

## THE POLITICAL SITUATION IN EUROPE IS A TINDERBOX

Financial Crisis and War Face a Nervous Continent—Social Unrest

(By John A. Stevenson)

The political situation in Europe remains a tinderbox. Mussolini seems bent upon adding to its complications by plunging into a war of conquest against Ethiopia. As an accompaniment to the political turmoil a financial crisis is now threatened.

As expected, Mussolini's costly war preparations have involved him in grave financial trouble. Not so long ago he was vowing that he would die in defence of the lira, but having discovered that it was virtually impossible to secure the foreign exchange needed to pay for raw material for munitions manufacture he has been compelled to suspend a paragraph of the stabilization law of 1927 which fixed a 40 per cent gold coverage for the currency.

### ITALY'S GOLD COVERAGE

Six months ago Italy's gold coverage was around 42 per cent. Then followed heavy withdrawals of gold from the Italian banks until the gold reserve declined to the minimum limit established by law. Mussolini tried to meet the situation by commandeering all exchange holdings securities and credits owned abroad by Italian citizens, banks and corporations. These resources, which enabled him to carry on for a short time, however, have apparently become exhausted. He has been forced to resort to his gold reserve to finance the purchase of war materials.

### WAR PURCHASES

The Bank of Italy put its gold holdings on July 10 at roughly 5.5 billion lire after a loss of 274 million worth of lire in the previous ten days. As the result of the new decree these comparatively slender stocks will have to be drawn upon to pay for all extraneous purchases of war materials.

One certain result will be to give a sharp impetus to a process of domestic currency inflation which has been going on for some time. Cost of living in Italy has been rising steadily. Taking the wholesale price level of 1913 as 100, the index at 260 in January last was alarmingly high. But it has now risen to 325 and latest cables report that it has moved upward swiftly since the suspension of the gold cover.

### EXPECT SOCIAL UNREST

The initial effect of this will be a temporary stimulation of business. This may help for a time to offset the consequences of rapidly rising costs of living. But eventually this in turn will create the necessity for an expansion of domestic credit which will aggravate inflationist tendencies. Sooner or later social unrest is bound to make itself manifest.

The impression of financial observers in London and Paris is that the suspension of the gold coverage law is merely a prelude to the complete abandonment of the gold standard. Mussolini, it is believed, is prepared to turn Italian currency completely adrift to promote the financing of his Ethiopian War even though it may mean eventual bankruptcy.

### WAR UNPOPULAR

If Il Duce persists in refusing to abide by Italy's pledges as a member of the League of Nations and rejects the advice of Britain and France to agree to arbitration, he will have to win the war or his regime will come to a summary end.

Victors who have recently been in Italy report that the projected war is very unpopular with the mass of the people. Stern measures have had to be adopted to prevent mutiny among the troops. There have been something like riots at the embarkation of some contingents for Africa. Special watch is being kept for would-be deserters on the Swiss and Austrian frontiers.

A substantial number of soldiers have already had to be sent home from Africa where both disease and discontent have developed. The New Statesman says that well-known people, who have seen Mussolini, say he talks like a madman. His Abyssinian policy, which is an effort to carry out his romantic notion of recreating the ancient Roman Empire, is being pursued, it is believed, in defiance of the advice of his general staff. But despite all the pressure that is now being exercised at Geneva to avert hostilities, nothing seems likely to turn him from his course.

### ITALY VERSUS GERMANY

It has been argued in some quarters that since Germany has been able to get along for two years on a gold coverage of two per cent or thereabouts, Mussolini, by resorting to the methods of Dr. Schacht, could also stave off a complete financial crisis. But the situation in the two countries is far from identical. Italy's domestic resources are insignificant compared with those of Germany. The latter country has been able to dip into its reserves to make up its adverse foreign trade balance to an extent that Italy cannot possibly do. Again Germany has been under no stress to accumulate a vast supply of war materials in a few months and she can provide a large proportion of her armament needs out of her domestic resources.

### GERMANY NEARS CRISIS

But Dr. Schacht has been compelled to resort to "standstill agreements" with creditors and a variety of ingenious devices to keep the German financial structure from collapse. And now in spite of all the precautions and subtle manoeuvres that have been undertaken Germany seems rapidly to be approaching a financial crisis of her own. Indeed the opinion prevails that the renewed outbreaks of "Nazi" fanaticism in the form of systematic persecutions of Jews, Catholics and dissentient Protestants is deliberately designed to distract public attention. The cost of living is still mounting in Germany. Both domestic business and foreign trade continue to shrink. There is accumulating evidence of increasing social unrest.

