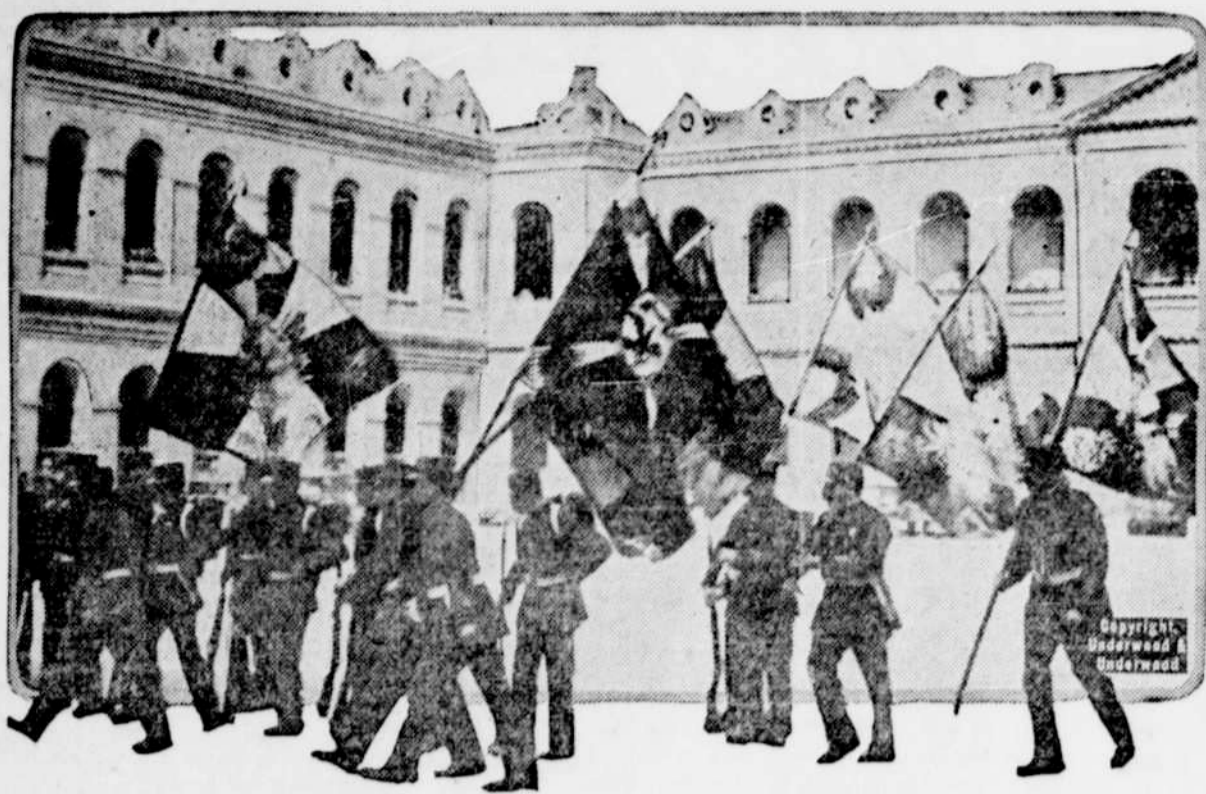


## PARIS RECEIVES CAPTURED GERMAN STANDARDS



Great ceremony attended the occasion of the conveying of seven captured German war standards to the museum of the Invalides in Paris. The photograph shows the flags being carried across the courtyard.

## RESERVE BANKS NOW OPERATING

### Government's Elastic Currency System a Reality.

#### Change Is First in 50 Years—New Notes Ordered—Evolution Will Be Gradual.

Washington, D. C.—With the opening Monday of the 12 Federal reserve banks the nation will begin actual operation of its new currency system, designed to provide an elastic circulating medium based on modern ideas of finance and economics.

It has taken the reserve bank organization committee and the Federal Reserve board almost 12 months to work out details of organization to the point where an opening date was chosen. Notwithstanding careful deliberations which preceded every preliminary step, the 12 banks will not for many weeks take up and exercise all the functions bestowed upon them by congress. Such evolution as will result from the old national banking system of necessity will in most respects be slow.

The new system is generally conceded to be a compromise between a central bank and the present system with its thousands of units, scattered reserves and fixed limits of currency. Its chief attraction and value those who interpret it find the elasticity it will give to recognized paper currency.

