

SMOOT PLANS TO REMEDY BIG WAR INFLATION

Senator Asserts Fictitious Valuation Now Amounts to \$240,000,000,000.

ALL NATIONS INCLUDED Represents One-third of Entire Sphere's Worth When Germans Began Strife.

Special Despatch to THE SUN. WASHINGTON, May 31.—This world, according to Senator Reed Smoot (Utah), the acknowledged Congress expert in such subjects, is now inflated to the extent of \$240,000,000,000. As the sphere is only worth at present depreciated values of money about \$960,000,000,000, the Senator finds that the inflation represents one-fourth the whole status of the planet.

But that is not the worst of it. On the basis of values as they existed before the war caused inflation the world was worth about \$780,000,000,000. So that to-day inflation represents almost one-third as much as the legitimate valuation of the ball before the Germans started their abortive effort to capture it.

Starting with the figures, the Senator outlined to-day to THE SUN the scheme of starting a gradual, systematic deflation, on which he has been at work ever since the war ended. He has been in conference with many men of affairs, and has studied the legislative and fiscal programmes of as many countries as have started developing them and made the results accessible. Of these the number is not large, and the Senator is convinced that the United States must lead the world in the effort to restore a normal basis. At the best this will be a matter of many decades, perhaps generations.

In no event is it to be expected that the former economic conditions can be restored, nor can the old relations between money and prices be revived. Inflation is here to stay, and business, in his opinion, will have to make up its mind to resume on the new level.

Figures in Costs of War.

In making his statement that there is now \$240,000,000,000 of inflation Senator Smoot explained that he reached this figure by adding together the cost of the war, the devastation caused by it, and the inflation of the world's money stocks.

In 1914 there was little inflation, comparatively speaking. Money was on a sound basis, most of the world's business being on a secure gold standard; and the public debts were small compared to the wealth even of the most heavily involved nations. To-day all this is changed. Not only is the world heavily involved in debts but it is certain—and at this point the Senator is vigorously emphatic—to go on increasing the measure of indebtedness and therefore of inflation for a considerable, though indefinite future.

In our own country, for instance, he warns, there is certain to be disappointment or any optimistic hopes that Governmental expenses will be reduced at any such rapid rate as that at which they were expanded when war's demands made it necessary to think and calculate in billions instead of millions.

America, if proper financial policies are adopted, will be able before long to strike a balance between outgo and income, and then to begin a gradual dis-

POOR LUCULLUS

One cannot help having a feeling of regret that Lucullus, the gastronomic prince, never had an opportunity to titillate his gargantuan palate with

WHITE ROCK GINGER ALE

We believe it to be the best drink of its kind. It is made from the unsurpassed mineral water **White Rock**

Every first class place will serve it.

charge of the debt. But on the whole, debts for a long time will continue expanding.

Two Ways of Facing Problem.

"There are just two methods by which the world can meet the condition it faces," said Senator Smoot. "Either the nations must look the facts squarely in the face, recognize that they cannot carry the burden, and repudiate their domestic debts, or else they must impose a special levy on wealth that will nearly reach the point of confiscation. The world cannot live on its present inflated assets, and the only way to escape the speaking of repudiation I confine to domestic holdings of their obligations. For I believe that no nation would be willing to repudiate its debts to the nations of other States; that would break down the whole fabric of national credit. The levy on wealth, of which I speak as an alternative, is under serious discussion in the countries of Europe.

"To meet the situation in this country and make our process of deflation keep step with that of countries which may be forced to adopt one or other of these expedients I am working out a plan of amortizing our debt through a sinking fund. A few evenings ago I met with a group of important business and financial men to discuss different plans for administering such a fund.

"The present development of public opinion is all in opposition to the league. The public is coming to realize that it is simply a means to place the credit and resources of the one great solvent nation behind the overburdened Powers of the world. It means dumping the accumulated deficits of the world on our shoulders, and the people will realize that in time to save us from the danger of being involved in it."

Legislation to Be Mandatory.

"A 2 1/2 per cent annual sinking fund payment would pay off the debt in a little under 24 years; just about 23 years nine months. It would be made absolutely mandatory to invest this fund in retiring the government's securities; it would not be permitted to be invested in any other way.

