

Fair and slightly cooler to-day; to-morrow cloudy; gentle to moderate west winds. Highest temperature yesterday, 75; lowest, 56. Detailed weather reports will be found on Editorial page.

The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

JAPANESE PROPOSE PACT ON SHANTUNG; CHINA WILL REFUSE

Tokio Would Give Back Kiao-chau Bay and Neutral Zone, but Keep Hand on Railway.

PARTNERSHIP IN MINES Suggested Discussion of Settlement Would Prevent China From Bringing Up Matter in Washington.

ASKS ALLIES' GUARANTY Viscount Kato Says Japanese Cabinet's Offer Is 'Silent but Eloquent Confession of Diplomatic Incompetency.'

By The Associated Press. PEKIN, Sept. 12.—The proposals of Japan sent to China for the purpose of reaching a settlement of the dispute over Shantung were made public here to-day. The text, translated from the Chinese text which accompanied the copy written in Japanese, is as follows:

First—The rights to lease Kiao-chau Bay, together with rights and privileges of the neutral zone, are to be fully restored to China. Second—If the Chinese Government, on its own initiative, opens the whole of the leased territory as a commercial port, recognizing liberty of residence by foreigners and of the carrying on of commercial, industrial and agricultural projects, and also recognizing the rights and privileges already acquired by foreigners, the Japanese Government will proceed to open heretofore certain suitable places in the Province of Shantung as commercial ports. The regulations for these will be drawn up by agreement between the Chinese Government and all countries which have interests there.

Third—The railway from Kiao-chau to Tai-ning, together with the mining area belonging thereto, shall become the joint enterprise of China and Japan. Fourth—Japan to relinquish all preferential rights acquired by virtue of treaties relating to the leased territory of Kiao-chau. [Japan under this relinquishes rights acquired under the 1915, 1917 and 1918 agreements.]

Fifth—Preferential rights in the Kiao-hu-hai and the Chefoo-Wu-hai railways shall be transferred by Japan to the joint management of the new banking consortium. Sixth—The Tsin-tao customs shall be recognized as part of the Chinese customs, in the same manner as during the German regime.

Seventh—Regarding the disposal of public buildings and properties, the principle is recognized that these are relinquished to China, but a mutual agreement should be entered into for the future maintenance of all public works. Eighth—Details for the carrying out of the above provisions and other matters relating thereto, shall be further settled by delegates appointed by the Chinese and Japanese Governments.

Ninth—The Chinese Government gives public notice of the foregoing of a special police force to guard the Kiao-chau-Tai-nan Railway, the Japanese Government shall announce immediately the withdrawal of its troops and transfer of authority for protection of the railway to China.

Tenth—China to Refuse Terms.

China will refuse to entertain Japan's proposals relative to settlement of the Shantung controversy, it is declared by a person in the confidence of the Administration. She will base her action on the ground that the award of Shantung to Japan by the Treaty of Versailles was illegal, and that she has no right to the privileges in Shantung which were conferred by concession upon Germany, and which were turned over to Japan at the peace conference. It is pointed out that the Japanese proposals make no mention of the rights reserved to China under the German agreement relative to the redemption of the railways in Shantung.

The Chinese-German agreement provided Germany could not transfer rights accorded to her to any other nation, and also there was a reservation to the effect that China might redeem control of the railways constructed in Shantung. The Japanese note proposes joint operation of the railways already constructed, as mines in Shantung; the surrender of lines under construction as a result of the new consortium; and the restitution to China of the port of Tsing-tao and leased territory. There is, in the Japanese proposals regarding the upkeep of public buildings at Tsin-tao.

Hamper Her at Washington. It is learned in other sources that additional objection to open negotiations has been found in the fact that conversations thus begun would continue beyond the date of the conference on limitation of armaments and Far Eastern questions to be held in Washington, and that the fact that such parties were in progress would effectively bar China from bringing them up at the Washington meeting. It is pointed out that the Japanese are actually induced to accept the proffered terms, China prefers the adjustment to be made at the conference table in such a manner that the participating Powers which are jointly interested would be

3 Cent Postage Dropped When Protests Pour In

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., Sept. 12.

