



"All the News That's Fit to Print."

The New York Times

LATE CITY EDITION
WEATHER—Rain and warmer today; tomorrow fair and colder.
Temperatures Yesterday—Max., 57; Min., 13

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NEW YORK, SATURDAY, NOVEMBER 18, 1933.

TWO CENTS in New York City. THREE CENTS Elsewhere Except Within 500 Miles. FOUR CENTS Elsewhere Except Within 750 and 8th Postal Zones

WRIT BARS TAX AID FOR CITY SUBWAY; 5-CENT FARE HIT

Appellate Division Finds That 3 Years of Trial Operation Began Sept. 10, 1932.

\$12,000,000 SAVING SEEN

Huge Service Charge Must Be Taken From Budget if Decision Is Upheld.

LAGUARDIA TO ACT AT ONCE

Will Speed Negotiations as Unity Is Seen as Sole Hope of Averting Fare Rise.

The Appellate Division ruled yesterday, in a 4 to 1 decision, that the city no longer has any right to use tax funds to pay interest and amortization on bonds issued to finance construction of the Eighth Avenue subway. Reversing a ruling made in June by Supreme Court Justice John J. Walsh, the court granted a taxpayers' application for a temporary injunction against such payments. If the decision is upheld, it will mean that approximately \$12,000,000 must be stricken from the debt service appropriation in the 1934 budget, which is \$24,000,000 out of balance. City officials, including George McAneny, Controller, and John H. Delaney, chairman of the Board of Transportation, indicated that an immediate appeal would be taken, which would automatically stay the temporary injunction. Five-Cent Fare Imperiled. In transit and financial circles the decision was regarded as of vital importance to the future of the five-cent fare. Responsible city officials, although declining to be quoted, indicated their belief that affirmation of the ruling by the Court of Appeals would mean that the nickel fare could be preserved, if at all, only by speedy unification of all rapid transit lines under city ownership and control. In effect the decision fixed Sept. 10, 1932, the date of the opening of the Eighth Avenue line, as the beginning of the three-year trial period allowed the city if it elected to operate its own subways on a 5-cent fare. At the end of that period, under the State laws, the fare must be sufficient to pay all expenses, including fixed charges of every nature. It has always been the city's contention that the three-year period would not begin to run until after the entire system, including the Sixth Avenue line, for which no contracts have yet been let, was completed and in operation. City Faces Dilemma. Affirmation of the decision by the Court of Appeals, it was also said in financial circles, would leave the city in a serious dilemma, so far as the fare question was concerned. The consensus was that while it would make speedy unification highly desirable from the city's point of view, the prevailing economic conditions, together with the strictures placed upon the city's fiscal freedom by the four-year financing compact with its bankers, might well force a general upward revision of all traction fares, without unification. In any event, it was said, consummation of the unity plan which would preserve the five-cent fare and still be workable would be quite difficult under existing conditions. City officials made light of this viewpoint, declaring that the pressure of economic conditions was such that the traction companies would be glad to "get out from under" at prices which would permit the city to engage in unified ownership and control of rapid transit lines and still continue the five-cent fare. None of these officials, however, would be quoted, preferring to leave the problem to the incoming Fusion administration. LaGuardia to Act at Once. Coincident with the handing down of the Appellate Division's ruling was the receipt of word from the Canal Zone that Mayor-elect F. H. LaGuardia planned to begin unification negotiations immediately upon his return to the city next week, instead of waiting until he assumed office on Jan. 1. Mr. LaGuardia and his advisers, it was understood, reached the conclusion some time ago that the unification problem must be settled speedily if the five-cent fare was to be preserved. The issue upon which the Appellate Division ruled was raised last February in a taxpayers' action brought by William Church Osborn and the Anaham Realty Corporation, under the sponsorship of the Citizens Budget Commission. The decision upheld their contention that the beginning of operation of the Eighth Avenue subway on

Bolan and Aide Quell Fire in Car on 5th Av.

Police Commissioner Bolan usurped the duties of fire chief yesterday and directed a one-man fire company in the extinguishing of a blaze.

As the commissioner was being driven up Fifth Avenue, he noticed smoke coming from beneath an expensive limousine. Signaling his chauffeur to stop at Fifty-eighth Street, the commissioner and the driver, Detective Bernard Shanley, went into action with a hand extinguisher. Shanley did the pumping and the commissioner "kibitzed."

Meanwhile a pedestrian had turned in an alarm, but when a fire truck rolled up its work had been done. The limousine was owned by former Governor R. L. Backman of Rhode Island, whose home is at Newport. The fire was under its floorboards, and was caused by a short circuit.

BREWERS WIN FIGHT ON ALCOHOL LABEL

State Board Rules They Need Not Show Strength of Beer After Repeal.

RUSH FOR LIQUOR PERMITS

10,000 Seek Applications for Licenses for Restaurants, Hotels and Clubs.

