

# BUSINESS & FINANCE

## House of Kuhn & Loeb

Pugilists go into training before fights, and wise bankers go into training (of mind and memory) before being haled before an inquisitive committee of Congress. Last week Kuhn, Loeb partners were brushing up for an ordeal before the Senate Banking and Currency Committee, brushing up, packing their records and their clothes for an extended stay in Washington.

Only a few Kuhn, Loeb partners were, however, able to brush up their memories. For the first noteworthy fact about Kuhn, Loeb today is that of its eleven partners only two were members of the firm prior to 1928: Felix Warburg, elected 1896, now active only in an advisory capacity, whose chief concern today is with the long tier of filing cabinets containing the dosiers of his numberless charities which stand behind his desk in the K. L. office; Otto Kahn, elected 1897, diplomat of the firm, whose numerous public and private appearances, not to mention ill health, have in recent years reduced his time on the job.

In one respect therefore the Senate can question only the shadow cast by the banking house founded by two solid commission merchants from Cincinnati, Abraham Kuhn and Solomon Loeb—the house reared to greatness by great Jacob Schiff who died in 1920.

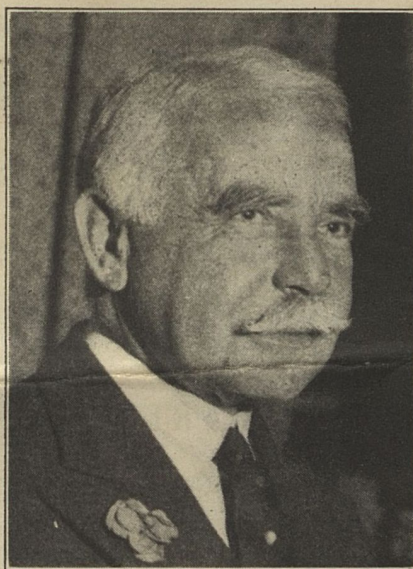
But the old house survives in something more than name for it has always been a family firm. The House of Morgan until very recent times selected practically all its partners from outside its family. Kuhn, Loeb pursued just the reverse policy. Felix Warburg was son-in-law of Jacob Schiff. Otto Kahn was son-in-law of the late Abraham Wolff (one of the early partners). Since 1931 Felix Warburg's wisecracking son Frederick, Otto Kahn's twice-married son Gilbert, have been members of the firm. And Jacob Schiff's grandson John, only 26 years old, became a partner, succeeding soon afterward to the large interest in the firm held by his father, the late Mortimer. Another partner is Lewis Lichtenstein Strauss (pronounced Straws) son-in-law of Jerome J. Hanauer who was one of the pillars of the firm till he retired last January.

These young men, still in their twenties and early thirties, can do little to carry on the continuity of the firm's experience. Today that continuity rests more upon non-family members. One of them is Sir William Wiseman (10th scion of a Baronetcy founded in 1628) who came to the U. S. as chief of the British Military Intelligence during the War, became intimate with Col. House, served as British adviser at Versailles. He has been with K. L. since 1921 although only made a partner four years ago. Another is George Wallace Bovenizer (a partner since 1929) the affable head of K. L.'s bond business, whose personal popularity has brought the firm much business.\* Still another is Benjamin Bittenwieser, manager of the firm's syndi-

cate department, with the firm since 1918 but made a partner only since 1932. On these non-family members the brunt of the investigation is expected to fall.

Two other partners were admitted last January: Hugh Knowlton, onetime vice president of the Manhattan Co.'s International Acceptance Bank, and Elisha Walker, once allied with Amadeo Peter Giannini who later ousted him as head of famed Transamerica Corp. As novices in K. L. they can, however, tell the Senate little, though they know well the general business of the house they serve, a house that stands next to Morgan in reputation but that is apt to tackle different jobs.

For straight banking is not one of its jobs. It carries accounts for merchants but no checking accounts. Its primary business has been securities, railroad se-



Wide World

OTTO KAHN

*"Let he who is without sin first cast a stone."*

curities in particular. Kuhn, Loeb railroads include the North Western, the Delaware & Hudson, Illinois Central, Norfolk & Western, Pennsylvania, Southern Pacific, Paris-Lyon-Mediterranée. Kuhn, Loeb's railroad reorganizations include such famed roads as the B. & O., St. Paul, MOP.

In 1901 Loeb backed E. H. Harriman against Hill (backed by Morgan) in the struggle for control of the Northern Pacific. Jacob Schiff, dining in London during the Russo-Japanese War, met Korekiyo Takahashi (now at 78 Finance Minister of Japan), and on the strength of an evening's conversation became Japan's banker, sold \$200,000,000 of her bonds in the U. S. (biggest international loan prior to the World War). Since then K. L. has floated loans for Sweden, Holland, Austria, Argentina, for Antwerp, Paris, Marseilles and many another state and city.

Not ancient history, however, but modern instances concerned Kuhn, Loeb partners last week. Well could they foresee questioning about their financing of Paramount Publix, on

whose board they seated Sir William Wiseman (last week absent in Europe) long before Depression made bankers common in the movie business.

The first to be called was Partner Kahn. Suave, precise, faultlessly attired, he told the Committee:

1) That Kuhn, Loeb's capital was \$21,250,000.

2) That Kuhn, Loeb's assets shrank from \$120,400,000 at the end of 1929 to \$66,970,000 on Dec. 31, 1931.

3) That Kuhn, Loeb's deposits of \$88,550,000 at the end of 1929 shrank to \$29,100,000 on Dec. 31, 1931; that on the latter date it had more than \$40,000,000 in cash & Governments.

4) That "the company buys and sells securities, accepts deposits . . . but is not in the business of soliciting deposits, and buys and sells securities for its clients."

5) That Otto Kahn and three other unnamed partners control the firm.

Partner Kahn asserted that his firm never actively sought new business, but waited, as befitted the banking house second only to J. P. Morgan & Co., for clients to come to it. Denouncing cut throat competition for bond issues, he declared that once "in those mad years [1926-28]" 15 U. S. bankers were in Belgrade, Jugoslavia, participating in "an undignified scramble" for an issue. "There were times," he said, "when a dozen were in Central . . . and Latin American states outbidding each other in a foolish, reckless search for business." "Was your bank represented at Belgrade?" asked Senator Costigan. "It was not," snapped Partner Kahn. Asked to criticize unethical bankers, he philosophized, "Let he who is without sin first cast a stone."

## Everybody's Code

Steel men, macaroni men, oil men, broom handle makers, automobile men, string men, copper men, lead pencil men last week waited eagerly to see how the first industrial trade code (of the cotton spinners) was received by General Johnson (see p. 14). Meanwhile they laboriously whipped their own codes into shape. Many a code was thus drafted last week, but held back from the public till the industry had completed its own powwow over the provisions. An exception was the code of the National Retail Dry Goods Association.

Lew Hahn, chairman of Hahn Department Stores, Inc. (with a chain of 27 stores from Tampa to Seattle) sent a lengthy document to department store heads throughout the land. It had been concocted by some of the biggest storemen in the U. S.: Percy Straus of Manhattan's R. H. Macy, Tom May of Los Angeles' May Department Stores, William T. Grant of W. T. Grant Co., Samuel H. Halle of Cleveland's Halle Bros., Dennis F. Kelly of Chicago's The Fair, Earl C. Sams of J. C. Penney, Oscar Webber of Detroit's J. L. Hudson Co., Philip Leboutillier of Best & Co., Herbert J. Tily of Philadelphia's Strawbridge & Clothier, Reagan P. Connally of San Francisco's The Emporium, William L. Walker of Salt Lake City's Zion Co-operative Mercantile Institution.

These gentlemen proposed to their confrères a multilateral agreement:

\*Three months ago in Washington he told a committee of the House of Representatives that the then-proposed truth-in-Securities bill was not half strict enough.



1) Their employees should have perfect freedom to organize and bargain collectively.

2) Except for two weeks before Christmas and two days a year for taking inventory, their employees (exclusive of executives) should not work more than a maximum of 48 hours a week.

3) The minimum weekly wage for employees should be:

	In Cities Over 1,000,000	In Cities of 250,000 to 1,000,000	In Cities Under 250,000
Male	\$18	\$15	\$12
Female	12	11	10
Apprentices	11	10	9

4) No store should sell or advertise goods for less than 10% above net invoice cost (to insure a minimum margin for labor costs) except for seasonal clearance sales, or for damaged or perishable goods.

5) No advertising should make reference to the goods, service or prices of competitors or lay claim to a general policy of underselling competitors.

6) No store should sell any prison-made goods.

Such was the document which Lew Hahn dispatched with a long letter of explanation, apologizing not once but several times because under the law "certain things are mandatory. . . . We can do nothing but fall in line. . . . We are required to establish a minimum wage. . . ."—The last underlined.

All told, no less than 18,000 trade associations have existed in the U. S. In other days they arranged group advertising, sometimes arbitrated disputes between producers and distributors, sometimes arranged exchanges of information

or undertook research. Not one association in a thousand handled labor disputes, none dared touch questions of competition (for fear of the anti-trust laws) except by promulgating vague codes of ethics enforceable by talk. As a class: thoroughly impotent.

Last week the members of such associations were staying up nights trying to figure out industrial codes, sitting in hotel rooms in their shirt sleeves, sweating and listening to endless argument. Often before they had subscribed to moral codes of Mosaic simplicity for their own guidance ("Thou shalt not steal thy neighbor's trademark . . . honor thy promises to pay" etc.) but never before had they been ordered to write detailed laws for the complex machinery of modern business laws to be enforced. Moses himself, with all his legislative experience, would have had to make a second ascent of Mt. Sinai before attempting such a task.

Last week with the trade code of the National Lumber Manufacturers Association nearing completion, the Department of Agriculture was listening to the forestry proposals of Ward Shepard, expert of the Carl Schurz Foundation. Forestry is an integral part of the New Deal, as dear to the heart of Franklin as it was to Theodore Roosevelt. Already the Government has taken steps to hire 300,000 forest workers. The idea under discussion last week was to get lumbermen to take better care of private forests, not to denude forested lands but cut only the biggest trees, keep others growing constantly. Object: to give permanent em-

ployment to 2,000,000 men. What would be the effect on lumber and paper prices of adding 2,000,000 men to the industry's payroll was not disclosed but talk was of a Federal Forest Loan Bank, of Forest Marketing Cooperatives.

## Auto-Thefts, Inc.

Last October Chicago discovered that in the three previous months more of its automobiles had been stolen than new cars registered. For the full year there were 34,246 auto thefts in Cook County (Chicago and environs)—nearly 100 a day. Last week as the Illinois Legislature talked of repealing a stringent new anti-theft law (reason: it might cost money to enforce it) Chicago got mad.

As worst auto-thieving city in the U. S., Chicago enjoys the highest U. S. theft insurance rates. In San Francisco it costs 75¢ per \$100 to insure a Chrysler, in Washington 95¢, in Boston \$1.70, in Manhattan \$3.05, in Chicago \$9.18—\$91.80 a year for \$1,000 of insurance.

Chicago insurance rates are based on three factors: 1) the number of cars of a given make registered; 2) the number (of the same make) stolen and 3) the average loss on each stolen car.\* The average loss on a stolen Chrysler is \$225, the number of thefts 21.4% of registrations old and new. The theft-ratio for Walter P. Chrysler's two lowest price cars is even higher—44.5% for De Sotos, 80.6% for Plymouths. But the average loss is less—\$80 on a Plymouth. So the Plymouth rate is only \$6.55 per \$100.

Mr. Chrysler's cars have been specially honored by thieves because they have speed and a quick getaway—useful not only to the thief but to the thief's gangdom customers. One "mob" is reported to have standardized on Plymouths for the current year.

Many stolen cars are not resold but stripped of their wheels, lights, batteries, bumpers, etc. The stripped car is then dumped in the street and the parts sold to dealers who specialize in repairing stripped cars. Chicago strongly suspects that some Chrysler dealers eke out their incomes by buying spare parts cheaper than they can be got from the factory, even suspects some dealers of being in direct cahoots with gangs.

Mr. Chrysler's products are not however the only Chicago cars stolen, for thieving is there a highly organized business. Youngsters equipped with keys, devices to short circuit ignition switches, etc., are hired to do the actual thieving. They drive the stolen car to an agreed spot where others pick it up and take it to a fence who strips it, dumps it out in a deserted street. A policeman finds it, and he (probably not having been paid for several months) may take off a few more parts to help support his family. The police then "let out" to a garage the business of towing in and storing stolen cars till the owners are found. The garage then obligingly offers to make repairs for the owner, probably with stolen parts, possibly with parts of his own car. It is a

\*Chicago's theft insurance rate on Fords exactly equals the rate on Chryslers although percentage-wise only two-thirds as many Fords are stolen. Reason: the lower percentage of Ford thefts is balanced by five times as many Ford registrations, more Ford thefts by actual count.

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# UNITED STATES AND CURRENCY PROBLEMS

## Statement to World Economic Conference

### INDEPENDENT ACTION THREAT BY GOLD COUNTRIES

LONDON, July 4.

The announcement that President Roosevelt had been unable to accept "in its present form" the joint proposal of gold countries, which had received the approval of Great Britain provisional upon its acceptance by the United States, was coupled with the statement that Mr. Cordell Hull, chief of the American delegation to the World Economic Conference, would as Secretary of the delegation state America's point of view. Mr. Hull's statement, issued yesterday morning, was as follows:

"I have this morning received the following communication from the President of the United States, setting forth the position of our Government relative to the suggested international currency measure proposals. I am making this public in my capacity as Secretary of State and not as Chairman of the American delegation. The delegation has at no time had jurisdiction on this subject, which is clearly a Treasury matter.

"I would regard it as a catastrophe amounting to a world tragedy if this great Conference of nations called to bring about more real and permanent financial stability and greater prosperity to the masses of all nations should, in advance of any serious effort to consider these broader problems, allow itself to be diverted by a proposal which is purely artificial and a temporary experiment affecting the monetary exchange of a few nations only.

#### LACK OF PROPORTION

"Such action and such diversion shows a singular lack of proportion and failure to remember the larger purposes wherefor the Economic Conference was originally called together. I do not relish the thought that insistence on such action should be made an excuse for a continuance of basic economic errors that underlie much of the present world depression. The world will not long be lulled by the spurious fallacy of achieving temporary and probably artificial stability in foreign interchange on the part of a few large countries only.

"The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in the changing terms of the currencies of other nations. It is for this reason that a reduced cost of Government, adequate Government income and ability to service Government debts are all so important to ultimate stability. So too is it a need of modern civilisation that the old fetishes of so-called international bankers should be replaced by efforts to plan national currencies with the objective of giving to those currencies continuing purchasing power which does not vary in terms of commodities.

"Let me be frank in saying that the United States seeks a kind of dollar which, a generation hence, will have the same purchasing and debt power as the dollar value which we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or the franc.

#### BROAD PURPOSE

"Our broad purpose is the permanent stabilisation of every nation's currency. Gold or gold and silver can well continue to be the metallic reserve behind currencies, but this is not the time to dissipate gold reserves. When the world works out concerted policies in a majority of nations to produce balanced budgets and to live within their means, then we can properly discuss the better distribution of the world's gold and silver supplies to act as a reserve base of national currencies.

"The restoration of world trade is an important part both in the means and in the result. Here also temporary exchange-fixing is not the true answer. We must rather mitigate existing embargoes to make easier the exchange of products which one nation has and another nation has not. The Conference was called to better and perhaps to cure fundamental economic ills. It must not be diverted from that effort."

#### "INCONSISTENCY"

While, in the face of President Roosevelt's statement, gold countries strongly feel that there is not a great deal that their Ministers can do at the Conference, it is stated that possibly economic experts might be asked to continue the discussions.

Full and frank discussion is anticipated at the meeting of the Bureau of the Conference to-day.

It is stated that there is every possibility that the apparent inconsistency of Mr. Roosevelt's statement with the fact that the preparatory commission put currency questions well in the forefront will be raised.

M. Bonnet returned to London at midnight and immediately drove to the hotel where the French delegation is staying.

The general reaction among the Conference delegates, after reading Mr. Hull's declaration, is one of disappointment. It is felt that he has not elaborated President Roosevelt's plain refusal to any useful extent. In certain quarters exception is taken to the wording of the statement, which is considered "schoolmasterly."

#### NO U. S. HELP

The latest American move is regarded as finally removing hopes of American help towards a general understanding on currencies. It is considered that the next move lies with the United Kingdom and it is confidently expected that a lead from Britain will be announced, possibly in the course of a few hours.

It is noteworthy that the British Dominions' delegates were consulted before the meeting of the gold countries this morning and the latter adhered to the belief that no further reason existed for prolonging discussions.

The gold countries have drawn up a reply to Mr. Cordell Hull, affirming that the gold countries will now act independently of Britain and the United States and proceed on a common policy conducted by their Central Banks. The machinery by which the Central Banks of the gold countries will co-operate is described in a statement to be issued after the signature is obtained of the Italian Finance Minister, Signor Jung, who has proceeded to Ulster to inspect the Balbo Armada.

The joint declaration is signed by representatives of France, Belgium, Italy, Holland and Switzerland and states that the respective countries formally confirm their intentions to maintain the free functioning of the Gold Standard at existing gold parities and within the framework of existing monetary laws. The Central Banks of the various countries are requested to keep in very close touch with each other in order to give the declaration maximum efficacy.

#### DISINTEGRATION?

In the meantime, a move for adjournment is anticipated this afternoon or to-morrow morning and will probably be initiated by Switzerland, as France and Holland refuse to do so. The gold countries believe that, if they leave the Conference, the remaining nations will be able to do little.

Matters have reached such a pass at the World Economic Conference that signs of disintegration are becoming apparent. Some of the Sub-Committees have already struck work.

It is evident that Professor Moley, President Roosevelt's right-hand man fresh from America, who approved of the gold countries' resolution, which has now been turned down, has no greater influence than the remainder of the American delegation.

There is no doubt that the wording of the American note has created equal surprise and disappointment. Even American circles are amazed and interpret the statement as extremely nationalist and isolationist.

A dramatic sequel to Mr. Cordell Hull's statement soon appeared. Three Sub-Committees decided to adjourn without proceeding with business. The general argument advanced by the gold countries' representatives on these Sub-Committees was that the matters for consideration were so intimately bound up with the monetary problem that it was useless to discuss them in the absence of its solution.

In the meantime, Mr. Ramsay MacDonald, who, with his British colleagues, had morning and afternoon conferences with the British Dominions' representatives, refuses to admit defeat despite the depressing situation.

A Paris message says that the Quai d'Orsay describes, the rumoured intention of the French to try to wind up the Conference on July 15 as fantastic. Nevertheless, canvassing for adjournment is afoot among other gold countries in the Conference headquarters in London.

### DOLLAR'S NEW LOW RECORD

LONDON, July 3.

The dollar fell to the new low record since Britain left the gold standard in 1931 of 4.48½, following President Roosevelt's statement. The dollar opened at 4.35½ to the pound in London on Saturday and 4.33½ in New York. Gold countries showed hardly any movement on their previous levels, but Canadian dollars weakened from 4.71 to 4.79 to the pound.—Reuter.

### THE MOLLISONS

LONDON, July 4.

The Mollisons left Hendon aerodrome yesterday for the Pendine Sands to prepare for their Atlantic flight. In view of a reported big stretch of fine weather, over the Atlantic, the Mollisons expect to make an early start.—Reuter.



# Кризис золотой валюты

В моему большому удивлению, на мой приказ — высказаться по поводу моих «экономических» мыслей о золоте — откликнулся М. В. Бернацкий: больше компетентного оппонента я не мог найти. Еще больше удивительны я тем, что, как оказалось, по некоторым, наиболее существенным пунктам, мысли М. В. не расходятся с моими. Позволю себе формулировать в двух тезисах наши совпадающие мнения — чтобы из дальнейших изложений от этих тезисов, как и любой неизбежной основы.

