TWELVE PAGES TODAY.

RALEIGH, N. C., FRIDAY MORNING, MAY 6, 1921.

TWELVE PAGES TODAY.

PRICE: FIVE CENTS

#### S. B. UNDERWOOD IS SUPERINTENDENT RALEIGH SCHOOLS

Signs Agreement For Four Years at Salary of \$5,500 Annually

WILL BE SECRETARY SCHOOL COMMITTEE

Former Superintendent of Pitt County Board Will Assume Duties, Here July 1; An. nouncement Is Made After Conference Between Mr. Un. derwood and Committee

S. B. Underwod, of Greenville, yesterday accepted a four year contract as Superintendent of the Raleigh Schools at a salary of \$5,500 a year. Heretofore, the position has paid \$4,-200 a year and employment has been on s one year basis.

The new Superintendent attended as executive session of the school committee lasting several hours yesterday at which was drawn up a "memorandum of an agreement," by the terms of which Mr. Underwood will have much wider powers than have ever been vested in the head of the local school system.

Mr. Underwood will not only act as executive officer of the committee, with full control of administrative matters, but will also be the secretary and financial officer of the committee, J. F. Ferrall, the present secretary, having tendered his resignation as secretary offective July 1. He will have full centrol of the administration of the hudget, which will be prepared jointly by the Committee and the Superinten-dent, and will select and assign teachers and other employes of the school

It was also announced yesterday that the Superintendent's office at the High School building will be abandoned and that the new Superintendent will be provided downtown offices, with suitable elerical assistance.

Publish Monthly Reports Another innovation announced is publication of monthly reports dealing with the financial and general conditions of the school system.

The term of the new Superintendent will not begin until July 1, but he announced yesterday that he will spend as much time in Raleigh as possible prior to that date. He also stated that no announcements regarding personnel will be made until he can hold a conference with Harry Howell, the present Superintendent, and Miss Lelia Cobb,

supervisor of elementary education,
Prior to the meeting of the committes yesterday, Mr. Underwood held a conference with Mr. Howell, and the latter assured him of co-operation in every possible way in beginning his

Mr. Underwood was the unanimous first choice of the School Committee for the position and members of the committee expressed themselves as highly gratified by his acceptance of their

church and W. J. Andrews. At the close of the meeting Mr. Underwood stated that he is thoroughly satisfied with the terms of his agreement and is confident that his relations with the board will be harmonious. Only Concern is Future

"No one has attempted to deceive me about the situation here, and I realize that I am entering upon a difficult task, but I am not concerned about past squabbles and am looking only to the future" he stated. "I have accepted the position with complete information and after mature deliberation, because I see the opportunity to do a big job and my only concern is to build up the school system of Baleigh, with the co-operation of the people of

Mayor Eldridge stated yesterday that the sole purpose of yesterday's meeting was to confer with Mr. Underwood concerning his duties and that the matter of a building program is awaiting the report of Mrs. Alice B. Fernandez of the Bureau of Education of the United States government, who recently made a survey of the city's educational facili-ties. Mrs. Fernandez is expected to return to Raleigh within a few days to make her report and Mr. Underwood will also attend the meeting at which the report is received.

Underwood's Record. Mr. Underwood was graduated from Trinity College in 1906 with Magna cum Laude honors. During his college career, he was editor of the college magazine, president of the Y. M. C. A., president Columbian Literary Society, ember of the college debate council assistant librarian, Intersociety debater, winner of Wiley Grey Orator's medal, instructor in Trinity Park School, member of "9019" a scholarship fraternity

During the year following his graduation, he was professor of English in Southern College Sutherland, Florida, and from 1907-10 he was superintendent of Hertford County Schools. For the year 1910-11 he was head master Trinity Park School and professor of secon-dary education in Trinity College. For three years beginning 1917, he was superintendent of the Kinston City Schools and during his administration the bonds for the present High School building was voted.