"On the same basis, a sinking fund of 1 per cent annually would raise \$300,000,000 a year with which to return the debt, and would extinguish the whole in 44 years.

"A fund at 1 1/2 per cent would raise \$450,000,000 annually, and in a little less than 32 years would wipe out the debt. This, of course, all assumes that there would be no increases in our obligations meanwhile.

"In discussing such a programme, my conferences have developed that opinion falls into two general classes. One believes that 2 1/2 per cent is too high a rate to be borne without serious interference with business. The other thinks that 1 per cent annually is too low; and the two seem disposed to meet in the compromise at 1 1/2 per cent, which seems likely to be the feasible basis."

"Turning to the measures under which such a sinking fund would be administered, the Senator said he would propose to appropriate by a permanent law, for the period of amortization decided upon, the amount required under the plan. Thus Congress in the beginning would discuss and weigh all the factors and decide whether the policy should be to amortize on the 1 per cent, 44 year basis; on the 1 1/2 per cent, 32 year basis; or on the 2 1/2 per cent, 24 year basis. Having decided which plan it preferred, it would adopt that plan in its legislation, and pass a continuing appropriation act setting aside the

amount required and directing how it should be used in taking up each year that amount of the Government securities.

Enthusiasts Are Impatient.

The programme as here outlined is regarded with impatience by one class of enthusiasts, who insist that it ought not to take so long to discharge the debt. "Oh," they say, "let's put on a tax big enough to clean it up in ten years and have done with it." Neither the Senator nor the wise heads of business and finance with whom he has been consulting consider this at all feasible. The burden would be too heavy. They fear that public debts would be transmitted into private debts, and in getting the Government out of debt the procedure would be getting the people into it deeper.

"There are three things the people are interested in at this time," added Senator Smoot. "They demand, first, to stop the wicked waste in Government expenditures and cut Government costs to the bone. Second, to change the revenue laws so as to avoid all discrimination, to take out the nagging, troublesome taxes, and to pass a fair revenue law that will insure equality of treatment to all business. Third, and finally, the people are interested in the League of Nations. They want to know whether we are going to maintain our present form of government and remain an independent, sovereign nation.

"The present development of public opinion is all in opposition to the league. The public is coming to realize that it is simply a means to place the credit and resources of the one great solvent nation behind the overburdened Powers of the world. It means dumping the accumulated deficits of the world on our shoulders, and the people will realize that in time to save us from the danger of being involved in it."

To SEIZE WALKER WEALTH.

Canada Will Take Over Countess von Matuscha's Share.

Toronto, May 31.—A judicial order was asked to-day by the Secretary of State for Canada to turn over to the Custodian of Alien Property \$1,500,000 bequeathed to Countess Manfred von Matuscha by her father, Franklin Hiram Walker, owner of big distilling interests at Windsor, Ontario. Mr. Walker died in 1916 leaving an estate valued at \$2,628,877.

After payment of \$600,000 succession duties the residue was by will to be divided between the testator's widow, Mrs. May Walker of Detroit and his only child Ella, who had married Count von Matuscha of Breslau, now an enemy alien. The court ordered notice of the application to be served on Mrs. Walker, who, under an agreement with her daughter was to receive practically the entire estate.

STATES TO ALLOT FOE'S GUNS.

House Committee Decides on Disposal of Trophies.

WASHINGTON, May 31.—Distribution of 4,000 German cannons and 20,000 machine guns captured by the American Army during the war would be left to the Governors and Legislatures of the States under a plan approved to-day by the House Military Committee.

Requests have been received for many times the number of guns available, and members of the committee decided it would be best to distribute the trophies among the States and let them decide to which communities they shall be given.

WILSON IS DEFIANT, SAY LEAGUE CRITICS

Speech in France Taken as Declaration for Internationalism.

Special Despatch to THE SUN. WASHINGTON, May 31.—President Wilson's speech over the graves of the American dead in France is regarded by the Senate plainly throwing down the gauntlet on the issue of the League of Nations. The President by his speech, Senators believe, clearly has aligned himself for the league and internationalism as opposed to the maintenance of the ancient traditions, policies, doctrines and complete independence of the United States.