1) Золотая валюта больше всякой другой соответствует «свободному» хозяйству.

2) В хозяйствах разных типов, кроме свободной, золотая валюта не может иметь применения.

Дальше уже начинаются расхождения. По мнению М. В. Бернацкого, то, что придет на смену золотой валюте в хозяйствах не свободного типа (если таковое установится), будет уже не деньгами. И не вижу оснований это утверждать. Спор по данному пункту — скорее терминологический и останавливаться на нем не стоит. Но несколько слов будут полезны для выяснения дальнейшего. По моему убеждению, в основывающемся на наших глазах новом хозяйственном строе, как и во всяком, придется изобрести ценности и обменять их при помощи некоторого специально к тому предназначенного органа. Такое специальное орудие, по моему, и есть — деньги. М. В. Бернацкий строит из денег несколько больше узкое понятие: для него, насколько я понимаю, деньги — непременно то товар (например, золото) или нечто представляющее товар (банкнота). То, что кажется мне деньгами любой формы, ему представляется не деньгами, а всего только расчетными знаками. Можно думать и так; тогда приходится говорить не о замене золотой валюты какою-нибудь, а о замене денег расчетными знаками. Существо эта идея исходит от этого жала.

Возвращаясь к ранее установленным, общим для нас тезисам, и добавлю такой

вывод. Говорить о том, предстоит ли такое или упоминать замещение в денежном строе, или не предстоит, невозможно, не касаясь вопроса об устройстве «либеральной» экономики и направлении или экономики, которую чаще всего называют «управляемым хозяйством». М. В. Бернацкий уклоняется в своем ответе от обсуждения этой стороны вопроса, но да простит он мне, если я все же к ней подойду. Ведь в ней — центр тяжести нашего разговора. Все остальное — только подробности.

Каков тот режим, который, по моему убеждению, рождается на наших глазах? М. В. Бернацкий сразу берет его на подорожную; считая, что это только временное потемнение, что этот режим уже опровергнут большевистским опытом наших дней.

Тут я должен протестовать. Как я уже неоднократно указывал в «Возрождении», наши времена исполнены борьбой не двух, а трех хозяйственных режимов.

«Старый режим» — это режим классического капитализма, при котором народное хозяйство есть простая совокупность индивидуальных хозяйств, связанных между собой только рынком; каждое из этих хозяйств является неотъемлемо — свободной личной инициативой хозяина и стремится к возможному расширению за счет других; отсюда — неограниченная конкуренция. Это режим индивидуализма — антагонистический.

Ему диаметрально противоположен коммунистический. Тут индивидуальных хозяйств нет вовсе, а есть только всепоглощающее государственное хозяйство. Нет ни личной инициативы, ни конкуренции, ни рынка. Единая центральная воля решает все. Это режим государственного монополизма.

На наших глазах рождается ознако третий режим. Этот режим сохраняет индивидуальные хозяйства, но сводит их в организованную систему. Он не устраняет личной инициативы, но кан-

лизирует их; не подавляет конкуренции, но вводит ее в рамки «хорошей» стоимости; не упраздняет рынок, но так строит элементы, на нем стоявшие, чтобы рынок перестал быть главным регулятором хозяйства, а становился как бы сигнальным отступлением от нормы. Этот режим, по одному из его элементов, именуется «управляемым хозяйством»; я предпочитаю для него название «национально — сотрудничество».

Как видим, советский опыт тут не при чем. Им опровергается второй, но не третий из стоящих сейчас режимов. Советский провал заставил искать новых путей, так как на старых путях провалились для наших размеров попытки быть и успешнее.

И не могу в этот миг подробно характеризовать дальнейший строй. Пережить только те элементы, которые, как мне кажется, уже явственно определяются. Это: «корпоративный строй», т. е. плановый иерархическая организация индивидуальных хозяйств в национальное единство; плановая намётка заданий для этих корпоративных организаций (в особенности в области производства средств дальнейшего производства); социальное — распределенный труд, т. е. та же рывание вопроса о труде, при котором совокупность общественно — полезного труда возможно равномерно распределена между желающими и могущими работать; «управляемые деньги», всегда представляющие одно и то же количество материальных благ или услуг; реформированный кредит, пожалуй, превращенный в транзитную расчетную систему между участниками планового хозяйственного процесса.

Основания нового режима таковы: возможно полное использование лучших материальных средств и личностей и устранение «конечнообразного» развития хозяйства, постановка его на путь планового подъема и через то устранение бедности, борющейся, ставшего нестерпимым для нас сверх-индустриализации.

Все это только наметки. По некоторым пунктам мне уже доводилось быть поводом к беседовать с читателями, и я надеюсь, что мне удастся в скором времени эти мысли развить, затеяв этот раз явля для явля нового стиля...

Диагональ — сотрудничеством строй имеет на смену отмирающему «либеральному» режиму? Да, тот факт, что отбывания звеня этого строя в одиночку и в сочетании уже вспыхивают на наших глазах, не только в усилиях Муссолини, Хитлера и Рузвельта, но даже в экономии стран, принципиально еще придерживающихся «старого режима». Какое из этих звеньев в отбывании нежизнеспособно. Могут поэтому кончиться неудачей социальные опыты наших дней. Это еще не опровергает мысли о грядущем торжестве «национально — сотрудничества» уклада хозяйства. Ничто новое не приходит в мир без усилий, борьбы и временных неудач.

Только в этих этих общих соображениях усиливается ощущение нашей разности с М. В. Бернацким. Не буду не ребрать всё, постараюсь выделить наиболее показательные.

«Индикс» валюты (при которой денежная единица равнозначна не определенному количеству золота, а определенному набору товаров), я, как и М. В., считаю неосуществимой в «свободном» хозяйстве. Однако, благодаря особому стечению обстоятельств (на которое правильно указывает М. В.), ее удалось провести в Англии. Оторванный от золота, фунт не оторвался от товаров и остался эквивалентным некоему мысленному набору товаров, который легко можно было бы построить для Англии. Любопытно вот что: за годы фактического действия индексовой валюты, идея ее сдулась в Англии крупные успехи. Крайне показательно замечание, подписанное в день окончания Лондонской конференции представителями Великобритании и доминионов. В нем говорится, что государство «стергового» было так готово вернуться к золотому размену, но при условии, чтобы — через сотрудничество центральных эмиссионных банков — была обеспечена реальная цена золота. Указание неосуществимо; постановка его означает, что Англия вышла из подчинения психологии золота...

Что касается С. А. С. Ш., то тут в реальности никакой индексовой валюты еще нет. Есть она только в планах Рузвельта, в частности в том же знаменитом послании, которое побуждало Лондонскую конференцию, созванную для того, чтобы подчинить непознанным, по моему, золотой мир.

Главное возражение против индексовой валюты, высказанное М. В. Бернацким, таково: «Наставить на стабильность товарных цен или на постоянном товарном содержании денежной единицы значит совершенно извратить существо хозяйственного оборота и идеей экономический прогресса. Ведь от повелительно требовать удешевления товаров ради поднятия всеобщего уровня жизни, следовательно денежная единица не может сохранить единое товарное выражение».

Так было в старом «золотом» мире. Непременно ли будет так в новом «не золотом»? Ответить нет. В национально-социальном, устойчивом по природе хозяйстве, количество денег на расчетных знаках должно возрастать пропорционально приросту производства (так как быстрота их обращения будет, при быстрой, неизменной). Правота предложения должна быть быстрее прироста населения. (В этом была сущность хозяйственного прогресса последних веков). Следовательно, у каждого денег достаточно все больше денег, значит, все больше прав на присвоение реальных ценностей, которых тоже будет все больше и больше. Прогресс сохранения, только изменить одну из своих чисто внешних форм.

В предыдущих моих словах М. В. Бернацкий, пожалуй, забыл новое мое изложение в некую, как он подает, «коллективную» теорию денег. Коллективную теорию я принимаю не в крайнем ее выражении. Я не считаю, что бы уровень цен определялся только количеством обращающегося золота (и его притока) и быстротой обращения, на считаю несомненным, что такое количество и такая быстрота принадлежат к числу важнейших факторов, определяющих уровень цен. В этом смысле не отрицаю коллективной теории и М. В. Когда издается в рост товарных цен, пусть открыли Америке или находили новые месторождения золота; и потому не так я был неправ, когда приписал коллективную теорию и судьям инстинктивных сторонников золота. Что касается прикладной или табличной, показывающей, что за последние годы цен падает, несмотря на увеличение административ-

пасов золота, то она количественная теория не опровергает. Ведь быстрая обращения равнозначна с количеством золота, и замедление оборота, в таблички не отражающиеся, и определяло падение уровня цен.

Золото, конечно, «неповинно» в этом падении. В этом отношении М. В. совершенно прав. Но нельзя, как он то думает, говорить и об (абсолютном) перепроизводстве товаров, как причина кризиса (приводимый им пример с пшеницей — спорно исключение). Мир еще весьма далека от насыщения материальными благами, и сомнительно, будет ли вообще когда либо или насытит; одна удовлетворенная потребность рождает другие. Повину в кризис, на этот раз, грозищем всей цивилизации, такое пострение общества, при котором порционально, совершающиеся в сфере денежного оборота, решают судьбы всего хозяйства, препятствуют людям извлекать все возможности из их прежних усилий, обрекают предпринимателей на убыли от простых фабрик и машин, торговцев — на малое разорение на горях непроданных товаров, рабочих — на муки голода при позорное существование на пособия, всех граждан — на всеобщее скатие потребления, психологически особенно нестерпимое для сознания, что всего же мир есть золото!

Денги давно перестали быть тем, чем были, позлагает. Теперь это — не орудие изобретения и обращения денежной, а основная пружина хозяйства. На опыте наших дней чужество познано, как безразличны последствия такого перерождения...

Познание это не проходит безболезненно. Один из последних оказался кризис золотой валюты, достигший такой силы, что вынудил ей страны сблизиться лишь малыми островками среди моря неволи. Этот кризис золотой валюты, по моему, один из важнейших симптомов переломного характера нашего исторического периода. Идея ведь не потому отошла от золотой валюты, что погубил и перестал ли полагать ее действительна, а потому, что эти действительна, чисто относительны, начинают отходить от прошлого.

Новыми временами — новые идеи и новые учреждения!

Н. С. Тимашев.

Восприним. 1934 г. № 1933



## LONDON'S ACTIVE MART FOR FOREIGN CURRENCY

Speculation in All the Moneys of the World Goes On, But Commercial Settlements Make Much Trading

By W. F. SPALDING.

THE turnover in the London foreign exchange market in recent months has been larger than any other market in the world. If we are to believe some authorities, half the world has abandoned legitimate and sound trading and has entered the dangerous field of speculation in exchange.

If the mere two attempts to lift the veil of mystery that surrounds the business of exchange he finds himself confronted with a mass of details, complicated and therefore meaningless documents, and endless columns of figures and tables of mathematical computations, he will serve to heighten the forbidding with which he has approached the subject.

There is no need for all this mystery. All the market has to do with, at least in its elementary stages, is the problem of foreign indebtedness and the seeking of international means to pay it.

In London, Alpha and Omega of foreign exchange is the settlement of debts of one country due to another without the necessity of trading in the market and that is the problem today. It is, of course, convenient to say that exports are paid for by imports, but that is to consider how the parties get his money. The French vintner requires francs and continues for his wine, and the Bradford manufacturer will want pounds, shillings and pence, and neither will wish to barter his grapes for tea or coffee, as the case may be.

### Settling Transactions.

On the one hand we have a British merchant who has sold merchandise to France. Thus there is one British seller and one French buyer. On the other hand, the French dealer has sold goods to England. We have in England, then, an English buyer and an English seller. In France, a French buyer and a French seller. When each has received the goods we are face to face with this fact: The French buyer must remit sterling to the English seller, and the English buyer will have to remit francs to the French seller. How are the operations to be worked to cancel this double indebtedness?

Theoretically, the French buyer is supposed to seek out in France the seller of French goods, and is supposed to buy from him and then to sell to the Englishman. This debt will be represented by a bill of exchange drawn on the buyer of French goods in London. In other words, the French importer will buy this bill from the English exporter and will send it to the seller of British produce. The latter, in his turn, when he receives the bill, will present it to the buyer of French produce, who will pay it. There has thus been a settlement of the commercial transaction on the part of four people by the simple exchange of a piece of paper, without an ounce of gold having been sent from either country.

### The Banker's Part.

In practice, operation will not be so simple, since neither the buyer nor the seller in London nor the buyer nor the seller abroad will bother about searching for the respective sellers in their own country. The operations will be carried out by a banker, who is the connecting link between the various interests. It is the banker who will be the center of the foreign exchange market—he is the wholesale dealer in international money, and he settles the bills of exchange drawn on those to whom the money is due, and he is the one who makes the settlement of those who must pay debts to foreign creditors.

It is clear that the business of foreign exchange in the London market, as it is in all great markets, like New York, is closely connected with that of foreign trade, and in addition to enabling exporters and importers to receive payment for their wares, the reader will perceive that bills of exchange of merchants have another function. They enable funds to be transferred from one country to another without the risk and expense of sending the precious metals.

A person in London may have sold shares in New York; he wants his banker to get the money to London for him. The banker's representative in the United States in turn buys bills drawn in connection with shipments to London. When these arrive, the bills are presented for acceptance to the person upon whom they are drawn, and when completed by acceptance they are sold them under discount on the London money market, and so has funds to pay his client for the shares previously sold in New York.

### An Old Problem.

What the trade of the world in a state of suspended animation, it would seem that a further problem has emerged, and we get an illustration of the old axiom, "The nation that does not buy, neither shall it sell." With fewer bills of exchange being drawn in connection with imports and exports, the means of transferring funds and settlement of foreign indebtedness for interest payments, services rendered, war debts, reparations, and the like have diminished; exchange restrictions have almost everywhere been enforced, and the problem before both England and America is still the old, old one, how to increase foreign trade to assist their respective foreign exchange markets, upon which the whole world depends, to function again.

FRANCIS DANA

## WHEN RUSSIA WITHHELD RECOGNITION FROM US

After Our Revolution It Took St. Petersburg Nearly Three Decades to Agree to Diplomatic Relations

By ISIDORE ABRAMOWITZ.



The Diplomat Who Tried Unsuccessfully to Gain Russian Recognition of Young America.

night rate in places like New York; they have similarly acquainted themselves by telephone and cables with rates opening or closing on any other important foreign bourses, and are usually ready to begin business at about 9:30 A. M. A banker, for instance, wants to buy a million francs; the dealer rings the broker and simply calls "francs," which is his way of asking the price for buying.

Suppose the rate is \$4.00 to \$4.50; the broker replies "40 to 50"—he omits the \$4 for speed, and may add, "might do a little better." So the banker's dealer tries the middle price, says "I am on at 45," and inquires how many francs the banker's dealer wants to buy. He is told "a million."

Now the banker's dealer must act as a rule work direct with the brokers; the operations must be conducted through the medium of the banks, and in practice the transfer mainly of money in these forms: by telegraphic transfers, by bank drafts, by demand bills, and by bills of exchange, which are payable at so many days or months after date.

The telegraphic transfer is simply the English term for the cable transfer, and means the transfer of money from one country to another by means of telegrams. If a man in London wishes to transfer money to New York, he sends a cable transfer to a named person there in the name of the bank, and the rate of the day, and the amount of the transfer, and the banker forthwith instructs his New York agent to pay the money to the named person.

The demand draft, as its name implies, is for money paid on demand as soon as the draft, drawn on an American bank, reaches New York and is presented for payment. It includes roughly interest for the time the bill is en route, so the beneficiary gets slightly more dollars and cents for his francs, and in other words it is not so expensive as a telegraphic transfer.

### Mail Transfers.

Mail transfers have the trouble of sending bills the sender instructs the bank in London to whom he wants the dollars paid in New York, pays counting, and the banker sends by mail to his New York agent instructions to pay the accredited person. Generally speaking, the rates do not vary much from those for demand drafts.

Usance bills, on the other hand, include interest for the period of the bill and stamp duty. The purchaser of such a bill for, say, sixty days on New York will expect to get it at a rate which, after allowing for discount, that is, the charge for melting or turning the bill into ready cash on the market on which it is drawn, will put him in no worse position than if he had bought a bill on demand. The rate for these usance bills, they are called, is thus determined by the rate of discount current in the place on which they are drawn.

Similarly, the rate at which the bank will buy mercantile or merchants' bills on the London market, drawn on foreign centers is determined by the rate of discount, plus a charge for stamp tax, and an additional amount for what may be called the insurance risk for contingencies.

So much for the bankers' operations with the public—to return to the exchange market proper. In dealing with the banks the brokers are to be an acorn with the over-

THE negotiations looking toward recognition of the U. S. R. by the United States led from a long story of the Revolutionary correspondence of the young Republic. It concerns the difficulty this country experienced in gaining the recognition of Russia under imperial rule. In 1781 our Minister arrived in St. Petersburg seeking recognition; it was not until twenty-eight years later, on Nov. 6, 1809, that Alexander I ended the long negotiations by recognizing the two nations.

On Dec. 30, 1776, the Committee of Secret Correspondence was writing to Americans then in Paris, Washington's victory at Trenton. Congress was developing aspirations toward recognition of the courts of Vienna and St. Petersburg and from the Grand Duke of Tuscany. On March 1777, Benjamin Franklin was appointed as approaching Russia. "If the expense was no objection."

On Dec. 30, 1776, the Committee of Secret Correspondence was writing to Americans then in Paris, Washington's victory at Trenton. Congress was developing aspirations toward recognition of the courts of Vienna and St. Petersburg and from the Grand Duke of Tuscany. On March 1777, Benjamin Franklin was appointed as approaching Russia. "If the expense was no objection."

Congress was willing to try the experiment, and on Dec. 9, 1780, Franklin was appointed as approaching Russia. "If the expense was no objection."

He then enters the deal on a contract slip, using a bought and sold slip for each operation, and these contracts are promptly passed on to the buying and selling banks, which, in turn, switches back to the first bank and closes the deal.

However, Mr. Dana arrived in St. Petersburg on April 27, 1781, and in October the surrender of Cornwallis ended the Revolution. Dana later received the following letter from Philip Livingston in Congress: To excite the curiosity of Catherine without touching on the politics of Europe, which she was better informed than the American; to speak engagingly of the American Revolution, and with plenty of candor, "even though you should thereby expose some of our defects and imperfections."

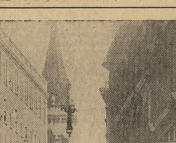
Livingston went on with some degree of delicacy: "I believe you may find it necessary to be cautious in painting the British in the colors in which they appear to us. Other nations are not so intimately acquainted with them; their books, their travelers and their merchants have made their way into different parts of Europe; by boldly asserting their own virtues they have taught the world to believe that they really possess a superiority degree of courage and humaneness."

But Mr. Dana never had the opportunity to follow these instructions. He was forced to keep secret his commission as public Minister. When a diplomatic copy of the proposed British-American peace negotiations reached St. Petersburg, the only effect was to make him more impatient. "Do you ask me if they do not feel and see that America is independent?" he wrote to John Adams. "That they must soon speak out? Will they tell the moment shall arrive when the United States will not thank them for doing so?"

In March, 1783, the duty was cast. Mr. Dana was sympathetically received an American application for recognition—brief, courteous, hopeful. Mr. Dana was sympathetically received an American application for recognition—brief, courteous, hopeful.

Present colonization projects, both Italian and foreign, will be represented by paintings. A section on architecture will indicate the progress made in building activities.