Since 1914, he has been superinten-dent of Schools for Pitt County and Professor of School Administration in East Carolina Teachers' Training School. During this time, he has virtually reorganized the school system, by means of consolidation, transportation, improved equipment, new buildings, and better trained tenchers. The local tax districts have been multiplied by three and one teacher schools reduced fifty per cent, while the total number

(Continued on page three)

#### TAKES CHARGE RALEIGH SCHOOLS ON JULY 1ST



# NAMES ADVISORY

Governor Morrison Appoints Six Eminent Members of Profession

Governor Morrison made good his early promise to equip State Hospitals and institutions for the unfortunate in North Carotina with larger and more effective medical staffs yesterday when he announced the Board of Con-sulting Surgeons for the Hospital for the Insane at Morganton. This, he stated, will be followed by the appointment of a similar board for the Cen-tral Hospital at Raleigh and for the other institutions of the State. The plan contemplated includes the appointment of other boards of practicing hysicians for these institutions.

The Merganton board is composed Dr. J. E. Stokes, of Salisbury; Dr. A. G. Brenizer, of Charlotte; Dr. Henry F. Long, of Statesville; Dr. J. T. Burrus, of High Point; Dr. Henry Norris of Butherfordton, and Dr. W. F. Griffith, of Asheville.

These surgeons, all eminent in the practice of their profession in North Carolina, have agreed to serve without pay and will have, according to the Governor, the full support and co-operation of the superintendent and the directors of the institution.
Governor Morrison believes that with

the services of this board, the inmakes of the institution will receive treatment that is impossible under present conditions and which neither they or the State can afford to have done financially. The members of the Board arread to rive their services without agreed to give their services without charge as a humanitarian work and it is believed that many patients in the various institutions may be restored to complete health by the help of the

The Governor has in mind a complete program, that not only will provide more effective medical service at the institutions informed of the progress of medical science and methods through lectures by specialists of na-

#### NATION-WIDE SEARCH FOR WILLIAMS' SONS

Macon, Ga., May 5.—A nation-wide for Marvin Leroy and Hulon Williams the three sons of John S. Williams, farmers of Jasper county, who with their father were indicted here by the Federal grand jury on charges of conspiracy to return or hold negroes in a state of peonage and also on a charge of peonage, will be started immediately Federal agents. They are under inof fourteen negroes who are said to have been killed on the Williams farm.

John S. Williams was recently convicted in the superior court of Newton county on a charge of murder and sentenced to life imprisonment in the sentenced to life imprisonment in the ment. In the squabble that Senator State penitentiary. He is now in the Johnson precipitated in the Senate Mon-Atlanta jail pending the hearing of a motion for a new trial.

#### **BLAIR HEARING TO** DEAL MAINLY WITH INCOME TAX PROBE

Senator Johnson Not Expected To Push 'Betrayal' Charges. It Is Stated

TWIN CITY MAN SAYING NOTHING, SITS TIGHT

Several Democratic Senators Reported As Siding With Californian In His Fight On Confirmation; Lull In Circuit Judgship Fight; Virginians Push Waddill

The Nesw and Observer Bureau, 603 District National Bank Bldg. By EDWARD E. BRITTON. (By Special Leased Wire.)

Washington, May 5.—The next turn in the wheel of fortune in the case of David H. Blair, of Winston-Salem, and the signing of his name as "Commis-sioner of Internal Revenue" is announced to come Saturday morning at Finance committee to which it was referred by the Senate, after Senator Hiram Johnson had fired some broadsides into it, will go into the Johnson charges. A full attendance of the committee is expected, for the case has excited the greatest interest, and the Johnson charges are to have a thorough airing. The understanding now is that the hearing will be with tightly sealed doors, but something may leak through.