With the single exception of Senator Reed (Mo.), Democrat, opponents of the league plan refused to comment to-day publicly on the President's speech, partly because it is generally understood that Senator Johnson (Cal.) in his speech on Monday will make answer to certain passages in the President's Memorial Day address.

In their private discussions to-day of the speech, however, Senators picked out two passages in it which they considered amazing. The first was that the men who oppose the surrender of American rights, freedom and liberty of action to the direction of the balance of the world "will be just as ashamed of it as he who regretted the union of the States." The second passage particularly picked out for discussion was that declaring that this age has abandoned "national selfishness" and given way to a "new order of things in which the only questions will be 'is it right; is it just; is it in the interest of mankind?'"

The last declaration, Senators believe, puts the President definitely on record in favor, and strongly in favor, of internationalism as opposed to the Government of the United States by its own people as in the past.

There was a distinct feeling of disgust among League opponents that the President had taken advantage of the sacred occasion on which he spoke to make an argument to the world in favor of his League of Nations scheme, but even on this subject Senators, notably Senator Lodge (Mass.), refused to make any comment on the President's actions or utterances, until they found out definitely what the peace treaty and the League covenant revised contained. They are not satisfied with the cabled versions which have been allowed to reach this country.

Senator Reed had this to say: "No amount of abuse or threats expressed or implied will in my view alter the position of any American worthy of the name. The American people will maintain the right to control their governmental policy, and I think they will exercise that right in a way to maintain the independence of the United States unimpaired even though it may disappoint the hopes and ambitions of some people. I say it would be an insult to the dead if as a result of their victory in Europe we shall surrender the sovereignty of the United States into the hands of foreigners. The old standards are not gone and the American flag will continue to fly."

BORDEN WARNED BY RAILWAY SHOPMEN

Urged to Exert Pressure for Collective Bargaining.

Continued from First Page. Montreal, May 31.—Premier Borden received a message to-day forwarded from this city by Charles Dickie, secretary-treasurer of Division No. 4, Railway Shopmen, insisting that pressure be brought on employers to accept the principle of collective bargaining, one of the chief issues at stake in the Canadian general strikes. The message read: "We, the Executive Board of Division No. 4, railway employees' department, representing some 32,000 railway employees on Canadian railways, and negotiating on wages and working conditions with the Canadian Railway War Board, having established the precedent of collective bargaining last year, which has proved successful in maintaining harmony on Canadian railways, do insist that pressure be brought to bear on the different employers of labor involved to accept this method of procedure, and are anxious that such a state of chaos should be necessary to accomplish such a generally recognized method. As our membership is very restless owing to the situation that has been created, and our membership is about to become involved, kindly reply what steps your organization are taking to cope with the situation."

OTTAWA, May 31.—The strike situation is understood to have been discussed at a Cabinet meeting to-day. A conclusion Premier Sir Robert Borden declared that reports received were reassuring. The whole situation will be debated the House of Commons on Monday.

CHINA

LONG before you were well established as a china house where smart designs and reasonable prices went hand in hand.

To-day it is known throughout America as the pre-eminent place to buy smart gifts, but Ovington's china is still equalled by few in variety and beauty and by none in value.

OVINGTON'S

"The Gift Shop of 5th Ave." 314 Fifth Av., near 32d St.

ARREST IN RECLUSE MURDER.

New Hampshire Police Get Clues in Mystery.

CONCORD, N. H., May 31.—John McCormick, who was arrested in Worcester, Mass., Thursday and brought here as a witness in connection with the investigation of the murder of Dennis Clifford in Hooksett in October, 1918, was arraigned in the police court to-day on a technical charge of breaking and entering and held for a hearing next Saturday. According to the police, he is alleged to have confessed that he was present when Clifford, a recluse, was killed and robbed, but denied that he had an active share in the crime. His alleged accomplice has not been arrested.

WOULD BAR BOLSHIEVIA ALIENS

Senator King's Bill to Provide Also for Deportations.

