# PLAN EVOLVED TO PUT EUROPE ON FEET AGAIN

## Pool of American Resources Against Needs of Old World is Key

## REHABILITATION IS AIM

## New York Banker Works Out Details of System of Vast Credits

NEW YORK, July 26.—To pool Europe's needs of credit and commodities on the one hand and to pool America's resources to meet them is a plan suggested by James S. Alexander, president of the National Bank of Commerce of New York, for rehabilitating European countries and enabling them to reconstruct their war-stricken industries.

Mr. Alexander is a member of a committee recently formed here to investigate methods for supplying Europe with American money and goods during the reconstruction period. The committee was formed upon the suggestion of Henry P. Davidson and is headed by J. P. Morgan as chairman.

"A pool of Europe's needs should be met by a pool of America's resources," asserts Mr. Alexander. "That is America's resources should be applied to Europe's needs through a great centralized credit organization, with extensive powers of coordination. This may sound like an ideal plan stated in sweeping terms but I think its details can be worked out in practical, concrete form.

**Processes Lacking**

"There seems to be no existing machinery adequate to do so. Therefore, a special instrumentality must be set up probably in the form of a great credit corporation with capital enough to handle transactions of a size that would be involved, transactions representing not merely the business of individual concerns but the combined requirements of the nations.

"A necessary step would seem to be that surveys be made of the commodity needs of the nations of Europe, that is, an estimate of how much copper, steel, cotton, wheat and other supplies would be required for Belgium and also for the other needful countries.

The supplies available in America are great but they are not so great as to meet unlimited and unbalanced demands. Therefore there should be a judicious rationing of our commodities among the nations requiring them, in accordance with their needs.

**Credits to be Huge**

"In addition to this rationing and allocation of commodities, there is the question of establishing adequate credits in this country to be considered. The necessary credit will be great, so they must be carried to the investing public of the whole country in the for of bonds or debentures.

"Because of the deferred maturities of the debentures, the banks are not to be expected to absorb them. There will have to be an appeal to to the general public on the grounds of a safe and lucrative investment and for the sake of humanity," Mr. Alexander pointed out that this would be a means of maintaining the business prosperity and integrity of America and of protecting Americans from unsound investments in European securities.

**Security Important**

"The security behind these debentures should make them almost equal to government bonds in point of safety," Mr. Alexander said. "They must be based on everything in the way of collateral that Europe is able to offer. The individual European buyer must be prepared to give a general mortgage upon his entire assets. His loan should be further endorsed by a consortium of banks in his own country, reinforced where possible by government guarantees. Thus every debenture sold to an American investor would have behind it equal security consisting of the pool of all the collateral supplied by Europe. There would be no direct loans against the collateral of weak concerns or nations individually by the American investor; neither would the strong be allowed to monopolize the benefits."

Mr. Alexander declared that sufficient credits must be extended to meet the full requirements of Europe as a whole, of the nations of Europe or of the individual industries. The full needs of Europe must be ascertained and met, he said, and this would make imperative an economic survey of its requirements. Credits supplied should be made available not to the nations of Europe as such he added, but to the specific interests within the nations, properly coordinated, that is, to industries, manufacturers, transportation lines and even to municipalities needing funds for reconstruction.

**Scientific Survey Needed**

To put his plan into operation, Mr. Alexander said, there would have to be "this scientific survey of Europe's needs" willingness of individual interests in Europe to coordinate their demands, to furnish satisfactory collateral and to pay American rates rather than European rates on loans made by the proposed European corporation.

"From the American point of view," he said, "this plan is predicated on the willingness of American producers and manufacturers to coordinate their selling plans, forming commodity groups and permit the allocation of their products to places and in amounts according to need. Another factor is the willingness of the American public to buy the debentures at a reasonable rate of interest. Still another is the cooperation required on the part of American banks to subordinate their investment opportunities to the general situation and not attempt to skim the cream of European investments, which they might be well able to do on account of their close connections abroad.

**Danger Foreseen**

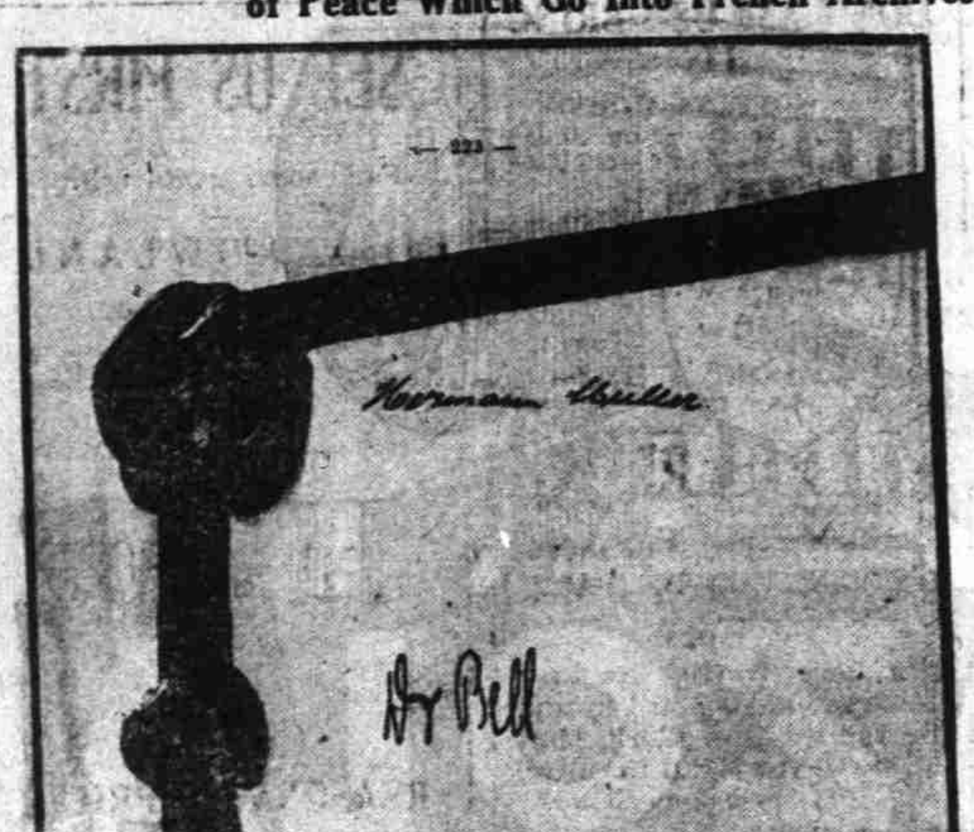
Without this proposed organization, said Mr. Alexander, American investors would have thrust upon them many issues of varying valules some based on the best collateral and some on collateral of ery uncertain alue. His plan, he pointed out would be a means to protect American peopel from unsound investments in European securities. "I believe that unles some broadminded scheme of this sort is adopted there are grave times ahead.

