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FIXED RETURN FOR INVESTOR IN RAILROADS IS NEW PLAN

Warfield System Submitted to Committee Would Divide Surplus Among Public, Employees and Railroads.

U. S. WILL CONTROL

(By Associated Press)

WASHINGTON, Aug. 14.—The Warfield plan for railroad control with provision for a flat return of six per cent on capital invested, was presented today to the House Interstate commerce committee by Luther M. Walter, general counsel of the national association of owners of railroad securities.

The fundamentals of the plan, including division of all surplus over the fixed return among employees, the public and the road earning it, were explained by Mr. Walter, who declared it could be put into effect immediately. "The keystone of the Warfield plan," the witness said, "is a congressional direction to the Interstate Commerce Commission that it shall make freight and passenger rates sufficient to pay operating expenses, maintain railroad properties and give not less than six per cent return upon the aggregate fair value of the property devoted to transportation in each of the principal traffic territories."

Opposes Cabinet Place.

Mr. Walter opposed federal incorporation, a transportation and a secretary of transportation in the cabinet and declared that under the minimum return plan the net result of operations in the pre-war test period, the basis of government rental, some of the carriers would have turned in a surplus for division between employees and the public.

He said the financial structure of credits depended upon the legislation enacted by this congress to deal with the railroad problem. The association he said, used the property investment account of the carriers as the basis upon which to apply the six per cent, because the Interstate Commerce commission had found that the only available basis for prompt determination of sufficiency of the return upon investment.

It was a fundamental of the Warfield plan, the witness said, that labor should participate in the earnings of the carriers.

"We believe," he declared, "that capital is entitled to its return of six per cent; that labor is entitled to a fair wage, and that the excess earned by the carriers after paying fair wages and six per cent on capital should be divided with labor and the public. Labor's share should be used for the establishment of the insurance of the insurance system or for profit sharing. By reason of the largely increased duties which fall upon the commission the security holders ask congress to create six regional interstate commerce commissions, subordinate to the commission but with all the powers of the Interstate Commerce commission in their respective territories."

Regional Commission

"Our plan contemplates that these regional commissions shall act as boards of conciliation in settling wage disputes, being a body close to the employees, the carriers and the shippers."

The issuance of securities of all carriers engaged in inter-state commerce would be vested exclusively in federal authority.

This plan would create a corporation operated without profit to the railroads and managed by the nine inter-state commerce commissioners and eight railroad men selected by the railroads. This corporation would furnish expert advice to the commissioners in the operation of carriers, would unify terminals, would operate equipment such as has been built by the railroad administration and allocated to the individual railroads. It would furnish a great clearing house for railroad operation and in times of emergency would constitute the directing force for the handling of the railroads as a single system."

In contending that six per cent, as the proper return would not be questioned, Mr. Walter said:

"Even Mr. Plumbe, the great exponent of low returns, admits that six per cent is not an excessive return under private operation."

Three to Share Surplus

The great mass of the people, he said, were vitally concerned in the integrity of railroad securities. The association believed the surplus over the fixed return should be divided equally among the employees, the public and the earning road, one third to the road "to encourage incentive and initiative in operation."

The Warfield plan, Mr. Walter said in closing, would create a corporation operated without profit to the railroads and under federal control, directed by trustees, the nine inter-state commerce commissioners and eight railroad men, to finance in the present emergency such equipment as may be purchased by it from the railroad administration and allocated to the railroads and furnish immediate means for assisting in financing the return of the roads, the corporation to be continued as a permanent means for mobilizing and purchasing equipment to be leased to the roads, this corporation to have control of the excess earnings reduction fund.

"It would provide a management or agency to continue to put into effect the joint use of terminals, unification of facilities, re-routing of freight by pooling or otherwise, and to continue to adopt such methods of operation as may have been found

Jap Envoy at Pekin Complains of Boycott



RUMANIA MAKES BITTER ATTACK UPON ENTENTE

Threat Made to Strip Country if Army is Forced Out of Hungary.

(By Associated Press)

AMSTERDAM, Aug. 14.—Rumanian troops are about to leave Budapest in consequence of the note sent to Rumania by the peace conference, according to a wireless received here from Vienna quoting newspapers of that city.

VIENNA, Aug. 14.—A statement attacking England and America, demanding that Hungary be united with Rumania under the sovereignty of King Ferdinand and threatening to strip Hungary if the Rumanian army is forced to withdraw from that country, has been presented to Archduke Joseph, head of the Hungarian government, by the authorized Rumanian representative at Budapest, according to dispatches received here.

