

REICHSBANK GOLD HOARD IS AT LIMIT

German People Have Given Up Virtually Their Last Ounce to the Fatherland.

WAR CHEST WELL FILLED

Increasing Circulation of Notes Goes Merrily On Without Any More Backing Than It Had Three Years Ago.

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The Reichsbank had in its vaults on January 1, 1918, 2,400,000,000 marks in gold, more or less as much as at the outbreak of the war.

From then on, however, the flow of gold from patriotic pockets and all other sources including the melting down of gold articles, has just about kept pace with the inevitable drain of gold to neutral countries.

The significance lies in its marking time while the increasing circulation of Reichsbank notes goes merrily marching on, increasingly denuded of gold covering.

Not can the Reichsbank expect any appreciable accessions to its gold hoard in 1918 or the balance of the war.

Thoughtful Germans harbor no delusions about the staggering monetary and financial problems being heaped up for the vaguely distant postwar solution under the present delicate policy.

The one speedy, radical cure for imperial war finance—admission of defeat, capitulation, and acceptance of America's generous terms—has occurred to no normal German.

No financial realist dares even to try this risky, radical remedy on people already reeling under a super-burden of food and other war hardships.

It is fully realized in Germany that the phenomena of inflation and rising prices could at least be mitigated by a revolutionary tax reform during the war.

There is, too, the further valid argument that the federal constitution of the income tax is the exclusive prerogative of the several federal states.

Psychologically and constitutionally motivated, imperial policy of taxing capital in first time (partially swollen war profits), of sparing incomes and eking out imperial revenue with indirect taxes must be continued for the balance of the war as in the past.

The increased imperial war taxes will net 2,500,000,000 marks in 1918, including the sliding scale tax on war profits, running close to a \$0 per cent maximum, increased tax on cigarettes, coal tax and tax on transportation (freight and passenger) as principal items.

All of the 5,000,000,000 marks thus raisable will be needed to pay the interest on war loans and floating war debt, particularly as there is a heavy drop in the yield of the normal peace-time taxes.

Finance an Inverted Pyramid. Unless imperial finance strategy can overcome its constitutional and psychological scruples against an imperial war income tax, there is no surplus tax money to be squeezed out of the German people either for part payment of primary war costs or for amortization of the funded war debt.

To achieve this feat in the past, the strategic dispositions have been scientific and masterful. All Germany has been dazzled by the "phenomenal success" of the first seven war loans; most all Germans are confident that the next seven will be an equal or greater success.

Fashions in German war loans never change; you might say that they raise themselves automatically, once the complicated machinery is set in motion, and they all show an astonishing family resemblance as to size and make-up.

In rare instances only do war loan subscriptions of war profiteers show a declining tendency. The amount subscribed to the last loan is tacitly considered a fixed assessment to be subscribed to the next.

There is no doubt that Krupp will continue subscribing 40,000,000 marks to every war loan for the balance of the war and that the smaller fellows will toe the mark with their quota.

Capital is Mobilized. For the Spring and Fall war offensives capital is mobilized with the ruthless inevitability of military mobilization. The complicated war loan machinery, with its tens of thousands of promoters and empire-wide propaganda, is no hobby specialist's toy that it even has specially printed forms of patriotic appeal for tapping the small savings of servant girls, and another circular letter form of appeal to housewives and mistresses to see to it that their servant girls patriotically subscribe to every war loan.

Subscriptions to successive war loans continue to maintain their level, but under propaganda pressure and intensive official stimulation frequently show a marked increase from loan to loan. Thus Germany's savings banks subscribed to the amount of 4,800,000,000 marks in 1915, 5,200,000,000 marks in 1916 and 6,400,000,000 marks in 1917.

The practice of paying current war expenses with the proceeds of imperial treasury notes, discounted by the Reichsbank acts as a shock absorber, preventing excessive strain on the money market during Spring and Fall rotations, permitting the Reichsbank to maintain unchanged its official rate of interest at 5 per cent; the elasticity of the German money market even under such conditions is felt in the increasing rate at which war loan subscriptions are paid in.

The banks of Germany do not subscribe to war loans directly for their own account. Their function is considered to lie in indirectly helping to absorb the huge loan by advances to the public for the purpose of subscribing war loans. The beginning of 1918 sees a marked tendency on the part of the banks to keep an increasing proportion of their resources liquid.

The complicated suction pump apparatus, can, barring a military breakdown, continue extracting normal war loans out of the German nation indefinitely, and the past success justifying future confidence is interpreted by Germans as proof of the tremendous economic vitality of the German people.

Uruguay has organized a government institute of geology with a director and assistants from the United States.



LAURELHURST

Owner leaving the city, and will make a genuine sacrifice in order to make a hurried sale of his pretentious Colonial home, situated close to car in the most exclusive section of Laurelhurst.

It has nine large rooms; every window in the house is plate glass, hardwood floors (not thin strips) but solid oak flooring, solid brass hardware, the very choicest and most expensive plumbing and lighting fixtures, massive fireplace, large entrance hall leading to unusually large living-room running the full length of the house, beautiful dining-room with elaborate built-in buffet, dainty breakfast-room, French doors, a perfect jewel of a kitchen with screened back porch.

NOTE THIS FEATURE: Inside woodwork is old ivory in seven-coat work, rubbed down with steel wool. THIS MEANS PIANO FINISH. The rooms are beautifully papered and decorated.

J. L. Hartman Company. 301 N. CHAMBER OF COMMERCE BLDG. PHONE MAIN 208, A. 2050.

CZERNIN SHOWN UP

Austrian's Disregard for Truth Fully Demonstrated.

