

Economic Expert Gives Warning of Necessity of Stabilizing Exchange Rates

EXCHANGE RATES MUST BE FIXED, VIEW OF EXPERT

Swedish Authority on Financial Matters Points Out Necessity for Joint International Action.

UNCERTAINTY BREEDS CHAOS

He Sees Business Paralyzed, Production Reduced and Increased Unemployment if Not Remedied

By Bassett Digby
Special Cable to The Journal and The Chicago Daily News.
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Stockholm, Sweden, May 29.—Scandinavia's foremost economic expert, the Swedish professor of political economy and finance, Gustav Cassel, considers that an international conference to stabilize exchange rates is vitally necessary to the world's recovery from the shock of war. He has drawn up a scheme suggesting possibilities of such stabilization and world wide reduction in the inflated prices which the American minister, Ira Nelson Morris, has sent to the American peace commission in Paris. I am herewith to give the outlines of the scheme.

"Great uncertainty prevails at present in all countries as to the future purchasing power of money. Prices were run up during the war to an unprecedented level. Through it is generally expected that they will now move down again nobody knows whether such a movement will really occur or how far it will go. In some countries measures have been planned in order to bring about a certain reduction of prices but the aim to be attained seems nowhere very clear. In a market with falling prices buyers necessarily hold back, expecting the fall to be general and to extend itself over a long, indefinite period.

DANGERS OF SITUATION
"Business activity will be paralyzed, production will be reduced to the minimum and workers will be threatened by increasing unemployment. That is just what is now occurring. There is a great demand for all sorts of commodities and there is urgent need of house accommodation and means of transportation.
"There ought to be plenty of orders for producers in all lines. There are also big stocks of food, raw materials and manufactured goods besides unused re-

NEVER TOO OLD TO FLY



Although born 86 years ago, Mrs. Mortimer Armitage of London is a most enthusiastic flying fan. Accompanied by her son, Dr. Armitage, who is over 50 years of age, she had her first solo joy ride, starting from Hounslow flying field. The photo shows Mrs. Armitage and her son about to start on a flight.

Production and capacity represent together buying power of quite sufficient strength, but commodities can be traded in society as at present constituted only through the medium of exchange. When confidence in this medium is shaken the fact cannot but have a disturbing effect. There we have no doubt the essential reason for the general depression from which the world's trade is now suffering.

"While the future of every monetary standard of the world is uncertain the uncertainty of the international exchange must be still greater. These exchanges are governed essentially by what I used to call the purchasing power parity, namely, by the quotient between the purchasing power of one country and that of another. Clearly this quotient must have a double degree of uncertainty. Furthermore international exchanges are influenced by every one-sided, hampering trade between the

very much on the future value of gold. This again will depend essentially upon the monetary demand for gold.
"Now the actual circulation of gold is almost everywhere abolished and greatly restricted and so far the demand for gold has diminished. On the other hand the European banks and the federal reserve banks in the United States feel themselves obliged to keep gold reserves which, though not proportionate to the big paper circulation, still will be greater than it used to be before the war. The balance of the monetary demand for gold will double money when relatively reduced namely, in proportion to the volume of circulation.
GOLD VALUE REDUCED
"This means that the value of gold expressed in money will have fallen. The result presents itself almost in the United States where the dollar may be taken to represent gold at the present moment more truly than perhaps any other monetary unit. But the price level of the dollar is about 200 as against 100 before the war. Thus gold has now only half its former value in terms of money. This ratio must probably be fixed. Then if the European countries, which now have the higher price level, should restore the old parity of their money with the dollar this will involve the reduction of their price level which will make it very much more difficult if America is going to reduce hers at the same time.
"Therefore the United States should abandon every attempt at a reduction of the price level which has now reached and concentrate itself upon stabilization. This is the easiest and most agreeable end which the country can establish for its monetary policy. The European countries would have to lower their price levels until they came down to the index of 100 compared with 100 before the war. Then they will have reached parity with America. This will be difficult enough for them, at any rate for the Scandinavian countries.

MARK MUST BE REDUCED
"Some of the belligerent countries such as Germany could not even attain this end. If they should be able to reduce gold payments they would have to choose the gold value which is now reached and mark must probably be reduced to something better than a third or a fourth of its former gold value. In Eastern Europe quite new monetary systems are being created. In some colonial countries where the rise has been much less than in America either the international standard can easily be attained if these countries will give the rest of the world sufficient credits.
"The essential point is that the world should be able to attain an international standard as to the course to be pursued in order to restore the stability of the monetary standards of the various countries and the rates of exchange between them. Which standard and which rates are a minor importance. The chief object is to create stable conditions in monetary matters and thus lay the foundation on which a new commercial and political order can be built. It would be indefensible not to act resolutely in a matter of vital importance. The world's social and political conditions are not such that a period of prolonged industrial depression and unemployment without the most serious risks to the international conference can clear up the matter. First a conference ought to have in the first instance at any rate only an advisory capacity but if it were composed of the most prominent representatives of banking, finance and economic science it would certainly be expected to lead to good results."

