

NEW YORK HERALD

PUBLISHED BY THE SUN-HERALD CORPORATION, 380 BROADWAY, TELEPHONE, WORTH 10,000.

Directors and officers: Frank A. Munsey, President; Edwin Warman, Vice-President; Wm. T. Dewar, Treasurer; H. H. Titherton, Secretary.

MAIL SUBSCRIPTION RATES. By Mail, Postpaid. Year, Months, Month. DAILY only, \$12.00 \$4.00 \$1.33

Branch Offices for receipt of advertisements and sale of paper: PRINCIPAL OFFICE—BROADWAY AND 38th St., Entrance 1528 Broadway (near 37th St.)

THE NEW YORK HERALD was founded by James Gordon Bennett in 1825. It remained the sole property of its founder until his death in 1845.

MONDAY, JULY 25, 1921.

Calder's Strength and Weakness.

The genuine and powerful demand among so many Republicans of this city for the nomination of Senator CALDER for Mayor undoubtedly is based on an appeal which in these days carries far. This is the appeal of business sense, business capacity and business action.

The American public in general and the New York public in particular is now lost in admiration of the business administration of President HARDING and the business administration of Governor MILLER. Senator CALDER is a business man with a long record of sound methods and solid success in his own affairs.

Everybody would recognize also that CALDER in the City Hall could command from the Republican State Legislature such backing of his municipal programs as perhaps no Mayor of New York, whether Republican, Democrat or Independent, has had from Albany in generations.

Yet the offsets to Senator CALDER's plus score for Mayor are not to be ignored. For a quarter of a century this community as a whole has been distinctly and increasingly nonpartisan on municipal issues.

Senator CALDER is, as from his State and national point of view he ought to be, the personification of partisanship. He is not merely a devoted and uncompromising Republican. He is a loyal and intense organization Republican.

Senator CALDER could poll, and beyond question would poll, aside and apart from his virtually full party strength, thousands of other voters who want for this city in this crisis a sound, capable business manager.

ment if it never gets anything else. But could he be elected Mayor, could anybody be elected Mayor against the Hearst-Murphy-Hylan following of to-day, without the support of tens of thousands of independent Democrats and plain independents? THE NEW YORK HERALD is so compelled to state.

Progress of Deflation.

American history affords many cases of financial panics or crises followed by economic depression, and of the thirteen since the civil war none left permanent ill traces on our development. Most of them resulted in benefit to the country by driving home some lesson of too rapid expansion or of unsound legislative, economic or banking policies.

We are part way, possibly well through our fourteenth economic crisis since 1864. What lessons will be learned from it to our lasting benefit is still a matter of speculation. But one thing stands out like a church on a hill. America, hardened to panics and periods of severe industrial depression, has employed its accumulated experience to clear the boards of this, the greatest of all reactions, with courage and determination.

In concrete form our deflation achievement is set forth in the following table compiled from the statistical review of the Federal Reserve Bulletin for the period up to the turn of the fiscal year on July 1, 1921. The outstanding currency in five principal countries this year and last year was as follows (in millions):

Table with 3 columns: Country, 1921, 1920, Change. U. S., dollars, 2,634, 3,116, - 482. England, pounds, 442, 492, - 50.

We have lopped off 15 per cent. of our inflated currency in a year. England's reduction of \$10,000,000 amounted to only 2 per cent. of the total in circulation. France increased her money by only a negligible amount, while in Italy and Germany the printing press accounted for increases in paper money amounting respectively to 11 per cent. and 27 per cent.

The significance of these deflation figures is enhanced by the fact that during the year we increased our gold holdings by \$483,000,000. This amount of new money coming to us from abroad might have been the basis for at least an equal amount of additional currency. But we slowed down the output.

Demand deposits of Federal Reserve member banks throughout the country declined from \$11,347,000,000 in 1920 to \$10,046,000,000 in 1921, a net decrease of \$1,301,000,000, a ratio of about three to one as compared with currency deflation. Currency and credit deflation in this country thus totalled for the year about \$1,500,000,000. In the other countries before named the contraction in credit was negligible.

were the golden plover and the peccot sandpiper. As a result of the migratory bird act ducks and geese are on the increase in the United States and Canada. The protection of ornamental birds will result in their increase also. Women will be just as attractive without the plumes and feathers which caused the destruction of these birds by myriads, while the world will be all the brighter and better because of their presence.

A Dry Revenue Spending Tax.

Representative MILLER has introduced in Congress a bill providing for a spending tax which has the considerable merit not only of directness and simplicity but of being designed to take the place of taxes which have been oppressive and dangerous and are now becoming unproductive.

But Mr. MILLER'S otherwise unobjectionable measure, falling a sales tax, has, it is to be feared, in the form he has constructed it, the financial defect of being a perfectly good tax which would not overburden the Treasury with revenue. And the Treasury needs the money.

The Mills spending tax measure can be as simply explained as it could be simply applied. National taxpayers would be relieved of the excess profits levies and the income surtaxes, the normal tax remaining. The progressive but slight spending tax—takes only \$900 from a husband's spendings of \$24,000, even when none of the following exemptions was claimed—would not be imposed on personal spendings below \$2,000 by those without families or dependents and below \$4,000 by the heads of families.

