MIRTH AND STRENGTH COMBINE FOR ST. LOUIS FALL FASHION PAGEANT

Story of Style Event Ranges From Merry-Making up to Beauty Episodes

The story of the seventh fashion pageant of St. Louis, which will be held in Forest Park, August 2, 3-9, 10, 11-16, 17, is built around the three qualities of Mirth, Strength and Beauty.

An unusual stage setting has been devised for the style event, and as a deep-toned bell sounds the hour a foliage screen silently parts, revealing an extensive terrace with semi-circular elevation in the center approached by circular stairs at both sides.

Clusters of roses adorn the balusters and walls and, beyond, a fountain glitters in a rainbow of colors.

Directly under the upper terrace a group of musicians play, the orchestra thus being, for the first time, brought up out of the pit and made a part of each scene.

The models promenade down the circular stairways, across the lower terrace and out into the audience, by specially constructed runways, before and after each episode in the pageant.

The Mirth episode centers around a motley crowd of merry-makers, dressed in carnival attire, with many Pierrots and freakish costumes as well. Singing and dancing, with a wonderful clown, compose the scene.

To the accompaniment of martial music, as the strength episode opens, twenty-four young men of splendid physique enter and after a march fall into the Morris sword dance.

This is followed by other feats displaying physical strength and ends in the forming of pyramids and similar entertainment.

In contrast to the preceding scene, in the Beauty episode twenty-four dainty maidens come stepping lightly upon the terrace, the theme of the scene being a supplication to the spirit of the rose. Finally a lovely woman emerges from a bed of roses and takes part in a spirited dance. Youth appears, and after a pursuit, captures her.

When the last model has left the stage after the three episodes described a group of bathing girls descend from the terraces. They wear capes and carry parasols of elaborate designs.

The models are still on the runways in the audience and until the last one has left the runway the bathing girls disport themselves in the big pool which edges the stage and a diving contest takes place from the two towers at either end.

Fifty beautiful young women have been selected to depict the latest fashions the market can design. Rehearsals are now in process. The wonderful curtain, which is the first successful device to bridge an open air theater 120 feet across, is ready. The orchestra is being assembled and will include leading musicians of the city, many of them regular members of the St. Louis symphony orchestra.

An invitation is extended to every retailer in the country to be the guest of the St. Louis market at this unequaled Fall Fashion Pageant. Tickets will be furnished to retailers by the manufacturers and wholesalers on request.

EUROPEAN BUSINESS IS CRIPPLED BY EXPENSE

Capital Being Used up By the National Governments Instead of in Industry

Europe's economic recovery is seriously endangered by the present rate at which capital needed for private enterprise is being used for national expenses, Dr. Henry A. E. Chandler, economist of the National Bank of Commerce in New York, declares in the July issue of Commerce Monthly, the bank's magazine.

The inability of foreign countries to balance their national budgets, he points out, is largely responsible for the instability of their currencies and of international trade, and is also a fundamental cause of the current business depression in the United States.

"The magnitude of the national budgets that most of the former European belligerents must face for years to come will call for the most careful adjustment of the public finances in the light of the industrial and business needs," according to Dr. Chandler.

"If, in raising these public funds, too large a proportion is diverted to unproductive consumption, private industry needing capital for rehabilitation or for normal expansion cannot operate to its highest efficiency. Since the national productive capacity is but an aggregate of the productive power of individual industrial and business units, such a diversion must reduce the buying power of the people. The reduction of the buying power of foreign countries reacts not only upon foreign trade but, through the price disturbing influence of surplus products hanging over the domestic market, demoralizes the home market, discourages industry and reduces the national income.

"In analyzing the budgets of the several European countries the facts that strike our attention are the tremendous expenditure for consumption purposes, and especially the deficits from uneconomical operations of public services and in important cases the staggering amounts still appropriated for the upkeep of the armies and navies. After making due allowance for governmental capital expenditure or for the partial return of capital to the people, it is clear that a heavy burden of governmental consumption rests upon the industry and business of the nations.

"In most of the former belligerent countries the continued inflation has resulted principally from the failure or inability to balance the national budgets. The effect of this continued inflation is to render the value of the currencies unstable and to present in an exaggerated degree all of the evils and hindrances to sound business activity, that always attend unstable monetary conditions. The same unusual demands upon the public revenues that have caused the currency inflations have been responsible for an important part of the depreciation of the exchanges and the violent fluctuations that still occur."