A BACKFIRE from all over the United States caused by Secretary Mellon's suggestion that first class letter postage rates be increased from 2 to 3 cents has caused Administration officials to back down in that phase of the tax programme. Postmaster-General Hays called at the Treasury late to-day and was with Secretary Mellon for an hour. Among other things it is understood 3 cent postage was discussed.

It is assured there will be no further demand from the Administration insisting upon the higher postage rate as a means of getting more revenue.

NINE RESCUED FROM SEAPLANE'S WRECK

Large Flier, Bound From Lake George to New York, Falls Into Hudson River.

HIT THE WATER TOO HARD

Croton Motor Craft Speed to Aid of Voyagers and Tow Plane Ashore.

A large commercial hydroplane, with nine persons aboard, bound from Lake George to New York city, fell into the Hudson River last night opposite Croton on Hudson, and her pilot and passengers were rescued with difficulty. After getting dry clothing from Croton residents they left for New York by automobile.

The plane was described by its pilot as the "Big Fish," powered with two 350 horsepower Liberty motors, with a wing spread of ninety-five feet. The pilot said he had engine trouble while passing Haverstraw and decided to volplane to the river. But owing to a light fog he miscalculated the distance and struck the water so hard that he tore the whole bottom of the cabin and threw the entire party into the river.

All of those on board had life preservers and life floats around the wreck of the plane, which kept the surface owing to its wing-tip floats, for more than half an hour until help arrived. Lawrence Keeton and William Burdick of Croton, who were among those who saw the plane fall, put out in motorboats and took all ashore except the pilot, who had taken off his life preserver and decided to swim.

While about half a mile from shore, however, he was seized with a cramp and would have drowned but for the timely arrival of two canoeists from Croton Point, who pulled him aboard their craft and got him ashore.

More Croton folk put out in boats and towed the plane to about half a mile out, where about water compelled them to anchor it for a time. Later it was made fast to a dock at Croton. It was gradually sinking.

The plane was about 300 feet up when it passed over Croton, and it struck the water about half a mile out. It raised such a splash that those on shore thought it had plunged beneath the surface and it was a few moments before the waves subsided enough to show that it was still floating.

Keeton was the first one to reach the spot in his motor boat, and he took the three women ashore. A number of campers on Croton Point put out in canoes and rowboats and gave what assistance they could.

Those in the plane, according to rather meagre information they gave at Croton, were W. H. Manners, owner of the plane, and his wife, Mrs. M. and Mrs. Reynolds and three children, a boy of 18, a boy of 14 and a daughter of 18; the pilot, named Baldwin, and one man who was a passenger.

The party was taken to the Croton Garage, where they were attended by Dr. Nathaniel Brooks and Dr. W. F. Miller before leaving for New York in an ambulance.

The "Big Fish" has been carrying passengers for short trips on Lake George all summer. She left that resort about 5 o'clock. It was said, but no information was given there as to who the occupants were.

HAVERSTRAW ROBBER KILLS BOY OF SIXTEEN

Negro Accused of Crime Under Heavy Guard.

The killing of Vincent Methoskey, 16, by a highwayman in a lonely part of the village of Haverstraw, New York, yesterday when District Attorney Levox of Rockland county began presenting to the Grand Jury at New City a charge of murder against Russell Jones, a negro. The boy was found in the road near a brick yard with two bullets in it, and medical authorities said he had died almost instantly. The boy was known to have had \$78 in his pocket.

The crime was kept quiet by the natives. Mr. Levox said, because violence was feared toward Jones, who was arrested by Under Sheriff Robert Wood of New City, and taken to the New City jail, where he is under heavy guard. According to Mr. Levox, the negro made a statement admitting he had fired two shots at Methoskey when the boy broke away from him and fled down the road.

DYING GIRL ACCUSED ARBUCKLE, WOMEN TESTIFY AT INQUEST

Friend of Virginia Rappe Swears to Complaint Charging Murder.

