to help those people whose homes have been foreclosed will carry out their promises by further voting interest reduction or curtailment of principal.

A more striking illustration, it seems to me, can be found in the case of the loans to states, cities and towns. Who among the politicians is going to have the courage to resist the tumult and the voting of their constituents to avoid increase in their local taxes when they call for cancellation of the loans?

While the bonus for the ex-service men is a dead issue, every one knows how representatives and senators capitulated to the demands of the veterans' lobby. Picture for yourself, if you will, how much stronger the demand will be when a whole community sets up a howl to have the funds it has borrowed from the federal government finally declared to have been just a gift and not a loan.

## OREGON STATE NEWS OF GENERAL INTEREST

Brief Resume of Happenings of the Week Collected for Our Readers

**Turner**—A rock formation containing fossilized oysters was found recently near Turner, thus offering further proof that the valley was once a large bay of the ocean. The specimen, containing the fossils, was found on the C. T. White farm, and was uncovered by WPA workers.

**Enterprise**—Dr. R. B. Stone's cocker spaniel, "Peter," tried to take a bull elk by the horns near Wallowa lake recently and for his efforts got knocked out by some of the elk's friends. Six or eight of the big deer surrounded him and would have killed him had not he been rescued by James Clayton.

**Rockaway**—Jack Parr saw a big fin in the shallow water near where he was surf fishing, so he decided to investigate. Armed with a sheath knife, he jumped in the water and found the fin was firmly attached to a big sun fish weighing 65 pounds. The fish had been stranded in a bay when the tide went out.

**Sweet Home**—Unusually heavy yields of wheat and other grains are now being harvested in eastern Linn county in the vicinity of Sweet Home. Threshing crews are running behind schedules. Many farmers with large quantities of wheat are planning to hold their grain in warehouses pending an expected further increase in price.

**Salem**—Civil service examination will be held October 17 to determine eligible applicants for appointment to the United States naval academy at Annapolis, Md., as the first congressional district of Oregon will have one vacancy at that academy in 1937. Congressman James W. Mott is anxious for all young men of his district to try for the appointment.

**Roseburg**—He wanted a ride and couldn't attract attention, so he dragged a small tree across the highway. Robert Parker was the one who craved transportation—and he got more than enough when the first car to come along was that of Deputy Sheriff Clifford Thornton. Thornton, after hitting the barricade and almost ditching his machine, took Parker to jail.

**Corvallis**—Approximately 40 per cent. of the beef produced in Oregon is sold outside the state. H. A. Lindgren, extension animal husbandry head at Oregon State college, said. Oregon is one of 20 states which produce a surplus of beef. Livestock associations and marketing agencies in the state are joining with similar organizations nationally in observing August as national beef month.

**Grants Pass**—With some growers reporting a 100 per cent. crop and others varying from as low as 50 per cent., hop growers in the Rogue River valley are highly optimistic this year. Although total production will not be up to normal for the county, still generally the hop ranchers are making much better showings than are those elsewhere along the Pacific coast, where 50 per cent. will be near the top, and in the Willamette valley, where a one-third crop is expected.

### BIRD MARKET BOOMS

**Salem**—Market for Oregon turkeys increased 385,963 pounds over the sales for 1934, according to the annual report of the Turkey Growers' association. Some 82,886 birds weighed 1,277,937 pounds. These figures are incorporated in a report to be made at the annual meeting of the association in Corvallis August 25.

The summary telling the results of last year's marketing will also show an increase in membership in the association from 970 to 1102, and a reduction in packing costs from 1.19 cents a pound to 1.03.

### ORE SURVEY PROMISING

**St. Helens**—Unusually good iron and silica prospects were found in a two days' survey of deposits last week by Professor Hodge of Oregon State college and Al Morris, St. Helens. Free iron ore with little waste was found back of Scappoose, at Treholm and Wilark. Sand in the river at Columbia City was estimated to be 90 per cent. pure silica. A more extensive survey will be made later.

Samples are to be sent to Mr. Hodge next week for analysis. Contrary to the belief of many that Columbia county iron contained too much phosphorus to be commercially valuable, it was reported following the survey that the ore contained very little phosphorus.

**St. Johns**—The city has purchased a used truck from the county with which to dispose of street cleanings. Marshal Harry C. Hamilton will drive.