With another try before the Senate shead of him, and trusting that it will again be on a favorable report from the Finance committee that the Senate will go at the matter again Saturday afternoon or early next week, Mr. Blair, the selection of President Harding and Secretary Mellon for the Commissioner of Internal Bovenue, is "sawing wood" as to any statements from him as to the attack made by Senator Hiram Johnson on his appointment when it came before the Senate. Not that he is simply sitting down and awaiting for things to turn up, for he keeps in contact with political friends, as well as business friends. Among those there is expressed the greatest confidence in his ultimate confirmation by the Senate. That Senator Johnson is only delaying the inevitable is the opinion freely ex-

To Thresh Out Income Tax Matter, I learn from the most reliable sources that there will be slight attention given in the Finance committee to the charge of Senator Johann that Mr. Binir "betrayed" him at Chicago. It is being pointed out that the Republican pri-ntage vote in North Carolina was so very small in comparison with the total Republican vote that the preference expressed for Senator Johnson as the Republican Presidential nominee could hardly be called convincing, and that besides this neither Mr. Blair nor any other member of the North Carolina delegation to the Republican National convention received any official notification of the result of the primary. their only information being that given board which is as follows: Mayor T.

B. Eldridge, claiman ex officio, J. F.
Ferrall, A. M. Maupin, S. Wade Marr,
Mrs. W. A. Withers and Mrs. W. A. Upchurch and W. J. Andrews.

Tional reputation.

The members of the board were
yesterday commissioned in due form
by the Governor.

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Water the vote of the State had been recorded in favor of Judge Pritchard for the nominee, and his name being out of the way the delegation had the right to vote as it conditions. charges made concerning the relationof Concord, as to the effect of this upon the call being made by Mr. Cannon for a refund of what he declares to be an unlawful amount charged on income

> Friends of Mr. Blair say that his character for square dealing and honesty will prove a stumbling block for Sen-ator Johnson, and that it will be recognized that Mr. Blair as Commissioner of Internal Revenue would not attempt dictment in connection with the death to go behind the legal unit of the in ternal revenue department in any reversal of any finding that it might m as to the just amount of tax that Mr. Cannon and those of his family interested are held to be due the govern

(Continued On Page Four.)

#### Daniels Tells of 100,000 Plans Offered "to End the War"

The naval consulting board was created in 1915, with Thomas A. Edison at its head. The announcement of its creation resulted in an avalanche of plans, charts, diagrams and models which kept growing in volume and variety until more than 100,000 suggestions for inventions and proposals for the utilization of existing devices in new ways had been receievd, classified, card indexed, examined and passed upon. Eighty per cent of them were devoted to putting the German U-boats out of business. The submarine early gripped the American imagination, and stimulated the inventive

spirit of the most ingenious people in he world. I remember one Monday morning in 1917, finding Admiral William Strother Smith, who had charge of this work with the consulting board, gazing in something like consternation at three huge sacks of mail containing about

2,000 letters and packages. We were literally besieged by geniuses of every variety, enthusiastic, per-sistent, and each of them convinced that the adoption of his plan or device would bring the war to a victorious end within a few weeks. We dared not turn any of them away the first time, since no one could tell until some inquiry had been made whether the most unlikely looking person might not have a really worth while proposal to offer. But once the impossible crank and the impractical theorist were discovered and labeled in the mind of the department, steps

BY JOSEPHUS DANIELS
Former Secretary of the Navy—1912 | were taken to prevent their wasting precious time of busy officials by renewed visitations "Idea Worth Millions

As I was discussing department business with a bureau chief one day, the telephone rang, and a clerk said "long telephone rang, and a clerk said distance" was calling. He did not eatch the name clearly, but thought t was Mr. Ford. I found in a moment that it was not the famous Detroit automobile maker, for the man at the other end of the line began talking a blue streak, starting out with the declaration: I've invented a thing that will wipe

out the submarine, I've got something that positively will end the war." He seemed quite excited about it. I asked him what it was. He said he could not tell me over the phone, or intrust the secret to mails or telegraph. "Send it to our inventions board," I

"Not on your life!" he replied. "They might steal it, and I'd never get the redit for it. It's worth millions, millions!"

