

In the struggle. These ceased several months after the armistice, except for commitments already made. They should not now be resumed, either directly or indirectly. The recent British conference... exports from many European countries and from other nations, itself expressed the opinion that further credits should not be accorded directly by Government.

Exports of domestic products have not declined since the armistice. On the contrary they have greatly increased. From an aggregate value before the war of less than \$2,500,000,000 and of about \$6,000,000,000 the last year of hostilities, they rose to the calendar year 1919 to about \$7,000,000,000, and this figure will probably be exceeded for the last calendar year.

Europe handicapped. For the first eleven months of 1921 calendar year we exported more than \$7,000,000,000 worth of domestic merchandise. These have been largely raw materials and semi-manufactures. Exports of still larger value do not seem to be so much in the lack of financial ability here as in Europe's lack of means to make payment. Her productivity is still larger than ours, and her resources have not yet reached a point where they balance the value of commodities taken from this nation, and her ability to furnish for our exports securities which business men would feel justified in taking is restricted.

The experts of the Brussels conference report that the chief obstacle to the granting of credits is the absence in borrowing countries of sufficient securities for ultimate payment. Until this obstacle is removed, the call for loans is not likely to be made even if exporters, aided or unaided by Government finance, stand ready to do the part which is remarkable that Europe is able to make an effective demand for as large a volume of our goods as she is making. It is gratifying evidence of her recovery and sounder financial conditions.

Under the law if the activities of the corporation were resumed no act of the Government could be taken to prevent them. If they could be they would not accomplish the objects in view. They would not create demand for our products. They could be made only to export. It is not in the interest of our exports and if they are in some measure to be limited, exports they would probably not have the effect apparently most desired of increasing the demand for our exports. Already, with the larger volume of exports which Europe is taking from us, she is exporting the surplus of our principal agricultural products, such as meats, presumably because she herself has become more nearly self-sufficient or is again producing herself with supplies from distant countries which, with the opening up of shipping since the armistice, have once more found their place in the market.

It is highly probable that the most immediate and conspicuous effect of the resumption of the corporation's activities would be an effort on the part of exporters to shift the financing of their operations from ordinary commercial channels to the Government. This would be unfortunate. It would continue the Government's financial burden, and ordinary business operations. If activities of any considerable magnitude resulted they would necessitate the imposition of additional taxes or further borrowing, either through the War Finance Corporation or by the Treasury. In either case new burdens would be laid upon all the people. Further borrowing would be a matter of course, and the very sources which might otherwise be available for private operations or which the Treasury is now compelled to reach to meet current obligations of the Government.

AL SMITH LATE ON JOB, BUT DOESN'T GET FIRED His New Boss Accepts Never Will Do It Again Promise.

Al Smith—for the first time in twenty years is no longer Governor, or Sheriff, or Senator, or, something—plain Al Smith, chairman of the board of directors of the United States Trucking Corporation, was late on his job yesterday, but he promised the boss it would never happen again, and so he wasn't fired.

At 5 o'clock his office at 25 Canal street was still open, with new furniture, polished windows and a fine new rug. A reception committee led by William H. Edwards and James J. Riordan, president of the company, waited to greet him. No Al Smith.

WHITE STAR ABANDONS BUILDING GIANT LINER Decides Homer Cannot Be Operated Profitably.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, Jan. 3. Following the visit of the new liner, president of the International Mercantile Marine, it is reported that the White Star line has decided to abandon the construction of the giant steamship Homer, upon which work was stopped in order to permit the building of one of the fast and powerful tankers ordered for the British navy during the last years of the war.

NEWSPRINT SUBSIDY SUGGESTED IN SPAIN Business Circles Object to Burden on Taxpayers.

MADRID, Jan. 3.—A remarkable situation has arisen between the newspapers and the Government in Spain. The money advances made by the Government to cover the increased cost of newsprint. These amounts attained 110,000,000 pesetas in the course of the last year. The Government on January 10, and the newspapers are supposed thereafter to reimburse the Ministry of Finance.