**Zigzag**—Vondie Miller of the supervisor's office of the forest service reported last week that more than 1000 gallons of huckleberries were taken from Larch mountain patches over the week-end. Berries are said to be much finer and more numerous than they have been for several seasons.

## What Irvin S. Cobb Thinks about

**Woes of French Hotelkeepers.**  
**SANTA MONICA, CALIF.**—As he gazes forth on a boulevard full of rampaging Reds and thinks about his empty bedrooms, I'll bet there isn't a hotel keeper in Paris who wouldn't trade a great gross of assorted French communists, including all the standardized grades, such as the comparatively rare slick type, the partly haired-ore hybrid and the common fur-bearing variety, for just one old-fashioned easy-going American visitor.

**Private Olympic Games.**  
**ORIGINALLY** these Olympian games were based upon the ideal of strengthening inter-racial friendships through competitive sport.

But when, in dispatches from Berlin a fellow reads of disputed decisions, questioned reversals, alleged discriminations against some winning contestants on account of color, and the unnecessarily brutal publicity, or so it appeared at long distance, that was given to the disciplining of an indiscreet woman athlete; and then the threatened withdrawals of aggrieved teams from certain Latin countries, he gets to thinking, the reader does, that maybe it would be better if each national group held its own little private Olympian show.

**Uncle Sam's Alien Burdens**  
**NO** matter which party controls congress, watch at the next term for this: A campaign for legislation opening the doors to millions of aliens now barred out under the quota laws, which also would legalize the presence here of a great mass of the foreign-born, some of them criminals, some misfits and malcontents, some avowed enemies of our government, some paupers on Federal relief, who already are bidding amongst us through wholesale smuggling-in, through fraudulent immigration papers, through carelessness—to use a gentle term—on the part of public servants charged with the duty of guarding at the gate.

In the years before us, it will be a sufficiently heavy burden to care for our own worthy homefolks.

**Cleverness of the Chinese.**  
**ONCE**, long ago, I, being a reporter, was detailed to accompany to police headquarters in New York a Chinese prince who'd come over to study our police methods. We were in the Bertillon bureau, presided over by the famous inspector Faurot.

"Ah, yes," said the courtly visitor in faultless English, "this same system has been in vogue in my land since time immemorial, except that we use fingerprinting in addition to legal signatures and official seals, for further validating important documents."  
"Don't you also use it for recording habitual criminals?"  
"I do not think so."  
"Well, then," asked Faurot, "how do you identify them?"  
"Very simple," said the prince and smiled a gentle smile. "When we catch a chronic offender we immediately cut off his head, and then anyone may recognize him at a glance."

**The Spanish Extravaganza.**  
**A** FELLOW picks up the paper and reads in the news dispatches from Spain that the Loyalists licked the Royalists, or vice-versa; and the Leftists tied into the Nationalists again—or maybe they're both the same.

Whereas the insurgents walloped the radicals, but elsewhere the government forces drove back the rebels; and meanwhile the Reds or the Centrists or somebody did something unpleasant to the Republican outfit, as opposed to the monarchial group; and at all points south and west the anti-clericals and the church, the Agrarian party, the Fascists and the Communists, the besiegers and the defenders, the peasants and the townspeople, the laboring classes and the aristocrats, the land-owners and the tenants, etc., etc., were snarled into various hard knots. So what?

**IRVIN S. COBB.**  
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**Disguise**  
"Raising many potatoes?"  
"Not for publication," said Farmer Cornucop. "My boy Josh says he believes education will help us so that we can bootleg a few through the market by calling them pommes de terre or kartoffels or even plain p'taties."

**Modern Detective Methods**  
Waiter—How did you guess we had a new dish-washer, sir?  
Diner—The fingerprints on the plates are different.—Stray Stories Magazine.

## "The Man Who-o-o"

Tales and Traditions from American Political History  
BY FRANK E. HAGEN AND ELMO SCOTT WATSON

**BACHELOR CAMPAIGNERS**  
**TODAY'S** accepted view of the way to ballyhoo the voter is, broadly speaking, to tell him first one of two things—either the candidate recommended was reared on the farm or he has sold newspapers.