## WHERE MONEYS ARE TRADED



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PICKWICK ARMS. Greenwich, Conn. Beautiful grounds. Fall beauty. Ready. Excellent cuisine. Open all year.

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FLORIDA. McAllister Hotel. On Discov. Bay, MIAMI, FLORIDA. 5000 ft. of beach. Modern-Fireproof. Sensible. Write to Y. W. C. A., 119 West 52nd St., New York City.

NEW JERSEY ATLANTIC CITY.

## WHICH SHALL IT BE? Thanks-getting dinner at home, or Thanks-giving dinner

## By the Sea

AT HOME there will be work and worry... a turkey to buy and stuff and roast, vegetables to prepare, pies to make, flowers to purchase and arrange, the table to set, dishes to wash afterward—the maid to mollify. At CHAUFONTE-HADDON Hall it will be just fun—your own family table—your own individual turkey with a variety of good things to go with it to suit your taste. When you're full to bursting, how will you welcome a brisk hike on the Boardwalk.

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LOW FARE AND WINTER RATES NOW IN EFFECT. (See a room with bath. In Chalfonte. (Over \$50) \$1.50 to \$8.50. In Haddon Hall. (Over \$50) \$5.50 to \$10. With meals. Also European plan.

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ON THE BOARDWALK, ATLANTIC CITY. \$28 per person. \$48 per person. \$36 per person. Includes breakfast, lunch, dinner, and room. Write to Y. W. C. A., 119 West 52nd St., New York City.

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AT NO EXTRA COST ENJOY OUR ELABORATE PROGRAM. WEDNESDAY, November 22nd—Entertainment. THURSDAY, November 23rd—Thanksgiving Ball. FRIDAY, December 1st—Bridge-Prizes and Refreshments. SATURDAY, December 2nd—Festive Night—Dancing.

## SOUTHERN STATES

NORTH CAROLINA. NORTH CAROLINA. VILLAGIA HARTSHORN, CHARLOTTE, N. C. Beautiful grounds. Fall beauty. Ready. Excellent cuisine. Open all year.

## Pinehurst

TO AMERICA'S PREMIER WINTER RESORT. NORTH CAROLINA. "WEEKLY WONDER OF THE AGE." The New York Times of today is a better, more satisfying paper than ever before, and the Sunday edition is the week's wonder of the age—THE BOSTON HERALD—Advt.

## BERMUDA HOTELS

BERMUDA. VILLAGIA HARTSHORN, CHARLOTTE, N. C. Beautiful grounds. Fall beauty. Ready. Excellent cuisine. Open all year.







## CODE IS INDORSED BY STEEL INDUSTRY

Leaders Ask Extension to  
May 31, 1934, After  
Trial Period.

By the Associated Press.

The steel industry today requested the N. R. A. for an extension of its code until May, 31, 1934, at the same time recording in a formal resolution "its general satisfaction with the operations of the code in its effects on the industry."

This resolution was made public by Hugh S. Johnson, after it had been forwarded to President Roosevelt.

The original steel industry code was adopted for a trial period of three months and the extension is for purposes of further trial, "to the end that sufficient time may be given more fully to demonstrate" that the code will effectuate the purposes of the N. R. A. law.

N. R. A. officials earlier had said they expected the code to be in full operation only toward the expiration of the first trial period, and that further time would be needed to determine how successful it was toward spreading employment, higher wages for workers and more compact self government in the industry.

### Paper Code Up.

At his first press conference since returning from the Midwest speaking trip, Johnson said he expected the President to sign codes for the newsprint industry, the general paper and pulp field and for automobile tool and die plants before his departure for Georgia late in the day.

A study is being made for him of the ruling of Controller General McCarl in regard to giving Government contracts to firms which have not signed codes. Johnson contends that McCarl's ruling did not take into consideration all regulations issued by the President on the point.

Regarding compliance conditions, he repeated earlier assertions that he was not satisfied with the degree of enforcement secured by local compliance boards, and that "we will come out in a few days with complete plans" for dealing with the situation.

He declined to detail what would be done.

### Faith Still Holds.

Asked what he expected to do if the forthcoming investigation of profiteering charges revealed clear-cut cases of price gouging, Johnson said he would expect the code authorities to deal with offending members of the respective industries, making them reduce the prices to a proper figure.

In reply to questions regarding the heavy criticism recently directed at N. R. A., the administrator observed:

"I'm not shaken at all in my faith." Johnson said that although he was still holding up the code for motion pictures, "this has got to be acted upon next week."

He declined to say what sections of the code were causing delay.

More compacts will be sent to the President for his approval at Warm Springs, so as not to delay their going into effect.

### Correlation Planned.

Seeking to simplify and merge the multiplicity of Government boards, committees and agencies now handling operations of the recovery program, officials of the Roosevelt administration

where correlation has strong.

N. R. A. itself has scattered agencies, a problem of securing co-ordination with codes and agencies, is that of purpose. Other officials today are working on the problem on which Hugh S. Johnson

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## ROERICH PACT UNIT TO HEAR WALLACE

Organization Convenes in  
First Meeting Held in  
United States.

The third international convention for the Roerich Pact and Banner of Peace opened this afternoon at the Mayflower Hotel with the aim of protecting artistic, scientific and educational treasures against destruction.

The participating nations include Argentina, Chile, China, Czechoslovakia, the Dominican Republic, Ecuador, Guatemala, Greece, Honduras, the Irish Free State, Paraguay, Japan, Nicaragua, Panama, Peru, Poland, Persia, Portugal, Spain, Switzerland, Brazil, Venezuela and Yugoslavia. In addition Italy, Netherlands and Turkey have delegated observers to the convention.

It is hoped that this convention will result in definite action toward international adoption of the Roerich pact and agreement among nations on the neutrality and inviolability of all cultural sites.

### Wallace Will Speak.

Secretary of Agriculture Henry A. Wallace will be protector of the convention and will represent Secretary of State Cordell Hull, reading his message. Prof. Nicholas Roerich, creator of the Roerich Pact and Banner of Peace, and Mrs. Roerich are the honorary presidents and Senator Robert L. Wagner is honorary chairman. Louis L. Horch, president of the Roerich Museum, under the auspices of which the convention is held, will preside.

There will be meetings this afternoon, tonight and tomorrow morning. At the first session the invocation will be by Right Rev. James E. Freeman, Bishop of Washington. There will be a greeting by Secretary Wallace, and the speakers are to include Dr. Charles Fleischer, Representative Sol Bloom, Leon Dabo, Dr. Alois Hrdlicka of the Smithsonian Institution, Dr. Henry James Forman, Mrs. Sina Lichtman and a number of delegates from foreign countries.

At the session tonight the invocation will be given by Bishop James H. Ryan and the speakers will include Rear Admiral J. K. Taussig, Prof. Ralph V. D. Magoffin, honorary president of the Archeological Institute of America; Mrs. Louis L. Horch, Dr. James Brown Scott, director of the Carnegie Endowment for International Peace; Frances R. Grant, Senator William H. King, Dr. E. Gil-Borges, acting director of the Pan American Union, and Miss Esther Lichtman.

### Pact Created in 1929.

Speakers at the final session will be Senator Charles Moore, Mrs. Grace Morrison Poole, president of the General Federation of Women's Clubs; Dr. Emanuel Baruch, president of the Goethe Society, and M. M. Lichtman.

The Roerich Pact and Banner of Peace was created and promulgated by Nicholas Roerich in 1929. Briefly, it provides that educational, artistic and scientific institutions, artistic and scientific missions, works of art and cultural sites and monuments of all kinds be respected in times of peace and war. To insure this, a banner was created by which such places are declared inviolable.

This convention is the first held in the United States. The previous ones were in Bruges, Belgium.

## Hopeful Boy Waits Adoption

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Civil & Military Gazette

Apr. 2, 1935.

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## PROFITS MADE OUTSIDE INDIA

Not Liable to Income-  
Tax

### BOMBAY HIGH COURT DECISION

BOMBAY, April 1,

Whether profits from the foreign business of a firm in British India are liable to be assessed to income-tax is the important point which has been decided by the Chief Justice and Mr. Justice Rangnekar at the High Court.

In their judgment their Lordships observed that in the present case the profits accrued from contracts made and carried out in foreign countries according to instructions of the firm in Bombay. So it could not be said that the profits accrued in British India, while Section 4 of the Indian Income Tax Act dealt with the place where the profits accrued and not the place where the person or firm controlling the business resided or carried on business.

Their Lordships held that the profits taxed in the present case did not accrue in British India and were not liable to be assessed to income-tax.—A.P.



## WORLD CURRENCY CONFERENCE?

### M. Caillaux's Move for Agreed Plan

#### LIKELY TO BE WELCOMED

PARIS, June 4. It is understood that M. Caillaux, French Minister of Finance, is contemplating the calling of an international conference on currency stabilisation.

M. Caillaux's intention of convening an international currency conference will, says a London cable, probably be welcomed in all the countries concerned. Recently, Mr. Ramsay MacDonald stated in the Commons that the "Government have been trying to get the initiative taken" towards currency stabilisation and added that their efforts had not been very successful. The contemplated French demarche may break the stalemate.

M. Caillaux's reasons are believed to be partly external, partly internal. Some measure of devaluation of the franc is doubtless necessitated by internal considerations and it would be vastly more palatable to the French public if the step can be linked with an international agreement.

Prospects of American co-operation are considered to be improved since the set-back to the New Deal programme. Concentration on the latter prevented the United States displaying a more helpful attitude towards the abortive World Conference in 1933 but President Roosevelt may now be glad to find an external escape from the present internal worries.—Reuter.

### M. CAILLAUX'S FINANCE POLICY

PARIS, June 4. The financial world is showing confidence in the Bouisson Government which faces Parliament to-day. The demand, for Government issues, when the Bourse opened yesterday, so heavily exceeded the supply that a quarter of an hour elapsed before prices could be quoted. Then the 4½ and 3 per cent rentes rose over three points from May 31. Thanks to the restoration of confidence, large public loans are expected in the near future.

General currency stabilisation is the cornerstone of the policy of the Finance Minister, M. Caillaux. He is credited with the intention of shortly proposing the resumption of the London Economic Conference of 1932.

"The recovery of international trade is in the forefront of my pre-occupations," M. Caillaux told a newspaper. M. Caillaux has already initiated reforms, including the decision to appoint two commissioners, one of which is to consider the re-organisation of the stock exchange, and the other to adopt elaborate means for making expenditure correspond to revenue.—Reuter.

### DRAIN OF GOLD CEASES

The recent drain of gold from France has now ceased and export reduction in the bank rate is expected.

An official statement issued from the Ministry of Finance on Tuesday confirms the report that M. Caillaux favours international stabilisation on the basis of the present parity of the franc but suggests that he is too preoccupied to deal with a stabilisation conference at present, as he is absorbed in balancing the budget and the maintenance of the present rate of the franc.

The statement adds that M. Caillaux does not consider that he should take the initiative in calling an international conference.—Reuter.

### NETHERLANDS DEVALUATION DISAGREEMENT

#### Minister Resigns

THE HAGUE, June 4. Dr. Steenbergh, the Netherlands Minister of Economics, has resigned following disagreement with the Premier and other Cabinet members over the devaluation issue.—Reuter.

### COUNCIL BY-ELECTION SEQUEL

#### Ambala Congressman Acquitted

JULLUNDUR, June 4. Mr. A. R. Corneliuss, I.C.S., Sessions Judge, Jullundur, accepted the appeals preferred by Lala Duni Chand of Ambala, acting President of Punjab Provincial Congress Committee, and his son, Mr. Tek Chand, against the orders of the lower court at Ambala sentencing them to pay a fine of Rs. 1,000 each under section 500 I.P.C. (defamation).

The appeal of Rai Bahadur Panna Lal was rejected.

The case was an off-shoot of a by-election to the Punjab legislative Council caused by the death of Rai Bahadur Mohan Lal.—A.P.

The Plantin-Moretus Museum at Antwerp has acquired 655 engravings from the Windsor Castle collections, including sixteenth-century pieces, and also a selection of the work of seventeenth-century engravers of Antwerp.

## THE "OCCULT" DETECTIVE

### Fruitless Search for Missing Child

(FROM OUR OWN CORRESPONDENT)

PARIS (By Mail). On Good Friday, nearly a month ago, the five-year-old daughter of Major Marescot, in garrison at Chaumont in the Upper Marne, was stolen from the courtyard of his house where she was playing alone. The gate of the courtyard was kept locked and in the ordinary course there was no access except through the house, but workmen were carrying out repairs and the gate may have been open, though this is denied.

It seemed impossible that, whatever her fate, some trace of the child should not speedily be found. Every inch of ground within a radius of miles has been minutely examined, the searchers including the men of Major Marescot's battalion as well as hosts of private and official detectives. The river, Saône, which flows into the Marne a mile or so away, has been dragged and explored by divers.

Police dogs skilled in tracking have been employed and for the first time in modern criminal history "occult" methods of detection—notably "radiesthesia," the so-called science of divination of which much has been heard in recent years—has been resorted to. It is indeed the latter aspect of the investigation that has aroused particular interest, apart from the poignant circumstances of the affair, which have caused it to be called the "French Lindbergh case." But not the faintest clue to the child's whereabouts has come to light.

#### THE ARRESTED MAN

Yet there are half a dozen witnesses who swear to having seen the little girl in the company of a young man who is in custody. She disappeared about 2 o'clock in the afternoon. The



### THE PRINCESS ROYAL TO UNDERGO OPERATION

LONDON, June 4. A bulletin says that the Princess Royal is to undergo an operation. The Princess has been suffering from ophthalmic goitre, for sometime and although her health has improved under medical treatment, a complete cure is not being effected. Therefore, it has been decided to treat the thyroid gland by operation.—Reuter.

alarm was immediately given and about 4 o'clock gendarmes questioned a young man named Socley whom they met coming out of a wood. He appeared to have mud on his hands but his answers were satisfactory.

A few hours later, however, he was arrested. Witnesses had come forward who testified that they had seen a young man near Major Marescot's villa leading a little girl by the hand. Some of them identified Socley. One was a shopkeeper who had sold him some trifling article the previous day and had taken particular note of his appearance. Others were unable to identify him. One woman heard the child say to her companion, "And I have a big brother too," which showed that he was a stranger to her.

Major Marescot had not long been stationed at Chaumont and the members of his family were not well-known in the neighbourhood. Socley was also a newcomer to the town. He had lately arrived from Dijon after serving a sentence of seven years' imprisonment for burglary previous to which he had been convicted of other offences, including one against children. He was 21 when in company with other youths he committed a burglary at a chemist's shop, apparently in search of drugs.

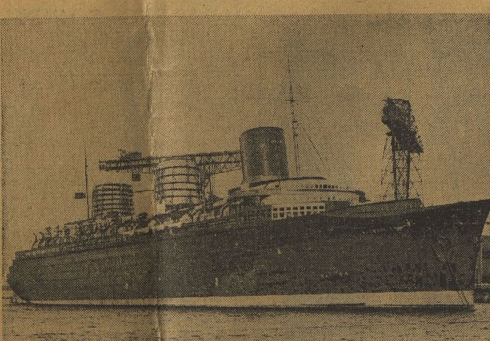
Forbidden to reside any longer in Dijon, where his family is highly-respected, Socley's parents, who are in a good position, sent him to Chaumont, where he was to have been employed by a printer. But he had not started work and spent his time taking walks and idling in cafes.

#### MYSTERY UNSOLVED

His defence is that at the time he is supposed to have been seen with the missing child he was drinking in a certain bar. It has not been possible so far either to confirm or refute this alibi. Socley, who is in any case a curious imbalanced type, protests his entire innocence but declares himself indifferent to his fate. He says he has always been a scapegoat and that the police merely arrested him "on his head." There is no material evidence connecting him with the crime.

The real mystery is: What has become of the missing child? It is impossible to say.

(Continued in Col. 3)



The "Normandie"

## FRENCH LINER'S TRIUMPH

### "Normandie" Sets Up New Record

LONDON, June 4. The giant French liner, the "Normandie," has established a new record for Atlantic crossing. It passed "Ambrose," a lightship, at the entrance of New York harbour at ten yesterday morning (Eastern Time), covering 3,192 miles from Southampton in 107 hours and 33 minutes at an average speed of 29.68 knots. The previous best held by the German liner "Bremen," was 110 hours and 27 minutes. The Italian liner "Rex" established a record of 109 hours and 58 minutes for crossing from Gibraltar.

The "Normandie" speed on Sunday and Monday averaged 31.55 knots.

#### GREAT RECEPTION

The "Normandie" docked in New York harbour at 3.25 p.m. yesterday amid a pandemonium of greetings from a crowd of over 100,000 along the water front. All traffic was brought to a standstill. Two fire floats, emitting jets of water like fountains, accompanied the liner to the dock, while an aeroplane, equipped with gigantic amplifiers, cruised overhead, sending strains of "Marseillaise."

Madame Lebrun, who was the first to leave the ship, drove to her hotel escorted by the police sounding sirens. The passengers were enthusiastic over the "Normandie's" performance.

(Continued from Col. 2)

possible to imagine a scrap carried out with more thoroughness and with a greater variety of means. Side by side with the official investigation amateur detectives of every description have joined in the search. A famous Swiss detective named Rochat took his celebrated police dogs to Chaumont. More than once one of them, a hound named Zita well-known in police annals, appeared to pick up a strong scent though continuous rain had made success improbable, but these experiments led to nothing. Wherever the hounds checked vast digging operations were carried out without the least result.

#### DIVINERS AT WORK

From all over Europe diviners, who now call themselves "radiesthetists" and claim a scientific basis for their methods, offered their services. Not unnaturally their help was eagerly accepted by the distracted parents. Among the first to volunteer was the famous Abbe Mermet of Geneva, to whom many astonishing feats of divination are attributed.

He did not go to Chaumont but being supplied with a scrap of the missing child's clothing and a map of the district claimed to have solved the mystery. The pendulum employed by him oscillated over a certain spot on the map and he telegraphed to the French authorities: "The child was murdered and buried. Hold the prisoner," i.e., Socley. The message was remarkable if only for the reference to the suspected man.

For the possibility of "long-distance detection" the French public had been prepared by other cases, though not criminal affairs, in which diviners are supposed to have made "miraculous" discoveries with only a map to guide them. The suggestion is that mysterious rays emitted by the scrap of material or other object employed would influence the pendulum to indicate the precise spot on a map or drawing where the sought-for person or thing lies buried. The empirical character of such claims to say the least is obvious.

#### NO RESULT

In any case nothing was found at the spot indicated by Abbe Mermet and extensive excavations carried out in many other places on the advice of other diviners were equally fruitless. Moreover the investigation failed to find any indication of the soil having been previously disturbed.

There remains the possibility that the child may have fallen or been thrown into the river Saône. It is not impossible, though highly improbable, that finding the courtyard gate open, she may herself have wandered away from home. She was known to very few and a child walking alone might attract less attention than one accompanied by a stranger.

## UNIVERSITY STUDY OF SPIRITUALISM

### Chair to be Established

#### "PIONEER" WORK IN SWEDEN

A chair devoted to the study of spiritualism—the first in the world—is to be established at Lund University, Sweden, says the "Daily Express."

Before it is set up a two years' course of lectures is to be given. British men of science are to take part.

Mrs. Elra Hellberg, secretary of the International University Circle Free Forum in Stockholm, has arrived in England to invite the co-operation of the universities of Oxford, Cambridge, and London.

"At Lund a scientific investigation will be made of psychical phenomena," she said.

"Paid mediums are barred. There are many things—clairvoyance, telepathy, automatic writing—to explain. Without accepting any of them as manifestations from another world, an attempt will be made to establish how the body can produce such phenomena."

"A group of our workers in Germany, with new instruments, are attempting to photograph the soul."