Across the frontier the Dutch are striving might and main to save the gulder. It is quite uncertain, however, whether they will succeed in averting departure from the gold standard.

### FRANCE ALSO

In France the Laval Ministry has laid its last cards to protect the franc. It professes to have at last secured a balanced budget by a policy of drastic national and local "cuts". All public wages and salaries except the very lowest are cut by 10 per cent. Holders of French bonds are to sacrifice 10 per cent of their interest. In effect this is a forced conversion of the public debt. Special taxes are being levied on the huge profits of the armament industry and there is to be a heavy surtax on all incomes over 80,000 francs.

At the same time measures are being taken to avert social discontent. Rents and the prices of bread, water, coal and gas are being compulsory reduced. A campaign to produce a general fall in the cost of living is on foot. Obviously this new programme, which is the result of pressure by the Bank of France is a last effort to save the franc by deflation instead of devaluation. But it remains to be seen whether it can achieve the desired result. Plainly, however, the currencies of four important European countries are in a very delicate position.

## MARITIME SCOUT ORGANIZER NAMED

HALIFAX, N. S., August 10—Herbert Greenaway, Boy Scout field organizer attached to the Ottawa staff has been appointed Maritime organizer, a post recently created, W. E. Tibbs, commissioner of the Nova Scotia Boy Scouts' Association announced today.

The new organizer, who has had considerable experience in the Maritime area, is expected in Halifax and will make his headquarters here.

## Short Skirts, Low Waists Coming Back

PARIS, August 10—The biggest surprise in five years in skirt lengths and waistlines distinguish the present showing of winter fashions. Shorter skirts and lower waistlines their most important sanction thus far when Molyneux today displayed both. His sport and street dress of modern green beige and jerseys were designed with blouses tucked inside an unbuttoned skirt with waistlines an inch above the hips and hemlines 12 or 14 inches from the ground.

## LOCATING SHIP WRECK ONLY "MINOR" SALVAGE PROBLEM

Shifting Sands of Sea Bottom Grip Hulk of Lusitania as Orphir Hunts Her off Coast of Ireland

NEW YORK, August 10—When the sturdy salvor, Orphir, cruising off Old Head of Kinsale, not far from Skibberdeen in Ireland, finally finds in the deep, black depths of the Irish channel the sand-shrouded Lusitania, the salvage crew will have much detailed, hazardous, fantastic work to do that the record will go down in the school books.

Charles Courtney sat in a cool subterranean office below 530 W. 125th street, and said that if the feat is achieved, if they do find the treasure-laden Lusitania, they then will be confronted with great difficulties.

He knows, because he has been Lusitania-hunting himself. He is the locksmith of them all, president of the American Association of Master Locksmiths, president of the International Association of Master Locksmiths, the locksmith whom the last great European Lusitania-hunting expedition engaged to go along in the hope—should the ship be found—he would go down and open safes, strong rooms, and the doors barring grisly sights and maybe a few diamond rings.

After 20 years, if the hardies of the Orphir lay a grappling hook finally upon the lost and mighty vessel Mr. Courtney said, new troubles will begin Sinking in Sand

Somewhere out there in the channel she lies, sinking deeper in the sand each day since the afternoon of May 7, 1917, when the German submarine U-20 torpedoed her and sent her with 1198 passengers 240 feet to the sea's bottom.

"Just where, nobody knows," Mr. Courtney explained. "She was hit in the stern. She kept going full speed ahead until the engines were flooded. Then she drifted. Where'd she go? Ask the wind and the tide."

On the Orphir, day in and out, now, they are asking the wind and the tide—but depending more upon the most modern of scientific maritime instruments.

"Then a day comes," Mr. Courtney said: "Then a day comes say, when they find her. Then what? I'll tell you what we had in mind, and maybe they have, too. I'll tell you, anyway, what would be good science on the job."

First, he said, a man in steel armor over the side of the salvage ship. A man sinking through the green depths to the black depths. A man with a waterproof bag of dynamite.

### Go in Through Side

"When they're down 250 or 300 feet you can't go in from the top. I mean you'd only wreck things and lose your self. You go in through the side."