Under the present law National bank currency is almost a fixed quantity, based upon the National capital bank, issued upon United States bonds and unresponsive to the chill of hard times or the exultation of boom days. Its use, the experts say, to unrestricted loans and speculation, in the days when money was easy, and to a hoarding of resources and a tightening of the purse strings of credit when they were hard. It is said to have bred the panic of 1871, when solvent banks with large credits in reserve and central reserve cities were helpless.

Under the new system the Federal reserve notes, which in time, probably will entirely replace the National bank notes, now so familiar, will be issued on commercial paper arising out of actual business transactions. It seems plain that they will rise and fall in amount as the tides of business rise and fall and that there will be no plethora of money to lie idle. They will be obligations of the United States government, which National bank notes are not, and will have back of them a large reserve of gold in the regional banks. Through them the reserve banks are expected to come to the aid of any needy member bank which has plenty of good paper but needs cash.

To insure the flow of money reserve banks themselves may be required to rediscount paper of other reserve banks.

More than \$250,000,000 of the new notes have been ordered by the con-

#### Family Wrecked by War.

Grass Valley, Cal.—Four sons killed in a battle, the mother a suicide and the father insane, is the fate of the family of S. Neuberger, of this place, according to a letter just received from Germany. The young man answered the first call to arms and fell about the same time in one of the early battles of the European war. When the news of their deaths reached home, the mother committed suicide and the father became insane, and now wanders over the country, placing flowers on every hillock, thinking it a grave.

#### Woman Kodaks Holdup.

Billings, Mont.—Charles Erpenbach, a wealthy rancher of Northern Idaho, is to be tried at Sheridan, Wyo., on the charge of having held up a number of stage coaches in Yellowstone Park last summer and robbing the passengers. The holdup was the most sensational in the history of the park. Setting of the case on a change of venue brought to light the secret indictment by a grand jury at Lander some weeks ago. A kodak picture, taken by one of the robber's women victims, will, it is understood, figure in the evidence.

#### German Submarine Sunk.

London.—The Petit Calaisien says that a French torpedo boat entered Dunkirk harbor Friday and reported that it had sunk a German submarine in the Channel. The French boat was attacked by the submarine off Westende. The French commander sighted the periscope and rammed and sank the submarine.

## WILL EVACUATE VERA CRUZ SOON

### American Forces to Leave Mexico November 23rd.

#### Secretary Bryan Says Guarantees of Safety Is Obviated—Nuns and Priests Have Gone.

Washington, D. C.—Monday, November 23, was fixed as the date for the evacuation of Vera Cruz by the American forces. Secretary Bryan has issued this announcement:

"Both General Carranza and the convention at Aguas Calientes having given the assurances and guarantees we requested, it is the purpose of the administration to withdraw the troops of the United States from Vera Cruz on Monday, November 23.

"All the persons there for whose personal safety this government has made itself responsible have left the city. The priests and nuns who had taken refuge there, and for whose safety fears were entertained, are now on their way to this country."

This statement was given out after a long conference between Mr. Bryan and President Wilson. It apparently was received with surprise in some official quarters. The general understanding has been that the evacuation might be delayed indefinitely pending reports on the alignment of the various Mexican chiefs in the latest civil war now in progress. Secretary Bryan declined to add to the formal announcement, saying details would be made public by the War department. Secretary Garrison had nothing to say, and to just what authority the port of Vera Cruz would be delivered was not made plain.

It has been assumed, however, that as the United States throughout the Mexican difficulties has dealt with the authorities actually in control of territory involved, the city would be turned over to an agent of General Carranza, probably General Candido Aguilar, commanding the constitutional forces in the state of Vera Cruz.

So far as is known, there has been no final decision as to when and whom the more than a million dollars of Mexican customs money now held by the United States shall be paid. Both Carranza and the Aguas Calientes convention have given guarantees that customs duties collected at Vera Cruz will not be reimposed. In view of the complications which might arise, however, in the event Carranza's army supporting General Gutierrez, the convention's new provisional president, it has been suggested that payment of the money might be withheld pending a clarification of the situation.

#### French Pay \$182,000,000.

Bordeaux.—The cost of war to France in October was \$182,154,504, a daily average of more than \$6,000,000. The daily average for the first three months of the war was \$7,000,000. The government will disburse immediately \$13,000,000 for repairs to the railroad system. These probably have been made necessary by the wear and tear due to the transportation of troops. The sum of \$1,314,000 has been set aside for the relief of the unemployed. Various sums will be used to relieve localities invaded by the Germans.