#### WAYS OF THOUGHT

"There are points in the brain which send out the rays of thought. We shall try to establish the clairvoyant point where feelings we call intuitions are registered."

Mrs. Hellberg, herself a medium, instanced a remarkable phenomenon to be investigated.

"The daughter of Judge Dahl, in Norway," she said, "at a seance in 1933 said that her father would be killed in a year's time."

"Without knowing of this, I, too, at a seance about the same time, said that the judge would be killed."

"On August 8, 1934, he was drowned while bathing."

"We do not accept this as phenomena from the other side. It might be telepathy. By science, an attempt will be made to find out how two minds could register that fatally true glimpse of the future."

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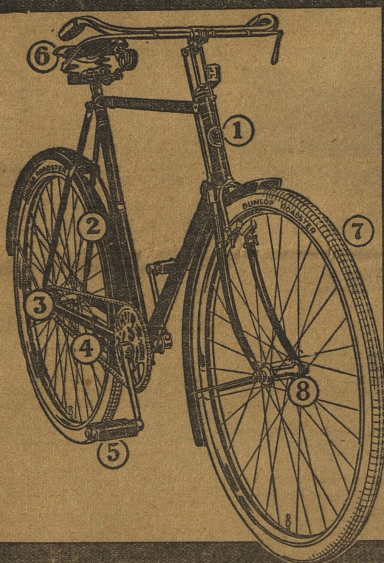
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## PARADERS SOCCER TOURNAMENT

### Royal Scots in Final

Some keen and fast football was witnessed in the Paraders Football Tournament in Lahore on Sunday when the drawn semi-final between the Royal Scots and Government College was re-played. It resulted in a win for the former by one goal to nil. A feature of the game was the splendid goalkeeping of both goalies.

Although play was chiefly confined to the Royal Scots half of the field throughout, the Collegians were unable to score. From the kick-off the teams maintained a fast pace. The College had the better of exchanges and launched several attacks. Hibbert, the centre-forward, sent in a terrific shot which went over the bar. The Royal Scots retaliated and took the ball to their opponents area and forced a corner.

This was accurately placed and McKay, the centre-forward, noticed. It appeared as if the College would soon equalize but luck seemed to be dead against them. When the interval arrived the Royal Scots were leading by one goal to nil.

Even and fast play characterised the early stages of the second half, both goals being visited frequently. During this period the College were definitely on top, but inaccurate shooting spoiled their efforts. Midway through this half a penalty was given against the College, Hogg, however, failed with the kick. Ram Saroop making a good save.

In the closing stages the Royal Scots strengthened their defence. The College, fought hard and had several chances of scoring but failed to utilize them.

Royal Scots: Parker; Hogg, Potter; Crickton, Taylor, McKewin, Wright, Brown, McKay, Sims, Knight.

Government College: Ram Saroop; Wade, Haque; Karamat, Shamim, Tar-fail; Afzal, Rashid, Hibbert, Keough, Parshotam.

## EMPIRE BILLIARDS CHAMPIONSHIP

### Two Records Created

LONDON, June 4.

The following are to-day's closing scores of the final heat of the Empire Billiards Championship:

Coles (England), 2,164; Deb (to play), 705.

Coles broke two world records for amateur billiards to-day. In the evening session he scored 1,243 points, the previous best for an amateur being 1,152, made by Sydney Lee last year. On the day's play the aggregate of 2,164 is the best the former highest being 2,054.

## ANNUAL PRESS CLUB DERBY LUNCHEON

LONDON, June 3.

The Annual Press Club Derby luncheon was held to-day. Lord Derby, Sir Abe Bailey and Lord Astor were present, the Aga Khan was absent.

Lord Derby said, even though backers were present he would tell the company Bobleigh would have won had he been able to run. He said: "If I express a preference for the Aga Khan's horses it would be fair. Fairhaven will run jolly well."

Lord Carnarvon said he thought the other horses would be sick of racing when he saw the tails of the Aga Khan's horses.

Lord Dewar said the Aga Khan almost had got in football team and one was bound to score, but the question was, which?

Sir Alfred Butt said, the Aga Khan's trainer advised him to scratch his horses Japetus and Robin Goodfellow.

A very optimistic owner, Mr. Simms, the owner of Dry Ice said, "I think I shall win the Derby and the Oaks. Mr. Simms runs Papyrus in the Oaks. It is noteworthy that no trainer who has previously won the Derby is running a horse. It is also notable that Bahram is occupying the same stable as Cicero, the last winning odds on favourite in 1905. There will also be the same number of runners as that year.

## DALHOUSIE GOLF

The second fortnightly golf competition (bogey) was played on Thursday, May 30, with the following results:

Britten (12) plus 3; Duncan (15) plus 1; Prith (8) minus 1; Brig. Hutcheson (8) minus 3; Jones (4) minus 5; Lowther (15) minus 5; Dickson (17) minus 5; Jervois (12) minus 5; Taylor (18) minus 5; Neale (12) minus 7; Yalland (12) minus 7; Arnold (10) minus 7; Smyth (11) minus 7; D'Arcy (17) minus 9; Humphrey (16) minus 10; McNamara (9) and Hirst (18) no return.

## AMBALA CRICKET TEAM ON TOUR

The Phoenix Cricket Club, Ambala, played a one day match at Sanawar on June 1. Going in first the Sanawar XI made 111 runs. Fordham 32, Hathway 31 and Tilley 19, being chief scores. The visitors replied with 141, those reaching double figures being Farhat 11, Shaikh 56, Ishaq 29 and Sattar 22.

## KASALI DEFEATED

The following day a match was played in Kasali against Kasali Station team, the Phoenix Club winning by an innings and two runs.

Batting first Phoenix Club scored 263 runs of which Farhat contributed 41, Ishaq 19, Shaikh 55, Sattar 12, Muntaz 32 and Mahmud 49.

Kasali replied with 97 and following on made 134. Westcott played a forceful game in both innings, scoring 55 and 35.

## MORE CLASHES IN ABYSSINIA

### Casualties on Both Sides

ROME, June 4.

On the eve of the meeting of the Italo-Abyssinian Conciliation Committee at Milan another Italo-Abyssinian frontier "incident" has occurred in the region of the River Uebiacebi, some distance from Ualual.

The casualties included Italian Somalilanders and Abyssinians, both killed and wounded.

Thirty Italian subjects of Eritrea were killed in the Dankali region on May 31, when an Italian native police outpost was attacked by Abyssinians, according to an official communique. Some thousands head of cattle were also captured.

The military commander of the sector has taken the necessary measures to ensure the safety of Italian subjects.

A further serious incident was reported on the eve of the Italian Somaliland frontier where 20 armed Abyssinians attacked an Italian outpost near Gubile.

It is understood that at least ten Abyssinians were killed in the second incident.—Reuter.

## THE JUBILEE FUND AND QUETTA

### Punjab Anjuman Islamia's Proposal

An emergent meeting of the Anjuman Islamia, Punjab, was held on Monday morning in the Berket All Islamia Hall and it was resolved that a strong and representative committee should be formed for the relief of the suffering caused to the Quetta inhabitants and that an appeal should be made to all Muslims to subscribe liberally to this most essential object. The Anjuman has itself subscribed Rs. 500 for the present. It was further resolved that the Berket All Islamia Hall should be placed at the disposal of the refugees from Quetta and that arrangements for their board and lodging should be made at the expense of the Anjuman.

It was also resolved that a telegram should be sent to His Excellency the Viceroy, requesting him to divert a substantial portion of the Jubilee Funds towards the relief of the Quetta earthquake sufferers.—A.P.

## HIGH COURT BAR AND THE HONOURS

### Sir James Addison and Sir Zafrullah Khan Congratulated

A meeting of the Lahore High Court Bar Association, held on Tuesday, adopted a resolution congratulating Justice Sir James Addison of the Lahore High Court and Chaudhri Sir Zafrullah Khan, member of the Government of India, on the honour of knighthood conferred on them on the King's Birthday. Rai Bahadur Mukund Lal Puri, Barrister-at-Law, M.L.C. of Lahore, was also congratulated on having received a title.

## SOLDIER WOUNDED IN REVOLVER ACCIDENT

MAYMYO, June 4.

As the result of the accidental discharge of a revolver, which is stated, was being handled by a corporal of his regiment, Lance Corporal Yandom of the Buffs, was seriously wounded on Friday evening. The bullet hit him in the neck and passed through the spinal cord, severing it. He was removed to hospital, where his condition is precarious.

## WIN FOR CHAUBURJI E.C.C.

A 12-aside cricket match was played in Lahore during the week-end between the Chauburji Estate Cricket Club and the Blue Birds Club, and was won by the former by six runs.

Batting first the Blue Birds Club made 119 runs, the chief contributors being Akram (23), Wahid (37) and Iqbal (16). A Majid Khan took five wickets for 39 runs.

The Chauburji Club made a disastrous start, losing four wickets for nine runs. The rot was stemmed by Abdul Hamid, Rahmat Ullah and Abdul Aziz, the first-named being mainly responsible for saving his side. He played excellent cricket and contributed 57 to the total. The side were all out for 125. F. M. Mirza captured four wickets for 32 runs and Akram three for 34.

## AMRITSAR CRICKET

Two cricket matches were played in Amritsar, on Monday. That between the Youngster Club, Taran Taran, and the Khana College, ended in a win for the former by four runs, and in the other, the Regot Cricket Club defeated the Regimental Club by 92 runs.

## WIN FOR ISLAMIA COLLEGE

A cricket match was played in Lahore during the week-end between Islamia College and Comrade Cricket Club and ended in a win for the former by three wickets.

Comrade Club, 161; Islamia College, 165 for seven wickets.

London omnibuses, trams, and the Underground carried nearly 12,000,000 passengers on Jubilee Day, an increase of nearly 3,000,000 on the average daily figure.

## THE "TRIBUNE" LIABLE TO INCOME TAX

### "Not a Charitable Institution"

### HIGH COURT BENCH JUDGMENT

Three separate judgments, two of them concurrent, were delivered by a full bench of the Lahore High Court on Tuesday in a case in which the liability of the "Tribune" trust in Lahore to pay income-tax was in question.

The "Tribune" newspaper in Lahore is owned and run by a trust on behalf of which a plea was raised by the trustees that the trust had been created for a charitable purpose within the meaning of the Income-Tax Act and that the income of the "Tribune" was, therefore, not liable to income-tax.

The Income-Tax Commissioner referred the question to the High Court where it first came up for consideration before a division bench consisting of Mr. Justice Skeemp and Mr. Justice Jai Lal. The two Judges differed, Mr. Justice Skeemp holding that the "Tribune" was not a charitable institution within the meaning of the law and Mr. Justice Jai Lal holding that it was.

The question, therefore, was referred to a full bench consisting of the Chief Justice, Justice Sir James Addison and Mr. Justice Bakshi Tek Chand. The first two Judges concurred (though they wrote separate judgments) that the "Tribune" was not a charitable institution while the third Judge held that it was.

### THE JUDGMENT

The Chief Justice wrote in his judgment that there was no charity in charging the public or advertisers the ordinary commercial rates.

"To come within the (exempting) section education or any other object of public utility must be considered in conjunction with the word 'charitable'; that is, the education given must be free or at a rate lower than the commercial rate."

Mr. Justice Addison wrote: "In this case there is no gift to the public. The news supplied can be obtained as cheaply by purchasing other newspapers and the propagation of the news is not a function within the word 'charitable'; that is, the education given must be free or at a rate lower than the commercial rate."

Both Judges holding that the "Tribune" was not a charitable institution ordered that the income of the news paper was liable to be taxed.

### "NOT LIABLE"

Mr. Justice Bakshi Tek Chand, who held that the "Tribune" trust was a charitable institution, and therefore not liable to be taxed, wrote: "It is not for us to decide whether the particular ideas which the founder wanted to be propagated through this newspaper are in fact beneficial to the public whom he intended to benefit. If the purpose indicated is legally charitable, the Court is not concerned to inquire whether it is actually beneficial."

"Admittedly the property of the 'Tribune' is held in trust in which the possibility of private gain is completely eliminated while most of the rival presses and papers are run by private owners or limited companies in which the whole or part of the profit eventually passes into private pockets."

## INDO-BURMAN RELATIONS

### Separation of Income-tax and Customs

RANGOON, June 4.

The Associated Press understands that negotiations are being carried on between the local Government and the Government of India in regard to the separation of the departments of income-tax and customs. So far as the latter is concerned it transpires that the nature of separation would depend on the proposals of the Indo-Burman Trade Agreement Report, as well as on the findings of the Application Committee as suggested by the Financial Tribunal.

The separation of income-tax, it may be remembered, was discussed at New Delhi in January last, when Mr. J. P. Sheehy, Commissioner of Income-Tax, Burma, gave expert advice on the matter before the representatives of the Government of India and Sir Louis Kewshaw.—A.P.

## INSTRUCTIONAL FLIGHT TO ENGLAND

### 'Planes Leave Karachi

KARACHI, June 4.

Four machines of the Bombay Flying Club, under the leadership of Flight-Lieut. Carey, took off at 6:30 a.m. yesterday on an instructional flight to England. The present flight, like that of last year, has been organised for the benefit of those undergoing training for the 'B' licence.—A.P.

## EARTHQUAKE SHOCK IN NEW DELHI

NEW DELHI, June 4.

An earthquake shock of slight intensity, lasting for a few seconds, was felt here at about 3:30 a.m. on Sunday.—A.P.



# 'WE THE PEOPLE' SPEAK TO THE GOVERNMENT

## America Is More Articulate Than Ever, if One Judges by the Letters And Telegrams That Pour In to Washington Political Leaders

(Continued from Page 9)

tion of sundry citizens (being celery growers) of Manatee County, Fla., praying for the adoption of proposed amendments to the Agricultural Adjustment Administration program, which was referred to the Committee on Agriculture and Forestry.

Mr. Walsh presented a resolution adopted by Greenfield Lodge, No. 997, Loyal Order of Moose, of Greenfield, Mass., protesting against the cotton-processing tax as adversely affecting the textile industry, which was referred to the Committee on Finance.

The toilet goods industry, the Graphic Arts Association, the women of the First Presbyterian Church, the celery growers and the Moose are exercising their indubitable right to be heard.

In part, the responsibility for this rush of words to the head of government lies at the President's door. He it was who, coming into office in a period of acute psychic depression, following a man who had seemed insulated from everything that was actually going on, adopted the radio as his means of communication to the people and urged them to let him know what they thought. As treatment for a population sunk in an apathy that amounted almost to a paralysis of the will this was good psychiatry.

Then came the period of codes and coders, when every manufacturer, every merchant, every worker and every consumer in the country was drawn into the conversations that raged about Washington and reached out into every crossroads store and every corner filling station. People who never before had come closer to the processes of government than putting a cross on a ballot were asked for their opinions on codes that were to become part of the law of the land.

It was educational, both for the public and the supergovernmental scaffolding of the New Deal; it was, at the moment, probably healthy. It brought Washington closer to Walla Walla, San Diego and Miami than anything that had happened since the war. In an era when nationalism was becoming endemic all over the globe, it intensified the American feeling for America. It made the country Roosevelt-conscious, so that no school or civil service examination board in these three years has turned up the usual "howler" in the form of a student who did not know who was the President of the United States.

Also it put ideas into the heads of people whose altruism is more suspect than that of Mr. Roosevelt. If the people, roused from the apathy that had accompanied the boom and had turned to despair in the first years of the depression, were actually taking an interest in politics to the extent of supporting untried policies, extraordinary grants of power and huge expenditures, then, said the canny ones, let us help them make up their minds. If this democracy is going to be literally democratic, if it is going to replace faith in its representatives with direct commands to them, let us tell the voters what to ask for. If the will of the people is to rule, let us organize the will of the people.

IDEALISTS, finding that the mechanics of radio and the possession of a good voice made it possible for the President sitting in the White House to talk persuasively to the whole nation at once, saw visions of a renewal of the old town meeting on a national scale.

They forgot that the town meeting not only talked back but that every member of it who stood on his feet and spoke was known to every other member, and that the value of his words was assessed ac-

ording to his standing in the community, his known wisdom or the lack of it, his prejudices, his financial interests in the matter on which he spoke and a score of other intangibles. He was a human being and a fellow-citizen, not a mere name on a telegraph blank.

There are signs that Washington is beginning to remember this, beginning to think that perhaps ultimate wisdom cannot be revealed even by complete public expression of individual public wills. The public's insistence on speaking its mind is too feverish. The automatic lobby is too easy. Anybody can push a button and get light.

Along with a certain resentment of this new automatic lobby and its handlers goes a gradually growing distrust of the whole system of

"Wire your Senator" that you want a new municipal bathhouse, or a new air fleet, or a new set of obscenity laws, or an extra slice of your neighbor's income. One hears hints of a suspicion that certain people get the telegraph habit, and that there is still a vast section of the population that is not heard from.

In place of the alert interest which used to rule there is visible a certain weariness toward the morning mail. There is a hint in tones of voice and phrasing that sheer numbers are losing their weight. "You can't tell anything by the fact that X got 8,000 telegrams on his proposition," one executive declared scornfully. "That many came in a single day when the Barbers' Code was up."

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SILVER RESOUNDS  
OVER THE WORLDAmerica's Purchase Plan  
Reverberates Widely

(Continued from Page 5)

on June 19, 1934, when the bill was passed, to 81½ cents an ounce last April. The President has raised the price paid to domestic silver producers from 64½ cents an ounce, first established in December, 1933, to 71.11 cents an ounce on April 10, and to 77.57 cents an ounce on April 24, following up the world price as it mounts in response to the buying of the Treasury and that of foreign speculators trading on the Treasury's known program.

With the rest of the world sewn up in the London Silver Agreement, the Silver Purchase Act of 1934 provides a basis for putting up the price of silver beyond the fondest dreams of the old-time Wall Street stock manipulator, whose amiable practice of sewing up with options the floating supply of a stock and then running up the market has been outlawed by the government.

WHAT is the explanation of this remarkable resurrection of the Silver Question nearly forty years after it was supposed to have been buried, and of the unparalleled triumph of the silverites at a time when there is none among them to compare with Bryan in popular appeal or prestige?

The solution is to be found in silver's extraordinary affinity for hard times and in the political power of the Western silver Senators, whose numerical strength and single-mindedness have made them a factor to be reckoned with by any administration.

The cult of silver has a peculiarly direct appeal in periods of economic distress because it purports to present a monetary solution of the problem of hard times which is susceptible of being stated in terms readily understandable to the plain man.

By 1930 there had been widespread discussion of the question. Two main arguments were developed. They were the "purchasing power of the East" theory, which held that the fall of silver had "cut in half" the ability of China and India to buy Western goods; and the "scarcity of gold" theory, which held that the fall in prices represented a rise in gold, due to the scarcity of that metal, and that silver should be remonetized to "help out" gold.

That the East did not buy goods from the West with silver, but, rather, had consistently bought silver from the West, paying for it and other imports by means of its own exports of goods, did not materially dampen enthusiasm for the argument. Neither did the fact that trade with the Orient had actually fallen less than all world trade or the fact that China was at the time enjoying a cheap-money boom.

To the extent that this argument weakened it was replaced by the agile friends of silver with a new and even more satisfactory theory which held that the depreciated silver money of the East had made possible the dumping upon us of cheap goods, destroying the market for home products. Steps should be taken to meet this competition, it was urged, by raising the price of silver. The new theory managed to exist comfortably alongside the "purchasing power of the East" argument in spite of the fact that they were contradictory. It has not appeared to matter that the trade competition was coming from Japan, which has not been on a silver standard since before the beginning of this century.