FIXED EXCHANGE NECESSARY
"The restoring of anything like fixed exchanges is clearly a necessary condition for the regeneration of the world's trade for which we are longing. But the first step to this end is to establish stable monetary standards with each country and, second, to abolish completely the present arbitrary regulation of international trade. Of course each country must determine its monetary policy for itself, but international discussion of the problem would be extremely useful and may indeed become vitally necessary. First we should have examined the question, which form of the old gold standard should be maintained and if it is thought desirable that international trade should return to a gold basis. How this should be made possible is a question that depends

WRITER BELIEVES POLAND SHOULDN'T BE GIVEN SILESIA

People Unanimously German in Sentiment; Future Trouble Predicted if Severance Forced.

SECTION INDUSTRIAL BEEHIVE

Workers Showing Just Sort of Spirit Needed if Indemnities Demanded Are Collected.

By Gordon Stiles
Special Cable to The Journal and The Chicago Daily News.
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London, England, May 24.—Advice from Silesia regarding the attitude taken by the population toward annexation by Poland is calling forth much comment in London. It must be made clear, however, that the German army referred to in the dispatches is not a new feature of the situation. This army has been mobilized for more than two months and has been distributed along the Polish and Czech-Slovak frontiers where constant disputes have taken place accompanied by a number of skirmishes. It is composed entirely of volunteers and is commanded by Field Marshal von Hindenburg.
In one of my dispatches I referred to the quality of these troops, having been in upper Silesia six weeks ago when Hindenburg was making a tour of inspection there. As I pointed out, the cessation to the Poles of this region is the most sorest point with the Germans. Recent dispatches confirm my statement that practically the whole population of 2,000,000 or more is decidedly opposed to incorporation in the Polish republic.
George Renwick writes in the Chronicle: "Nobody I could find really wants to fight, but all feel that they must. Breslau, Koenigsberg and the east have saved Germany before. Perhaps they can do a little in that direction again in the frequently expressed consolation. Among the working classes the feeling is particularly bitter. Herr Lichtenstein, the independent socialist leader, hates this flame of national feeling. 'But,' he adds, 'who can blame the workers? Here in Germany they cease an eight hour day and wages are rising. There are sick insurance benefits and our unions are recognized. If upper Silesia is handed over to the Poles they feel that they will lose these. In addition they fear bolshevism.'
"Indeed, all political parties have dropped their antagonism and stand together to face this totally unexpected turn of events. I also talked to many workers of Polish extraction but not one could I find who wished the region to be turned over to Poland. I have dealt with this because I believe that the upper Silesian question contains for all of Europe potentials of serious trouble and that the case from this side ought, late as the hour is, to be stated impartially, as I have tried to do, with a view to the avoidance of at least one of the complications which threatens Europe's tranquility."
SILESIA'S BACK AT WORK
I remember when I entered Silesia in March that I was struck immediately by the contrast with other parts of Germany. Everywhere the people were hard at work tilling the soil and putting factories in shape to resume business, while mining was in full blast despite the strike troubles. There was none of the political unrest or uprisings which obtained in other sections of the country. And here I will call attention to the fact that the first sign of Bolshevist activities in Silesia came upon the heels of the announcement of the possibility of the cession of upper Silesia to Poland, which previously had not been dreamed of by the populace. I covered the region pretty well, visiting Breslau, Opperl, Meissen, Kattowitz, Bauthen, Lamsdorf and other centers, and found the sentiment overwhelmingly German. It is a rich country—one of the richest in Germany—and the inhabitants were working with just the sort of spirit needed to pay the indemnities demanded by the entente. From what I saw I cannot help feeling that the cession of Silesia to Poland will not only work harm to Germany but to our own cause.

ARMENIAN PRESIDENT WANTS AMERICA AS NATION'S MANDATORY

Belief Expressed People of the United States Interested and Would Prevent Exploitation.

