

News Review of Current Events the World Over

United States Steel Cuts Dividend Rate and Will Reduce Salaries—Germany Now Is Helping Herself.

By EDWARD W. PICKARD



J. A. Farrell, to \$4 a share instead of \$7 and is the lowest paid by the corporation in sixteen years.

At the same time the directors dealt with the wage question through a recomposition that salaries of officers and employees be adjusted, leaving it to the management to determine the amount of reduction in 1931. There was no mention of readjustment of wages and the officials would not comment on the possibility of this action, but in some quarters it was thought the directors were authorizing the first move in a program that would be extended to labor in case this became apparently unavoidable. President Hoover's administration took occasion to repeat its plea that there be no lowering of wage scales in key industries apart of living standards, and President James A. Farrell of the United States Steel corporation has been regarded as one of the staunchest supporters of this policy.

The reduction in salaries, it is understood, will be put into effect as soon as the adjustments can be worked out. The proposed cut will be applicable to all salaried employees and will average about 10 per cent, it is believed. One rumor is that some of the higher executives will accept larger reductions. President Farrell himself is in this latter category. The exact amount of his salary has never been made public, but one guess places it between \$100,000 and \$150,000.

The reduction of the dividend rate affects more than 200,000 stockholders. Steel stock is owned and traded in throughout the world. Wall Street took the news of the directors' action quietly, though it had hoped the dividend rate would be placed no lower than \$1.25 a quarter.

FOUR more bold aviators successfully crossed the Atlantic ocean, though the first pair were far from reaching their destination. Hugh Hendon, Jr., and Clyde Pangborn took off from the New York municipal airport with the intention of flying to Moscow and thence around the world. All the way across the ocean they flew through dense fogs and they were compelled to land in a farm field near Cardigan, Wales. They went on to London and continued their flight from there.

Russell Boardman and John Polando, who left at the same time and from the same airport on a flight to Turkey, were more successful, for they landed safely in Istanbul, beating the non-stop distance record established by Coste of France.

COL. CHARLES A. LINDBERGH and Mrs. Lindbergh started from Washington on their long and perhaps perilous aerial jaunt to Japan in their big scarlet and black seaplane. The first hop, which was intended to take them as far as North Haven, Maine, where is the summer home of Mrs. Lindbergh's parents, ended in Flushing bay, New York, in the midst of a thunderstorm and heavy downpour of rain. The next day they proceeded to North Haven, and then on to Ottawa.

CHEERED up by the encouraging promises and predictions of Prime Minister MacDonald of Great Britain, Secretary of State Stimson of the United States and other eminent statesmen, Germany worked hard during the week to rescue herself from financial collapse. The distinguished visitors were received in Berlin with uproarious demonstrations and were the chief figures at banquets and conferences. "Britain's confidence in Germany is undiminished," declared Mr. MacDonald. "We are filled with admiration for Germany, and we are firmly convinced that if she continues her efforts, if she exerts all her intellectual, moral, and economic powers to get on her feet again, without giving way to despair, other nations will



Herr Schmitz

help her and not suffer her to go under. A free, self-respecting Germany is indispensable."

Mr. Stimson, before leaving Berlin for London, issued a statement in which he said:

"The American people have faith in the German people and believe in their future. My faith in Germany has been strengthened by my visit here. I believe the present difficulties are the mostly to temporary lack of confidence and that through courage and renewed confidence Germany's welfare will be restored."

The German government announced the formation of the "Acceptance and Guarantee" bank with a capital of \$45,000,000 to facilitate the immediate financial transactions of the country and to make possible the re-opening of all German banks. The Reichsbank and eleven other leading German banks guaranteed the credits to the new bank.

In addition to removing the restrictions on banking activities throughout the country, Dr. Hans Luther, president of the Reichsbank and Chancellor Brüning said they hoped the new bank would also help re-establish the closed Darmstaedter and National bank, and save other small banks now tottering.

One important step taken by the government was the appointment of Herman Schmitz to assume control of all German banks during the crisis. He was made controller of the country's financial structure with power to draft plans to stop the flow of funds from the various banking houses. Herr Schmitz has been closely identified with the great chemical industries of Germany.



H. P. Fletcher

CONSIDERABLE interest is evidenced in Washington in the political future and plans of Henry P. Fletcher, veteran diplomat, who has just tendered to President Hoover his resignation as chairman of the tariff commission, effective on November 15. Being interviewed, Mr. Fletcher said tersely: "My plans are indefinite, but I certainly don't intend to go into a convent." There were rumors that he would seek the Republican nomination for the Pennsylvania senatorship as successor to Senator Davis, but this he denied. Also it was thought he might be appointed governor-general of the Philippines.

In view of the long experience of Mr. Fletcher in the diplomatic service and the fact he served as ambassador to both Italy and Belgium, there is talk that, if any change should be made in the office of secretary of state, he would be a logical man for the post. Following the election of Hoover in 1928, he was mentioned freely for secretary of state and for ambassador to Great Britain and ambassador to France. Long a friend of President Hoover, he accompanied him on the good-will trip to Latin-America soon after the Presidential election.