COMEDIAN ARRaigned Dejected and Silent in Police Court, He Is Held Without Bail.

ALL OF PARTY QUIZZED New Evidence Claimed by State—Prisoner's Counsel Calls Him Innocent.

SAN FRANCISCO, Sept. 12.—Roscoe C. (Fatty) Arbuckle, motion picture comedian, was formally arraigned in police court here to-day on a charge of murder in connection with the death of Miss Virginia Rappe, motion picture actress, which occurred last Friday following a party in Arbuckle's rooms in the St. Francis Hotel last Monday. To-night the Grand Jury met and began taking testimony in the case.

The complaint against Arbuckle, the second to be lodged against him since his arrival here from Los Angeles on Saturday, was signed by Mrs. Bamba Delmont, a friend of Miss Rappe. The first complaint, made by police officials, was for the purpose of holding the comedian in custody pending further investigation.

When Arbuckle appeared before Judge Daniel O'Brien to-day he refused to talk of the case. Through his attorney a continuance to Friday was obtained and the prisoner was returned to his cell.

Representatives of the District Attorney's office continued their questioning of those known to have attended the party last Monday, and from these, District Attorney Brady stated, was obtained evidence which will be used against the actor at his trial. Among those questioned to-day was Mrs. Sidi Sprackles, widow of John D. Sprackles, Jr.

Mrs. Sprackles told the District Attorney she was informed over the telephone last Friday by Mrs. Delmont that the young actress was in a serious condition in a local hospital. Mrs. Delmont asked Mrs. Sprackles to telegraph to Henry Lehman, a New York City attorney, Mrs. Rappe's condition. After the telegram had been sent, Mrs. Sprackles told the District Attorney, she called at the hospital and saw Miss Rappe.

Led Such Quiet Life. Mrs. Sprackles said she was not sure Mrs. Rappe recognized her, but she said to Mrs. Sprackles: "Oh, to think that I led such a quiet life and to think that I should get into such a party."

Later in the day Mrs. Sprackles said she returned to the hospital with an answer to the telegram she had sent to Mrs. Sprackles. Mrs. Rappe was unconscious and the telegram was not read to her.

Mrs. Sprackles told the District Attorney she then called on Dr. James L. Gordon, pastor of the First Congregational Church, and asked him to offer prayers for the dying girl. Mrs. Sprackles said Miss Rappe in this city in 1915, she said.

Joyce Clark, a cafe entertainer, was summoned to the office of the captain of detectives after it was learned she had been invited to Arbuckle's party. Mrs. Clark said she went as far as the lobby of the hotel, but decided not to go to Arbuckle's rooms. She met Mrs. Delmont at the party, she said, and Mrs. Delmont gave her the details of the party and the alleged attack.

Nurses Are Called. Members of the drinking party and physicians and nurses who attended the film actress after she collapsed and accused Arbuckle of injuring her were among those summoned by the Grand Jury. They included Mrs. Sprackles. Some of these had testified earlier in the day at the inquest opened by Coroner Leland, when they told their stories of what had happened at the party and afterward. The inquest was opened at 2 o'clock and will be continued to-morrow. The inquest followed Arbuckle's arraignment before Police Justice O'Brien.

The outstanding features of the day's developments were the stories told by witnesses at the inquest and a clash between Frank Dominguez, Los Angeles attorney directing Arbuckle's defense, and District Attorney Brady. H. J. Boyle, assistant manager of the St. Francis Hotel, told of being called on the telephone—the message Mrs. Delmont had said she sent when she became convinced that the girl had died. He opened the door of the room where he was with Miss Rappe—and of meeting Arbuckle, who came out of the room wearing the hat of the dying woman on the side of his head. He told how Arbuckle had carried Miss Rappe to the room provided for her and of calling the house physician.

To bring out the story by the drinking party of Arbuckle's presence behind a locked door in the room where Mrs. Delmont charges he dragged Miss Rappe, of her condition when the door finally was opened, her illness and statements made by her to nurses before her death, Brady subpoenaed his witnesses before the Grand Jury. New evidence was obtained during the day from Joyce Clark.