There are unable to do so, however, and the suggestion is now put forward that the Government by paper pulp in Germany, Sweden and Norway, where it costs, with transport, 110 pesetas a hundred kilograms, and sell it to the newspapers at a hundred kilograms, the taxpayers to pay the difference. The suggestion has aroused much comment in business circles, which object to what is regarded as a "flagrant subsidy," and declares it illegal.

METHODIST BISHOP FINDS AGE IMMORAL AND GREEDY PARTY LEADERS IN DISORDER

Dr. Nicholson Declares There Is Appalling Lack of Respect for Womanhood—Appeals to Churches to Save Modern Civilization.

Special Despatch to THE NEW YORK HERALD. CHICAGO, Jan. 3.—Bishop Thomas Nicholson of the Methodist Episcopal Church issued an appeal today to the churches to save modern civilization from what he characterized as the "immoral and greedy" tendencies of the age. The Bishop declared "we are living in an age of bold and adventurous men in which there is an appalling lack of respect for womanhood."

BRITAIN TO REFUND LOANS AN ASSET OF U.S. DIPLOMACY FIVE YEAR NOTES

Lord Chalmers's Mission Here Is to Merge Debt Into Long Term Bonds.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, Jan. 3. There is a distinct new note of optimism about the gloom surrounding the British industrial situation today. Talk of a reduction in the Bank of England rate from the unprecedented 7 per cent. is becoming more persistent. The optimism is based on the following developments in today's news:

- 1. A clearer definition of what Lord Chalmers's mission to the United States involves. 2. The assumption that a renewal of trade with Russia is nearer than it has ever been since the Bolsheviks came into power there. 3. A really important committee of bankers headed by Reginald McKenna discussed with Premier Lloyd George a project in connection with the opening of foreign markets under long term credit securities especially insured against loss.

GEDDES EXPLAINS NOTE SENT DIRECT TO SENATE Was in Reply to Testimony on British Censorship.

WASHINGTON, Jan. 3.—Satisfactory explanation is believed to have been made to the State Department today by Sir Auckland Geddes, the British Ambassador, of the recent action of the Embassy in sending a communication direct to a member of the Senate. The communication, which was directed by Leslie Craigie, First Secretary of the Embassy, to Senator Kellogg of Minnesota, replicated certain testimony as to British censorship on cable messages presented to the committee of which the Senator is chairman.

M'LAY RESIGNS; POST MAY FALL TO DOOLING Street Cleaning Official to Be Coler's Aid.

Arnold B. MacStay, who has been Street Cleaning Commissioner since January 30, 1918, yesterday sent his resignation to Mayor Hylan, to take effect as soon as the Mayor can decide upon a successor.

The reason given by Commissioner MacStay in his letter of resignation, and which he later reaffirmed to a New York Herald reporter, was solely ill health. He will become Deputy Commissioner of Public Welfare under Commissioner Bird S. Coler. In the exchange he receives a salary of \$7,500 for one of \$5,000.

Mayor Hylan made no announcement regarding Commissioner MacStay's resignation. City Hall gossip, however, included the name of a prospective appointee was Lieut.-Col. Alexander E. Anderson, a plumbing contractor with offices at 79 East 121st street. Col. Anderson went overseas as a captain in the Sixty-ninth Regiment and was promoted to a Lieutenant-colonel.

COX REVIEWS HIS THREE TERMS AS GOVERNOR Recommends New Legislation to Ohio Body.

COLUMBUS, Ohio, Jan. 3.—In his message to the Ohio Assembly, which convened today, Gov. Cox reviewed legislation enacted during his three terms as Governor and made a number of recommendations, chief among them being: Appointment of the State Treasurer and Attorney General by the Governor; compulsory workmen's compensation for all employers except agricultural and industrial workers from \$12 to \$18; strengthening of laws pertaining to compulsory education; extension of the College of Commercial Journalism at Ohio State University and enlargement of State Bureau of Markets.