By Louis Edgar Browne

Special Cable to The Journal and The Chicago Daily News.
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Constantinople, Turkey, May 29.—"Should the peace conference make the United States the mandatory of Armenia we Armenians would be overjoyed, because we realize that America is warmly interested in Armenia and also that there would be no exploitation of our country for the benefit of a few groups of foreign capitalists. Armenia must be independent and have its own government, but the Armenian people lack education and experience in self-government. We sincerely hope that the United States will come and show us how."
This is the conclusion of an interview I had a few days ago with President Kattisian of the new Armenian republic in its temporary capital, Erivan, where I attended the first plenary session of the cabinet. Mr. Kattisian is 59 years of age and as a mayor of Tiflis has had considerable experience in the tempestuous politics of the Caucasus. "We desire," he continued, "to thank President Wilson and the congress of the United States for making it possible to furnish us with the flour and other food supplies which are now coming to our country. The whole-hearted generosity of the American people, which supports the tremendous relief work here is directly responsible for saving hundreds of lives weekly. Our government is merely temporary. We are attempting to better the situation until the peace conference decides the fate of Armenia and the limitation of the frontiers, after which these probably will be a constituent assembly at which all Armenians—Turkish and Russian and also those living in England, America—will decide upon a constitution and the future form of the government."

Kolchaek's Setback Is Blamed Partly on Ukrainian Defection

By Paul R. Wright

Ufa, Russia, May 17, via Peikin, China, May 28.—The Russian forces under Admiral Kolchaek on this front have suffered a temporary setback, due primarily to the defection of the Ukrainian troops and to the fact that the Gallitzen had advanced so far that it was not properly supported by reserves. As a result there has been a shake-up in the command here that should make for greater unity. The new draft of educated men is sure to improve the general morale. These new troops give an excellent impression. The rush of soldiers and cannon to this front continues.
Reggie—I haven't aw-been quite myself lately, don't you know. Miss Keen—Indeed! I haven't noticed any improvement.—Boston Transcript.

No Need To Be Thin, Scrawny or Sallow

If you are thin and want to be plump, if you are wrinkled in your face that you are not proud of, if the skin is salicy or subject to pimples or blackheads, take Mi-o-na stomach tablets for two weeks and notice the change.
The majority of the thin people are thin because the stomach does not perform its duties properly. It is not secreting sufficient of the natural digestive juices and in consequence does not extract from the food enough nutritive matter to nourish every part of the body. Mi-o-na stomach tablets are intended to build up the stomach so that it will act properly and extract from the food the elements necessary to form flesh.
If you are thin try two weeks' treatment of Mi-o-na stomach tablets—they are small, easily swallowed and are sold under the guarantee of money back if they do not overcome chronic indigestion, acute or chronic, stop stomach disturbance, belching, heartburn, sour stomach and any after dinner distress.
For sale by the Owl Drug Co. and all leading druggists.—Adv.

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A good name is the customer's guide post. The Mathis Label in your clothes puts you at ease when it's a question of correct style. It assures you the most in good faithful service that your money can buy.

Years of faithful endeavor have brought our name to a place where it means a great deal to the good dresser. It goes hand in hand with Quality and Service.

Spring Suits \$25 to \$65

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MEN'S WEAR
Corbett Bldg. Fifth and Morrison

Cheney, Silk Cravats
New patterns in fancy figures and dotted effects. The best tie made that sells for

ITALIAN NEWSPAPERS HUSH THEIR CLAMOR—GOVERNMENT ORDER

Soft Pedal on Nation's 'Wrongs' and Iniquity of Men and Deeds in Paris.

By Edgar Ansel Mower
Special Wireless to The Journal and The Chicago Daily News.
(Copyright, 1919, by Chicago Daily News Co.)
Rome, Italy, May 25.—(Delayed)—A government order has gone forth to hush the clamor against the peace conference immediately, and those newspapers in Italy which respect the wishes of the government—and they are in the majority—have soft pedaled in their voriferousness with regard to Italy's wrongs and the iniquity of the men and deeds in Paris.
Yesterday Gabriele D'Annunzio expected to speak in commemoration of Italy's entrance into the war, but he is still an officer, and in the morning was summoned to the police and forbidden to make public declarations. This renewed the outbreak of the nationalists, who had planned a parade. This was forbidden and soldiers were a few streets and several of the public squares. Nevertheless, the parade was formed and after a long march and several attacks on the police and military, several of whose cordons were broken, it succeeded in reaching the hotel where the post was lodged. But it remained silent and the crowd dispersed.
Baron Sonnino's organ, the Giornale d'Italia, now claims that the conditions about to be acceded to are a great triumph, while the democratic Secola states that the conditions which eventually will be consummated are less than the democracy desired and that the crisis when Bissolati resigned has shown the latter to be right. The truth is that the conservatives, with really control, and the democrats are mobilizing their forces for the coming ministerial and electoral struggle.
The terms imposed on Italy have new and detailed critics in the socialist leaders, Treves, Turati and Labriola. The last named declares that Italy is worse than the acts of the Kaiser in 1915. These leaders unite in urging the workers of the world to combine in forcing a revision of the entire document.

Britain Is Stealing U. S. Secrets, Charge

Washington, May 30.—Charging that the British government is continuing to censor mail to the United States for the purpose of stealing business secrets and information, Senator Sherman of Illinois, today introduced a resolution asking Great Britain to discontinue the censorship.