But there would be various exemptions as follows: (1) Includes all personal living and family payments, disbursements and expenditures actually paid by or on account of the taxpayer in money or money's worth, except those specifically excluded in this section; but (2) Does not include the following items, which shall be exempt from taxation under this title:

When the Gloucester fishing boat Flora L. Oliver with a load of swordfish for Boston grounded in Massachusetts Bay one day last week her crew did not sit down in idleness to wait for rescuers.

These very extraordinary exemptions might easily make the great mass of Americans spending up to \$5,000, even \$8,000, wholly exempt. Furthermore, those with good sized incomes might be virtually exempt up to many thousands of dollars, because large incomes are not so much "spent" by those having them as they are invested in the very things which fall within Mr. MILLER'S exemptions.

ing to the top and the goose hung high, the income tax returns for 1918 showed only some 42,000 persons had incomes in excess of \$25,000. The total volume of those net incomes was indicated as not much more than \$2,000,000,000.

There is another way to get some idea of how the Mills spending tax, air tight in theory, but very surely all leaks in practice, would be a very empty revenue source. This is to consider how the national income counts and divides. In the United States there are some 29,900,000 to 25,000,000 bread winners. Taking into account those that earn—but do not spend—\$6,000 the earnings of all of them together must average \$2,000 a year. Yet at that low average they would total at least \$40,000,000,000 a year. Earnings, mind you, not spendings.

Exempting at the start the incomes or incomes and spendings of some forty billions out of that forty-five billions of national income, there would remain an apparent five billions at some part of which Mr. MILLER'S spending tax could take a shot. Some part, because, of course, as said before, the very large incomes do not spend themselves; they invest themselves.

Well, then, the 10 per cent. on two and a half billions of dollars spent and not immune looks like \$250,000,000. But the so-called nuisance taxes have, in the vernacular of the soda fountain and chewing gum fans, got that amount of taxes skinned a mile. And they are all to go, along with the previous billions of excess profits and income surtax revenues.

When the Gloucester fishing boat Flora L. Oliver with a load of swordfish for Boston grounded in Massachusetts Bay one day last week her crew did not sit down in idleness to wait for rescuers. Instead they hurried their fish into dories and rowed four miles to land. Once ashore they cashed in on their catch.

These Massachusetts fishermen are not unusual in their self-reliance. Most Americans are able and willing to take care of themselves even in emergencies. If lawmakers would only recognize this fact the nation would be spared a great mass of expensive fool legislation.

A character in a screen version of a Balzac story who uses a fountain pen in rushing the season, as one of our correspondents says. True, and a screen picture of a rehearsal of the landing of the Pilgrims shows a pile of hewn rocks, some marked by the clear cut holes of a pneumatic drill. Unimportant, unless verisimilitude is desirable in an attempt to create likeness.

Wanted, a Piano.

To THE NEW YORK HERALD: If this letter should catch the eye of one of your family of readers who has a piano he would care to give for the entertainment of the men psychopathic patients at Bellevue Hospital the undersigned would be glad to hear from such a person.

Each month about 150 men pass through the men's psychopathic ward. We are assisting the doctors and nurses by providing occupational therapy work, which helps considerably in the cure of the patients. There is great need of a piano to bring the soothing effect of music to the troubled minds.

At THE NEW YORK HERALD: Your editorial commendation of Senator Borah pleases at least one of your readers. The fact is that there are two, among the younger men, who can fairly be considered, without disparagement to others, to be about the most useful and able members of the United States Senate. These are Smoot of Utah and Borah of Idaho.

At THE NEW YORK HERALD: As to the summer of 1901; On July 6 I was on the Locanda, 1.10 miles east of Sandy Hook. It was at 4 P. M. on the hurricane deck 106 degrees, and at 19:30 P. M. in the cabin of Captain Alexander McKay on the hurricane deck, with door and two portholes open and an electric fan blowing, it was 98 degrees.

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Americans Active in London Society Daily Calendar

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Although the London season of large entertainments has ended there were a number of social events last week at which Americans took a prominent part. The American Ambassador and Mrs. George Harvey gave another large dinner party at the embassy. Among the guests were the French Ambassador and Countess de Saint-Aulaire, the Chinese Minister and Mme. V. K. Wellington Koo, Duke and Duchess of Rutland, Earl and Countess of Granard, Earl and Countess of Bathurst, Sir Douglas and Lady Dawson, Mr. and Mrs. Lister-Kaye, Lord Leigh, the Hon. and Mrs. Ronald Grenville, Dr. and Mrs. Joseph A. Blake, Mrs. Charles Marshall, Mrs. Denis O'Sullivan, Mr. and Mrs. Lawrence Lanier Walslow and Mr. Frederic D. S. Le Clercq.

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For Eastern New York—Fair to-day and to-morrow; no change in temperature. For Western New York—Partly cloudy and probably to-morrow; moderately warm. For Southern New England—Fair to-day and to-morrow; no change in temperature. For Northern New England—Fair to-day and to-morrow; no change in temperature.

WASHINGTON, July 24.—High barometric pressure prevails over the west Atlantic Ocean and the East and South States and through the great central valleys. Low pressure prevails in the region of the Hudson Bay and generally west of the Rocky Mountains. The pressure distribution has been attended by temperatures somewhat above the normal in the North States and by temperatures near normal elsewhere in the South. There have been widely scattered showers of rain in the north Atlantic and Gulf States, the extreme upper Mississippi Valley and the Rocky Mountain States.

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