He said he would never show it to but three people—the president, Mr. Edison and myself; and all three must give the pledge of secrecy.
"There's not a moment to be lost, and

Iwant to bring it to Washington my-self," he exclaimed; "but I must be careful. If the Germans knew I had this, their spies would murder me."
"Wire \$5,000 at Once"

"All right, bring it on," I remarked, "Send me \$5,000 by telegraph this afternoon, and I'll start tomorrow," he

(Continued On Page Four.)

## BANKERS DISCUSS FOREIGN TRADE AS HELP TO BUSINESS

Issue Warning Against Hasty Legislative Measures To Relieve Conditions

NATION-WIDE CRUSADE AGAINST BANK ROBBERS

Executive Council of American Bankers' Association Opposes Development of Gov. ernment Organizations To Compete With Savings Insti-

Pinehurst, May 5 .- Reports of committees bearing on financial problems in relation to public policy were read today at the freeting of the executive council of the American Bankers' As sociation, in session here. The in-fluence of European business and financial conditions on the United States was discussed in a report by John R. McHugh, of New York, chair man of the commerce and marine com-

Warning against "hasty measures of legislation designed to relieve the abnormal conditions at present existing in trade and industry" was sounded in a report of the economic policy com-mission of which Paul M. Warburg is

The position taken by John S. Drum, of San Francisco, president of the association in an address urging the creation of instrumentalities for extension of credits to foreign buyers was supported by Mr. McHugh.

A report of the savings bank division opposed development of government organizations to the extent of creating empetition with savings institutions The council also decided to make a rusade against bank robbers because of the crime wave.

Approval of the McFadden bill, ereating a new position to be known as and abolishing the office of the comp troller of the currency, was embraced oday in the report of the economic Urge Strictest Economy

"We believe," the report says, "that the governor of the Federal Reserve Board should be elected by the board instead of being named, with the vicegovernor, by the President, and that the governor, instead of the Secretary of the Treasury, should be the presiding officer. The latter, being rarely able to attend the meetings, cannot be closely in touch with pending business. On account of the imperative demands which the regular duties of the Secre-tary of the Tressury make upon that official, we view with favor the suggestion that the position of Under Secre-tary of the Treasury, corresponding to the position of under secretary in the

The report emphasized the necessity for the strictest economy in all branches of governmental affairs.

on the board"

Department of State, be created, and

that this official represent the Treasury

of governmental anairs.

"We urge," it continued, "that the said he then would attempt to reach a ling to advices received by local police estimates for the military and naval definite agreement with opponents of establishment be carefully considered, the bill for a day and hour for a final with a view to bringing about a reduction.

"The reserved ing to advices received by local police officers late tonight. A Mr. Warren, plantation owner, reported that he had walked down the road with Talley and ward promoting an amicable arrange ship of Mr. Blair to Mr. J. W. Cannon, ment among all nations for definitely of Concord, as to the effect of this limiting and reducing this class of expenditures in the future.

The repeal of the present tax upon excess profits, was urged while the present levies upon transportation, especially upon freight, were said to be harmful on business. In its consideration of the problems confronting the rail roads of the country, the report said it was idle to seek a cure in government ownership and operation.

The Esch-Cummins law, it continued, has not hid a fair test and there is good reason to believe that in normal times and with some modifications it will prove itself capable of effectively meeting our railroad problems.

Plan Nation-Wide Crusade. Plans for a nation-wide crusade against bank robbers was decided on by the council. Ways and means of stamping out the prevailing crime wave were discussed and the opinion ex-pressed unanimously that never in the 47 years of the organization's history were its 23,000 member banks in as urgent need of protection from burglars and hold-up men as today.