These arguments were addressed to the political and economic world at large, but beyond them silver exerted its old appeal to the farmers and to the debtor groups, just as it had in Bryan's day—the ap-

## GUARDING SILVER



International.

peal of cheap money expressed most concretely and satisfactorily through the medium of a demand for silver coinage. A group of outright inflationists, at least one of whom privately admits he has no real interest in the "silver bugs," attached itself to the camp of the silver Senators out of practical admiration for the ability of those gentlemen to get things done.

AS for the results of the policy, there is one undisputed outcome. It is that domestic silver producers have received for their product the highest prices paid since 1926 and, according to the best authorities, at least double what they might have expected to receive had there been no London agreement and no Silver Purchase Act.

That the purchasing power of the East has been raised appears at least open to doubt in view of China's vehement protests and the unceasing deflation thrust upon that country by our policy. That Japan's competition in trade has been lessened is obviously untrue. Whether or not gold has been "helped out" can scarcely be told for the tremendous surplus of our record-breaking gold stocks bears witness to the complete absence of need for any such help. That the policy has been responsible for the improvement in prices, other than prices of silver itself and the silver mine stocks, is denied by all authorities.

The sober judgment of the world has been expressed in the recent annual report of the Bank of International Settlements, written by its American president, Leon Fraser, and concurred in by the heads of the central banks of Europe.

"The policy has resulted in the rapid advance of the price of silver," the World Bank said, "with an immediate injurious effect on the currencies of silver standard countries. It has had disturbing repercussions in the general exchange position.

"Had there been any genuine demand for silver internationally as for gold, there would have been no need for the adoption of special action by the United States to help silver."

NEW ZEALAND'S STORY  
ON POSTAGE STAMPS

NEW ZEALAND has just issued a new series of postage stamps on which life and scenery in the dominion and history and Maori art are strikingly illustrated. The vignettes, designed by native artists, include representations of bird and animal life and scenic features.

In addition a special set of three Silver Jubilee stamps are being sold. The design presents portraits of the King and Queen side by side, with the four-starred emblem of New Zealand between and the dates 1910-1935 surmounted by crowns in the upper corners.

MARSHALL STILL  
MOLDS THE LAWThe Chief Justice Made  
Notable Precedents

(Continued from Page 6)

lute countenances look out of time-darkened seventeenth-century portraits. He should have been an aristocrat and ridden in a coach. The just are often bad company.

But the Marshall of everyday life was not the stern lawgiver of Marbury vs. Madison, not the indignant statesman who told Talleyrand to go to the devil. Beveridge draws a long parallel between Marshall and Lincoln. In fact, in appearance, in personal habits, in their relations with other people, they were not unlike. The kindness, humor and joviality of Marshall are notable in every story told of him.

HIS love of fun, of good company and of games became proverbial in Richmond. With the members of the Barbecue Club he loved to retire on a fine Summer Saturday to the Rev. Mr. Buchanan's farm near Richmond, there to play quoits and to drink champagne and a remarkable club punch which must have tried the fortitude of the most robust. As he ambled in leisurely fashion about Richmond he could never resist the opportunity to exchange stories and gossip with any friend he happened to meet. He gave famous dinners to fellow attorneys in his rectangular, comfortable-looking brick house (a building as plain and comfortable as its owner), and he had in his cellar what was said to be the best Madeira in America.

Only when he was away from home, from his beloved Polly, from the six survivors of his ten children, did he begin to long for plain living. During the short Supreme Court terms in Washington he boarded in company with the other Justices; they resolved not to drink except in rainy weather, but decided after the Louisiana Purchase that it must always be raining somewhere in the vast territory over which they had jurisdiction.

The best of company, he made absolutely no personal distinctions. Distrusting the common people as a political entity he liked them enormously as individuals. Often he did his own marketing, carrying the results home in a basket; once when he called at the house of a distant relative who had not previously seen him he was mistaken for a butcher who had come to buy the calf; he had a habit of riding or walking in the early morning from his Richmond home to his farm four miles out and was as likely as not to pick up a child or two on the way; once, to a youngster who obviously stood in awe of the Chief Justice, he said, "Billy, I believe I can beat you playing marbles."

He read poetry and was fond of Jane Austen, and he told an inquirer, "The acme of judicial distinction means the ability to look a lawyer straight in the eyes for two hours and not hear a damned word he says." He would write a his-

toric decision under a tree in his back yard one day and next morning tie a handkerchief around his head and lead the servants in a vigorous house-cleaning.

His wife was a nervous invalid throughout the whole of their married life, but his love, his tenderness and his patience never abated. Her death, four years before his own passing, left him inconsolable.

TO disentangle the man from his decisions is difficult and probably unnecessary. There were no real contradictions in him. If he leaned toward the Tory theory that the masses of mankind are incapable of self-government he utterly lacked the Tory contempt for the poor, ignorant and unfortunate. If he fought for strong government and the protection of property rights it was not because he put property above humanity but because he believed that humanity gained when property was safe. The theory may have been right or wrong.

As a public figure he was often in every sense of the word unpopular. As a personality he had only two or three enemies, and he owed them not to his private conduct but to his public beliefs. In our history he can never be beloved as Lincoln was, because it is the decisions rather than the personality that survive in the school histories. If the man himself could walk up and down the streets of present-day America the case might be different.

SWORDFISH ART STILL  
HAS ITS VOTARIES

A STRANGE art is that of decorating the sword of the swordfish. The New England swordfishing fleet starts out on the first run of the season to Georges Bank about the middle of June and the quest generally continues through September. Nearly every old "sworder" plans to save two or three trophies of the chase for decorating later on. In Portland alone last season fifty swords were ornamented for members of the fleet.

The swords selected must be about three feet long, straight and well-proportioned. They are first scraped with glass, then rubbed with fine sandpaper until they are as smooth as marble. The artists are usually fishermen who learned the art from their fathers or grandfathers.

At Gloucester, Portland and Boston there are swordfish decorators who can trace back the custom in their families for several generations. Most of the swords are ornamented with a ship, often a painted counterpart of the vessel from which the fish was captured. Or it may be an old-time clipper, or an ocean greyhound.

Many swords today include airships in their designs. Initials are common, mute symbols of sweethearts ashore. Occasionally a sailor will give the artist a picture of his best girl and request "that it be reproduced in colors on the sword."

"How Can POSTAL LIFE  
Give So Much Insurance  
For Only \$1.00 A Month!!"

Jan.: "How can Postal Life give you so much insurance for only \$1 a month? You are 28 years old, and you tell me that under their plan you can get \$1,000 of old line, legal reserve life insurance at this low rate."

Jim: "That's easy to understand. Postal sells direct-by-mail and has no agents nor branch office expenses to pay. These savings are passed on to me."

Now take this Dollar Policy. It was especially designed by Postal to meet existing unsettled conditions. So many people feel they can't afford insurance, so Postal devised this policy that calls for payments of only \$1 a month for the first five years. I don't have to pay the permanent rate of \$2 a month until the beginning of the sixth year, when conditions should be much better and my earnings considerably improved."

Jan.: "That sounds like a very sensible plan, but while you pay only one dollar a month do you get full coverage—does your policy protect me with the same amount of insurance that the \$2 permanent rate buys?"

Jim: "Absolutely! That's the beauty of it. I get full coverage all the time except for the first six months when I receive half coverage."

Jan.: "That's a lot of insurance to get for a dollar a month and we certainly can afford that—but is it difficult to take out a policy direct with Postal? What do you have to do?"

Jim: "The easiest thing in the world. I just fill in and clip the coupon from this Postal ad, enclose a dollar to cover my first month's premium, and mail it to the Postal Life Insurance Company. And I'll get my money back if my application is not accepted."

And another thing. If we can afford \$2 a month we can buy twice as much insurance under this plan, or for \$3 a month, three times as much. There's no limit to the amount we can take out."

Jan.: "That's great. I always thought buying insurance was complicated. I see



it's easy to save money the Postal way. Now tell me something about Postal."

Jim: "Postal Life is an Old Line company that has been providing legal reserve insurance direct-by-mail for thirty years to thousands of thrifty, sensible people in every State in the Union. Postal has paid out more than \$42,000,000 to its policyholders and their families. It operates under the New York State Insurance Law, and, doing business through the mails, is subject to United States postal regulations."

## MAIL COUPON—Postal has no agents

The coupon below will give YOU, too, the insurance protection your family requires. Save money—get the most insurance for what you spend by buying the DIRECT way—without agents.

A dollar a month will buy \$1194 of insurance at age 21, \$813 at age 35, and so on. For the amount a dollar buys at your age, see table below. Enclose \$1, \$2, or \$3 for the amount of insurance you want and mail with the coupon to the address below NOW—don't wait—tomorrow is so uncertain.

## MAIL COUPON NOW—Delays are dangerous

POSTAL LIFE INSURANCE CO., C. H. Jackson, Pres.  
Dept. WWC51, 511 Fifth Avenue, New York, N. Y.

I wish to apply for a life insurance policy.

My exact date and year of birth is \_\_\_\_\_

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18	20	22	24
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26	786	2,260	3,476
24	1,112	2,224	3,476
28	1,055	2,170	3,476
26	1,057	2,114	3,476
27	1,030	2,060	3,476
28	1,003	2,006	3,476
29	976	1,952	3,476
30	948	1,898	3,476
31	921	1,844	3,476
32	894	1,788	3,476
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If this policy does not fit your needs, Postal issues other standard forms, ages 10 to 60 inclusive.

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FALSE TEETH TIGHT

Klutch forms a comfort cushion; holds the plate so snug it can't rock, drop, chafe or "be played with." You can eat and speak as well as you did with your own teeth. 25c and 50c a box at Drug Stores.—Adv.

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A healthful drink. Contains alkaline salts helpful for acidity. Send 60c for box Imported Dupre Powder, makes 10 quarts. Money back guarantee. Dinar Corp., Box 24, Wash. Bridge Sta., N. Y.



# ONE YEAR AFTER GERMANY'S 'BLOOD BATH'

The Reich of Today Is  
The Result of That  
Memorable Event

By FREDERICK T. BIRCHALL

BERLIN.

ONE of the new café jests, those little stories that are whispered in corners and not told out loud, because it concerns political personalities and events about which one does not jest out loud in Germany, reveals pretty correctly the current feeling as to conditions in the Reich.

Brought down to cases the story is to the effect that Hitler had a bad dream. He was astray on a mountain path and the going was very hard. He climbed over two mountains, then encountered a third so steep and so difficult that he awoke bathed in perspiration. And the next morning he told his dream to somebody wise in such matters and asked what it meant.

"That's quite simple," he was told. "You had an easy task with the Duesterberg and you had no great difficulty in overcoming the Hugenberg; but you are going to have a mighty hard time getting over the Blomberg."

Now the significance of this is that "berg" is the German for mountain; Duesterberg was the deputy leader and real power in the Stahlhelm, whom the Nazis rendered harmless by proving that he had a Jewish ancestor, thus enabling them gradually to undermine, disintegrate and finally sweep away that mighty organization; Hugenberg was the leader of the Nationalists, similarly manoeuvred into harmlessness; and Blomberg is the Reichswehr general, now Minister of War, whose influence is perhaps the only power now comparable with the Fuehrer's in all the land. It is a very German jest, so it requires a lot of explaining.

But it typifies, as these trivial inventions often do, a real state of facts, in this Germany of many kaleidoscopic changes, in this June of blue skies and smiling landscapes, one year after the great purge when the Nazi leader and Chancellor made himself for a day, as he said, "the supreme judicial authority of the German people," and several hundred persons went to their deaths in consequence.

That was on June 30 a year ago, and the effects of that "blood bath" still dominate the new Reich. For on that day and in the week following, all outstanding opponents of the present régime were swept into unhonored graves, and none was left who could stand against it. None, that is, save one poor old man, once mighty, then fast sinking into the decrepitude of extreme age, and he, too, passed on amid the nation's mourning only a month or so later.

THUS the authority of the leader was finally written in blood, as has been the authority of all dictators from time immemorial, and it has lasted. Before that day he was the leader of a number of revolutionary spirits who considered him, so to speak, one of themselves. Now he stands apart and above them, alone and supreme with none to challenge even his lightest word.

And what is left is quite a different Germany, politically, socially, all but economically and financially, and even these last greatly changed in degree. The superficial prosperity and enhanced business activity, which even then had set in in some degree, have greatly increased. Unemployment has dropped and there is a great stir and revamping of physical conditions everywhere. The pace has increased from a trot to a gallop and it is bound to bring Germany somewhere, to something, very fast.

Take these things in order. First of all the semi-military, military and social conditions (for these are inseparably intertwined in Germany). What of them?

The brown-shirted storm troops to all



A Year After the "Blood Bath"—"Power Has Been Concentrated Wholly in the Hands of a Small Group of Men."

intents and purposes are no more. Their number is approaching the vanishing point. The younger and more virile are being incorporated in the army. What is left is a scattered, far less cohesive body of mature and quite humble persons—devoted to National Socialism and useful in doing its chores. As a reward they are trotted out on State occasions. They line the streets for processions and do a little parading themselves. Thus they share the afterglow of that fame that comes from having made over the Reich. They also impart a certain solidity to the party and keep its tradition alive. But as a potent force in this new Germany they are all but negligible.

The Schutzstaffel, or special black uniformed guards, who succeeded the storm troops in most duties after the purge, are also on their way out, save for a necessary nucleus used as body guards for officials and for special police and watchmen's duty at public and party buildings. Their usefulness ended when the leader became supreme head of the State with all its military forces at his command. The army can now deal with any disturbance which might outgrow police control, although in Germany any such disturbance is all but unthinkable.

Party control is no longer necessary. Under conscription, army, nation and party have become one. "Playing at soldiers" has ceased. Germany is back again in the pre-war status, but with that status greatly strengthened—a nation militant, one and indivisible, with service to the State the first and universal obligation incumbent upon all from grandchild to grandire.

All this is the direct result of that crucial decision of the whole German revolution made in June last, when Hitler, casting aside the men who had battered his way to power, elected instead to throw in his lot with the army as the one permanent and abiding force in the Reich. It has been a change effected gradually to the accompaniment of continuous public protestations that no change was intended. But it is none the less real and

every month since has made it the more pronounced. Now, after a year, it is quite unmistakable as to what is being discarded and what will remain.

IN this may be found an answer to the question put so frequently and so anxiously by the outside world: Is Hitler stronger or weaker in Germany than a year ago?

Well, the eggs are all in one basket now. So long as the army generals and the Reichsfuehrer, who is their supreme commander, think the same way, all will be well. It seems at present as if they are going to think the same way for a time. They must, at any rate, until the danger period during the army's formation and its full establishment as the principal factor in the nation's life is past. Beyond that it is impossible to go far. For no thinking person versed in German history and appreciating the German mentality can doubt that politically the present is but a transition period and the status of the combined Reichsfuehrer and Reichschancellor an improvisation and temporary. It has filled the need of the time, but ultimately a change must come. What will it be?

With many Germans—and undoubtedly in some cases the wish is father to the thought—a crown must ultimately complete the new edifice that has been erected. Germany, in the opinion of many whose views command serious attention, is now readier for that development than she has been at any time since the war. The population as a mass would doubtless welcome it as evidence of newly acquired stability, a return to the glorious days under the Kaiser when all was well, when Germany was an effulgent vision, mighty in the world's councils, and prosperity and peace prevailed throughout the land.

Particularly the former Socialists and present submerged Liberals would welcome such a solution, because once the idea of the permanent State as represented by a monarchy has been established beyond challenge, then the régime

could afford to become more liberal. Personal freedom then might have a better chance to develop to a degree impossible in this transition period when nothing seems certain and the rulers of the day must be on their guard every minute lest something creep in which might endanger their dictatorship.

It is a curious anomaly that the liberal elements of a nation should look longingly toward monarchy, historically the symbol of oppression, as a means of acquiring liberty. But this is a new era in a world in which many of the old conceptions have become meaningless.

ESPECIALLY the old conception of monarchy is dead beyond restoration. If the German crown is reconstituted, it may be taken for granted that no Hohenzollern head will fit into it. The family's "divine right" is as defunct as Mohammed's cat. The next German monarch will have to earn his right to rule—as Hitler has done. Ultimately, perhaps, there will arise a tradition of a specially trained ruling dynasty such as England has. There is good reason for believing that the British example has not been lost sight of here. But that will come later.

The present point is that it is toward some such desired permanence that German thought is tending. The republican State never was accepted by the people as a whole. They never understood it and never learned how to work it efficiently. And the régime which has displaced it has contented itself with putting forward the racial theory as a basis for unification of the German people, without having yet consciously attempted to give the State produced by that unification (which is still in progress) a final form. Always that has been left open under the plea that the time for it has not yet come.

The transition process is still incomplete, for the weight of authority is now shifting from the National Socialist party to the army. When that is accomplished every German throughout his lifetime will be a part of the (Continued on Page 13.)



# SILVER REVERBERATES OVER THE WORLD

Confusion and Deflation in Lands Far Distant Have Followed the Buying Program of the United States



International.

By ELLIOTT V. BELL

NOT quite thirty-nine years ago a young Nebraskan, 36 years old, swept the Democratic National Convention in Chicago off its feet with the impassioned declaration: "You shall not crucify mankind upon a cross of gold." Today the political heirs of William Jennings Bryan are being accused of trying to crucify a large section of humanity upon a cross of silver.

Historically silver in the United States has been more than a monetary problem. It has been a symbol of the demand for "cheap money" which rises in hard times from those who are oppressed by the burden of debts and the fall of prices, particularly agricultural prices. In the hard times of the past few years the demand that the government "do something" for silver has again emerged and "something" has been done for silver in a big way. The United States, which rejected silver as a monetary standard eighty-two years ago, has declared for a policy of using silver with gold as part of its monetary base and has embarked upon a program of silver buying of staggering proportions.

Our silver program, designed according to its proponents to restore to usefulness the monetary standard of "more than half the population of the world" and to "raise the purchasing power of the East," has resulted, after less than a year's operation, in widespread disturbances among the silver-using countries and has loosed upon the Orient the bitter process of deflation.

In far-off China the rise of the world price of silver has brought about a condition described as akin to our own position just prior to the banking holiday of March, 1933. Nearer home, in Mexico, it has compelled the government to change its currency system. Peru, Ecuador and other Latin-American countries have had to take protective measures against this new "currency warfare" which strikes peculiarly at smaller or less developed countries. Austria has called in her one-schilling silver coins and will substitute for them tokens of copper and nickel, and Italy has put an embargo on silver coin and bullion. Diplomatic protests, formal and informal, have poured in upon our government.

The Silver Question, once thought to have been settled with the defeat of the Great Commoner in 1896, is again a problem of national politics and threatens to become an international issue.



Margaret Bourke White.

Silver is the commonest of the precious metals. Commercially it has a wide variety of uses, the most obvious being those connected with the arts of dining and photography. Since the discovery of America some 15,680,561,718 fine ounces of silver have been produced in the world, compared with 1,161,623,077 of gold, a proportion, it may be observed, which gives a natural basis for the bimetallic ratio of 16 to 1.

Of last year's estimated production of 121,200,000 ounces, Mexico produced 75,000,000 ounces, the United States 25,500,000 ounces, Canada 16,300,000 ounces, South America 16,000,000 ounces and the rest of the world 48,400,000 ounces. The stake of the United States in silver production was thus only one-third that of Mexico and less than one-seventh that of the world at large.

MAN, the trading animal, early found in the precious metals the best answer to his need for a compact, readily transferable form of wealth which could be used to effect the exchange of goods. As gold and silver became available they gradually replaced such earlier forms of money as cattle, measures of grain and wampum. The use of silver for money antedates that of gold and probably extends back 6,500 years. In the distant past there may have been some stir about the "demonetization" of cattle, but it is not recorded.