WASHINGTON, May 31.—Senator King (Utah), Democrat, announced to-day he would introduce a bill next week amending the immigration laws so as to prevent alien applicants of the Republican form of government from entering the United States. Deportation of those already in this country who have not taken out their first citizenship papers also will be provided for.

Lord & Taylor

38th Street —FIFTH AVENUE— 39th Street
Telephone Orders Filled—Phone Greeley 1900—Ask for Telephone Order Desk

Summer Silks At Attractive Prices

Fancy Georgettes

\$2.75 and \$3.50 yard
A new shipment of these much wanted sheer Silks, showing beautiful floral effects on white and light grounds for afternoon and evening wear.

Silk Shirtings

\$1.78 yard
A selection of styles and colors desirable alike for men's and women's wear

Natural Color Shantung

\$1.38 yard
A popular Summer silk; 33 inches wide.

Thousands of Lengths Plain and Fancy Silks At Greatly Reduced Prices

Ground Floor.

Jersey Cloths

All Wool—Spring Weight Very Much Underpriced At \$2.50 yard

A large range of street and sport colors, 54 inches wide, will be placed on sale Tomorrow—a quality that retails usually for a good deal more.

English Lingerie Nainsook

Sheer and soft—10 yard pieces, 36 inches wide
\$1.95, \$3.65, \$4.35, \$5.00 piece, 40 inches wide

English Long Cloth

Soft needle finish—10 yard pieces, 36 inches wide
\$2.45, \$3.65, \$4.25, \$4.65 piece.

Second Floor.

Excellent Values Arranged for This Week in the Linen Section

Table Cloths—Pure Irish Linen damask; 70 x 72 inches..... \$4.95

Table Cloths—Irish linen welt damask; 67 x 86 inches..... \$5.50

Napkins—Irish linen welt damask; dozen..... \$3.25

Towels—Union linen huck, hemmed; dozen..... \$3.95

Pillow Cases—Irish linen, hand-embroidered; pair..... \$4.85

Japanese Printed Cotton Luncheon Sets, Toweling, Table Covers, Scarfs and Napkins

At Attractive Prices

These are very scarce and particularly desirable for Bungalow and Porch use.

Second Floor.

Closing Out A Large Purchase of Cretonnes

Impressive Values at These Prices

Cretonne Prints 27c yard

A selection of pretty and delicate colorings for bedroom draperies.

American Cretonnes 38c yard

Some fine tapestry reproductions included; for curtains in living room or dining room.

Printed Taffetas 48c yard

A great variety of designs and colorings, for curtains, cushions or slip covers.

Printed Repps and Crashes 55c yard

Reproductions of French linens and English chintzes.

Fifth Floor.

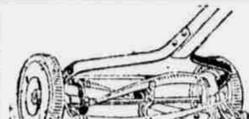
Housefurnishings

Things you will need for the Summer Home—inside and out—at prices that should induce immediate buying

Domestic Science and Duplex Fireless Cookers Will be demonstrated by Miss Mary Barber on Monday



White Mountain Ice Cream Freezer, triple motion, cedar tub, 1 qt., \$3.00; 2 qt., \$3.50; 3 qt., \$4.25; 4 qt., \$5.50.



Manhattan Ball Bearing Lawn Mower, 12 and 14 inches, \$6.15



Electric Iron, nickel plated, 6 lb., complete with cord and plug..... \$2.95
Electric Nickel Plated Toaster, complete with cord and plug..... \$2.75

Domestic Science Fireless Cook Stoves

One compartment, equipped with one aluminum triple saucepan, and one aluminum cooking vessel, 4 qt. size, two soapstones, one baking rack, one disc litter..... \$20.75

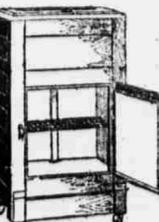


Two compartments, equipped with one aluminum triple saucepan, one aluminum vessel 8 qt. size, 4 soapstones, one baking rack, one disc litter, and a cook book..... \$31.35

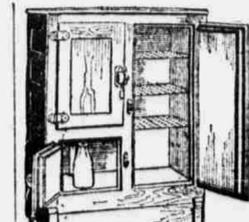
Two compartments, equipped with one aluminum triple saucepan, one aluminum vessel 8 qt. size, one aluminum vessel 4 qt. size, 4 soapstones, one baking rack, one disc litter, and cook book..... \$35.50