The protection department of the council reported that an average of four criminals a week had been convicted of attacks on member banks since the department was established Presidentt John S. Drum, of the assoiation, told the council in an address that the problem of American busi-ness was "to create credit machinery to make possible the absorption of our excess of manufactured goods and raw

materials in foreign markets." The report of the savings bank di visior, submitted by its chairman, A. Sadd, Chattanooga, flatly opposed injection of the postal savings system as an active competitor for savings deposits, further sales of war savings, se-curities, development of the Farm-Doan Associations as saving institutions, establishment of a Federal home loan system as a means for utilizing public funds and credits for private use and shown by the labor department statisextending exemption to incomes from ties. Since January these firms have investment shares of building and loan let out almost 50,000 employes, or 29 associations.

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world demands efficiency and dispatch.

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## STARTS ATTACK ON **EMERGENCY TARIFF**

Joins Democratic Leaders In Opposition To The Anti-**Dumping Clause** 

PENROSE MAKES SPEECH IN SUPPORT OF BILL

Simmons Charges Republicans With Attempting To Trans. fer "A Lot of Commodities From The Free To The Dutiable List" By Use of The Anti-Dumping Clause

Washington, May 5 .- Democratic leaders in the Senate continued their attack on the emergency tariff and antidumping bill today, although friends of the measure, headed by Chairman Penrose, of the Finance committee, fought them at every point. Mr. Penrose de-livered an hour's speech, the first ex-tended remarks in nearly two years, in support of the measure.
Senator Simmons, Democrat, North

Carolins, charged the Republicans with attempting to transfer "a lot of comnodities from the free to the dutiable list" by use of the anti-dumping claus and argued that those previsions were certain to prove a handicap instead of relief to agriculture. "Some benefit will inure to the far

mers through the tariff items in the bill," Mr. Simmons said, "but those benefits will be absorbed many, many imes over by the burdens which will be added to the airendy burdened backs of the farmers.

Anti-Dumping Provisions.

The Senator referred to the antidumping provisions later as making the manufacturing interests beneficiaries of the bill. He said he saw no reason for inserting anti-dumping provisions unless somebody was going to be benefited, since Senstor McCumber, Republican, North Dakota, had informed the Senate that the provisions would do "little good and could do no narm."

Mr. Simmons predicted a clash be-tween the Senate and the House when the measure goes to conference. Re-publican leaders in the House, he said, were "wedded" to the anti-dumping and currency conversion plans carried in the bill as passed by the House, but stricken out by committee in the Senate, and he added that he believed the House would compel the Senate to write them them

in the bill again. Penrose Makes Speech. Mr. Penrose's speech was given over largely to explanation of technical pro-visions of the bill, although he sub-mitted estimates of government actuaries showing that tariff items in the bill would produce approximately \$105,-000,000 in the six months the law would be effective. He added that the amount was \$45,000,000 larger than the revenue received from the same sources under the present tariff laws.

The Senate recessed tonight in order participant, caught and jailed. that debate on the tariff measure might be taken up by priority when the Senate convenes tomorrow. Mr. Penrose city, shortly after noon today, according

Simmons Opens Battle. Senator Simmons, opened the battle on the bill. He did not conclude today. but will continue his remarks in oppo sition tomorrow. He called attention to the fact that the pending bill is, with a few frills and more deceptions, the same bill that was passed by the last Congress and vetoed by President Wilson; that it could not have passed in the Senate in the last Congress except for the reason that the Republican majority felt certain that President Wilson would veto it. Its injustices and iniquities, he declared, were so manifest and the attempt de ceit of the farmers so apparent and so raw that it deceived nobody at the time except the members of the Republican party, who held on to the forlorn hope that some political advantage might be gained by a bill ostensibly for the protection of the farmers products, but which every person at all informed knew could be of no possible advantage

to the American farmer. He called attention to the fact that he had predicted in the last Congress that if Harding was inaugurated, the Republican Congress would not pass