For thousands of years silver outranked gold in monetary importance. This was not because men valued silver more. On the contrary, it was because, prior to the great gold discoveries of the nineteenth century, there was not

city value" far less than that of gold and this, in turn, has meant that silver was a less convenient and economical means of settling international balances.

The very attributes which led to the decline of silver in the West, however, have preserved it as the money of the East. The teeming, poverty-stricken hordes of China and India have not yet learned to trust paper money, but the smallest gold coin that could be minted would be too valuable to meet their needs. Traditionally the East has been a "sink-hole" of silver, swallowing in normal years 75 per cent of the world's annual production.

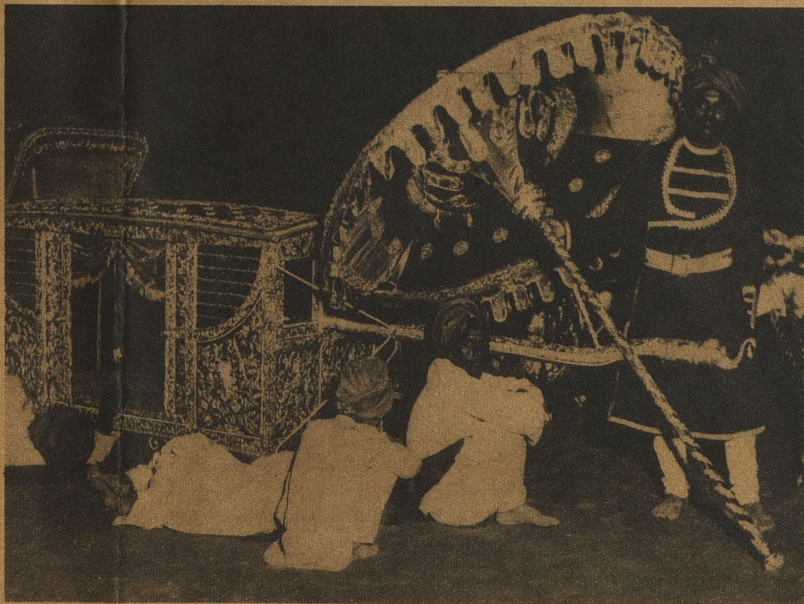
In India and China the silver hoards, worn on the arms and ankles of the women or buried underground, amount to billions of

with bimetalism and had been among the first to reject it in favor of the gold standard. When Alexander Hamilton drew up the first currency system in 1792 he leaned toward a gold standard, but because gold was scarce and silver plentiful, he chose a bimetallic system at the then market ratio of 15 to 1.

Within a few years the increased output of silver from the Mexican mines had driven down the market price of the metal to about one-sixteenth that of gold, and the Treasury was flooded with silver and denuded of gold. Under the workings of Gresham's law—that bad money drives out good—gold disappeared and the country found itself, for all practical purposes, on a silver standard.

In 1834 an attempt was made to remedy the situation by devaluing the gold content of the dollar so as to establish a legal ratio of 16 to 1. But just as the outpouring of silver from Mexico had upset the earlier ratio, so the subsequent increase in gold production upset the latter. Silver disappeared in its turn and the country found itself on a gold standard.

By 1853 the nation had had enough of bimetalism. The free coinage of silver was abolished, and thus a gold standard was established here some twenty years before it was generally adopted in Europe. For a generation thereafter nothing was heard of silver as a political issue and when, in 1873, Congress dropped the silver dollar from the statutes the action passed unnoticed. But three years later so great a change had taken place that this action came to be called



Harald Lecheberg.

International Repercussions of America's Silver Policy—In Mexico the Banks Were Jammed After the Government Withdrew Silver Coins; and in India, Where Silver Ornaments Are a Mark of Wealth, Values Rose With Each Announcement of a Change in Our Prices.

enough gold available in the world to meet its monetary needs.

But just as silver was a more compact and reliable form of money than cattle, so gold came to be looked upon as more efficient than silver. The latter is much more widely and abundantly distributed and its production fluctuates more erratically because most silver is mined as a by-product of the baser metals. These circumstances have given silver a "scar-

ounces. In the fat years the East converts its profits into silver and when famine comes, as it always does, the stores come out from hiding or drop, circle by circle, from the limbs of the women. To the East silver is still the primary store of wealth.

Silver did not become an issue in the United States until about sixty years ago. But long before that this country had experimented

the "Crime of 1873," the great and heinous conspiracy against silver.

Appropriately enough, the silver question was born in the "hard times" following the panic of 1873. That year was to be momentous for silver. Germany, flushed with the indemnity of gold which her victory in the war of 1870 had brought her, adopted the gold standard and began to sell her surplus stocks of silver. Almost at the same time Mackay and Fair were opening up







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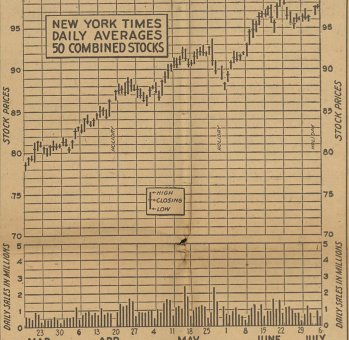
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Revised to July 1, 1935

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Dividend rates as given in the above table are the annual cash payment per share of common stock.

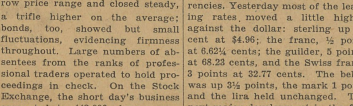
\* Unit of trading less than 100 shares. Annual rate plus dividend. Tax-exempt interest on bonds and other securities.

Reported in receivership or being reorganized. Ex dividend.



## BANKERS AGREEING ON UNDERWRITING

Compromise Opinion Midway  
Between Extremes Originally  
Taken by Factions.



In the last two weeks of debate on the question of restoring to banks of deposit the privilege of

ties, the banking community has clarified its point of view and appears to be reaching a fairly uniform opinion about midway between the two extremes that were expressed when the proposal first appeared.

That compromise opinion was expressed fairly well in the statement of the American Bankers Association's special committee on the Banking Act of 1935, in Washington last week, which approved per-

trust" underwriting, but which proposed any arrangement which would allow banks of deposit to originate issues or participate in the merchandising of new issues to the public.

Since the enactment of the Banking Act of 1933, the general policy of banking from the security business, banking opinion has undergone a change. At the present time, banking opinion would approve of a return to the situation that existed prior to the enactment of the 1933 act. There are good reasons for this. The first is that the elimination of the security affiliate was a good move and there is little desire to see the security affiliate reestablished. The second reason is that the business of selling securities to the public.

**Underwriting Provision.**

The dispute about the new underwriting provision of the Banking Act of 1933 was a very real question whether it would open the

Most bankers who studied the proposed legislation, however, felt that the Hankins Subcommittee believed that the bill was a case of "too much too fast" in terms of strict underwriting. The bill would require that all banks, regardless of size, have a chief credit officer and that all banks could be subject to a "downside" review by the Federal Reserve. The bill would also require that all banks have a chief credit officer and that all banks could be subject to a "downside" review by the Federal Reserve. The bill would also require that all banks have a chief credit officer and that all banks could be subject to a "downside" review by the Federal Reserve.

ties could not be handled by the existing law, and that the bill was necessary so that without such flotations required could be held back, if not stopped, the bill would be a failure. The bill was then by the Senate Banking Subcommittee, and the bill was then passed by the Senate. The bill was then passed by the House, and the bill was then passed by the President. The bill was then passed by the President, and the bill was then passed by the President.

An important difficulty in the matter was the problem of framing a law which would cause bankers in this country to conform to limitations which, in other countries, are laid down by the more binding rules of tradition.

It was widely felt, however, that this difficulty could be met by a provision authorizing banks, as the A. B. A. committee suggested, "to contract to purchase from the originating investment banker any investment securities (subject to the restrictions and requirements or conditions relating thereto) remaining unsold after a reasonable offering." This

by regulations defining in a general way the type of securities that might be underwritten and restricting the participation of an individual bank to such an extent that the activity could not become an important part of the bank's business. There should, in addition, it was widely felt, be specific prohibitions against origination of new issues of the part of banks of deposit.



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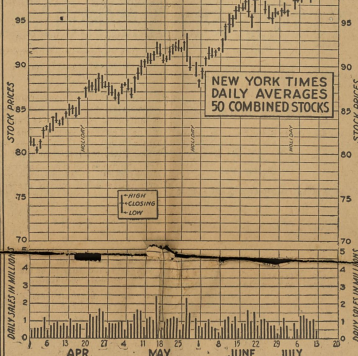
## TRANSACTIONS ON THE NEW YORK STOCK EXCHANGE

SATURDAY, JULY 13, 1935.

Day's Sales. Friday. Year Ago. 1935. 1934.

\$42,940 \$1,097,317 \$194,330 \$135,193,441 \$218,010,903

Unofficial.



NEW YORK TIMES  
DAILY AVERAGES  
50 COMBINED STOCKS

APR MAY JUNE

Stock and Dividend in Dollars.

High. Low. Last. Net. Change.

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Stock and Dividend in Dollars.	High.	Low.	Last.	Net.	Change.	Rate.
45 23 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
46 24 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
47 25 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
48 26 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
49 27 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
50 28 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
51 29 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
52 30 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
53 31 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
54 32 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
55 33 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
56 34 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
57 35 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
58 36 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
59 37 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
60 38 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
61 39 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
62 40 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
63 41 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
64 42 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
65 43 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
66 44 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
67 45 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
68 46 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
69 47 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
70 48 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
71 49 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100
72 50 Phila. C. & P. (d)	41 1/2	41 1/2	41 1/2	1/2	0	100

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outstanding Wall Street banks last week was clearly indicative of contracted banking earnings. Both the Central Hanover Bank & Trust Company and the Bankers Trust Company explained that diminished operating profits were responsible. Neither of the rates which were lowered was excessive, one having been \$6 and the other \$3 a share per annum.

Preservation of dividends is a matter of pride with most bankers, and it is a fair assumption that those of well-established banks are not reduced light-heartedly, or when ability to maintain them is in early prospect. Such ability, however, is obviously circumscribed now. Administration easy-money policies deny hope of any material increase in deposit-banking earnings for a considerable further time. No such trade improvement or demand for capital as would raise interest rates profitably is in sight, and the ban upon participation in security underwritings continues.

Larger assessments for Federal deposit insurance are now to be met. Higher living costs are already beginning to require an upward readjustment of the salaries of bank employees. Offsetting economies of operation are limited because of the public's need and demand for service.

In the end, perhaps, that service will have to be curtailed or made more costly to those who use it. If so, a large section of the citizenry will become emphatically, if unreasonably, indignant.

### Exit Liberty Bonds

It took the Government nearly sixteen years after the War Between the States ended to complete the redemption or conversion of its war-loans. Last week, nearly sixteen years after the World War ended, the Government announced the refinancing of the last of its interest-bearing bonds produced by that conflict. A month hence \$21,000,000,000 of World War debt in its original forms will have disappeared.

The final refinancing announcement showed Secretary of the Treasury Morgenthau to be unimpressed by recent heaviness of the government bond market or by the partial failure of an offering of Federal Farm Mortgage bonds a week earlier. In exchange for the last \$1,250,000,000 Liberty bonds outstanding he offered either twelve-year 2¾ per cent. bonds or three-and-one-half-year 1½ per cent. notes.

The bond-interest rate is the lowest ever proposed by the Government for a bond that did not carry the circulation privilege. The notes were so immediately desirable last week that an additional offering of \$500,000,000 of them for cash was heavily oversubscribed in a single day, largely by banks and other financial institutions. Secretary Morgenthau was vastly pleased.

Doubtless most small investors will take cash from the Government for their Liberty 4¼s, or the new 2¾s in exchange. Larger holders, however, will prefer the short-term notes, particularly the banks. Whether or not completion of the matter will lift pressure from the market for government obligations remains to be seen. At any rate, there will be no more War bonds after October 15, except those which careless owners neglect to turn in to the Treasury.

The War-bond conversions, one by one,

have gone far to cut down the Government's annual dues for interest. The average rate on the national debt is now down close to 3 per cent., whereas it was 4¾ in the years following the end of the War. Federal borrowing in the last two years has been vast, yet interest-bearing obligations are paying a smaller amount of interest annually than a dozen years ago when their total was some \$6,000,000,000 less than now.

### Silver-Buying

The Treasury disclosed last week that since the adoption of the new silver policy it has bought more than 500,000,000 ounces, and now holds approximately 1,160,000,000 ounces with a monetary value of slightly less than \$1,500,000,000.

Yet upwards of 1,300,000,000 ounces more must be purchased to meet the requirements of the Silver Purchase Law and make silver reserves one-third as large as those of gold. Present gold reserves exceed \$9,200,000,000.

In the current bulletin of the National City Bank, George E. Roberts, economist, has written extensively of China's economic difficulties, and their continuing aggravation by the silver policy of the United States. "These difficulties," he said, "have not grown less in recent months; on the contrary, they have grown more acute. With a constant drain upon its circulating medium China is in the position of an individual being gradually deprived of its life-blood. Money is tight and trade is being stifled."

The United States now has to take all the silver offered in its effort to hold the price at a fictitious level. When it stops, Mr. Roberts thinks, "a heavy price-decline seems unavoidable," since the country's policy has been destroying the natural market, and thereby "inflicting the severest punishment upon the one great country still loyal to silver as a standard of money—China."

### Irritated Brokers

Wall Street brokers are showing and voicing exasperation over the large and increasing number of daily, weekly, and monthly records for which they are called upon by the Securities Commission, the Federal Reserve Board and the Stock Exchange itself. Compilation of the data consumes both time and money, and both costs increase with stock-market activity.

"Brokerage firms," says the New York *Herald Tribune*, "face the task of filing forty different reports on their business activities every month for a year or more, according to a list drawn up by the auditor of one of the larger houses. Of this number only seven were required prior to the time securities legislation became effective."

"It is probable that a large number of the periodic reports will be discontinued as soon as the Securities and Exchange Commission and the Federal Reserve Board have determined the effect of certain regulations imposed upon the brokerage business. Other forms, however, are likely to become permanent additions to the clerical duties of reporting firms."



Extract from  
New Republic  
New York U.S.A.

26 FEB 1936

## 876 Artists and Museums

AT THE American Artists' Congress, held in New York City, February 14-16, one of the topics that aroused the bitterest discussion and the most enthusiasm was the proposal that all museums should pay artists a moderate rental fee for the pictures they display.

American art museums are not profit-making institutions. On the other hand, the support they receive from rich benefactors or from city governments partly depends on the interest that the public takes in them. And this interest in turn largely depends on the work of living artists. In fact, more and more of the public art exhibitions in this country are exhibitions of contemporary American painting—since exhibitions of classical or contemporary work from Europe are so expensive to assemble. Living artists in general receive no fee whatever for sending their pictures to these exhibitions. Sometimes they are given prizes, not many of which are large. They are also given the prospect that one of their paintings may be bought by the museum holding the exhibition—but most of these museums are notoriously indifferent to contemporary work, and prefer to spend their income for French or Italian classics. The hesitation of the Metropolitan Museum in New York City to buy any contemporary work, in spite of having a special fund, the Hearn Fund, for that purpose, is a matter of resentment to most artists.

The proposal for a rental fee was originated by the American Society of Painters, Sculptors and Gravers, the nearest thing in the world of art to the Authors' League—that is, the nearest thing to a trade union among the artists of general standing. After two years of discussion, it was decided that a rental fee of one percent of the price of a work of art should be charged monthly, with a minimum fee of \$1 per month and a maximum of \$10. This moderate rental fee would not mean a great deal to the museums, but it would mean a great deal to many artists whose incomes have suffered perhaps more during the depression than those of professional people in general. When the resolution embodying these terms was put to a vote, only seven members of the society opposed it. But afterwards many arguments were brought against it, most of them probably inspired by the opposition of the museum directors.

These directors—who in this case became the manufacturers' association trying to break a trade union—held a meeting and solemnly resolved that "We unanimously refuse to take [for exhibition] a painting, piece of sculpture or print to which a dealer's or an artist's charge is attached." The battle has been joined on these lines. Already it is developing like a customary labor battle, with scabbing on one side and wild speeches on the other. It would not be hard to imagine the artists picketing on Fifth Avenue with big signs reading "The Metropolitan Museum Is Unfair to Organized Labor." At any rate, the Painters, Sculptors and Gravers have recently accepted thirty new members, all well known artists, who signed the pledge not to exhibit in any museum without receiving the rental fee. A few museums—liberal employers—like the Whitney Museum, the Roerich Museum, the San Francisco Museum, the Grand Rapids Art Gallery—are now paying rental fees. And the artists assembled at the American Artists' Congress were extremely favorable toward the suggestion to join collectively in this labor battle of the art world.



CKM.

20-MAR-36

## ROOSEVELT'S NEW TAXES

### Dividends to Foreign Shareholders

WASHINGTON, March 18.

President Roosevelt's new taxes on dividends distributed to foreign shareholders may have to be collected for the Treasury by the American companies concerned, according to the reported intention of the Ways and Means Committee.

The reorganisation of the defunct Agricultural Adjustment Administration and the establishment of five regions for the administration of the Government's new soil conservation programme were two fundamental announcements made by the Secretary for Agriculture. Details are expected in a few days. Mr. Wallace mentioned two difficulties attached to the new programme, firstly the fact that planting had already commenced in the south yet Government must endeavour to make the scheme applicable this season, and secondly the extent to which the new policy would affect the production of major crops.—Reuter.



# IONED APPEAL TO

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President Roosevelt

## U. S. TAX PROPOSALS

**£160 Millions More Revenue to be Raised**

### BILL BEFORE CONGRESS

Washington, April 23.

While Great Britain shivered under Mr. Neville Chamberlain's additional taxation of a mere £20 millions, the United States Congress has been presented with a Tax Bill based on President Roosevelt's recommendation to raise between £140 millions and £160 millions more revenue.

Among the sweeping tax changes necessary for this end, it is proposed to alter the Corporation Tax, imposing the following on foreign individuals and companies.

Firstly, a 10 per cent income-tax on income received by non-resident aliens from sources within the United States;

Secondly, a 22½ per cent. tax on income derived from American sources by foreign corporations with branches in the United States;

Thirdly, a 15 per cent. tax on earnings from sources within the United States by foreign corporations with no branches in the United States; and

Fourthly, the same 15 per cent. on foreign banks and insurance companies as is imposed on similar American institutions.

President Roosevelt's temporary processing taxes have been omitted from the Bill, which, the President indicated, must be passed before the adjournment of Congress.—Reuter.



N Y TIMES

THURSDAY, MAY 14, 1936.

### Embezzled Money Is Held Subject to Income Tax

Special to THE NEW YORK TIMES.  
WASHINGTON, May 13.—Money obtained by embezzlement is taxable under Federal income according to a ruling made today by Herman Oliphant, general counsel for the Treasury Department.

The government has defined income as "gain derived from capital, from labor or from both combined, provided it be understood to include profit gained through a sale or conversion of capital assets."

"This definition of income is sufficiently all-inclusive to comprehend embezzled property," Mr. Oliphant ruled. "The proceeds of an embezzlement may surely be regarded as gain, and if the court's requirement that gain must result from some expenditure of human energy, then it would seem that the proceeds of an embezzlement are derived from labor."



**Secret Federal Trade Commission report on oil tells of monopoly deals; British, American and Dutch companies restricted production; Also kept prices high and divided world oil among them.**

Washington, Aug. 8—Vice presidential candidate John Sparkman, together with Sen. Tom Hennings and various others, has been urging the White House to make public the confidential report on world control of the oil industry which has been bottled up ever since the Federal Trade Commission wrote this dynamite-laden document.

Their contention is that the public is entitled to know the way in which certain big oil companies have worked out cartel agreements to keep the price of oil high and have divided up the world's oil supply between themselves.