Duplex Fireless Cook Stove (Illustrated), with three aluminum cooking vessels, 3 large baking and roasting dishes, disc litter, folding baking rack, aluminum mat, and cook book..... \$21.50
Larger size with four aluminum cooking vessels..... \$24.00

Alaska "Star" Refrigerators; cases of solid ash, finished in golden oak, with inner walls thoroughly insulated. Nickel plated hinges and locks; removable shelves and waste pipe.



Lift Cover Style Refrigerator, white enameled lined interior, vision chamber, ice capacity 40 lbs..... \$14.25

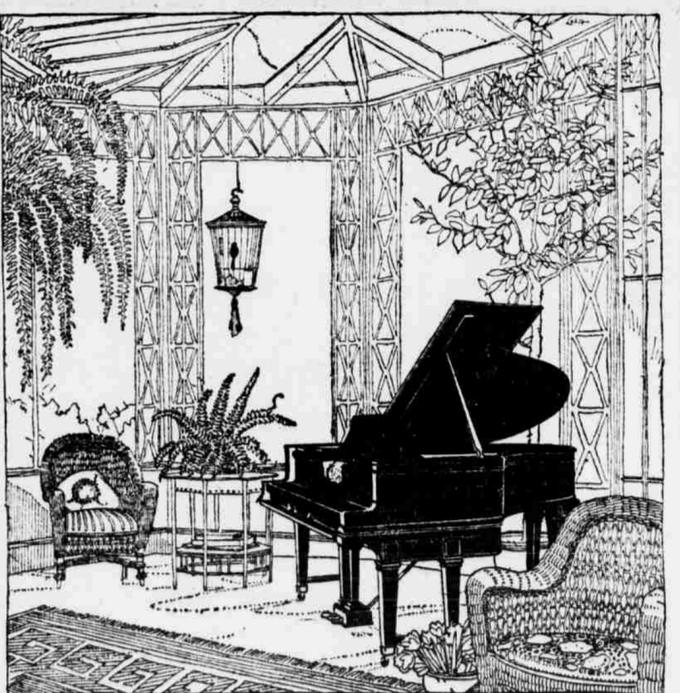


Side Icer Style, with enameled provision chamber, ice capacity 70 lbs..... \$26.50



Apartment House Style, enameled lined provision chamber, ice capacity 70 lbs..... \$24.00

Seventh Floor.



THE DUO-ART PIANO

Greatest Musical Entertainer in the World

APPRECIATE what it would mean to sit down in your favorite chair in "the cool of the evening"—casting aside strenuous day pleasures and duties for the time being—and let the Duo-Art Piano entertain you. All you have to do is to insert the record-roll and touch a small lever. You may hear Paderewski's famous Minuet as only the great

Polish master himself can play it. You may hear a tremendous Liszt Rhapsodie as played by the imitable Josef Hoffmann or the charming folk-music of Percy Grainger characteristically played by the composer—or latter-day waltzes and musical comedy hits if you prefer them, while you sit and dream the dreams that only wonderful music can summon!

THE Duo-Art is a pianoforte of highest quality for hand playing. Steinway, Steck, Stroud or famous Weber, in either Grand or Upright form. It is also a Pianola providing you a perfect technique should you wish to play the regulation 88-note music-roll yourself. Prices from \$275. Convenient monthly terms. Your present piano taken in part exchange.

THE AEOLIAN COMPANY

Makers of the Aeolian-Vocalion—the Greater Phonograph

In MANHATTAN 29 W. 42nd Street
In THE BRONX 1367 E. 149th St.
In BROOKLYN 11 Flatbush Ave.
In NEWARK 897 Broad St.

Knabe

For the Bride

TO the new home of beauty and refinement the Knabe adds the perfecting touch.

"The Piano for a Lifetime."
Mignonette Grand, \$375.

Length only five feet two inches.
Convenient terms arranged. Pianos taken in exchange.

Warerooms - Fifth Ave at 39th St.