#### German Submarine Sunk.

Paris.—A special from Dunkirk says a French torpedo boat sank a German submarine off Westende, Belgium. The submarine, it appears, was trying to torpedo the French warship, when the French commander caught sight of her periscope, put on full speed and charged down on the enemy, which disappeared. A large quantity of oil rose to the surface, marking the spot where the submarine sank.

#### Scott Will Head Staff.

Washington, D. C.—Brigadier General Hugh Scott was selected by President Wilson Saturday to be chief of staff of the United States army on the retirement next week of Major General Wotherspoon.

#### Lumber Orders Pour In.

Seattle, Wash.—Inquiries for 9,000,000 railroad ties and for 10,000,000 feet of large timbers received during the last 10 days have greatly stimulated the Northwestern lumber situation, and local exporters look for heavy cargo orders.

#### Seaflight Site Unmarked.

Washington, D. C.—Eduardo Suarez, Chilean ambassador here, is informed by his government that Chilean ships sent out to search had not found the slightest trace of the Monmouth or the Good Hope, the British cruisers reported lost in the recent sea fight with a German fleet off the coast of Chile. On their return to Valparaiso the vessels reported that they had searched carefully over the zone of battle without finding a bit of wreckage.

## Great Britain to Levy War Tax on Beer and Tea

### London—David Lloyd George, chancellor of the exchequer in the house of commons, Wednesday estimated that the cost of the war for one year for this country would be £450,000,000 (\$2,250,000,000), the largest amount England has ever spent on a war, and more than twice what was spent in the four years' conflict in South Africa.

#### To pay this enormous bill the government had decided, he said, to raise a loan of £350,000,000 (\$1,750,000,000), which would be issued at 95, per cent interest at the rate of 3 1/2 per cent, and be redeemable at par March 1, 1928.

The chancellor proposed and the house unanimously supported him, that the income tax should be doubled, but only collected on one-third of the income this year; that an extra half penny (one cent) per half pint should be levied on beer, and an extra three pence (six cents) per pound on tea.

He explained that the expenditure on the British troops would be higher in proportion than that of any other country in the world, as the pay and the cost of the army and navy were greater; there were separate allowances to the men and their families, and pensions were on a larger scale. Already 2,000,000 were serving and another 2,000,000 were in the course of enlistment.

Mr. Lloyd George said the government also had decided for the present not to tax the wages of classes not paying the income tax.

He said it scarcely was realized that 2,000,000 men now were serving the country under arms, and he confidently expected this number would be increased in the next few months to 3,000,000 men, which, he added, would entail the payment of separation allowances amounting to £75,000,000 a year. Incidentally the chancellor of the exchequer estimated that a full year of the war would cost at least £450,000,000. This is infinitely greater than the cost of any war in which Great Britain ever has been engaged. The largest amount ever before spent on war in a single year was £71,000,000.

## Foot and Mouth Disease Halted at Spokane Yards

### Washington, D. C.—The department of Agriculture was advised by telegraph Wednesday that a shipment of cattle from Chicago had been held up at Spokane because of the discovery of foot and mouth disease. The representatives of the bureau of animal industry at Spokane reported that this shipment had been quarantined and would be held under observation and that precautions had been taken to prevent spread of the disease.

In view of this announcement, the department will not place a Federal quarantine on the State of Washington unless it is discovered later that the disease is spreading from Spokane.

## University President Bars Belgian Benefit Effort

### San Francisco—Refusal of Benjamin Ide Wheeler, president of the University of California, to permit the use of the Greek theater of that institution for a concert to be held for the benefit of the Belgian relief fund that is being raised in San Francisco, Oakland and other bay cities, has caused much comment on the part of those who were interested in the Belgian relief fund, and particularly on the part of some of the regents of the university.

Arrangements for the concert were well under way before the telegraphed refusal of the president of the university to permit the use of the theater had been refused was made public in a report made by Mrs. Mark L. Requa, chairman of the executive committee of the Belgian relief fund. The report said President Wheeler's denial of the request was received from the East.

## Britain Accepts Germans.

### London—Replying to a question in the house of commons, Reginald McKenna, the home secretary, said he had granted certificates of naturalization to Baron Bruno Schroeder and Julius Rittershausen, of the firm of J. H. Schroeder & Co., bankers, after war had been declared and after satisfying himself that it was in the public interest to do so. Mr. Schroeder has a son in the German army and the board of aldermen of the city of London had protested against the granting of naturalization to the father.