This column has now had access to the Federal Trade Commission report. While the facts contained therein are voluminous, the Commission comes to the following important conclusions:

"Outside the United States, control over the petroleum industry is divided, for all practical purposes, between state monopolies and seven large international petroleum companies, five of which are American, and two British-Dutch . . .

"These seven companies are: Standard Oil of N.J., Standard Oil of Calif., Socony-Vacuum, Gulf Oil, Texas Company (all American); Anglo-Iranian Oil Co., Royal Dutch-Shell (British and British-Dutch).

"In 1949, the seven companies accounted for more than one-half of the world's crude production (excluding Russia and the satellite countries), about 99 per cent of the output in the Middle East, over 96 per cent of the production in the eastern hemisphere, and almost 45 per cent in the western hemisphere."

## High Prices To Uncle Sam

The FTC report then proceeds to tell how the control of tankers and pipelines in the hands of these companies thus permitted them to stifle the competition of other companies.

But the most interesting part of the oil report deals with the way American, British and Dutch companies secretly conspired to hold back oil production in some countries when they wanted to keep prices down, and how they jacked up prices to the United States Government during the war and tried to do it again after the war.

One way competition is stifled, the secret report states, is through interlocking directorates.

"A considerable part of the directors of the seven companies," states the FTC report, "hold multiple directorships in subsidiary companies. For example, the directors of the Standard Oil of N.J. and Socony-Vacuum, who determine the policies of the Arabian-American Oil Company (Saudi Arabia) are the same men who help to shape the behavior of the Iraq Petroleum Company. The directors of the Anglo-Iranian company, who assist in making high oil policy for Iraq and Iran, participate along with the directors of Gulf, in planning the price and production policies in Kuwait."

It should be noted that during the London debates over the Iranian oil dispute, members of Parliament and British newspapers were worried over reports that American oil companies might step in and take over the Anglo-Iranian Oil Company's operation in Iran. Nothing should have worried them less. For the Trade Commission's report makes it all too clear that American oil companies have been working hand-in-glove with the British.

They held back production in one country when they wanted to, and fixed prices in this or that country when they wanted to. British companies had nothing to fear from American competition, or vice versa.

## Shallow Wells

In some cases, the Trade Commission charges, companies drilled shallow wells in order not to strike oil, thus keep production down.

Referring to attempts to hold back oil production in Iraq, the Federal Trade Commission states:

"Among the tactics used to retard the production of Iraq oil were the requests for an extension of time in which to make the selection plots for Iraq Petroleum Company's exploitation, the delays in constructing a pipeline, the practice of pre-empting concessions for the sole purpose of preventing them falling into other hands, and the drilling of shallow holes without any intention of finding oil."

Originally, these restrictive agreements applied chiefly to Iraq and were between the British-Dutch and French in cooperation with Standard of New Jersey and Socony-Vacuum. However, the Texas Company and Standard of California later got into the rich Arabian field, at which time Standard of New Jersey and Socony-Vacuum horned in.

They did it by letting Texas and Standard of California in on some of their own monopoly petroleum gravy in the Near East.

The Federal Trade Commission, using more refined language, explains it this way:

"At this point (1947) Aramco (Texas and Standard of Calif.) proposed to build a pipeline to the Mediterranean.

"This proposal caused great concern to the established international companies, which immediately endeavored to open up additional markets to Aramco, but in such a manner as not to disturb world markets. This involved several coordinated steps. First, the Texas Company sold its European marketing facilities to Caltex, thus making its markets west of Suez available to Aramco. Second, Standard of California and Texas permitted Standard Oil Company (N. J.) and Socony-Vacuum Oil Company, together, to purchase a 40-per cent interest in both Aramco and Trans-Arabian Pipe Line Company. And third, Jersey Standard and Socony-Vacuum entered into contracts to buy oil from Aramco.

"Thus, while new markets were opened up to Aramco, the recognized marketing positions of the international oil companies were preserved. The principal change was a shift in their sources of supply on the part of three of the four American companies which now own Aramco in order to make room for Aramco's production—production which they are now in a position to control.

This is just part of the secret story of the intricate, far-flung attempt by five American oil companies with two British-Dutch companies to corner the oil production and oil distribution of the rest of the world.



## 30 PROPERTIES WIN EXEMPTION AGAIN

Tax Board Restores Religious  
and Charitable Groups to  
List After Hearings.

17 ARE IN MANHATTAN

Include Quakers and a Chinese  
Welfare House—Others Out of  
800 to Be Acted On Soon.

Restoration of thirty properties throughout the city owned by religious or charitable organizations to the tax-exempt rolls was announced yesterday by William Stanley Miller, president of the Board of Taxes and Assessments.

Action on these properties, which were among 800 or more stricken from the tax-exempt list some months ago, followed hearings at which the organizations affected satisfied the tax board that they were fulfilling the exemption requirements of the Real Estate Law.

Hearings on many of the other properties which were stricken from the tax-exempt list are being held by the tax board, and additional restorations to the exempt class will be announced within a few weeks.

It was the purpose of the tax board in depriving the properties, including the Morgan Library and many Y. M. C. A. and Y. W. C. A. buildings, from further exemption to try to work out a solution to the problem created by the growing number of exempt properties. At the same time the board made it plain that full opportunity would be given to the owners of the 800-odd properties to convince the board that a return to the exempt status should be ordered.

The thirty properties restored to tax exemption yesterday included some in every borough of the city save Queens, seventeen of them being in Manhattan. They included such diverse organizations as homes for young women, the Chinese Benevolent Charities Association and the Society of Friends. Following is a list of the properties restored:

### Manhattan.

Association to Promote Proper Housing for Girls, Inc., 111 East Thirtieth Street.  
Association to Promote Proper Housing for Girls, Inc., 240 West 127th Street.  
Church Building Trust Association, 417-419 West Fifty-seventh Street.  
New York Ophthalmic and Aural Institute, 500-502 West Fifty-seventh Street.  
St. Philip's Church, 217 West 133d Street.  
Chinese Benevolent Charities Association, 60-64 Mott Street.  
Church of the Most Holy Redeemer, 173 East Third Street.  
Church of Our Lady of Guadalupe, 251 West Fourteenth Street.  
Augustinians of Assumption, Inc., 231 West Fourteenth Street.  
American Foundation of the Blind, 13-15 West Sixteenth Street.  
International Order of King's Daughters and Sons, 144 East Thirty-seventh Street.  
Society of Friends, 8 Rutherford Place.  
David Mannes Music School, 155-159 East Seventy-fourth Street.  
New York City Society Methodist Episcopal Church, 227-233 West Forty-eighth Street.  
Church of St. Joseph of the Holy Family, 403-405 West 126th Street.  
Congregation Gates of Israel, Inc., 560 West 135th Street.  
Beaux Arts Institute of Design, 304 East Forty-fourth Street.

### The Bronx.

Congregation Beth David, Fox Street.  
Lebanon Hospital Association, Grand Concourse.  
Beck Memorial Presbyterian Church, West 150th Street.  
Church of God Missionary Home, 2,132 Grand Avenue.  
Montefiore Hospital, Rochambeau Street.  
Montefiore Hospital, Gunhill Road.  
Bronx Maternity and Women's Hospital, 165th Street and Grand Concourse.

### Brooklyn.

Society of Friends, Avenue L.  
Jewish Sanitarium for Incurables, Rutland Road.  
Brownsville and East New York Hospital, Rockaway Parkway.

### Richmond.

Notre Dame College of Staten Island, 300 Howard Avenue.  
Jeanne D'Arc Home for Friendless, Wilson Street.  
Staten Island Academy.



pie. 1 (Continued on Page Three.)

## Seeks to Publicize Roosevelt Income

### Hoffman Says President Should Be Included

Dr. By the United Press.

WASHINGTON, March 7.—Representative Hoffman (R., Mich.) today demanded that the principle of publicity for corporate salaries be applied to President Roosevelt and his son, James, who, he charged, have augmented their salaries by extra-official activities.

Mr. Hoffman commented on President Roosevelt's demand for continuation of publicity of corporate salaries over \$15,000. Speaking from the House floor, he joined a general Republican assault on the administration tax revision program.

"If it is immoral or unmoral on the part of those corporation officials who fail to disclose by publication in newspapers and magazines the amount of their salaries and bonuses, what can be said of the occupants of the White House?" Mr. Hoffman asked.

#### Hired by 130 Millions.

The law forcing revelation of corporate salaries in excess of \$15,000 would be repealed by an obscure provision carried in the tax reform measure.

"The President, his son, James, who is his secretary and a lieutenant colonel, are employees of 130 million people," Mr. Hoffman said. "To the 130 million who hire them the amount of the President's salary as Chief Executive and the amount of James Roosevelt's compensation as secretary to the President is

(Continued on Page Ten.)

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## Seeks to Publicize Roosevelt Income

(Continued from Page One)

known to be, respectively, \$75,000 and \$10,000 per year.

"But, following the President's line of reasoning, why should not the public be advised as to the value of the byproducts which emanate from the Executive office? Why should they not be advised as to the amount of earned income which the President receives from other sources?

#### Are People Interested.

"Are not the people just as much interested in knowing whether the President, who receives from them \$75,000 per year, also receives \$175,000, or any other large sum, as earned income from some other source, as they are in knowing what salary Mr. Knudsen receives from General Motors?

"Are not the people interested in knowing whether the statements of Frank Kent, a responsible writer, to the effect that James Roosevelt received from the insurance agency with which he is connected \$150,000 and that, according to the magazine, Time, he is now worth \$500,000 are true?"

Mr. Hoffman demanded the salary information after Representative Lamneck (D., Ohio), a member of the Ways and Means Committee, attacked the proposal for a surtax on closely held corporations as violating the principle of taxation in accordance with ability to pay.

#### Cites Rate Difference.

"Corporations which can distribute their earnings to escape the tax will distribute," he said, "and those with a greater need to retain their earnings will have to pay a higher tax."

Pointing out that widely held corporation retaining all of its earnings would pay 20 per cent and a closely held corporation 31.2 per cent, Mr. Lamneck contended this meant a 56



The announcement that President Roosevelt warns all Americans, without exception, to leave China has struck Americans like a thunderbolt. The American Chamber of Commerce, after an emergency meeting, wired to the State Department: "Chamber strongly deprecates any official statement which could be interpreted as indicating a withdrawal or abandonment of American business interests in China. American prestige is seriously injured thereby."

#### ACUTE RESENTMENT

C&M. - 9. Oct. 1937.

The acute resentment of Americans at the suggestion of a wholesale evacuation has been voiced by representatives of three of the largest American firms, who have wired to their head offices: "Tell Roosevelt to get off his yacht and to put his feet on the ground and some guts above them." They urge that efforts should be made to keep the American flag flying.

About 150 British women and children, who had been evacuated to Hong-Kong, have returned to Shanghai, declaring that they would rather face Shanghai shell-fire than Hong-Kong cholera, typhoons and dysentery; as also "the deplorable conditions for those of average means." The refugees returned in the midst of a severe bombardment.

Japanese planes in Ningpo, bombed and machine-gunned two Chinese Customs preventive ships, which were under the command of Britishers. One Chinese was drowned and six were wounded. The wireless was wrecked.

Sir Frederick Maze, Inspector-General of Chinese Customs, points

(Continued in Page 7)



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# Tribune

938

TWO CENTS  
In Greater New York

## Roosevelt Sees Pro In Business Confer Lays Confusion to

### Bar Warned of 'Concerted Move' To Spread Alien Doctrine in U.S.

**Senator Burke, at Meeting of State Association,  
Tells of 'Forces at Work' Against Constitution;  
Report Calls for Fight on Totalitarianism**

Members of the New York State Bar Association, in their sixty-first annual meeting yesterday, devoted themselves to a defense of the Federal Constitution and warnings against encroachments of alien political doctrines upon the American philosophy of government.

The attack upon what were described as efforts to break down the Constitution and upon foreign trends was led by Senator Edward R. Burke, Democrat, of Nebraska, who was conspicuous last year in the opposition to President Roosevelt's Supreme Court plan. Mr. Burke addressed the night session of the lawyers at the Waldorf-Astoria.

Earlier in the day, at sessions held at the headquarters of the Association of the Bar of New York City, 42 West Forty-fourth Street, a report of the committee on American citizenship was made public calling upon all "right-minded" citizens to combat the spread of any totalitarian philosophy. The report will be acted upon today.

The day sessions were further

characterized by discussions of the problems faced by lawyers as a result of what was called "red tape" of the present Administration and by criticism of governmental inefficiency. These discussions were led by George Hopkins Bond, president of the association; Arthur A. Ballantine and Cornelius W. Wickersham.

In his address at the Waldorf Mr. Burke warned that "there are forces at work which, if unchecked, will weaken and undermine constitutional government in the United States." He said that it would be easy for any one to laugh such a fear aside, since the nation was not threatened by any foreign foe. But, he continued:

"There are those who are in a constant state of alarm and panic because of the subversive activities of aliens within our borders. The evidence seems to indicate a concerted move to spread abroad in this land hateful and dangerous doctrines that prevail in other countries from which these propagandists come. As prudent citizens of a free republic, we must be con-

(Continued on page 7, column 5)

Senators Hear Industrial L



# ЭКОНОМИЧЕСКОЕ ПОЛОЖЕНИЕ СОЕД. ШТАТОВ

В ОСВЩЕНИИ ИЗВЕСТНАГО ЭКОНОМИСТА АЛЬВИНА ГАНЗЕНА.

Не взирая на рѣшительныя мѣры, принятые при депрессии, и очевидныя послѣдствія по восстановленію нормальной жизни в финансовом и экономическом отношеніи в США, улучшения, замѣченныя в 1936 году, не оказались длительными, как это получалось в предыдущих кризисах.

Этому вопросу и его причинам посвятил особый труд известный экономист Альвин Ганзен.

— В мартѣ 1933 года, — пишет он, — федеральный резерв обозначил коэффициент производительности количеством в 59. В декабрѣ 1936 г., послѣ всѣх мѣропріятій новаго курса, — он поднялся до 121, но через год он упал обратно до 84, в декабрѣ 1937 года.

Почему, продвигаясь вверх, мы отступаем вновь?

Прежняя возрожденія, — доказывает экономист, — носились на живой волнѣ новых предпріятій, а не на узкой тропѣ текущих закупок для уравнения потребления.

Смѣлые проекты, новыя индустрии, техническія усовершенствованія с возвращеніем довѣрія сопровождали поворот вверх. Открывались новыя ресурсы, сокращавшіе накладныя расходы предпріятій, и федеральный капитал автоматически приспособлялся к возраставшему потребленію.

Но дѣловой мир, в интересах быстрых оборотов, тщательно избѣгал долгосрочных закрѣпленій капитала и естественным путем останавливался на грани текущих, непосредственных потребностей, не создавая постоянного повышенія, не предусматривая и не подготавливая.

Улучшеніе дѣл, — продолжает Ганзен, — покоющееся на приливѣ и отлигѣ потребленія, может продолжаться только до тѣх пор, пока его стимулирует какая то внѣшняя сила. Оно не носит печати постоянства, прочности.

Вот гдѣ ключ настоящаго положенія. Кажущееся возрожденіе искусственно поддерживалось федеральными затратами, вливаемыми не в зависимости от спроса. За ни-

ми обязательно должен был послѣдовать упадок, что и случилось на самом дѣлѣ.

Новый курс, исходя свыше, влилъ в дѣловое теченіе на 543 милліона больше покупательной силы, чѣм оправдывалось про-

изводством, начиная с іюня 1936 года, а в мартѣ 1937 года правительство вложило в производительную промышленность уже только 50 милліонов, тѣм лишая ее естественнаго побудительнаго стимула. Экономическая машина страны в этом подъемѣ не участвовала, оборотный жилой капитал размаха не создал, и кажущееся возрожденіе шло по искусственному руслу, тогда как ресурсы страны и частная предприм-

чивость продолжали идти побочными путями.

Предостереженію самому себя, — капитал идет ошупью, не увѣренный в завтрашнем днѣ.

За рискованным подъемом всегда слѣдует риск глубокаго паденія с высоты.

Федеральныя затраты не создают цѣнности экономических, если онѣ не сопровождаются живыми усиліями частнаго капитала, — заканчивает Альвин Ганзен.

## Попытка отравления Сталина.

ПРОФЕССОР ГАНС ЭППИНГЕР В МОСКВѢ.

Вѣнскій корреспондент лондонской газеты «Дейли Мейл» сообщает нѣкоторыя интересныя подробности о побѣдѣ извѣстнаго вѣнскаго профессора Ганса Эппингера в Москвѣ, куда он был вызван в сентябрѣ минувшаго года, когда, как полагали, у Сталина была констатирована грудная жаба.

Сам профессор хранит о своей побѣдѣ молчаніе, но один из его ассистентов рассказывает слѣдующее:

НА ВѢНСКОМ АЭРОДРОМѢ.

Предложеніе было передано профессору одним из чиновников совѣтскаго полпредства и за визит назначен баснословно высокій гонорар. Профессор прибыл на вѣнскій аэродром, гдѣ для него специально был приготовлен аэроплан. Всѣ на аэродромѣ, даже пилот, знали, что аэроплан с профессором Эппингером отправляется в Афины, и только когда машина поднялась на воздух, чиновник, сопровождавшій медицинское свѣтло, приказал пилоту взять курс на Москву.

## ХИРУРГІЯ МОЗГА.

При медицинском факультетѣ Парижскаго университета учреждается новая кафедра — хирургіи мозга. Средства для ея содержанія отпущены частью университетом, частью Рокфеллеровским институтом, ассигновавшим для этой цѣли полтора милліона франков ежегодно.

Первым ученым, который займет новую кафедру, будет проф. Кловис Венсан, невролог, ученик знаменитаго Бабинскаго. Хирургіей мозга он начал заниматься сравнительно недавно, с 1928 года, и сразу пріобрѣлъ в этой области мировую славу. Проф. Венсан начал дѣлать операціи, от которых отказывались лучшіе хирурги, и спасал больных, приговоренных к смерти всѣми специалистами. В 1929 году он произвел 87 операцій, в 1934 году — 380, в 1937 году — 605.

Проф. Венсан хорошо извѣстен и в Америкѣ, куда его часто вызывают на операціи. Узнавъ, что кафедра хирургіи мозга при парижском университетѣ будет отдана Венсану, рокфеллеровскій институт ассигновал половину суммы, необходимой для ея содержанія.

Этот таинственный чиновник не покидал профессора ни на минуту в Москвѣ и даже распорядился поставить для себя постель в номерѣ, который занимал Эппингер.

В МОСКВѢ.

По прибытіи в Москву, специалистом по дактилоскопии были взяты отпечатки — пальцев профессора. Точно также же операціи он должен был подвергнуться в прихожей квартиры Сталина, прежде чѣм он был допущен в спальню больного. Для изготовленія лѣкарств и производства химических анализов вѣнскому врачу предоставили специальную лабораторію, но запретили дѣлать какія-либо письменныя замѣтки.

ЧТО ПОКАЗАЛ ХИМИЧЕСКИЙ АНАЛИЗ.

Химическій анализ обнаружил, что Сталин страдает от грудной жабы, как установили московскіе врачи, а послѣдствіями свиногого отравленія. Одновременно выяснилось, что яд давался в очень малых дозах, либо примѣшиваемый к пищѣ, либо к папиросной бумагѣ.

НАРКОТИКЪ СОВѢТСКІХ ХИМИКОВ.

Во время этих работ ассистенты сообщили профессору, что совѣтским химикам удалось создать особый наркотик из смѣси мексиканца и героина, который лишает человѣка во-

ли к сопротивленію и заставляет его соглашаться со всѣм, что бы ему ни говорили. По вѣнскому виду, чловѣкъ, находящійся под дѣйствіем этого наркотика, остается совершенно нормальным.