NEW GOVERNOR HAS CONVINCED ALL HE WILL GIVE NOT TAKE ORDERS. MESSAGE OWN WORK NONE HAS HIS CONFIDENCE AS TO BIG PROBLEMS TO BE OUTLINED.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Albany, Jan. 3. New York State has a new Republican leader and there is in progress a new deal for the party organization.

Even before Gov. Miller's first message to the Legislature has been read and before the new administration has gotten into its stride, State and county chairmen and big and little politicians have concurred in the conclusion that the man who has just stepped into the front office of the State Capitol is going to give orders and not take them.

The leaders who came here last week to tell the Governor what to do and how to do it, have gone home without having seen him. They know now that the message which came out of the Executive Chamber last week through the State chairman—that only through the State chairman—that only asked to serve the State—was true, every word of it.

SUBPOENA IS SWANN ANSWER TO CRITICS Summons Two Legislators to Tell to Grand Jury Basis of Charges.

District Attorney Swann, after reading the attack on his office and the administration of Mayor Hylan by State Senator Theodore Douglas Robinson and Assemblyman Joseph Steinberg, both Republicans, who announced they will denounce legislative inquiry of the Hylan-Swann regime issued Grand Jury subpoenas, commanding the two legislators to appear at the Criminal Courts Building on Friday and reveal any information as they may have to support their charges.

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2 ACCUSED IN THEFT PLOT IN CITY OFFICE

Comptroller Craig Has One Trusted Employee Under Arrest; Another Sought.

CONTRACTORS' CASH ONE \$3,000 Man Said to Have Run an Endless Chain in Use of Surety Deposits.

One man was under arrest and detectives last night were searching for a second person alleged to be involved in a scheme to rob the city of large sums of money through the larceny of Liberty bonds and cash deposited in the Comptroller's office by contractors as evidence of good faith in connection with city contracts.

Comptroller Charles L. Craig began an investigation yesterday that may involve several bureaus within the department. He wants to find out how wide spread the speculation are and just how much money has been lost. He announced in his campaign platform that he would investigate the policy and practice of the Federal Reserve Bank in the party platform have the merit of being practical, and for that reason are likely to succeed.

The man under arrest is Charles Kloos, 1531 Greene avenue, Brooklyn, an accountant in the Finance Department. Kloos is about 35 years of age and has been in the department eight years. The man for whom the police are searching is James T. Harris of 467 St. Johns place, Brooklyn, contract clerk in the department, whose salary is \$3,000 and who has been in the city's employ since 1918. Both men are charged with grand larceny.

Comptroller Craig explained the methods by which the alleged defalcations were made. One man's money was used, apparently, to make good a previous shortage, and as long as the shortage was not reported, the scheme might have been kept going indefinitely. Kloos reported for duty at the Finance Department yesterday morning and immediately to Comptroller Craig's office, where he was examined by Assistant District Attorney Ferdinand Peora and, it is said, agreed to assist in the search for Harris. It was Harris's duty to register all contracts filed with the Finance Department. He was not supposed to handle any cash or bonds deposited as security for the performance of contracts. He had, however, occasionally accepted such securities, giving a receipt and depositing them later with the security deposit clerk of the audit bureau. He did this as a matter of course, as he had and trusted employee of the department. But it was the laxity of the system that permitted this course that is held in part responsible for the present mixup.

P. S. C. BOARD HERE TO BE REORGANIZED Governor Plans One Commissioner in Charge of Transit.

Special Despatch to THE NEW YORK HERALD. Albany, Jan. 3. Comment to-night on District Attorney Swann's action, further than to say he would appear before the Grand Jury if served with a subpoena, Assemblyman Steinberg said: "This is amusing. Does the Hon. Mr. Swann think that the subpoenaing of Senator Robinson and myself will sidetrack a real and thorough investigation of the Hylan-Tammany regime from which the citizens of New York City have long suffered? If he does, he is mistaken."