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#### ULTIMATUM CALLS FOR ANSWER FROM **GERMANY MAY 12**

ONLY WOMAN DELEGATE TO COUNCIL RETURNS

opyright Underwood and Underwood Mrs. Wendell Phillips, American Mrs. Wendell Phillips, American delegate to the Inter-Allied conference on indemnities and reparations, return-ed to the United States a few days ago on the steamship Aquitanis. Mrs. Phillips, wealthy and socially promi-nent, is a member of one of New Engand's oldest families. 'She was made a Commander of the Legion, 3rd degree the highest honor ever paid a woman by the French government, Mrs. Phillips is also founder and national chairman of the "Carry On" organiza

## CONTINUE SEARCH FOR MISSING MAN

Double Killing Starts Many Rumors In Greensboro But They **Prove Baseless** 

Greensboro, May 5, Sensational derelipments came thick and fast today in the development of the aftermath of the shooting affray which occurred here late yesterday afternoon and in which Policeman W. Thomas McCuiston and Tom Robertson, alleged whiskey run-ner, were shot and killed and Lewis Edwards, of Danville, self-confessed

that Talley had eaten onions out of his patch after he left him.

Talley was headed toward his home at Leaksville. Officers were dispatched to head him off before or as he crossed Dan river.

Guilford and surrounding counties were being combed today for the third member of the trio of alleged whiskey runners, who is still at large. Two members of the party have been

accounted for Tom Robertson was shot to death when he refused to surrender after officers had overtaken hin just at dusk last night and Lewis Edwards, son of a Danville policeman, after being captured near the Guilford battle ground last night, is today in the Guilford County jail.

Armed Men Keep Vigil

The third and unaccounted for member of the party, according to Edwards, is Carl Talley, of Leaksville.

Rumors galore spread early today. One report was that Talley had been captured at his home in Leaksville, but when several local officers reached Leaksville the report proved false, Armed men kept a constant vigil about the battle-ground last night after

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#### Unemployment Continues to Increase in United States

Increase During April, Reported By Department of Labor, Four-Tenths of One Per Cent; Frost Damage In South Seriously Affects Employment Prospects; General Conditions

Washington, May 5.-Unemployment | liquors, the four industries showing re throughout the country increased fourcoveries, took on 42,638 workers, tenths of one per cent during April according to figures made public to night by the Department of Labor.

A decrease of 7,037 workers from the payrolls of 1,424 firms in 65 principal industrial centres normally employing 501 or more or a total of 1,600,000, was

Of 53 industrial centres east of the Mississippi, 28 showed decreases in employment during April, against 25 show ing improved conditions. The Pacific versally lost ground, inactivity in ship building and lumber accounting for much of the reduction. In the iron and steel industries there was a de-crease of employment of 30,055, or 7.8 per cent, but automobile manufactur-ing, which showed the biggest gain in employment of all industries, added 31,986 workers, an increase of 22.3 per

cent for the month. Automobile, leather, textiles and force reduction in the mills.

Frost Damages Fruit. Reports from Delaware, Maryland,

District of Columbia, Virginia, West Virginia, North Carolina, Georgia and Florida showed that damage to fruit crops by frost had seriously affected employment prospects of casual work ers. Shipbuilding and railroading were given as slack in Delaware,

Unusually good spring weather advanced farm work in Virginia. At Richmond unemployment continued almost all industrial lines, women workers being particularly hard hit. At Norfolk unemployment was most prevalent in clerical work and ma-

hinists' trades, but showed some decrease during April. Roanoke reported building as picking up, and employs in transportation as looking better. Cotton mills in North Carolina main tain their forces at about the March

In South Carolina, cotton mills added 366 employes during the month, and suffered at most but a 13 per

Germans Must Comply With Reparations Terms or Allies Will Take Military and **Naval Action** 