В теченіе шестидневнаго пребыванія в Москвѣ, профессор все время оставался под неуслынным надзором, но перед отъѣздом власти в очень вѣжливых выраженіях извинились за эту сдѣлку.

Эппингер предікасал Сталину курс лѣченія против отравленія и, по послѣдним полученным им свѣдѣніям, Сталин снова чувствует себя вполне хорошо.

## Про все.

К юбилею Шопенгауэра.

Память знаменитаго философа чувствуется во всей Европѣ. Без всякаго желанія влить ложку дегтя в бочку меда, позовим себя все-таки напомнить комплименты Шопенгауэра по адресу разных національностей — из его «Афоризмов».

Нѣмцы:

«Национальная черта нѣмцев — тяжеловѣсность. Она сказывается у них в походкѣ, в образѣ мысли, во всѣх дѣйствіях, в языкѣ, в рѣчах, в медленном пониманіи самых простых вещей, в стилѣ, в особом удовольствіи, с которыми они строят сложнѣйшіе периоды. Нѣмец глуп и скучен, как ночной колокъ».

Французы:

«В других частях свѣта су-

ществуют обезьяны. В Европѣ — французы».

Итальянцы:

«Итальянцы безстыдны и безсовѣстны, как никто другой. Они то дерзки и заносчивы, то услужливы и готовы на все».

Американцы:

«Жители Сѣверной Америки, прежде всего, вулгарны. Их отличительный признак — вульгарность моральная, умственная, эстетическая и социальная. Если англичане презирают американцев, то главным образом из-за этого. Настоящему англичанину американцы смѣшны и антипатичны».

К англичанам Шопенгауэр нѣсколько снисходительнѣе, но и они

«лучше других только потому, что безвыгодно сидят на своем туманном островѣ».

Кто украшает и облагораживает мир? Собаки. «Без собак в жизни не было бы никакой прелести и не было бы друзей. Люди возбуждают во мнѣ глубокое отвращеніе. Я стремлюсь забыть о них и обратиться к природѣ и звѣрям».

На днях, в парламентских дебатах один из ораторов вспомнил любимую китайскую поговорку Бріана.

Многіе ли помнят ее? — Как узнать, хорошее ли правительство в странѣ?

Если сабли ржавѣют, а плуги отточены, если тюрьмы пусты, а амбары полны, если ступени храма покрыты слѣдами от ног, а двор в зданіи суда порос травой, если врачи ходят пѣшком, а булочники развѣзжают в колясках, если на улицѣ не встрѣчаешь столько же старцев, сколько дѣтей, не сомнѣваясь: в странѣ хорошее правительство!

Рукопожатіе отбѣивается. Кто не видал этой надписи во всевозможных конторах и государственных учрежденіях. «Время — деньги», «просьба соблюдать тишину», «рукопожатія отбѣиваются». Но время тратится гораздо легче денег, тишины не соблюдает никто, и всѣ жмут друг другу руки.

Нынѣ рукопожатію объявлена война рѣшительная. В Лондонѣ — по сообщенію «Таймс» — образована лига для борьбы с ним, и лига эта начинает вербовать агентов повсюду, во всѣх европейских государствах. Проповѣдники ея уподобляются солдатам Арміи спасенія: будут ходить по ули-

## ЛАБОРАТОРІЯ ГПУ.

Об учрежденіи по распоряженію Ягоды фармацевтической лабораторіи ГПУ в послѣдних сообщеніях московских и петроградских газет находим такія подробности.

Работавшій в этой лабораторіи доктор Игн. Ник. Казаков по своей основной должности считался директором института эндокринных разстройств, состоящаго при наркоздравѣ РСФСР. Институт этот помѣщается в домъ ном. 10, на Б. Грузинской улицѣ в Москвѣ. В задачи института входит, между прочим, «изученіе механизма дѣйствія лизатов и методов примѣненія их в клиникѣ».

Выборку же лизатов секретнаго состава и по особому секретному способу Казаков производил в лабораторіи ОПГМ. Лабораторія помѣщается под Москвой, в мѣстности, называемой: «Шестія Горки». Туда доставляли Казаковъ в определенное время

## Р-А-Д-І-О.

ВТОРНИК 29 МАРТА.

КРО — 680 кс. (NBC красная).

8.00 у. — Варьете. 8.30 — Гармонь.

8.45 у. — Пѣвец. 9.45 — Хоз. бесѣда.

10.00 у. — Орк. 11.00 — Урожай музыки.

11.30 у. — Оркестр. 2.00 — 2 роля.

2.45 д. — Орк. 3.00 — Научн. новости.

3.30 д. — Дамскій радио-журнал.

4.30 д. — Пѣст. оперных пѣвцов.

5.30 д. — Сербанада. 6.00 — Орк.

7.05 в. — Оркестр. пѣвец.

7.30 в. — Холлпудскія новости.

8.15 в. — Хоръ — Орк., солиты.

9.45 в. — Научн. пр. 10.00 — Танцы.

11.15 в. — Концертныя пѣсни.

KSFO — 560 кс. (Columbia).

8.15 у. — Орк. 8.40 — Хоз. бесѣда.

10.00 у. — Кулинарія, варьете.

12.00 д. — Хоз. бесѣда. 12.15 — Матина.

12.30 д. — Пѣвец. 1.30 — Орган.

3.00 д. — Радио-инк. 3.45 — Солиты.

4.00 д. — Конц. акад. 4.15 — Роаль.

5.15 д. — Черан Чан. 6.15 — Орк.

6.30 в. — «Камел Караванъ».

8.15 в. — Холлпудскія новости.

8.30 в. — Ал Джолсон.

9.00 в. — Труппа Ал Пирса.

10.00 в. — 2 роля.

10.45 в. — Танцы до 12.00.

KFRC — 610 кс. (Mutual).



# League Group Holds Meeting

## Belgian Elected President of Committee for Suppression Of Terrorism

*Havas*

GENEVA, May 1.—The Committee for the suppression of terrorism appointed by the League of Nations on December 10th, 1934, met here yesterday and elected M. Carton de Wiart of Belgium as its President.

The Committee decided to adopt the suggestion made by France to the League Council on December 9th, 1934, regarding an international accord for the suppression of political terrorism.

The draft French proposal covered the regulation of the international passport system, the right of asylum, and the institution of an international penal tribunal for the repression of violations of the proposed convention.

*Havas*  
**Illiteracy to be**



Rigaer Börsennotierungen.

Devisen	13. Dez.		12. Dez.	
	Käufer	Verk.	Käufer	Verk.
1 Dollar	3.06	3.18	3.06	3.18
1 Pfund Sterling	15.22	15.52	15.23	15.53
100 Francs französische	20.21	20.41	20.21	20.41
100 Belga	72.00	72.75	72.00	72.75
100 Francs Schweizer	99.75	100.75	99.80	100.80
100 italienische Lire	26.40	26.90	26.40	26.90
100 Kronen schwedische	79.50	81.50	79.50	81.50
100 Kronen norwegische	77.50	79.50	77.50	79.50
100 Kronen dänische	69.00	71.00	69.00	71.00
100 österr. Schilling	61. —	63. —	61. —	63. —
100 Kronen tschechoslowak.	12.70	13.10	12.70	13.10
100 holländische Gulden	207.60	209.60	207.60	209.60
100 deutsche Mark	123.00	123.80	123.00	123.80
100 finnische Mark	6.70	7.00	6.70	7.00
100 estnische Kronen	84.50	86.50	84.50	86.50
100 polnische Zloty	57.80	59. —	57.80	59. —
100 Lit	51.70	52.10	51.70	52.10
100 Danziger Gulden	101. —	103.00	101. —	103. —
Wertpapiere				
6% Agrarbank-Pfandbriefe	99. —	100. —	99. —	100. —
Latwijas Hypothekenbank-Pfandbriefe	96. —	97. —	96. —	97. —

Devisenkurse der Auslandsbörsen.

Lta. London. 13. XII. 12 XI.			Lta. New-York. 12. XII.	
Frühbörse Schlusskurs				
New-York	D. 4.94.25	4.94.93	London	4.94 <sup>3</sup> / <sub>8</sub>
Frankreich	F. 74.96	75.03	Paris	6.59 <sup>3</sup> / <sub>8</sub>
Belgien	B. 21.18	21.20 <sup>1</sup> / <sub>2</sub>	Brüssel	23.34
Italien	L. 57.87	57.96	Rom	8.54
Schweiz	F. 15.27 <sup>1</sup> / <sub>2</sub>	15.28 <sup>1</sup> / <sub>2</sub>	Madrid	13.67
Holland	G. 7.31	7.31.75	Bern	32.38
Dänemark	K. 22.39 <sup>3</sup> / <sub>4</sub>	22.39 <sup>3</sup> / <sub>4</sub>	Amsterdam	67.64
Norwegen	K. 19.90 <sup>1</sup> / <sub>2</sub>	19.90 <sup>1</sup> / <sub>2</sub>	Stockholm	25.50
Schweden	K. 19.39 <sup>1</sup> / <sub>2</sub>	19.39 <sup>1</sup> / <sub>2</sub>	Oslo	24.85
Finnland	FM. —	226.75	Kopenhagen	22.08
Deutschland	M. 12.31	12.32 <sup>1</sup> / <sub>2</sub>	Prag	—
Oesterreich	S. —	26.81	Wien	—
Prag	K. —	118.37	Berlin	40.18
Warschau	Zl. —	26.18	Warschau	—
SSSR	—	5.72.5	Helsingfors	—
Unze Stand. Gold sh.	—	140/05		
Lats	—	15.25		
Litauen	—	29.50		
Estland	—	18.25		
Lta. Zürich. 13. XII. 12 XII.			Lta. Berlin. 12. XII.	
Paris	20.37	20.34 <sup>1</sup> / <sub>4</sub>	Holland	168.39
London	15.28	15.23 <sup>1</sup> / <sub>2</sub>	Belgien	58.23
New-York	3.08.62	3.08.62	Norwegen	61.91
Belgien	72.10	72.10	Dänemark	55.02
Italien	26.37	26.37	Schweden	63.53
Spanien	42.12 <sup>1</sup> / <sub>2</sub>	42.12 <sup>1</sup> / <sub>2</sub>	Finnland	5.44
Holland	208.90	208.85	Italien	21.32
Berlin	124. —	124.05	England	12.32.5
Wien, offiziell	73.25	73.30	Amerika	2.49.1
Noten	57.25	57.25	Frankreich	16.42
Stockholm	78.75	78.85	Schweiz	80.80
Oslo	76.75	76.85	Lettland	81.00
Kopenhagen	68.20	68.30	Litauen	41.80
Sofia	—	—	Estland	68.75
Prag	12.90 <sup>1</sup> / <sub>2</sub>	12.90 <sup>1</sup> / <sub>2</sub>		
Warschau	58.30	58.15		

Warenpreise der Auslandsbörsen.

LTA. London. 12. Dezember. Frühbulletin Zucker pr. cwt. Sch. tschechoslowakisch 5/9. —, polnisch 5/—. 11. Dez. Leinsaat pro Tonne 1.2a Plata 9.11.3. Late Pfd. Sterling pro Tonne 16<sup>1</sup>/<sub>4</sub>.  
L.A. Hamburg. 12. Dez. nachm Weizen Reichsmark pro 50 Kg. Manitoba I: —, Manitoba II: 5.65. Roggen Reichsmark pro 50 Kg. 3.70. Hafer Reichsmark pro 50 kg —.  
Lta. Liverpool. 11. Dezember. Baumwolle Engl. Fence pro Pfund Amer. Middl. Plain 7.03.



# FLIERS TO EXPLORE EASTERN TURKESTAN

British Group Starts to Make  
Aerial Survey of 400,000  
Square Miles.

## NEW TRADE LINK HOPED FOR

Industrial Firms Think They Can  
Develop Markets for Their  
Goods Through India.

Special Cable to THE NEW YORK TIMES.

LONDON, March 5.—A new British trade link with Eastern Turkestan is expected to be forged by an aerial survey expedition which has just left London to explore 4,000 square miles of little known territory beyond the Karakoram Mountains.

The expedition is led by Lieut. Col. J. E. Stewart, whose family for three generations served the Chinese Government, and has been organized in conjunction with some prominent Chinese merchants of Lou Liu, a small town near the port of Tientsin, who are interested in both the development of Turkestan and the improvement of its transport services.

The project will be closely watched by British industrial firms who hope to find a market for automobiles and machinery and those who would like to see a ready outlet for the country's produce through India. In fact, the purpose of the expedition is threefold—to prove the possibility of improving transport facilities eastward from Eastern Turkestan, to create a channel for trade through India and to discover areas which may be profitably developed.

### Russia Has Monopoly.

At present Russia has a monopoly of trade in Sinkiang, and though Great Britain, through the loan agreement of 1876, obtained certain trading rights little use has been made of the privilege. The country produces hides, wool furs, long staple cotton, oil, gold, silver, coal, iron, copper, jade and precious stones.

A lack of surface water is the chief obstacle to the development of this otherwise fertile land, but water is to be found almost everywhere at no great depth and an opening may be found for the sale of pumping machinery, which would assist agricultural development and might lead to a demand for agricultural machinery.

A huge Vickers-Victrix airplane capable of carrying a load of two and a half tons will be used by the explorers. This will be flown over the India air mail route to a base at Yarkand, crossing the Karakoram Mountains at Ilisu at an altitude of 13,400 feet.

The airplane, which is not due in the Yarkand Valley until June 15, will be preceded by seven British motor trucks equipped for preparing bases. These will start from Kwei Hua and proceed to Yarkand via Ordos and Alshahan. One will be a mobile dark-room for the development of photographs, another will be a traveling repair shop carrying an electric generator, and a third will carry boring apparatus and pumps which can be worked by the truck engines.

There will also be a portable oil refining plant and a portable cinematograph projector. The projector will

be used for showing films illustrating the manufacture of British machinery, the building and launching of liners and the last Schneider Trophy air race, which is regarded as interesting to people who have never seen the sea.

A second air base will be established at Urumchi for northern surveys of the Dzungaria district and westward. Takla Makan itself will also be explored. It is virtually unknown and the survey should fill in many white spaces on the maps.

The districts likely to prove most important in a trading sense are Dzungaria and the slopes of Tian Shan on the north, and the southern fringe between Yakand and Lob Nor. The aerial survey cannot start before the end of July, when the rains wash away the dust haze brought down by the wind from the Gobi Desert. After a second season next year the airplane will return over the Himalayas, climbing 18,600 feet and photographing all the way.

## TURK ASSEMBLY DISSOLVED

General Elections Slated—Kemal  
Seems Sure to Keep Presidency.

Wireless to THE NEW YORK TIMES.

ISTANBUL, March 5.—The Turkish Grand National Assembly at Angora was dissolved this afternoon and general elections will be held forthwith. It will also be necessary to elect a President of the Republic, and it is virtually certain that Mustapha Kemal Pasha, President for the last eight years, will again be chosen.

In a manifesto issued today Kemal stated that the Popular party, of which he is the chief, was absolutely convinced that its program was best and the nation was behind the party. He added that he had judged it necessary to ask the nation to show its confidence by renewing the mandate which it gave the party four years ago.

The decision to dissolve the National Assembly and hold new elections was unanimously approved by the Assembly.

## Japanese Emperor Receives Monroe

Wireless to THE NEW YORK TIMES.

TOKYO, March 5.—The Emperor this morning received Professor Paul Monroe of Columbia University, who was introduced by Edwin L. Neville, American Chargé d'Affaires. His Majesty in the conversation showed lively interest in the welfare of Japanese students in the United States and the prospects for Columbia's scheme for establishing a Japanese culture centre. Professor Monroe, accompanied by his son, Ellis, left tonight for Kyoto, Russia and New York.



# КАНДИДАТЫ НА НОБЕЛЕВ- СКУЮ ПРЕМИЮ МИРА.

ОСЛО. 26 Кандидатами на  
Нобелевскую премию мира  
называют чешского президен-  
та проф. Масарика и герман-  
ского пацифиста проф. Оссов-  
ского.



# "SWAPPING" IN AMERICA

## WHERE NO MONEY PASSES

(FROM A CORRESPONDENT.)

IN America they are back to the days of barter. In Los Angeles newspapers, dentists offer to attend to teeth in exchange for house-painting, women offer to cook, wash, and clean if somebody will give them and their husbands house-room and light (as a rule they have their own furniture), and optimistic bill-posters offer their services in return for two meals a day.

At many universities students arrive with their "flivver" full of farm produce, ranging from bags of potatoes to chicken and ducks all ready for the pot; and by arrangement with the authorities they exchange their farm produce for lectures. Girls will do anything in reason for food and a roof, and men in little cars prow! the streets, all ready with brushes and an assortment of boot-trees to brush the boots and shoes of any family that will give them clothes or food or some old things that they can sell for food.

But one little place near Los Angeles despised these desultory methods. "America's middle name is 'organization.'" Six months ago one man thought of it; to-day it is a full-blown business; but money takes no part in the deal.

### FREE HARVESTING

In Compton a certain returned disabled soldier did not hang about and wonder what there would be for dinner; he went to a farm close by with an empty sack and offered to work for the day in return for vegetables; his sack was so heavy that night that he took along a basketful to a neighbour. The news spread; soon the farmer was getting his stuff harvested for nothing, men were offering their services in such abundance that it was worthwhile to pay them in kind so as to have goods for market. A friendly man who had an extra truck and some empty storage room offered both to help the workmen. Soon they had orderly piles of root vegetables in reserve.

It is better than nothing. Over 1,300 men are members of this moneyless organization, and about 300 work daily. A man must work a full day weekly to get his vegetables and fruit; if he is ill he gets all that his family needs. Naturally they do not get—and they do not expect—the best yield of the fields; "seconds" and "thirds" are just as good.

Not all the men go harvesting, or planting, or watering. There is a little army in the warehouse, cleaning and preparing the vegetables and fruit and stowing them in the bins. One day last month these voluntary helpers tackled over two tons of beetroot, three tons of cabbage (they are making that into sauerkraut with salt given by an interested inhabitant), thousands of pounds of tomatoes and celery, of onions and of cucumbers, of rhubarb and of potatoes, oranges and grapes by the 100 boxes, and lettuces by the sack.

### GOODS NOT CASH

To-day there are five busy-bee buildings at Compton, all due to the lame man with the empty sack. There is a milk department, where scores of gallons of skim milk and of butter-milk are distributed daily, where there is pure milk for the babies in plenty, and where cream cheese and cottage cheese is ready waiting for the workers. Out-of-work tailors mend the workers' clothes; for them and for the cobblers a certain sum of money was needed at the start, but now that the leather and cloth are there all goes on easily and pleasantly. Carpenters and motormen keep the autos in order, make the crates for vegetables, and the printers have a little place where they print the demand slips needed by every worker. He needs these slips for more than the ordinary "Time of a Man," for if he wants new boots, a winter overcoat, or a couple of workmen's shirts, he presents his request at the proper place and goes out with his clothing. That is the women's job. The wives of the unemployed have an association for cleaning, mending, and remaking the clothes that people send them. So many clothes of all kinds have been sent that no unemployed person in Compton this winter need worry about the cold days for himself or his family.

Naturally, the scheme was closely watched; it appeared that there simply must be "a catch" somewhere; when it was proved that the men worked a day a week so as to get something to eat to get strength to look for work, opinion went definitely to the side of the moneyless enterprise. Gasolene was needed, a storage tank, and a place for the pit. All have been given free, and a sure promise of more help later. Compton is not the only pioneer barter centre; it is the most important, and the best organized in California. The important point is that as no money passes, jealousy is not a factor. The farmers are glad to have their stuff marketed without pay, and find that they can make a tiny profit; how long this odd state of affairs will go on I do not know. But it is certainly a change for the better.

(The Times and Statesman Copy-