The text of the statement, according to report follows: "There are 250,000 workmen in Budapest who are only waiting for the Rumanians to leave Hungary, to immediately take the situation into their own hands, which means a return to Bolshevism. The Hungarian government cannot depend upon the entente powers for assistance, for these powers have withdrawn all their troops from Russia, and America is unwilling to send a single soldier. We do not trust the entente which only wants to humiliate us. We are willing to withdraw our troops if necessary, starting tomorrow morning, but we will carry off everything and strip the country just as Field Marshal Mackensen did Rumania."

"The only grudge the entente has against us is that we refuse to have English and American capital dominate Rumania. Hungary must follow Rumania's policy in not accepting English and American capital. What ever would remain after the Rumanian retreat would be taken by the entente anyway. The entente idea is to have Rumania and Hungary fight and destroy each other, the entente thereby getting all. There is only one policy for Hungary to pursue, that is a junction between Hungary and Rumania, ruled by the Rumanian king. We do not care what the entente or Premier Clemenceau of France want to do or is doing. We will follow our own policy."

"We expect an answer from Archduke Joseph, head of the government, by eight o'clock tonight. If an answer is not received by that time we shall inform Bucharest, which shall decide upon what action should be taken."

OPPOSES ARCHDUKE.

PARIS, Wednesday, Aug. 13.—Rumania in nowise favors the installation of Archduke Joseph in power in Hungary, according to a declaration made to the Temps by Victor Antonesco, Rumanian minister here.

"The Bucharest government has no reason for sympathy, either for the Archduke personally or the reactionary regime which he represents," M. Antonesco says. "Rumania certainly will not support any government in Buda Pest, which is not acceptable to the entente."

In discussing the alleged seizures of supplies in Hungary by Rumanian forces, the minister says: "The Rumanian army's requisitions do not nearly approach those of the Hungarians in Rumania during the war. Rumanian representatives in Budapest have received strict instructions to examine this question in accordance with entente representatives."

M. Antonesco continues by saying that the "happy result" of Rumania's intervention has been to permit allied and associated representatives to re-enter Buda Pest and the suppression of Bolshevik propaganda. He says that it is now the task of the allies with Rumania's assistance to install in Buda Pest a government with which a definite peace may be concluded.

He adds: "We find our representatives to a recognition of their responsibilities because when they slack in their work they do harm to every member of the population. Without the cooperation of every class in the country, we may start to write the decline and fall of the British empire."

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ACTION STILL DELAYED.

PARIS, Wednesday, Aug. 13.—The supreme council considered the Hungarian question this afternoon but as replies have not been received from Rumania the council had no official advice from that country concerning its attitude.

Despatches from the Inter-allied military commission containing inquiries as to that body's powers were considered and the council sent additional instructions to Buda Pest. It is understood that orders are not to be given to the commanders of the Rumanian army but that members of the mission should hold themselves in readiness to confer with Rumanian officials preparatory to an adjustment of the strained situation.

European War Was Most Bloody in All History, Casualty Reports Show

(By Associated Press)

WASHINGTON, Aug. 14.—An analysis of the "final" casualty report received from the Central Records Office in France, shows that the European war was the most sanguinary in history.

Most of the editorials, Viscount Grey's sympathy with the league of nations is dwelt upon, though the Telegraph remarks he has not revealed whether he champions the particular form of the league of nations incorporated in the peace treaty.

The Chronicle records it as particularly fortunate he is going to America, now saying, "for, with his rare knowledge, he will be especially qualified to take council, both with President Wilson and those who are not satisfied with all the terms of the league of nations covenant."

REPORT ALLEGED PROFITEER HERE TO STATE HEADS

Prosecutor Freeman to Turn Evidence Over to State Authorities Friday.

War on food profiteers in Wayne county will be started in Indianapolis Friday, when Prosecuting Attorney Gath Freeman will turn over to L. E. Slack, United States District attorney, evidence of food profiteering, both among wholesale and retail food dealers in the county, according to a statement made by him Thursday morning.

Evidence was given to the prosecuting attorney by W. A. Hunt, city market master, of two instances where sugar was sold or offered for sale to retailers at 12 cents a pound, which is above the fair price favored by the government.

According to Hunt's statement, a local grocer tried to purchase sugar of a wholesale firm, and was informed that the sugar would cost him 12 cents a pound. Another grocer, living in Abington, purchased sugar from the firm for 12 cents.

DIDN'T WANT TO SELL.

Members of the wholesale firm, according to the prosecuting attorney, have offered the fact that they have only enough sugar for their regular customers, as their reason for increasing the price to other grocers. They claimed that they did not wish to sell to the other grocers.

Prosecutor Freeman will go to Indianapolis Friday and will confer with the United States district attorney on the food situation in Wayne county, and it is probable that some action will be taken to stop profiteering, either by the federal or state authorities.