So a man over the side and down the depths and at a dim porthole of the fabled treasure ship. A man putting his dynamite inside the porthole and going up through the blackness and the greenness, back to the Orphir, back to the end of a line, back to a place where with the pressure of a thumb that dynamite might be made to rend the depths.

"Our company was afraid, even if we'd found the ship, to do it. We were afraid to blow out the side of it like that because we thought she really did carry munitions. Anyway, if it's done that way—a hole blown out of the side of the ship—the salvage ship must move off a thousand yards. No danger then to the salvors."

So it might come to pass he thinks. The man over the side. The pressure of the thumb. The electric impulse into the dynamite. And a vast, jagged doorway through the side of the structure now entombing the brined bones of men, women and children, who were drowned on that May day and \$5,000,000 in gold, \$1,000,000 in jewels.

### Next—The Treasure

How to get the treasure! "I would say, do this . . ." Mr. Courtney said. "It was what I was going to do, if we'd been able to find her."

Use three lines, he said. One for oxygen, one for acetylene gas, one for air. On another line the steel-encased diver descends.

He releases the valve. Two hundred and fifty feet—perhaps three hundred feet—below the choppy surface of the

Irish channel, the air line pushes the water away from its vent. It punches a hole in the water. The diver can work wherever that valve carves a way for him.

He releases the vent of his acetylene line. He releases the oxygen vent. He has an acetylene torch working as effectively as if it were in daylight on Broadway.

"So we could slice out the door of a safe."

Not easily. Not without the constant peril of a line twisting or a steel-encased foot slipping to some unpredictable doom. But scientifically, in a hard-thought plan. While the crew of the salvage ship is singing the old salvors' lines:

"Slack away your pipe and line, diver are you there?"

Diver on the wreck, sir; easy with the air.

Bucket coming up, sir. How the gum boots patter.

When the tub is emptied on the deck, how the golden ingots scatter.

There's work and noise around us, yet nothing seems to drown.

Swing on your other shot rope, diver, the bucket's coming down!"

## Billion Dollar Enigma

It is now nearly two and one half years since talk of a trade treaty between Canada and the United States emerged from the limbo of forgotten things with the inauguration in office of President F. D. Roosevelt. In that time rumor and report have done amazing tricks with this billion dollar enigma.

One week the treaty would be reported as almost signed. A few days later authoritative information would assure newspaper readers that negotiations had reached a complete standstill. At one time the treaty was painted as a pact sweeping dimensions giving liberal concessions to Canadian natural products on the one hand and United States manufacturers on the other. In the same breath, equally convincing stories would assure us that there was little prospect of anything worth while being achieved.

Undoubtedly a vital factor in the delay has been the political importance of the matter under discussion. As early as April 1933, The Financial Post in special Washington correspondence drew attention to the magnitude of the task in view of "vested interests on both sides of the border being exceptionally powerful and very strongly entrenched." Subsequent articles have stressed the fact that this particular pact is by far the hardest nut in the whole foreign trade basket—as far as Washington is concerned—and that the utmost care and caution is being exercised before cracking it open.

From the United States viewpoint it is felt that the Canadian treaty will either make or break the whole United States programme of trade agreements. It is the only treaty about which, in advance, congressmen after congressman has gone to the White House to present a point of view. Indeed, the real difficulty for some time has been the political, as far as Washington is concerned—fear of repercussions in congress through any publicity attendant on trade items under discussion for tariff reduction. Nothing apparently can or will be done until Congress adjourns within the next few weeks.

In the meantime some quiet gains in the movement of merchandise between these two great trading nations have been made. Thus, in the first six months of 1935, Canada's exports to the United States averaged twenty millions monthly—a good improvement over the low point of the depression, April, 1933, when the monthly total was but 8.6 million dollars. Canadian imports have shown even better gains, the monthly average this year being about 26 million dollars compared with a low point two and a half years ago of 11.8 million dollars.

Trade between these two countries normally larger than between any

## Of Interest to Women

### TABLE MANNERS

Act naturally when at table. What to do, and what to avoid.

If you do make some mistakes! Do not try so hard to be "correct" that people notice it.

When you sit to the table, unfold your napkin to about one-half its full size, and place it across your lap.

If you are staying at someone's home for several days, fold your napkin at the end of each meal, and place it at the left of your place, as you would in your own home.