## Navy to Test New Shell.

### Washington, D. C.—Secretary Daniels announced that Rear Admiral Fiske and the naval board appointed to experiment with the interior explosive invented by W. S. Isham would make every effort to test the value of the invention. Mr. Daniels said that while the majority of naval officers believed the armor-piercing shell was most effective, there was a sentiment among members of the house naval committee and many high officers in the navy in favor of giving the Isham explosive a thorough trial.

## Belgian Relief Ship In.

The Hague.—The steamer Tremorvah, the first Belgian relief ship from the American continent has arrived at Rotterdam. The Tremorvah sailed from Halifax October 28, carrying 3500 tons of flour, potatoes, cheese and canned goods, the gift of the people of Nova Scotia.

## The Governor's Lady

A Novelization of Alice Bradley's Play  
By GERTRUDE STEVENSON  
Illustrations from Photographs of the Stage Production

**SYNOPSIS.**  
Daniel Slade suddenly advances from a penniless miner to a millionaire. He is ambitious to become governor of the state. His simple, home-loving wife fails to rise to the new conditions. Slade meets Katherine, daughter of Senator Strickland, and sees in her all that Mary is not. Slade decides to separate from his wife and take rooms at his club. His description of his wife and his constant attendance on Katherine Strickland causes public comment. Editor Merritt is won over to the support of Slade because he cannot otherwise supply the money for a European trip demanded by Mrs. Merritt.

### CHAPTER VI—Continued.

"There are strangers there who learned of your—er—domestic difficulties for the first time tonight," Strickland continued. "Merritt has thrown the bombshell."  
"Why, I thought—" Slade began to protest.  
"He's all right," came the senator's reassuring tones. "It had to come out. He's got his coat off in the room for you. He maintains that the opposition papers are bound to take it up at any moment. Now, what do you advise?"  
"The truth," thundered Slade. "My wife is preparing to desert me. It will happen"—Hayes jumped up and flung himself out of the room—"tomorrow—the next day—any hour."  
"I see," and the senator looked grave. "Is this irrevocable, Slade?"  
"Irrevocable," declared Slade, positively. "As I have told you several times, senator, it is irrevocable. I'll stand by that."  
Convinced that Slade knew his own mind in this matter as well as he had the reputation for knowing it in all other matters, Strickland returned to the waiting politicians.

### Slade had been alone but a few minutes when Katherine returned.

"Well, Mr. Slade," the girl exclaimed, "things seem to be coming our way."  
Slade was in no mood for mere conversation. He was annoyed at Hayes' attitude, and incensed because his private affairs were being publicly discussed in the next room. Mentally he consigned Hayes to the devil, his wife to the far East of the country, and registered a vow with himself that he would have that divorce and the woman he wanted in spite of everybody and everything.

He resolved to sound Katherine out then and there. He turned over in his mind the most cold-blooded proposition that a man ever made to a woman. He was planning to ask her to marry him, when he should be free, to decorate his home, preside at his table, share his wealth and the honors of the chief executive of the state. There would be no warmth in his tone, no love in his heart, no

hunger for his lips for her, no yearning of his arms for her yielding figure, there would be none of the fire of youth, nothing of the love of little children, nothing of the spirit that makes of marriage a sacrament rather than a thing of convenience.

As Katherine walked across the room, moving toward him with the quiet grace and dignity of the well-trained, well-gowned woman, he had a fleeting memory of the slight, badly dressed little woman, whose diffidence in strange surroundings had always fretted him. She a governor's wife? Impossible! He rose and stood beside the woman whom he proposed to use as another living stepping stone.

"Miss Strickland," his mind fully made up, "you've done a lot for me in the last few weeks while you've been making that bust. I think I understand you in a way. The more I see of you the more I think I'd like to make a—well, a bargain with you. That doesn't seem to be quite the word, but I want a woman at the head of my house that I can be proud of—like Strickland."

"I think I'd like to make a bargain with you."

"My mind's made up. I'm going to marry Slade," the words were uttered quickly, breathlessly.

"You're going to marry Slade," Bob could scarcely believe his ears. "You must be crazy!"  
"No." Her voice was firmer now. "But I'm twenty-seven years old, twenty-seven years old. She bit the words off with a vengeance. "Soon I'll be thirty—thirty—do you hear? And you're the only man I've ever cared a rap for. I've tried to marry other men, rich men, men with important positions. Once I nearly did it in Europe. Then I thought of you and I waited, I waited. And it's too late now. I can't wait any longer. I've worried and wondered ever since I got home what I could do. What I could do! Slade's the answer. Bob, Slade's the answer."