DIPLOMATIC SECRETS OUT

French Government Issues Statement That Confirms Clemenceau's Denial of Alleged Talk Regarding Peace.

MARK J. HINDMAN, 93, DIES

Wealthy Baker County Resident Long Engaged in Stockraising.

ginning of the offensive on the western front, had me asked whether I was ready to enter upon negotiations and upon what basis.

WASHINGTON, April 6.—Emphatic denial that any overtures looking to peace discussions have been made to the American Government by representatives of the central powers was made at the State Department today.

On numerous occasions unauthorized peace workers have hinted to officials that negotiations might be welcome to the enemy governments and have suggested that they had reason to believe a basis for negotiations might be found easily. These suggestions have been given no consideration, it is stated.

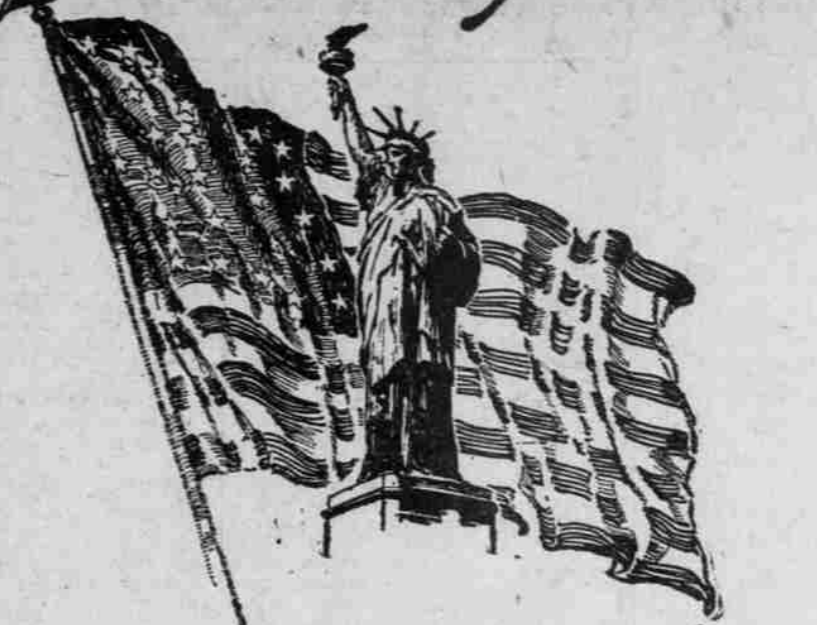
Premier Clemenceau's repulse of Austria's advances will serve to force the adoption of other tactics by the enemy, in the opinion of State Department officials and entente diplomats here, but will not entirely stop the movement.

MARK J. HINDMAN, 93, DIES. Wealthy Baker County Resident Long Engaged in Stockraising.

BAKER, Or., April 6.—(Special.)—Mark J. Hindman, one of the oldest residents of Baker County, died at age of 93 years at the home of his son, Albert Hindman, at Durkee yesterday.

Centralia Company Inspected. CENTRALIA, Wash., April 6.—(Special.)—Company G, Third Washington.

3rd Liberty Loan



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ACT NOW! Subscribe through any bank or trust company, or investment banker, or through the Federal Reserve Bank of your district.

This space contributed by Ben Selling.

was inspected at the local Armory last night by Adjutant-General Moss and Colonel McClure, commanding the regiment.

General Pershing thrilled France—

when, bending over Lafayette's tomb, he whispered, "Lafayette, we are here."

he spoke for America. buy a liberty bond and back Pershing.



liberty bonds are United States bonds. they pay 4 1/4 per cent interest.

the best way to save is to put aside a little each week or month toward a liberty bond. you can buy a liberty bond that way.

all you have to do is to step into any bank and tell the man at the window you want to buy a liberty bond.

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your country calls for \$3,000,000,000 to win the war. Americans, lend your savings to your country.

buy a third liberty bond today m. Sichel 331 Washington street, near Broadway

HE DARKENED HIS GRAY HAIR

They Used to Call Him Grandpa; Now They Call Him Kid.

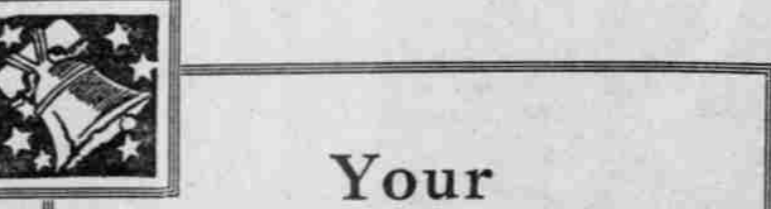
Tells How He Did It.

Mr. J. A. McCrea, a well-known resident of San Francisco, who was called Daddy and Grandpa on account of his white hair, and who darkened it with a simple home-made mixture, recently made the following statement:

WOODLAND SAILOR HOME

A. W. Peterson Forced to Leave Service Because of Ill Health.

WOODLAND, Wash., April 6.—(Special.)—Arthur W. Peterson, of Woodland, arrived home a few days ago, after having spent some months in the Naval Hospital at Washington, D. C.



Your Country Calls

for Three Billion Dollars to win the war. AMERICANS! Lend Your Savings to YOUR COUNTRY

BUY A Third Liberty Bond Right Away You can buy one on time if you haven't the cash. Any bank will help you—free of charge.

Space Contributed by Dr. A. P. De Keyser