NORMAN H. DAVIS, one of America's most eminent financiers and at present trustee of the Bank of New York and Trust company, announced that he had accepted a post on the finance committee of the League of Nations and would sail for Europe almost immediately.



N. H. Davis

His first business there will be to attend a conference on European credits which will open August 20. He will then take part in a meeting of the finance committee early in September. He will return home in October, and will not be obliged to relinquish any of his business interests in this country, as the finance committee of the league is called together only three times a year, each meeting as a rule, continuing for only a few days.

Mr. Davis is entirely familiar with European finances for during his distinguished career he has been a member of numerous international commissions and conferences. In 1920-21 he was undersecretary of state.

ONE more report has come from the Wickersham commission. It deals with the American prison system,

which it condemns as inefficient antiquated, failing to reform the criminal or protect society, and as using brutal and unjustified disciplinary measures. Much of the report is a denunciation of prison conditions characterized as "almost inhuman, under which men are imprisoned in overcrowded cells without sufficient light or fresh air or benefit of modern plumbing."

It attacks also the system of prison discipline described as "inhumane, antiquated, unintelligent and not infrequently cruel and inhuman." Asserting these methods "contribute to the increase of crime by hardening the prisoner," the commission urges they be changed by law.

Outlining what is considered the ideal, the commission asserts segregation of the dissocial, insane, drug-addicted and hardened criminal is one of the first requisites.

Under the proposed system all prisoners would be paid wages, their treatment would be more humanized, the choosing of prison officials would be removed from politics and guards would be trained specifically for their task.

It is advocated that "no man should be sent to a penal institution until it is definitely determined that he is not a fit subject for probation." Extension of the parole system also is urged as the "best means yet devised for releasing prisoners from confinement."

IN ONE of the most strongly worded opinions ever handed down in a prohibition case, the United States Circuit Court of Appeals at Chicago severely attacked the tactics of dry agents in harassing offenders, declaring their methods to be "a shock to the court's sense of justice" and observing that there is "an ever increasing frequency of similar cases." The opinion reversed the conviction of five policemen of Indianapolis who last year were found guilty of conspiracy to protect a speakeasy.

"That there was a conspiracy to violate the prohibition law, there can be no doubt," said the appellate court's opinion. "The conspiracy was conceived by the three prohibition agents, who enlisted the services of a decoy, Lyle, to more effectually accomplish their object." Horace Lyle, who managed the government operated speakeasy, is a notorious colored drug-dealer who has been indicted for bribery and arrested several times for drunkenness.



Carlos Ibanez

CARLOS IBANEZ, president and dictator of Chile, who held his own throughout all the Latin-American revolutions of last year, has fallen at last. The "man of destiny," as he styled himself, faced with a popular uprising that was all arranged, resigned verbally just before the time set for a general strike. The congress promptly accepted the resignation but apparently withheld the safe conduct out of the country which Ibanez asked. Therefore, in the early morning hours the overthrown dictator, accompanied by his wife and three army officers, fled from the palace in a motor car. At Los Andes they boarded a special train for Argentina, and it is considered unlikely that any attempt will be made to bring him back to Santiago for trial.

When Ibanez fled, Pedro Opazo, president of the senate and vice president of Chile, became acting president, but he lasted only a few hours, for the people were convinced he had aided Ibanez to escape. He, therefore, stepped out in favor of Juan Esteben Montero, who presumably will be chief executive until a president is elected. Montero is one of the country's leading lawyers.

Chile hailed with approbation the announcement that Pedro Blanquier, one of the most popular men in Chile, had agreed to accept the post of finance minister. His "bread and water" policy during his eight-day term as premier has been accepted by most Chileans as a great step to rid the nation of its economic distress.

FRIDAY saw the belated dedication of the marble column at Put-in-Bay, Ohio, memorializing the victory of Commodore Oliver Hazard Perry over the British in the battle of Lake Erie in 1812. The 330-foot shaft has been completed for 15 years, but the ceremonies were put off from time to time until the present.

Dedication addresses were made by Senator James Hamilton Lewis of Illinois and Gov. George White of Ohio.

SAM C. MAJOR, representative in congress from the Seventh Missouri district, died in Fayette, Mo., and the Republican majority in the next house was thus restored to two, for Mr. Major was a Democrat, one of the twelve in the present Missouri delegation of sixteen. He was sixty-two years old and was elected to his fifth term last autumn.

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Evolution of Money



Salt Merchant of Morocco, Whose Salt Is Also Used for Money.

(Prepared by the National Geographic Society, Washington, D. C.)

ETHIOPIA (Abyssinia), which has hitherto got along without a money of its own, is taking steps toward establishing a currency and coinage system on a gold basis. Most of the citizens are now using for their purchases bars of salt, rifle cartridges, and even empty bottles and tin cans. The money necessary in international dealings has been furnished in limited supply by Maria Theresa Talers, introduced a number of years ago from Austria, and by a small amount of paper money issued by a branch of the National Bank of Egypt established in Addis Ababa, capital of Ethiopia. The bank is to be purchased by the Ethiopian government as a first step in its program to set up a currency and coinage system.

