

taneously offer its services to that effect, and in such case it shall notify both governments and request their cooperation in the investigation.

The high contracting parties agree to furnish the permanent international commission with all the means and facilities required for its investigation and report.

The report of the international commission shall be completed within one year after the date on which it shall declare its investigation to have begun, unless the high contracting parties shall limit the time by mutual agreement. The report shall be prepared in triplicate; one copy shall be presented to each government, and the third retained by the commission for its files.

The high contracting parties reserve the right to act independently on the subject-matter of the dispute after the report of the commission shall have been submitted.

ARTICLE IV

The present treaty shall be ratified by the President of the United States of America, by and with the advice and consent of the senate thereof; and by Her Majesty the Queen of The Netherlands; and the ratifications shall be exchanged as soon as possible. It shall take effect immediately after the exchange of ratifications, and shall continue in force for a period of five years; and it shall thereafter remain in force until twelve months after one of the high contracting parties have given notice to the other of an intention to terminate it.

In witness whereof, the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done in Washington on the eighteenth day of December, in the year of our Lord nineteen hundred and thirteen.

The prediction is made by the Washington correspondents that the present session of congress will last into the dogdays. If this happens nobody can blame it upon the house, which has shown a commendable desire to do the work cut out for it without unnecessary delay. The popular branch of congress is apparently actuated by the belief that there is something more than mere rhetoric in not putting off until some time next week what can be done at once.

The exposure of the crookedness in the New Haven railroad management of past years and of the reckless waste of money expended makes all the more imperative the bill now being pushed through the senate by the president. The right to regulate the revenues of a railroad ought to carry with it the right to regulate their expenditures, in such a way as to protect the stockholders from spoliation.

A number of estimable citizens and many newspapers were real sure that before Huerta could be eliminated the United States would be involved in war with the dictator and that riot and rapine would mark the last days of the regime in Mexico City. What really happened was so diametrically different that nobody sneers any longer at "watchful waiting" as a wise government policy.

DID YOU

- Did you give him a lift? He's a brother of men, And bearing about all the burden he can.
- Did you give him a smile? He was downcast and blue.
- And the smile would have helped him to battle it through.

- Did you give him your hand? He was slipping down hill,
- And the world, so I fancied, was using him ill.
- Did you give him a word? Did you show him the road,
- Or did you just let him go on with his load?

- Do you know what it means to be losing the fight,
- When a lift just in time might set everything right?
- Do you know what it means—just a clasp of a hand,
- When a man's borne about all a man ought to stand?

- Did you ask what it was—why the quivering lip?
- Why the half suppressed sob, and the scalding tears drip?
- Were you brother of his when the time came of need?
- Did you offer to help him or didn't you heed?

—Tid Bits.

Secretary M'Adoo Interviewed on Our Financial Conditions

Below is a reproduction of an interview given by Secretary of the Treasury McAdoo, to the New York World of July 13, which was presented to the United States senate by Senator Simmons of North Carolina for publication in the Record.

(By S. S. Fontaine)

Secretary of the Treasury McAdoo has given to The World the first comprehensive interview to which he has submitted since he assumed office on March 4, 1913. A list of interrogatories covering a wide range of subjects in which the business men of the country are deeply interested at this time was prepared under the advice of leading bankers and financial experts, and the secretary answered them with great frankness.

The result is a document which will doubtless prove of engaging interest to all the readers of The World, but especially to those who are seeking light on the attitude of the treasury department on many important questions affecting the country's financial and political economy. The questions as submitted by a World staff correspondent and as answered categorically by Secretary McAdoo follow:

MONEY FOR MOVING CROPS

What steps are you prepared to take to assist the banks of the country in financing the unprecedented crop yield of this season?

Answer.—If the necessity appears, I shall again deposit government money in the banks to assist in moving the crops. On June 29 a letter was sent to the president of each of the seventy-five hundred national banks in the country, asking if he expected any unusual demand in his locality for money during the next six months; if so, for what purpose, and in what month it would be most needed. The replies will enable the department to determine intelligently what assistance is required.

It is my purpose to deposit government funds, not only to move crops, but to help every kind of legitimate business in every section of the country where I am convinced that assistance is necessary or desirable.