REGULAR TUBE HOLDUP IS EARLY THIS MONTH Bandits Get \$72 From B.R.T. Ticket Window.

The regular monthly holdup of the ticket agent at the B. R. T. subway station at Seventh avenue and Fifty-fifth street was staged at 1 o'clock this morning, Mrs. Ada Hoover, the ticket agent, was forced to surrender a bag containing \$72. The bandits escaped.

LIUT. McDERMOTT RETIRES.

After forty-six years of service in the Police Department, Lieut. John McDermod, 47 years old at 219 avenue of Flatbush, Brooklyn, was retired at midnight on a pension of \$1,650 a year. He was appointed to the police force April 29, 1875, and was the oldest lieutenant on duty at the time of his retirement. He was known throughout the department as "Red Jack" McDermod, and during his early days as an officer did duty on duty at the time of the riot of May 22, 1913, he had been assigned to the Central Park station.

HARDING TO SAVE BILLION; HEADS TO GO

Continued from First Page. Luxuries should certainly pay reasonable duties. The committees are at work on the appropriation bills and it is hoped to accomplish the results for which it was intended, namely, the provision of proper financial facilities, without any intention of earning profits. The present difficulty is that the regional banks are in competition with each other to earn as much money as possible, and it is not a desirable situation.

Paul D. Cravath of New York discussed with the President-elect the latter's plans for a world association and made suggestions regarding restoration of foreign trade. "Senator Harding is deeply impressed with the importance of regaining for this country its proper position in the councils of the world," Mrs. Cravath said. "It will not be his fault if we do not soon regain that position. His plan is to make a tour of the world and in the party platform have the merit of being practical, and for that reason are likely to succeed."

Important Correction regarding the price of our HARDMAN Five Foot Grand Through a regrettable error in our advertisement of Sunday, January 2, 1921, in this newspaper, the price of the Hardman Five-Foot Grand was incorrectly quoted as being \$875. Correction is hereby made with due apologies. The price is, and should have read—

\$1,300 Hardman, Peck & Co. New York 433 Fifth Ave. Brooklyn 47-51 Flatbush Ave. Est. 1887.

GRANDE MAISON DE BLANC Inc. Announce A PRESENTATION OF APPAREL FOR SOUTHERN WEAR TUB DRESSES Of Voile, Organdie, Linen and Batiste. SPORT COATS, CAPES, SUITS AND HATS. SWEATERS OF WOOL AND SILK CHILDREN'S WEAR Prices No Higher Than Elsewhere. FIFTH AVENUE, 44th and 45th Streets

J.M. Gidding & Co. 564-566 and 568 Fifth Avenue. 46th and 47th Sts.

Rich Furs at 33 1/3 and 50% less than original prices

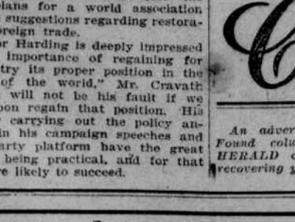
The most important sale of furs ever held by this house—offering our patrons an opportunity to take advantage of prices which are very much below present market values of raw skins.

Beautiful Ermine Evening Wraps Handsome Broadtail Wraps Dark Eastern Mink Coats and Wraps Squirrel Day Coats and Wraps Caracul Coats and Wraps Nutria Coats and Wraps Moleskin Wraps and Coats Hudson Seal Coats Write, call or phone. CAMPBELL-EWALD COMPANY Advertising 18 West 34th Street NEW YORK Offices in Detroit-Chicago.

HESPERIAN APPLES In Greek mythology the Garden of Hesperides was the abode of the setting sun.

There golden apples grew on a tree guarded by a sleepless dragon. To secure the coveted fruit Hercules risked his life in mortal combat with the monster.

Which was a risk worth taking if the apples were as delicious as those served at CHILDS.



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