Citing statistics, as reported for the national financial conference of September, 1920, Dr. Chandler shows that the governmental expenditures of the leading European nations have increased from 500 to 1,500 per cent. and are consuming from 20 to 40 per cent of the entire national income. According to pre-war averages between 10 and 16 per cent of the national income represented capital savings, he estimates. He continues:

"It is almost impossible to appreciate what it means to have the government absorb an amount equivalent to from 20 to 40 per cent of the entire national income. According to pre-war averages between 10 and 16 per cent of the national income represented capital savings, he estimates. He continues:

"It is almost impossible to appreciate what it means to have the government absorb an amount equivalent to from 20 to 40 per cent of the entire income of the nation. In other words the national expenditures alone have absorbed an amount roughly equivalent to from 1 1-2 to 3 times the total annual capital savings. When a country attains a national budget that equals from two to three times its annual capital savings and special forms of revenue are designed to reach an important part of the earnings of those individuals and corporations that accucumulate savings annually, that country faces a situation that requires active and serious consideration.

"Even while a large burden is borne by consumption, it is possible, unless the utmost vigilance is exercised, for the government to absorb such a large part of the current capital savings, if not indeed to eat into past accumulations, that the economic recovery of the nation will be dangerously threatened. It is clear that until the budgets of these European countries can be balanced, domestic markets, the foreign exchanges and international trade must remain unstable."

TAX-EXEMPT SECURITY IS MENACE TO CREDIT

Declared a "National Evil Unparalleled in the History of the Country"

The continued issuance of tax-exempt securities is a menace to the credit standing of the government, of the states, and of the political subdivisions of the state. It is rapidly tending toward property confiscation, and is materially delaying the industrial progress of the nation.

In an address before the house of representatives upon H. J. Res. 102, to correct this situation, Congressman Louis T. McFadden, of Pennsylvania, chairman of the banking and currency committee, stressed the above points as constituting a national evil unparalleled in the history of the country:

"The creation of two classes, the wealthy, free from the burdens of taxation, and the workers, who are forced to bear the burden, of which the wealthy are relieved, through the purchase of tax-exempt securities, is a violation of social justice which is crystallizing in broad public opposition and discontent, as the issuance of tax-exempt securities expands."

Otto H. Kahn has estimated that $14,425,000,000 of tax-exempt securities have been issued up to January, 1921, of which about half represents the debts of states, cities, school districts and other political sub-divisions, while half represents the obligations of the government. In the last few years we have seen the personal wealth of the country so rapidly segregated into the tax-free class that whereas the taxable income of individual taxpayers under the federal income tax law was $992,972,985 in 1916, the amount decreased to $731,372,053 in 1917, and to $392,247,329 in 1918. It is not to be supposed that the actual income of these taxpayers had thus decreased. On the contrary, it is a safe conclusion that they had converted their wealth into tax-free securities so rapidly that at a similar rate of conversion they would be "scot-free" of all income tax by 1922.

It is stated that more than $1,000,000,000 of state and municipal tax-free securities were issued in 1920. If these securities are held by the wealthy, the federal income tax is at the rate of 73 per cent, if the interest rate on these bonds averaged 5 per cent. Granted that there may have been an apparent saving to the borrowers of 1-2 of 1 per cent per annum, Mr. McFadden points out that this saving on $1,000,000 in 5 per cent bonds is only $250,000 per year, or 0.00711 per cent of the annual loss in taxes. If the rates of taxation are not reduced the loss in federal income tax alone would, for the life of this billion dollars in bonds, represent a loss of $700,000,000, against a total saving in interest of only $5,000,000. On a most conservative basis the government is now losing annually from 175 to $200,000,000 on tax-exempt bonds already issued.

The wealthy investor receives as much net return from a 5 per cent tax-exempt bond as from a taxable industrial investment paying over 17 per cent. Railways, public utilities and other industrials cannot compete on this basis, and are now being deprived of the capital which they need for expansion. This is a serious handicap to the normal progress of industry which should be terminated. The tax-exempt bond has contributed to the depression in the value of liberty bonds, causing the holders to sustain still further losses upon liquidation. The issuance of tax-exempt securities by the government, state or other political sub-division because of the ease in obtaining funds, encourages public debt, public extravagance and public efficiency in the expenditure of the funds so raised. Allowed to continue, the issuance of tax-emept bonds encourages all political units issuing the same to rapidly approach their bonding limit, when the burden of taxation thus created may become so heavy as to force confiscation of the property. As the bonding power of the cities becomes exhausted the credit position becomes impaired.

"I hold," said Mr. McFadden, "that the credit position of the state is impaired, and that the credit position of a state cannot become impaired without also impairing the credit position of the government. The resolution which I have introduced to amend the constitution places all forms of investment on an equitable basis of competition and re-establishes equality in the assumption of the tax burden by all people. The principles of the constitution are now being undermined and must be restored. Under this amendment the government, the states, and all the political sub-divisions thereof will have equal rights of taxation upon all securities issued after its enactment and ratification by the states."

OBJECTS TO PROPOSED CHANGES IN F. R. BANK

New York Banking House Says Credit Situation Not Chief Cause of Dullness

There has lately been manifest in many quarters the mistaken idea that the credit situation alone is the fundamental cause of the present retardation of business activities generally, states the guaranty survey, a monthly review of world-wide business and financial conditions issued by the Guaranty Trust company of New York.