Earlier in the day Arbuckle had been arraigned before Police Justice O'Brien and formally charged with the murder of Miss Rappe. This arraignment technically closes the door to any habeas corpus proceedings.

Inquest Is Opened. Following the arraignment Coroner Leland opened the inquest and witnesses, including members of the drinking party, testified. A verdict naming Arbuckle would expedite the work of the Grand Jury.

Two courses are open to the prosecution. One is to have the body of the victim buried in the city. The other is to have the body buried in the city.

Continued on Eighth Page.

1,400 Sheep Die in Fire When Bolt Hits Barn

DANVILLE, Ill., Sept. 12.—Fourteen hundred head of sheep were burned to death Sunday morning when lightning struck a stock barn on the E. G. Stephens farm, near Muncie, Ill. Three thousand head of sheep were in the barn, but volunteers succeeded in herding 1,600 of the animals to safety. The loss will total more than \$40,000.

COUNTRYWIDE BAN ON ARBUCKLE FILMS

Theatres in All Parts of Country Stop Films in Which Comedian Is Featured.

OUT IN PROCTOR HOUSES N. Y. State Board of Censors Without Power to Act on Actions of Individuals.

With the arrest and imprisonment of Roscoe (Fatty) Arbuckle on a charge of murder came news from all over America of the withdrawal from motion picture houses of films in which the accused comedian is featured.

In many cases the owners of theatres stopped pictures being shown or cancelled orders for Arbuckle films, while in others the authorities issued orders to the police to prohibit exhibitions in which the fat actor appeared.

In New York the State Board of Motion Picture Censors announced that the New York State law does not permit interference with the exhibition of Arbuckle films. At least one string of theatres in this city—the P. F. Proctor Vaudeville and Picture Theatre circuit—will not show any Arbuckle productions while the charges are pending against him in San Francisco. The directing heads of these theatres announced there was a general postponement of all programmes in which Arbuckle films were to be featured.

Commissioner Joseph Levenson of the censorship bureau explained there is no action the bureau can take, so under the law it has nothing to do with what the actors may do in public.

"The State censorship law does not empower us to bar a picture because of any personal act of a member of the cast, as you understand it," he said. "Consequently, if Arbuckle pictures are satisfactory in all other respects we have no authority to prevent their being shown."

Dr. Hugo Riesenthal, managing director of the Rialto and Rivoli theatres, said last night that he had not taken a position in the matter of rejecting Arbuckle films, principally because he did not have to, as he has none booked for the next six weeks.

"We follow the sentiment of the public," he said. "If the public demands or if I get an acclamation to show Arbuckle films I do so, but I do not think the public will want them. I am a faithful servant of my clientele and I do as they wish."

Marcus Loew, whose neighborhood cinema palaces have generally featured the comedian, also has not made a decision. It was said at his office last night that he had not taken a position in the matter of rejecting Arbuckle films.

Washington Managers Will Hold Up Arbuckle Films. Special Despatch to THE NEW YORK HERALD. Washington, D. C., Sept. 12. Theatrical managers in this city who are owners took the position to-day that they would refuse to show films of Roscoe (Fatty) Arbuckle until the chain of evidence against the comedian in San Francisco is cleared away.

The general view of the theatre managers was expressed by Harry M. Crandall, owner of a chain of theatres, who said the next Arbuckle picture, scheduled for September 23, Arbuckle by that time is clear of the case the picture will be shown. Otherwise it will be cancelled.

Mayor of Philadelphia Forbids Arbuckle Films. PHILADELPHIA, Sept. 12.—Mayor Moore to-night instructed Director Corley of the Department of Public Safety to prohibit the showing of "Fatty" Arbuckle films in Philadelphia.

"Any further exhibition of such films, in view of the conditions that have arisen in San Francisco, would tend at this time to offend public morals, and I am convinced the theatrical managers themselves will feel this way about it," the Mayor wrote.