When this has been established the campaign manager next begins to issue a swelling stream of pictures, mostly of the candidate in the bosom of his family. The larger the family, so much better the results, is the political reasoning.

With this in mind it is interesting to reflect that two of the 31 Presidents challenged the accepted political belief that "couldn't be done," and campaigned for the office successfully while unmarried. They were James Buchanan, and Grover Cleveland.

Cleveland, after little more than a year in the White House, married Frances Folsom there on June 2, 1886. Buchanan remained unmarried and was, therefore, the only bachelor President.

Most of our Presidents have performed nobly in lifting the average size of White House families. Theodore Roosevelt customarily is regarded as a pioneer among advocates of large families. The fact is that T. R. was something of a piker in this respect when his record is compared with that of his predecessors.

The Republican Roosevelt married twice, with one child from the first union and five from the second. But John Tyler, also twice married, was father to three sons and four daughters by his first wife and to five sons and two daughters by the second.

Tyler may have taken his cue from William H. Harrison, preceding White House resident, who sired six sons and four daughters. Six Presidents, including the immortal George Washington, were childless. But Rutherford B. Hayes and Zachary Taylor, with six children apiece, helped raise the average.

Youngest to marry was Andrew Johnson, a stripling of eighteen on May 5, 1827 when he wed Eliza McCordie, the woman who later taught the Tennessee tailor to read.

**TAKING A WALK**  
**A** CHECKUP on election day in November, 1936, doubtless will disclose that some of the more prominent members of both major political parties have "gone fishing."

Going fishing is the politician's milder and more modern method of showing dissatisfaction with his party's candidate and refusing to appear at the polls where he is entitled to vote. It is his way of "taking a walk," a topic stirred to live discussion by public remarks of Alfred E. Smith of New York, prior to the national conventions.

Taking a walk would be no new experience of the Democratic party but history records that Alexander Hamilton, powerful Federalist of the country's earliest days, was the first important stroller and that his action ultimately resulted in the destruction of his party.

Hamilton, a dominant political personality, was a bitter opponent of John Adams, second president, having tried to block his election as vice-president although both were Federalists.

The feud continued when John Adams became President. Hamilton secretly obtaining and holding control of the Adams cabinet. Adams, not by nature gifted in that sort of intrigue, nevertheless fought back with considerable success.

Hamilton was not the man to take any rebuffs sitting down. When John Adams sought re-election in the campaign of 1800 Hamilton "took a walk" by publication of a letter designed to show "irrefragable proofs" of Adams' unfitness for the job.

Hamilton succeeded too completely in his battle. Adams failed of re-election but the Federalist party went down with him. While the ding-dong "walkout" battle was in progress during the Adams presidency, Thomas Jefferson, whose name is referred to so frequently by Democratic orators, took advantage of the duelling.

Jefferson was earnestly and efficiently making his plea for unified support of the "plain people" and in the election he smashed the Federalists so completely they never again figured conspicuously in a national election.

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## Household Questions

A mixture of one part vinegar and two parts linseed oil, applied with a soft cloth to suitcases and bags will clean and polish them.

A large piece of blotting paper placed on the closet floor will absorb moisture from wet rubbers that may be placed in closet.

Scorch on cotton or linen may be removed with soap and water. Wet the spot with water and expose to the sun for a day or longer if necessary. The scorch disappears more rapidly if the material is moistened first.

If your garden peas get too hard for serving in the regular way, cook them until tender, press through a sieve and use the pulp in soup.

Minced ham and chopped green pepper makes a tasty filling for deviled eggs.

If you wish to boil a cracked egg place a little vinegar in the water in which it is boiled. This will keep the egg from seeping through the crack in the shell.

To remove colored candle wax stains from table linen, first remove wax as completely as possible, then remove the dye remaining in the linen with denatured alcohol.

Raw wool left on the farm is fine for light-weight comforters, baby quilts, foot warmers, and even pillows and mattresses. Of course it has to be washed and carded.

If you want your glassware to sparkle, add a little lemon juice to the water in which it is rinsed.  
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### 45-Foot Tide

The largest known periodic tides in the Atlantic ocean and in the world as a whole occur in Minas Basin, Bay of Fundy, Nova Scotia, where a mean range of 42 feet and a spring range of 45 feet have been reported.

### REDUCE TIME LOST FROM MONTHLY PAIN

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