When Ethiopia issues her first bank notes and certificates, these bits of inked paper will represent the latest link in the very long chain of the evolution of money. In earliest times man traded or bartered one product or article for another. But the need for a common denominator of value became apparent even with the first glimmerings of civilization. The skins of animals served in this way when man was still a hunter, while shells became the first money of tribes living near the sea. When man settled down and became an agriculturist or a herdsmen, grain and cattle came into use as his measures of values. The ox was "big money," the sheep "small change."

The human geography of the Near East, which had been pastoral, about this time got an industrial urge. A way had been found of extracting a metal from the earth of the island of Cyprus, handily set in the eastern Mediterranean. The Romans later twisted the name of this island in such a way that the modern word "copper" was derived from it.

How Copper Became Money. Copper pots began to appear, and, like cattle, were universally prized. Merchants would exchange whatever they had in their stalls for copper pots, and the demand for them was more nearly universal than for any other object. The copper pot was, therefore, money.

Then into this region came one imbued with an idea of importance. Instead of presenting pots for use in facilitating barter, he would tender the copper of which they were made. He would offer it in a convenient form, made up into a strip which he called obolus. No definite idea of its size survives, but it was said that six made a handful. The obolus marked a great advance toward the use of coin.

The scene shifted to the west. Italy, as it awoke from barbarism, adopted a unit of copper as a measure of value. It called the unit as, a Roman pound of 12 unciae, or ounces, and it came into general use.

Copper served the purpose of money because of its intrinsic value. The as had the value of a pound of copper. Human nature being the same then as now, it soon came to pass that people made the as in a weight a little less than a pound and profited to the extent of the metal thus saved. They learned to mix certain quantities of baser and cheaper metals with the copper and their currency deteriorated.

Thus a step toward the development of actual money was forced on the nations. Governing powers found it necessary to step into the breach, to test metals used as money, to put their stamps guaranteeing quality and weight upon them, and by this avenue copper coins arrived.

Money of England. As the centuries passed in the Mediterranean area, copper became plentiful and its purchasing power decreased.

Money history began to be written

in another geographical area. The English began to talk of the "pound" in designating a money unit. This is the silver pound of Charlemagne.

Originally 240 pennies were made from the pound of silver, and although the pound (sterling) has become a measure of value and not of weight, the relation to the old value standard continues—240 pence to the pound (sterling).

The English word "shilling" has a geographical origin that is quite different. It was first used by the blonde barbarians of the North. These warriors and their opponents were given to wearing rings and arm bands made of silver or gold. After battles the rings of the slain were highly prized by the victors, and were gathered and properly distributed by an official who had charge of this division of spoils. He was known as the ring-breaker and was actually the first treasury official of these northern tribes.

The rings were so made that they broke up into bits of a somewhat uniform size. One fragment was called a "schillingas." In the North it was an early form of money, and from it came the shilling, so dear to the English heart today.

The world was short of actual money from Caesar to Columbus. There was little progress during that long stretch and there appears to be some soundness in the theory that the absence of a circulating medium of sufficient quantity to make development possible was, in part, the reason for the stagnation. Yet, despite its scarcity, money events were taking place about the map of Europe and seem, in retrospect, to have been in preparation for the coming of better days.

Origin of the Dollar. Toward the end of the time of shortage there appeared in the interior of medieval Europe an individual who was to write a chapter of money history that has come down strangely to modern times, and to give a new nation of the West a currency unit that was to have a profound effect. This man made the first dollar in all the world, and gave it a name—schilling, though the etymology is not apparent at a glance, becomes upon examination the lineal ancestor of the word "dollar."

The count of Schlick, for such was his title, dwelt in St. Joachimsthal (Joachim's Dale), a mining region of Bohemia. The patron saint of the community was St. Joachim.

Here the count of Schlick, in 1516, appropriated a silver mine. As his retainers took out the precious metal, the master laid his finger to his temple and considered the purpose to which he should put it. He must have been a man of perception, for he seemed to realize that he dwelt in a money-hungry world, and that his silver would serve best if made into coin.

At any rate, he devised a new one all his own. On its face appeared a reproduction of St. Joachim, and it was named after that personage and the community which gave it birth—Joachimsthal. It was the first dollar.

Now note the evolution of the word "dollar" from this, its polysyllabic ancestor. When the Joachimsthaler found its way into medieval Germany it was warmly welcomed. A practical people, however, soon tired of the length of its name, and by a judicious dropping of syllables it became the "thaler." The word in that form still survives in Germany.

When the thaler passed into the Netherlands its pronunciation was somewhat changed. Ther it was called the "daler." Then it crossed to England, where, by use of the broad "a," daler became "dollar." Under this modified name and geographically transplanted, the Joachimsthaler of the count of Schlick has grown and prospered.