Your Eyes

Whitening, Cleansing, Refreshing and Soothing Lotions—Mullein for Redness, Soreness, Granulation, Itching and Burning of the Eyes, Eye Drops. After the Morning Washings, Get your eyes bright and clear. Ask Your Druggist for Muller's Eye Drops. They are the best. Muller's Eye Drops. They are the best. Muller's Eye Drops. They are the best.

Portland Is Learning to Shop at Simon's, Where Rents Are Lower and Profits Are Smaller — I T P A Y S!

New Garden Hose

50 feet 3/4-inch Rubber Hose...\$5.25
50 feet 3/4-inch Cotton Hose...\$6.75
50 feet 3/4-inch Moulded Hose...\$8.75

Lawn Sprinklers

60c. 65c. 95c. \$1.25 and \$1.95

Paints for Less!

Bas-Hueter Bungalow House Paint, 5-gal. cans, gal. \$2.55
Gallon cans...\$2.65
Bas-Hueter Floor Paint, gallon for...\$2.65
Quart...\$2.70c
White Enamel, gallon...\$3.85
Decorat Varnish Stain, gallon for...\$3.50
Quart...\$1.00
Bas-Hueter Floor and Linoleum Varnish, gallon...\$4.50
Kalsomine, lb...\$1.90
Carter's White Lead, lb...13 1/2c
Turpentine, gallon...\$1.10
White Glue, lb...60c

Overall and Jumpers

\$2.25 Values \$1.89 the Garment
Heavy-weight. Union-made.
MEN'S COVERALLS
\$4.48 Values \$3.89
Union-made. Boss of the Road, Lee's Unionalls, Can't-Bust-'Em and makes in khaki and blue. A real saving, men!
\$3.75 COVERALLS \$2.48
Made of khaki; just the thing for auto repairing or for berry picking.
\$1.50 SHIRTS Only 98c
Heavy drill in black and white; splendid values.
\$2 KHAKI SHIRTS \$1.39
Heavy drill khaki work shirts at a bargain.

Boys' Two-Knicker Suits

\$8.98 to \$11.50
Nobby waistline styles in attractive fabrics and patterns; detachable belts; lined knickers with taped seams. The values are very unusual at our prices. See them tomorrow!

Black and Fancy COMBS Only 25c

Amazing values secured through our fortunate purchase. Buy tomorrow—not more than three to a customer.

SHOES \$1.69

Boys, Youths' and "Little Gents"
THE PAIR
7—Different Styles—7 Blucher or Button
We put on sale tomorrow over a thousand pairs of these shoes, the surplus stock of one of the largest shoe jobbers. These are lines that cannot be replaced—every pair is in perfect condition. We bought the lot at a fraction of its worth. We offer each pair to you on the same basis.
Boys' Sizes from 2 1/2 to 5 1/2
Youths' Sizes from 1 to 2
"Little Gents'" Sizes from 9 to 13 1/2
Worth \$2.50 to \$3 the pair
Our Price \$1.69

WOMEN'S SILK LISLE HOSE

Values to 50c
Only 25c the Pair
Broken lines in black and white, double soles; high spliced heels. All sizes in the lot. See the pair until sold.

Women's Silk Hose

\$1.39
In black, white, bronze, gray, etc. Double soles, high spliced heels, elastic garter tops. These hose will give satisfactory service.

Misses' Fine Ribbed Hose 35c, 39c, 49c

Complete lines in black and white; double heels and toes; elastic rib. Really astonishing values at our prices!

Boys' Heavy Ribbed Hose 35c, 39c, 49c, 59c

Excellent quality at the respective prices. Double soles and toes. Buy a supply for your boys tomorrow at our special prices.

SMOKING TOBACCO

Union Leader, 14-oz. tin...\$1.50
Box...\$1.50
Investor's Good Will...\$1.50
U. S. Marines, 16-oz...\$1.50
Dixie Queen, 14-oz...\$1.50

Plug Tobacco

Penn's Thick, 8-space...\$1.50
Spearshead, Thick, 7-sp...\$1.50
Granger, 7-sp...\$1.50

CIGARS

In-B-Tween, 10 in a box; special...\$1.50
Washington's Cabinet, 25 in a box...\$1.25
Investor's Good Will, 25 in a box...\$1.50
U. S. Marines, 16-oz...\$1.50
Dixie Queen, 14-oz...\$1.50

CANDY SPECIALS

Vogan's Assorted Chocolate Creams, lb...\$1.40c
Hard Mixed Candies, per lb...\$1.25c
After-Dinner Mints, per lb...\$1.30c

J. & P. Coats' Mercerized Crochet Cotton, All Sizes, Colors, 2 for 25c—Clark's and Coats' Sewing Cotton, All Sizes, Colors, 5c