If you are invited for only one meal, do not fold your napkin. Place it, unfolded, at your left. Never fold your napkin in a restaurant or hotel dining room.

### How to Sit

Sit close enough to the table so that you will not have to bend forward to reach your food. Sit up straight, but not stiffly. Make yourself comfortable, but do not slouch in your chair.

Sit quietly while waiting to be served. Do not fidget or play with your knife, fork, spoon or glass. Keep your hands in your lap or resting easily at the edge of the table. Converse pleasantly, or listen to the talk of others. Never argue or quarrel at table. It is bad manners to do so, and it is bad for the digestion! No one should sit until all have assembled at the table. The men place the chairs for the women and when the women are seated, the men may sit.

### DO IT WITH PAPER

One of the most outstanding developments in recent years, of special interest to housewives, is that accomplished by one of the manufacturers of transparent cellulose. The sheet is not only fully transparent, but it filters out the rays of light which cause rancidity in oil-bearing foods, and which change their color, flavor and aroma.

This sheet is of an attractive gold color, which does not objectionably distort the color of various food products. It is especially adapted to the wrapping of meats, since its color will not bleed in grease, oil or water.

Frequently the housewife confuses staleness with rancidity. This new sheet will not make food products, which are to be delivered from the grocer, baker or meat shop, immuneto harden.

The same thing is now used in packaging potato chips, coffee, butter, cheese, oils, cereals, nuts, candles, baked goods, meat products, etc., and for preserving the color, flavor and aroma of flavoring extracts, fruits, vegetable juices and cordials.

Housewives can obtain the cellulose in rolls and bags for household use, so that when a food product subject to rancidity is received into the home, if it is not already packaged in this material, it may be wrapped therein and thereby preserve the freshness and flavor of the products.

### Washable Shelf Paper, Too

We have mentioned the use of paper in cooking, serving and decorating, as well as storing of foods. Paper has a number of other uses in the kitchen. Washable shelf papers in pastel colors, embossed paper and non-washable shelving with edgings of beautiful design are labor-saving items that should not be forgotten.

Paper towels, too, are a kitchen necessity for cooking, as well as hands. To place a piece of this absorbent paper under fried bacon, potato chips or any French fried food to absorb excess fat is only one of its varied uses. Lay a strip of it on the table when you are preparing vegetables. This will help you to keep the trimmings all together and dispose of them easily. And that brings to mind the moisture proof garbage-can liners that no good housekeeper can get along without. Even dish cloths scouring cloths and mops are among the useful paper items widely used at the present time, and washable wall paper in the kitchen has long been available.

### Cake-pan Liners

Layer cake-pan liners come in three sizes. None of these crinkle dishes or linings need to be oiled before use, as the paper is specially paraffin treated to eliminate the need for grease. The best ones have paraffin of such a high melting point that it does not melt during the cooking process, and so there is no sticking and no absorption into the food.

Place the layer cake that is to be iced on a large chop platter. Then if sheet will not make food products, which are to be delivered from the grocer, baker or meat shop, immuneto harden.

## Nova Scotia Farmer Prints Danish Paper

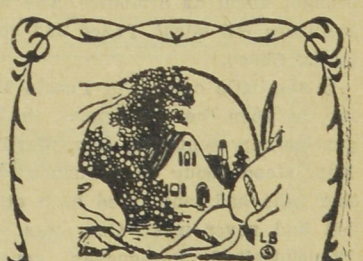
KENTVILLE, N. S., August 10—A newspaper printed in Danish is published here in the heart of the British Empire's greatest apple growing region. Founded several years ago it is edited by a few Danes. It serves 35,000 of Canada's Danish population, most of whom were born in Denmark.

It is the Danish Herald. The editor and publisher is Odin Kunze, who was once the editor of a newspaper in his native land. He is now a farmer in Nova Scotia's orchard district. Three years ago he started printing the Herald in Kentville, and when its circulation began to soar steadily he obtained a printing plant which he installed on his farm.

There he has a pair of gasoline engines to supply the electricity for the light and power plant, as well as the needs of the farm in general. His son is in charge of the printing office, assisted by fellow-countrymen.

The paper now has a circulation that extends from Nova Scotia to British Columbia and also reaches into the homeland back on the Baltic.

Nova Scotia has a large Danish population which is well scattered over the province.



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