"I am willing to put the moving picture men upon their honor in this matter. If there should be any persistent violation of this request, however, you are authorized to take such steps in the premises as you think advisable."

Pennsylvania Association to Act on His Case To-day. Special Despatch to THE NEW YORK HERALD. Pittsburgh, Sept. 12.—"Fatty" Arbuckle's pictures, barred from Pittsburgh, are to be acted on to-day by the Pennsylvania Association of Theatre Owners.

Continued on Eighth Page.

HARDING RECEIVES OVATION IN THEATRE ON HIS VISIT HERE

Enters New Amsterdam as Walter Catlett Sings 'On With the Dance.'

THEN BIG NOISE BEGINS President Induces Hoover to Accompany His Party to Show.

HIS QUICK RUN UP COAST Will Test His Golfing Skill at Piping Rock Club To-day and To-morrow.

President Harding, piecing out his brief holiday with a trip to New York, motored up from Atlantic City yesterday by way of the New Jersey shore and Staten Island, and last night was to be seen in a stage box at the New Amsterdam Theatre, enjoying the foolery and singing of musical comedy. To-day, and probably to-morrow, he will play golf at the Piping Rock Club on Long Island, and will start for Washington on the yacht Mayflower to-morrow evening.

Returning his golf clubs temporarily to their bag after a good-by round at the Sea View Club near Atlantic City yesterday morning, he joined his party in a line of automobiles which flashed up the New Jersey coast at a rate often touching sixty miles an hour. But, to be sure, they slowed down whenever, as was often the case, the President caught sight of school children lined up in front of their school houses to wave and cheer him.

Gets Noisy Greeting. The President received a noisy greeting in New York harbor, where all sorts of boats whistled at and for him, and there was much shouting at the Battery when he landed from the ferryboat Queens, and in Times square he was cheered by the crowds that thronged the Ritz-Carlton Hotel.

Except for his visit here last spring for the unveiling of the statue of Simon Bolivar in Central Park this is the first time New York has seen Warren Harding as President. And this is the first time he has been here purely on recreation. He is expected to stay here for five minutes after the first curtain rose on "Sally," Walter Catlett was singing "On With the Dance," but he couldn't go on for two or three minutes or so because the audience as soon as the tall figure appeared in the lower box nearest the stage on the left side, called the Rose box, stood up and cheered him. He bowed, and presently the show went on.

Hoover in Same Box. During the first intermission the audience applauded again, so that the President, who was standing in the box chatting with his friends, turned squarely around toward the orchestra and bowed and waved his hand, whereupon the clamor subsided. Mr. Harding sat better than he did in the same box with Mrs. Hoover. The fact that the President was able to get his hard working Secretary of Commerce away from Washington for a pleasure jaunt indicates what a powerful persuader he is.

Others of the party in the Rose box were Henry P. Fletcher, Under Secretary of State, with Mrs. Fletcher, and Capt. Holmes of the Mayflower. In the next box were the President's secretary, George B. Christian; George Van Fleet, editor of the Marion Star, with Mrs. Van Fleet; the President's physician, Brig-Gen. Charles E. Sawyer, and Mr. and Mrs. Alexander P. Moore of Pittsburgh. Mrs. Moore was Miss Lillian Russett.

In the intermission the President shook hands with several friends who entered the box to pay their respects. Among them were Harry M. Daugherty, Attorney-General, who has recently been ill; Percy R. Byrne and J. Leonard Reilly. The lobby and the aisle leading to the box filled with men of the Secret Service, and the police, who had nothing to do but enjoy themselves.

Outside the theatre a battalion of motorcycle police awaited the President, and no end of other policemen of all sorts of ranks and grades were posted near by or along the route of the President's car. He was to have gone to the Mayflower, anchored at the Brooklyn Navy Yard, after the show, but the programme was changed so that he spent the night at the Ritz. The Presidential party expects to leave here at 8:30 this morning, board the Mayflower at 9 and land at Glen Cove in order to reach Piping Rock. There may be a foursome played by the President, Senator Frelinghuysen of New Jersey, Under Secretary of State Fletcher and Dr. Ely, an

Continued on Third Page.