"Solution of the problem of supplying European needs should not be undertaken by governmental means," said Mr. Alexander. "It should be carried out with private capital, not government funds. Nevertheless the necessary measures should be organized and administered on a semi-public basis and along lines that will have the support and approval of the government of the United States. The time is past for the United States government to finance our allies in Europe as it did throughout our participation of the war; there are plenty of domestic problems for attention to engross the full fiscal policy and activities of the government."

**Plan is Necessary**

Mr. Alexander pointed out that unless a means by which America and Europe could work together in solving the problem "unsettled business conditions in Europe will still grow worse and inevitably extend to the United Staes." The organization as proposed for dealing with Europe was necessary, he said, from a selfish point of view of American interest in order to conserve America's markets and avert possible industrial depression. Unless such steps were taken Mr. Alexander believed the world might be drawn into unsound conditions. America would be liable to see serious displacements in its businss structure—that is, great prosperity in some lines and great depressions in others and ultimately a depression of the whole business structure and possibly a collapse, the weaker elements pulling down the stronger.

## German Delegates' Signatures to Treaty of Peace Which Go Into French Archives




This is a photograph of the page on which the German delegates signed the peace treaty at Versailles. It will be deposited in the archives of the French Republic. The signatures are those of Hermann Mueller, foreign minister, and Dr. Bell, minister of colonies. They signed the treaty first. The signatures of the representatives of the allies are on succeeding pages.









## To Keep Skin Fresh and Fine These Heated Days

It would be much better for the skin if little cream, powder or rouge were used during the heated term. Mixed with perspiration, dust and grime, these things are anything but beautifying. Ordinary mercolized wax will do more for the complexion, and without giving an oily, streaked, spotted or pasty appearance. It is the ideal application for the season, as it not only keeps the pores clean, but daily removes particles of scarf skin which have been soiled by dirt or weather. By constantly keeping the complexion clear, white, satiny, it does more towards perpetuating a youthful countenance than any of the arts or artifices commonly employed. One ounce of mercolized wax, obtainable at any drugstore, will completely renovate the worst complexion. It is applied at night like cold cream and washed off in the morning. There's nothing better for tanned, freckled or reddened skins.

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# EDUCATION BILL WITHOUT MONEY

## No Fund Available for Soldiers' Tuitions This Year, Says Brown

It will be necessary for the state emergency board to meet and authorize a deficiency appropriation for administration of the soldiers, sailors and marines educational aid bill before any claims by any educational institutions presented prior to January 1, 1920, can be audited by the secretary of state. This is the ruling of Attorney General Brown in an opinion written for Deputy Secretary of State Sam A. Kozer.

The educational aid enactment provides that an amount shall be appropriated equal to two-tenths of one mill for each dollar of taxable property in the state. This amount based on 1919 valuations, will be approximately $200,000.

Attorney General Brown's opinion points out that any millage tax levy shall be available for the purpose for which it is levied on and after the first day of January of each year, thereby making the millage tax levy an appropriation from the first of January instead of waiting for the tax to be actually received in the state treasury. The opinion holds that the educational enactment falls within the scope of the millage tax enactments of 1915 and 1917, that since the output is not available till January 1 there is no appropriation prior to that date and that the secretary of state cannot issue warrants in payment of claims under the act until the appropriation is available, unless some other specific authority of law is found.

This authority is found in the emergency board.

"Question arises," says the opinion, "whether the emergency board is authorized by the statute creating it to act in such a case. Reference is had to chapter 29, page 61, laws of 1913. An audit of such claims would not constitute incurring a deficiency by a state officer until the time when the appropriation becomes effective. Section 3 of said act provides: 'In case of emergency requiring...... or for the expenditure of money not specifically provided for by law' an emergency board is created, and section 4 authorizes notice to be given to the emergency board and its action upon authorization of such deficiency. This brings the present case clearly within the provisions of the statute authorizing action of the emergency board prior to the taking effect of the appropriation."

**LYCEUM IS PLANNED**

SILVERTON, Or., July 25.—(Special to The Statesman)—Through Miss Louise Shields the Ellison & White company has arranged to give a Lyceum course at Silverton during the coming winter. The Lyceum will consist of four evenings of entertainment.