GERMAN AMBASSADOR AT LONDON GETS ULTIMATUM FROM SUPREME COUNCIL

Allied Reparations Commission To Hand Ultimatum and Protocol To German War Bur. dens Commission In Paris Today; Member of German War Burdens Commission Summoned at Paris By Allies To Receive Documents; President Harding Still Has Invitation From Supreme Council For United States To Be Represented On Body As Well As On Reparations Commission and Council of Ambassadors, and May Precent It To Cabinet Meeting Today

London, May 5 .- (By the Associated Press.)-Members of the Supreme Allied Council shortly after ten o'clock this morning signed an ultimatum to be dispatched to Germany which embodied reparations terms of the Entente, gave details of the guarantees to be enacted and demanded that Germany accept or reject the Allied

before May 12.

Dr. Stahmer, German ambassador here, was immediately summoned to Downing Street, and upon his arrivat Downing Street, and upon his arrivat was handed a document containing the ultimatum to Germany. While the ultimatum and the protocol signed by the council today were in the form of one document, only the former was given the German representative. The Allied Reparations Commission will, however, deliver the whole document to the German War Burdens Commis-

sion in Paris tomorrow. Prime Minister Lloyd George and M. Jaspar, Belgian foreign minister, signed ultimatum first, and were followed by Premier Briand, of France, Count Sforza, Italian foreign minister, and Saron Hayashi, Japanese ambassador to Great Britain.

Terms of The Protoc The Protocol to be handed to German War Busdens Commission in Paris tonight by the reparations comnission savs:

"Germany will perform in the manner laid down in this schedule her obligations to pay the total fixed in acordence with articles 231, 232 and 233 of the treaty of Versailles, 132,000,-000,000 gold marks, less (A) the amount already paid on account of reparations; (B) sums which may from time to time, be credited to Germany in respect to state properties in ceded territory, ect.; (C) any sums received from other enemy or former enemy powers, in respect to which the commission may decide credits should be given to Germany, plus the amount of the Belgian debt to the allies, the amounts of these reductions to be determined later by the commission."

The protocol then provides for the issue of bonds, as has previously been outlined, and which shall be secured on the whole assets of the German em-

pire and the German states. The first series of bonds, for the amount of 12,000,000,000 gold marks, the protocol says, shall be created and delivered by July 1, 1921, but the interest of five per cent, plus one per cent for sinking fund, shall be payable half

yearly from May 1. The second series, for 38,000,000,000 gold marks, shall be issued on November 1. The third series, for 82,000,000,000,000, gold marks shall, not later than November 1, be delivered to the repara-tions commission without coupons attached, and will be issued by the com-mission as and when, it is satisfied the payments which Germany undertake to make in pursuance of this agreement are sufficient to provide for the pay-ment of interest and the sinking fund on such bonds. The sinking fund shall be used for the redemption of the bonds by annual drawings at par.

Government Bonds The bonds will be German government bearing bonds in such form and such denominations as the reparations commission shall prescribe for the purpose of making them marketable, and shall be free from German taxes and charges of every description, present

Until redemption of the bonds, Germany will be required to pay yearly 2,000,000,000 gold marks and 20 per cent of the value of her exports as from May 1, or, alternatively, an equivalent amount as fixed on any other index proposed by Germany and accepted by

the reparations commission.
"It is provided," the protocol inues, "that when Germany shall have discharged all her obligations under this schedule, other than her liability with respect to outsanding bonds, the amount payable each year under paragraph shall be reduced to the amount required in that year to meet the interest and sinking fund on the

bonds outstanding.

Must Pay Billion Marks. Germany is required to pay within twenty-five days 1,000,000,000 marks in gold, approved foreign bills or drafts at three months on the German treasury, endorsed by approved German banks in London, Paris, New York or other places designated by the Reparations

lommission. These payments will be treated as the first two quarterly installments of the amounts due on Germany's liability to pay 2,000,000,000 marks year-

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