Paderevski Remarkable Leader

"The present premier, Paderevski, so well known to the American people as an interpreter of Chopin, is today as remarkable in the political world as he was in the world of art," said Dr. Taylor. "All Americans who have come into close official association with him testify warmly to his unusual intellectual ability."

Austria is in very bad shape, Dr. Taylor said. With a population of 6,000,000 and 1,000,000 of these in the capital, Austria, he said cannot be self-supporting agriculturally, and, added to her other troubles, her currency is practically worthless, and she will have to be fed during the next year by some other country. He pointed out the wonderful opportunities for development in Austria through her water power; that she might join Germany and share her fortunes, or she might become a charge upon the charity of the world.

Europe's Great Defect.

Czecho-Slovakia is in good condition, said Dr. Taylor, and the Serbs, Croats and Slovenes are busy harvesting a good crop. In Rumania a small crop is being harvested, and that is because the Germans stripped the country. Rumania is being carried to the harvest by American and British foodstuffs.

The great defect in central Europe today, indeed, in Europe as a whole, is failure of production, he continued. "Loss of man-power is not responsible for this condition, since in all countries unemployed men are

drawing out-of-work stipends. The causes of the reduced productivity may be summarized under six headings:

"1. Scarcity of coal.

"2. Scarcity of raw material.

"3. Scarcity of food.

"4. Depreciation of currency.

"5. Disinclination to work on the part of labor.

"6. Loss of initiative and enterprise on the part of capital.

Before the war, Europe, outside of Russia, imported fourteen or fifteen

Lack of Production is Retarding Europe's Recovery From Wreck of War, Says Expert

NEW YORK, Aug. 15.—Dr. A. E. Taylor, of the University of Pennsylvania, and chief of surveys of the American relief administration, returned from a tour of the war-torn countries of Europe recently and gave an interesting outline of the situation abroad.

Poland, Dr. Taylor said, faces a hopeful situation, although there is a great scarcity of work horses in that country. The crops that are being harvested promise to cover about three-fourths of her requirements. He said that it was gratifying to note that in Poland the production of coal is increasing. The political sky will cloud frequently during the year, he said, and one reason for this is that the racial problem in Poland is one of the hardest to solve that the country faces.

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Dr. A. E. Taylor

EXTENSION OF PROFITEERING LAW IS URGED BY OFFICIALS

Would Include Clothing and Other Necessities in Amendments to Food Control Act—Opinion Divided.

ASK FUND OF CONGRESS

(By Associated Press)

WASHINGTON, Aug. 14.—Appropriations totaling nearly \$600,000 with which to help carry out the president's suggestions for reducing living costs were asked of congress today by the agricultural department.

SUGAR PRICE NOT FIXED

WASHINGTON, Aug. 14.—Recent opinions by food administration officials that eleven cents was a fair price for sugar are being transmitted by the department of justice to district attorneys for their information in the campaign against profiteering. Attorney General Palmer said, however, that no price for sugar could be fixed by the government.

Mr. Palmer was to appear later today before the senate agricultural committee to explain amendments to the food control act extending anti-profiteering sections to clothing and other necessities and providing penalties for violation of the law.

When the committee met today senators expressed opinions as to the necessity of the legislation.

"If we amend this bill," said Senator Smith, Democrat, South Carolina, "it will mean we will include every article of commerce and put commerce of America in the hands of the department of justice."

Secretary Houston wrote that the funds requested which he used in furnishing the people of the country information regarding the stocks of food products held in storage and retail food prices. This information would be disseminated through newspapers and otherwise and would be published every day or two.

TEST CASE PLANNED

CHICAGO, Aug. 14.—As a test case against alleged food hoarders and profiteers, action was planned for today by department of justice officials against the Central Sugar company of Chicago, on complaint that the firm has 70,000 pounds of sugar in Rockford, Ill., where it is said 14 cents a pound is being asked for it.

A motion to call also Colonel House, General Bliss and Henry White, American delegates to the peace conference, was voted down 9 to 8. Senator McCumber, North Dakota, and Hardin, Ohio, Republicans, voting with the Democrats.

Time is Undecided.

In deciding to request a conference with President Wilson, on which there was no committee vote, it was agreed that all information secured from the president should be made public.

There was no indication at the White house when the president would receive the committee. To inquire, Secretary Tumulty said:

"We have no comment to make."

Speculation at the capitol as to the purpose of the committee in requesting that the president receive it revolved around the subject of reservation to the treaty and the league covenant. Before the committee acted it had been intimated at the White house that the president had not changed his attitude against reservations.