CURRAN AND HASKELL CLOSE IN HOT MAYORALTY FIGHT; 'WET' MAY DEFEAT GILROY

Primary Day. Polls open at 3 P. M. and close at 9 P. M. Enrolled members of political parties may and should vote for their choice for candidates of their respective parties for the coming election.

The chief fight is for the Republican nomination for Mayor. Borough President Henry H. Curran is the choice of the "organization" and its anti-Tammany allies. The contestants against him are: Judge Reuben L. Haskell, William M. Bennett and F. H. La Guardia, President of the Board of Aldermen.

State Senator Charles C. Lockwood is the "organization" choice for Comptroller. He is opposed by Morris S. Schechter, an ally of Judge Haskell.

Vincent Gilroy is the "organization" selection for President of the Board of Aldermen. His opponents are J. J. Halligan, a Haskell man, and L. Barton Case, put in the field by Mr. Bennett.

The chief Democratic contest is that of James J. Hines against Julius Miller, the phone booth selection of Charles F. Murphy for President of the Borough of Manhattan.

Fusion Candidate Hopes to Get Enough Votes in Manhattan to Overcome Losses in Brooklyn.

BRONX LIKELY TO SPLIT Kings and Queens Sweep Is Predicted for Judge; Lockwood Is Certain for Comptrollership.

CANDIDATES MAKE PLEAS La Guardia Gets Hearst Film Service to Picture Possible Fraud—Bennett Issues a Solemn Warning.

Borough President Henry H. Curran, the Republican-Coalition candidate for the Republican Mayoralty nomination, and Judge Reuben L. Haskell, his principal opponent, were running a heart breaking, nerve racking, neck and neck race as they approached the finish last night.

Discussing the usual claims of managers and taking the inside figures of those familiar with the situation, it appeared that Mr. Curran would have to roll up an exceptionally big plurality in Manhattan to overcome the Haskell lead in Kings and Queens. Richmond probably will go for Curran by a small majority, unprejudiced experts say, but The Bronx is more than likely to be a dead heat between Curran, Haskell and F. H. La Guardia, President of the Board of Aldermen, the latter with a shade the best of it, if anything.

No one except himself figures that William M. Bennett, the fourth candidate for the nomination, stands a chance of getting anywhere this year, in spite of the fact that he won four years ago against Mayor John Purroy Mitchel.

Depends Upon Wet Issue. Privately, it was acknowledged that the chances of Curran winning depended upon the faithfulness with which the Republican leaders worked to get out the vote to-day. Also, it was said, his fate depended in no small measure upon what the women would do. If they go to the polls to rebuke the audacity with which Judge Haskell has injected the "wet" issue into a Mayoralty campaign, it would materially weaken the chances of Judge Haskell.

An estimate which gave the city to Curran by 20,000 figured that Haskell would carry Kings by 15,000 and Queens by 4,000, while Curran would get 40,000 plurality in Manhattan, 4,000 in Richmond and 5,000 in The Bronx. Those familiar with the Kings situation say that Haskell will get a much larger plurality there, unless the women go to Curran's rescue in great numbers and the organization does better than is expected for the men it endorsed. Haskell himself declares his plurality in Kings will be 50,000.

It is also said that 4,000 is too small a plurality to give Haskell in Queens, where Joseph H. De Bragga, the Republican leader, has spent most of the campaign period in enjoying his vacation. The German vote is strong in Queens and it is "wet," which will account for a large Haskell vote in the absence of any strenuous work for Curran.

Curran's 20,000 Is Elusive. Those who are familiar with conditions in Manhattan do not believe it possible to roll up 40,000 for Curran. They figure that 30,000 to 25,000 would more nearly hit the mark. So it is easy to see that the 20,000 estimate for Curran is not a too strongly intrenched figure, and might disappear in several directions.