The necessity for readjusting underlying industrial conditions, seemingly, is not thoroughly understood. Instead of a proper concentration of effort on this primary task, a number of legal measures are being proposed which would render this readjustment more difficult. Some of these proposals have as their purpose the arbitrary limitation of the discretionary powers of the federal reserve board.

There has been introduced in the house of representatives, for instance, a bill which would prohibit federal reserve banks from charging member banks in any transaction with them a greater rate of interest than five per cent per annum. The passage of this bill would automatically deprive the federal reserve banks of the power they now possess for controlling inflation. The inevitable result would be to recreate conditions under which money panics might be precipitated; and one of the chief purposes for which the federal reserve system was designed is the prevention of such panics.

Likewise, it has been proposed to amend the federal reserve act with a view to restricting the authority of the federal reserve board in curtailing credit. The suggested amendment reads as follows: "The federal reserve board shall have no power or authority to restrict the amount or class of eligible paper a member band may rediscount so long as it complies with the law that applies to member banks, except by an order adopted by two-thirds of the members of the federal reserve board in curtailing credit. The suggested amendment reads as follows: "The federal reserve board shall have no power or authority to restrict the amount or class of eligible paper a member bank may re-discount so long as it complies with the law that applies to member banks, except by an order adopted by two-thirds of the members of the federal reserve board, copy of which shall be mailed to all banks affected thereby. Said resolutions shall not take effect until 30 days after its receipt by member banks."

Such an arbitrary legal regulation would be fraught with possibilities for mischief and worse. The advance notice of a forthcoming restriction upon eligible paper, under conditions which this proposed amendment would create, would induce a rush of demands upon member manks for credit accommodations. Prospective borrowers would wish to obtain accommodations before the restriction should become effective. Instead of aiding in a stabilization of credit conditions, therefore, the effect of such an amendment would be to weaken the federal reserve system as a prevntive of financial panics.

Whatever its shortcomings, the federal reserve act has proved to be providential for the United States. It provided a banking system which was strong enough to withstand the greatest credit strain ever experienced in this country, and which not only successfully functioned during the dangerous inflation period, but also has subsequently met the "acid test" of the even more dangerous deflation period with equal success. It cannot continue to operate so helpfully if in every detail the power of the federal reserve board to regulate credit is minutely prescribed by law.

THEATRICAL

ROYAL

"Madonna and Men," an unusually massive and elaborate motion picture production that caused enthusiastic comment from press and public at its premier presentation in New York, has been specially booked by the Royal theater for three days, to open Monday.

"Madonnas and Men" boasts of one of the most impressive casts ever assembled for a feature production. Elaborate and massive in the extreme, it comes to the Royal theater as the crowning achievement of American production of the silent drama. That it will be accorded the same enthusiastic reception that has come to it in other cities seems a foregone conclusion, for nothing like it for sheer dramatic interest has ever been thrown upon the screen of any motion picture theater.

ROYAL THURSDAY

"Passion," the European film sensation, starring Pola Negri, the wonder continental star, has at last reached Wilmington. This picture has amazed all of America, and is undoubtedly the one outstanding sensation of the past five years film history of the world.

"Passion" took two years to make and cost over two million dollars. It was bought by First National for distribution throughout America, and has broken every attendance record for any kind of an attraction. The Capitol theater, New York, played to more than a quarter of a million people in two weeks, taking in over one hundred thousand dollars. It will open at the Royal next Thursday.

VICTORIA

Back to musical comedy and vaudeville at the Victoria beginning Monday! An announcement that will be welcome news to many hundreds. And the attraction that has been booked is a good one—Charles Worrell's Virginia Beauties company, an all-star aggregation of musical comedy and vaudeville stars who will give Wilmington theater-goers a rare week of entertainment. The usual daily matinees will be given, and two performances each night, at 7:30 and 9 p. m. The usual scale of prices, ranging from 20 to 40 cents will prevail.

Scene from the B. A. Rolfe Production "MADONNAS AND MEN" Produced by Jans Pictures Inc.

Opening Monday at the Royal

GRAND

Bebe Daniels may be seen at the Grand theater two days, opening Monday, in "Oh Lady, Lady," her second starring vehicle for Realart. It is a picturization of the famous Bolton and Wodehouse musical comedy triumph and the star is supported by such famous players as Walter Hiers, Harrison Ford and Lillian Langdon. "Oh, Lady, Lady," a film version of the great musical comedy success, has created a veritable sensation everywhere. It is said to be the greatest success ever attempted in this line, and fascinating Bebe Daniels is at her best in the leading role.

DISSOLUTION NOTICE

The law firm of McClammy & Burgwin, by mutual consent, has been dissolved. All persons indebted to said firm are requested to kindly make immediate payment. Either member of the old firm is authorized to receipt any account due the firm.

This the 30th day of June, A. D. 1921.

HERBERT M'CLAMMY,
K. O. BURGWIN.

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