This will be done in a sane and rational way with due regard to conditions and not improvidently. In spite of partisan statements to the contrary, this administration has done more directly to help the farmers and business generally by using treasury money to relieve stringency, to restore financial equilibrium and to promote confidence, than any other administration within my knowledge.

LAST YEAR'S RELIEF

In fact, this administration, for the first time in the history of government, put money directly in those sections of the country where crops were to be moved and where it was most needed, taking commercial paper as security. Every business man and every banker knows what relief that gave, because it made available a vast amount of self-liquidating paper growing out of trade operations and provided a supply of money in direct response to the demands of business. For the first time since the war we had in effect a flexible currency which came into existence when needed and automatically retired when the demand eased. This was a valuable object lesson. The country has secured the permanent benefits of an elastic currency in the new federal reserve act.

FEDERAL RESERVE SYSTEM SOON IN OPERATION

Do you expect the new federal reserve banking system will be in full operation in time to facilitate the crop movement?

Answer.—The new federal reserve banks should be in operation in time to materially help the crop movement. Whether they are or not the treasury is ready and can extend all the aid that may be needed. The financial condition of the country is so exceptionally sound now and money is so easy that no concern whatever need be felt about the immediate future. You have not heard this year, for the first time in many years, anything about tight money this fall or any expressed fear of inability to handle the big crops that are in prospect.

The federal reserve banks will be ready for business much sooner than expected. An im-

- SECRETARY McADOO EMPHASIZES NOTABLE FACTS AND OPINIONS
- The treasury department will if necessary again deposit government money in the banks to assist in moving the crops, and to help every kind of legitimate business.
- The financial condition of the country is exceptionally sound.
- The revenues of the country are not dwindling; they are increasing.
- The treasury has a surplus of \$33,000,000, and its gold holdings have increased \$17,000,000.
- We shall in time have 100 per cent. in gold behind the greenbacks.
- No necessity for an issue of government bonds even for the Panama canal, is in sight.
- New federal reserve system, very soon to be put into operation, promises a wonderful period of financial stability.
- Methods of collecting the income tax will be simplified next year.
- There will be no tinkering with the tariff.
- The passage, not the postponement, of anti-trust legislation will establish confidence.
- Prodigious crops are beginning to move, and business stimulation is already reported from nearly every section of the country.
- Enactment of the right corrective measures now will put agitation to sleep and give business the rest it craves.
- There is no excuse at this time for "nervous systems."
- We can face the future with absolute confidence.

mense amount of work has been done that does not appear on the surface. When the federal reserve board organizes it will find comprehensive information, selected and prepared by the reserve bank organization committee, and reports made by a committee of experts, composed of H. Parker Willis, chairman; Edmund D. Fisher, Andrew A. Benton, A. Howard Wolfe, Joseph A. Broderick, Ralph Dawson and Stephen H. Farnham of New York, on a system of uniform accounting, clearing house functions, commercial paper, &c. Also briefs from important clearing houses and commercial bodies on the definition of commercial paper. The reserve board will be able to get down to business quickly and expedite the final steps in the organization of the banks.

COMMERCIAL PAPER AS COLLATERAL FOR GOVERNMENT DEPOSITS

It has been stated that you will be willing this year to accept commercial paper as collateral for government deposits in the banks. Will the failure of the Clafin company, with its great quantity of unredeemed paper in the hands of banks, be likely to restrain you in any way in carrying out this policy?

Answer.—The Clafin failure will not deter me from again accepting commercial paper as security of government deposits. All paper accepted by the government is passed upon by a clearing house committee in each city and a special representative of the government. And in addition, each piece of paper must be indorsed by the bank offering it. So the government has not only all the assets of the bank behind the paper, but the responsibility of the makers themselves. Last year the treasury deposited \$27,386,000 almost wholly against this kind of paper. Every dollar was paid back to the treasury on April 2, 1914, and the government received as profit, at 2 per cent interest, \$267,844.51.

The Clafin failure, by the way, simply proves all over again what has been proved thousands of times before—the futility of over-expansion. Neither tariff laws no alleged depression were responsible for that failure. It is the old familiar cry of "biting off more than you can