"My God, Katherine!" Hayes was completely bewildered at this unexpected outburst. "Slade's married."  
"I don't care," she retorted, defiantly, gaining courage as she talked. "A woman more or less is nothing to that man. He'll move a mountain. He'll soon sweep her out of his path. The hot blood surged up into Hayes' face. He was agitated at this deep into the soul of the woman he had thought

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Katherine was not surprised. She had anticipated some move as this on his part, but now that she was face to face with the unvarnished suggestion, she found herself more shocked than she would have believed.  
"In a couple of months I'll stand free," he went on. "Perhaps sooner. I don't expect any woman's going to love me—she isn't. Got to do that when you're young. But I'd do all I could for the woman, she'd have everything—money and—the power that goes with it. I want to say right here that I wouldn't speak if I thought young Hayes had a chance. I saw he didn't."  
At the mention of Hayes' name Katherine had an instant's vision of Bob's tender face—his eyes burning with love looking into hers—of his youth—his strength—his fine honor, and her heart cried out desperately, pitifully for the shelter of his arms.

In another moment the old recurrent vision of life in the old town, dull, cheap, uninteresting, and the lure of what Slade was offering, the money, the clothes, the servants, the power to reign supreme, swept her off her feet. The thought of divorce did not terrify her. Mrs. Slade, whom she had never seen, was only a name.

As Slade watched her standing straight and white, he feared he had been too brutally blunt.  
"You needn't think it over now," he hastened to add. "Perhaps you will later, and perhaps you won't. That's for you to decide. I guess I've said all I can say."  
But Katherine was not a woman to shrink from a situation because of its unpleasant features. She knew that she couldn't have all the things she wanted without some suffering, some pain. Her father's world had taught her that love was a thing of small consideration where marriage was concerned, unless it went with the advancement of one's ambitions. Love was not of the world. Place, power, wealth—these were of the world and this man offered them to her.

"This isn't a matter of sentiment," she agreed with him calmly. "I'll be perfectly frank with you. I don't say I won't think it over. I know just what you want of a woman. When you can go to my father free there won't be any barrier in the way."  
She offered her hand as if to bind the bargain. He held it for a brief instant and with a hurried "thank you" left the room.

### CHAPTER VII.

Left alone, Katherine drew a long breath. Her face was set and her eyes were harder than it is good for a woman's eyes to be. She pictured to herself the future for which she had just bargained. There would be wealth—no more pinching struggle with masked poverty, her father at ease, his political debts all paid. There would be no more pretense that her art was for love of it and not for money—she would be free to follow her desires in this as in all else. There would be honor and power as wife of the state's chief executive—and that was but a step to further honors that she would achieve at Slade's side—with Slade—always with Slade—ah!

As she stood thus the horror of what she had agreed to do swept over her, and she sank moaning and shivering into a chair, covering her face as if to shut out the hideous vision of herself as Slade's wife. She did not hear Bob enter, and did not know he was in the room until he touched her shoulder with tender alarm, exclaiming, "Why, Katherine, what's the matter?"

He did not think he ever remembered Katherine, strong, firm-willed Katherine, looking so pathetic and helpless. She dropped her hands from her face and he was surprised to see the misery in her eyes and the drawn lines about her mouth.  
"I'm cold—I'm cold! I've had an awful chill," she tried to say, her teeth chattering with the sudden cold that seemed to freeze her lips. "Don't touch me, Bob!" she choked. "I've done it. I've done it. I always knew I'd do something terrible—I've done it." Her voice was hollow and her eyes were blank and expressionless.

"Katherine, tell me what's the matter? Can't you tell me?" There was a world of love and tender solicitude in Bob's voice. His manner seemed to rouse her, and she began to pace the floor excitedly.  
"My mind's made up. It's all over between us now. I'm going to marry Slade," the words were uttered quickly, breathlessly.

"You're going to marry Slade," Bob could scarcely believe his ears. "You must be crazy!"  
"No." Her voice was firmer now. "But I'm twenty-seven years old, twenty-seven years old. She bit the words off with a vengeance. "Soon I'll be thirty—thirty—do you hear? And you're the only man I've ever cared a rap for. I've tried to marry other men, rich men, men with important positions. Once I nearly did it in Europe. Then I thought of you and I waited, I waited. And it's too late now. I can't wait any longer. I've worried and wondered ever since I got home what I could do. What I could do! Slade's the answer. Bob, Slade's the answer."