Rather ominous reports from Brooklyn reached the Curran camp. It was said the leaders there had not shown any great amount of activity for Curran—at least some of them. Jacob A. Livingston, the county leader, had plainly lost no sleep over his work for Curran. It was reported he had said Brooklyn would go for Haskell with a sweep. This could not be verified. But he refused to make any comment on the situation except to say that the organization in the general election would support the man who won.

Mr. Livingston has been unable to hold his organization in line for organization candidates, even those he is most anxious about, in previous years. For instance, two years ago Judge Haskell broke the organization slate to get his nomination for County Judge. Last year Senator George W. Thompson, running for the gubernatorial nomination against Gov. Nathan L. Miller, carried Kings by more than 2,000. He also won in Queens.

Building in his tent during the conference that selected Candidate Curran, Mr. Livingston permitted United States Senator William M. Calder, his rival for leadership in the organization, to repre-

Continued on Second Page.

WORM TURNED TIDE OF BUSINESS SLUMP Prall Tells Meyer Committee Mayor Wrote Letters but Got No Improvement. CALLS SYSTEM WASTEFUL Would Divorce Joint Control of Board of Estimate and Board of Education.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., Sept. 12. The lowly boll weevil, fought bitterly for a party of two decades, and the anathema of cotton growers in the South, has turned the tide of business depression in the United States, thus vindicating the ancient philosophy that there is some good in everything. The weight of the boll weevil's appetite for cotton in the young and succulent boll turned the pendulum of business and economic conditions and started the back swing toward better times, according to high Government officials in Washington, including Secretary of the Treasury Mellon, one of the highest authorities on finance.

In a conference to-day with representatives of practically all the newspapers of the country, Mr. Mellon outlined tersely his viewpoint upon the economic situation. He told how step by step one factor in the economic wheel actuated another, and how better cotton prices, with increased demand because of a rising market, would sustain the South, and had already had a reflex in other markets, particularly in New York. The Secretary said better business in general was coming, though the iron and steel and other markets had not yet moved and he was chary of prediction.

It was all due, the Secretary said, to the boll weevil. Cotton prices were not increased by demands, but by definite word of a short crop, which decreased the available supply of the staple and put users into the notion that they had better buy.

Officials who have been studying closely the financial and economic condition of the country and who have steered the efforts of the Harding Administration to stimulate business look for a further towering of redoubt and a general turning of the progressive movement toward easier money and industrial recovery.

The reserves of some of the reserve banks in Eastern States are increasing. Many of the reserve banks now having a ratio above 60 per cent. The tendency, officials said, is for the reserve ratio to go lower toward the scale of commercial ratios.

Reports from banks generally show that liquidation of bank loans is in progress as a result of larger activity in some commodity lines.

Officials generally predict an improvement in business will result from the more favorable factors noted in the cotton and wheat markets.

A. S. COCHRAN SEES UNTERMYER IN PARIS Declines to Discuss Matrimonial Affairs.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Paris, Sept. 12. Alexander Smith Cochran was seen in Paris yesterday for the first time since last April. He was at the Hotel Ritz this morning, with Samuel Untermyer, New York lawyer, but neither would say anything as to the purpose of Mr. Cochran's visit at this time.

Mr. Cochran left his house in the Rue de Lubeck, Paris, in April and has passed most of the time since then in England and Scotland. He has not been seen in company with his wife since that time.

Mrs. Cochran, who is known on the operatic stage as Mme. Ganna Walska, has been passing the summer in Dieppe. Harold McCormick and his daughter are in her party.

It was learned, however, that Mr. Cochran arrived here Sunday morning from London and is returning there to-night. The object of his visit is supposed to have been a consultation with Mr. Untermyer before the latter leaves here on Wednesday on board the steamship Olympic. Mr. Untermyer is known to have been Mr. Cochran's counsel for many years and to have been advising him in his matrimonial difficulties.

Continued on Second Page.

The Best Way to Find a Furnished Room or a Place to Board. Every day on the want ad page of The Herald there are many superior places advertised where you should find just the accommodations you are seeking. Those now returning to the city will do well to read these "Furnished Rooms to Let" and "Boards THE NEW YORK HERALD TELEPHONE CHELSEA 4000