"My God, Katherine!" Hayes was completely bewildered at this unexpected outburst. "Slade's married."  
"I don't care," she retorted, defiantly, gaining courage as she talked. "A woman more or less is nothing to that man. He'll move a mountain. He'll soon sweep her out of his path. The hot blood surged up into Hayes' face. He was agitated at this deep into the soul of the woman he had thought

was tender and dear and sweet. Her complete disregard of Mrs. Slade enraged him.  
"So this is what Slade has done!" His fists were clenched. "This is what he's after. This is what you want. I'm not surprised," he went on, bitterly. "It was always in you."  
"Yes," she met this accusation, an angry light in her eyes. "It was always in me. I always had to have everything, be everything. I can't stay here and be a nobody. We're getting horribly poor. If we look prosperous, it's because nothing is paid for. When I was a child I always had to lead all the little games." She was talking rapidly, earnestly. "Then when I grew up there was only one leader here—Katherine Strickland, and after that there was never but one woman left this place and did the things I've done and made the successes I've made, and now—to come back here—and settle down! When I'm Mrs. Slade I'll have the life I'm after—money and power and Europe—the world."

"Don't forget Slade," came sarcastically from Hayes. "Don't forget Slade," and he came toward her. "You'll have Slade, too. You'll have

"You are going to rob a poor little woman!"

"To live with him, a man who has lived all his life with another woman—

"Don't!" she commanded. "He is only marrying me for a—sort of housekeeper."  
"You'll be his wife just the same." Every word was a sting.

"Yes—you'll have your revenge," Katherine answered quietly, more to herself than to him. Her voice dropped wearily. "Every time he kisses me—every time he comes into the room, but I'll get used to him. I suppose. Women get used to that sort of thing."  
"Yes, and then go to the devil! I'll tell you what I think of you," he stormed. "You're a bad woman. You're as rotten as they make them. There's no type so low. You're bad to the marrow. London and Washington and Paris have done for you. You've butterflied all over the world till you're a heartless jave, junketing about from one embassy to another with all your pretty little cheating tricks and not a decent thought in your head."

"I won't listen," she gasped, amazed at his denunciation of her.  
"You will listen!"  
"Don't, oh, don't say such things, Bob," she pleaded.

"Why not?" he demanded. "You who plan to do such a devilish thing in the eyes of God and of men, can you be afraid to hear what it really is you plan? You will listen!"  
He took a step nearer. He caught her roughly by the shoulders. He buried his lips into the soft tendrils of hair around her ear as he almost shouted: "You are going to rob a poor little woman—step into her house and snatch away her husband—and the only excuse you can offer is that you want his money. Why don't you rob somebody outright and get away with it? It's more honest."

Katherine shrank from him with a cry of protest.  
"And all the while you love me," he went on, passionately, "you love—"

"I don't," she sobbed.  
"You lie!" he accused, hotly.  
"Well, supposing I do—what can you give me?" she asked coolly.

"What can I give you?" he repeated. Then with a look of utter loathing in his eyes: "Your contemptible little—"

and he flung her from him.  
"You're going to sell what's mine to the highest bidder," he panted.  
"But Slade's not divorced yet, and before you get out of this dirty mire you'll regret it. You'll find yourself so deep in scandal—"

"I won't," Katherine protested, vehemently. "I won't have a scandal!"  
"They'll say he's your lover," his rage turning into fury.  
Katherine looked at him as if she had been turned to stone. Then the real significance of what he had said fanned to a flame the rage that was burning in her heart—rage at him— at conditions—at everything! She gripped her fingers around one of the lovely roses at her belt and crushed it to a pulp. Then she ripped them from her gown—his roses—and threw them among the blazing logs in the fireplace.

(TO BE CONTINUED)

Old Cal's Exclamation.  
"The late Shelby Cullom," said a Springfield veteran, "was a bad man to argue with."  
"I argued with him once on a war. He accused me of being weak-kneed in my principles. He said I reminded him of old Cal Clay."

"He saw Cal rolling along home one evening, he explained, full of apple-jack, and so he said to him:  
"Why, Cal, you told me once that you were a teetotaler."  
"So Ah is, Mrs. Shelby," said old Cal, "so Ah is; only, sah, Ah hasn't biogoted."