Edward P. Mulrooney, chairman of the State Alcoholic Control Board, announced yesterday that after Dec. 5, the day repeal goes into effect, brewers would not be required to state the alcoholic content of their brew on beer bottle labels.

He explained that this was ordered by the board at the request of the brewers to eliminate unfair competition. Mr. Mulrooney said the board would test the beer on sale in this State from time to time to see that it was palatable and had at least the present alcoholic content.

Representatives of about 10,000 restaurants, hotels and clubs appeared during the day at the temporary offices of the City Alcoholic Beverage Control Board for applications for licenses to sell liquor and wine for consumption on the premises.

Wait Nine Hours in Cold. Many of the applicants waited for more than nine hours in the cold. Hundreds were turned away because the supply of blanks had been depleted. Applications for club licenses had not arrived and will not be available until this morning.

When the offices of the board were closed for the day, more than 6,000 application blanks for permission to sell liquor in restaurants and hotels had been distributed. At closing time fifty-six restaurant liquor license applications and one hotel liquor application, one drug store application and one restaurant wine application had been filed.

The restaurant applications were the first to be distributed. The hotel license applications were not received from the printer until 11 o'clock in the morning. The supply ran out about 4 in the afternoon as did the restaurant application forms.

There was no disorder attendant on the passing out of the applications. The blanks were handed out rapidly as soon as they were received at the Reade Street premises. Applicants as well as officials of the State and city boards were disappointed that there were not enough to take care of all applicants during the entire day.

State Regulations Clarified. Mr. Mulrooney clarified some of the regulations of the State board governing the sale of wine and liquor for off-premise consumption. He ruled that the 1,500-foot distance could not apply to stores that sell only wine at retail. The board will waive the 1,500-foot rule in these cases whenever it deems such action necessary and every case will be passed on by the board.

The 1,500-foot rule was explained in more detail by Mr. Mulrooney. He said the measurement to separate liquor retail stores is not to be made by the board "as the crow flies," but such distances will be measured as the street and block runs. "The measurement guide will be as one walks or rides on a bicycle," Mr. Mulrooney said.

Long after those in line had been told to return today or Monday for restaurant and other licenses, word was received from the State Board that additional restaurant licenses were available and would be sent over immediately to the City Board. Those who wanted this form of application received the blanks until the board offices closed. Applicants for hotel and club licenses were told to return today or Monday.

The regulation requiring restaurant

FLIGHT OF DOLLAR SET AT ONE BILLION BY LONDON EXPERTS

Americans' Investments in Britain in Past 3 Months Put at \$375,000,000.

BAN IS DISPUTED HERE

Washington Opinion on Volume Is Divided—Dollar Rises Again in World Markets.

By CHARLES A. SELDEN.

Special Cable to THE NEW YORK TIMES. LONDON, Nov. 17.—A tangible estimate in a reliable quarter of American capital which has "flooded" to Great Britain in the last three months is only \$75,000,000 roughly \$375,000,000.

That figure was obtained today from a source whose periodical estimates of foreign investments in this country and British investments abroad are accepted as authentic by the British Board of Trade. Its figures are often used in compiling Board of Trade documents and statements to Parliament.

The financial expert and his advisers who reach the conclusion that \$75,000,000 will amply cover the American flight of capital to England also venture the suggestion that such flight from the United States to all countries in the last three months would not exceed \$200,000,000, or roughly \$1,000,000,000. But they feel much surer of their estimate for this country than of the aggregate figure, although they regard the latter as reasonable for all countries to which the dollar has been going.

"Loose Talk" of Billion Loss. There has been much loose talk in London about the flight of \$1,000,000,000 to Great Britain alone. That is regarded as absurd, but there is a simple explanation for such an exaggeration. It is that \$1,000,000,000 is a rough estimate of the total American capital invested in this country, chiefly in industrial and mercantile concerns which have their parent houses in the United States and branch or subsidiary concerns in England, like Ford, General Motors, Woolworth, &c. These investments, of course, are permanent and long antedated the Roosevelt administration. When the flight of American capital did begin and attempts were made to measure it by the amount of American capital in this country, it was sensational but easy to garble the figure on permanent investments as a part of the money which had left the United States.

The wonder in financial circles in London is not that the flight is not larger because of President Roosevelt's policy, but that it has been even \$75,000,000, despite the reluctance to buy dollars. There is not much eagerness to purchase American currency today if there is a virtual assurance that it is going to be cheaper tomorrow, and there is no assurance whatever when President Roosevelt is going to end the depreciation.

So, under existing circumstances, the British market for the dollar is confined to those who need American currency to pay bills or buy goods in the United States. Even they are inclined to postpone purchases of dollars on the chance that they are going to go even lower.

American currency bought here for discharging obligations or buying

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Australia Plans to Cut Curbs on Immigration

Wireless to THE NEW YORK TIMES. CANBERRA, Australia, Nov. 17.—Suggestions for relaxing the restrictions on immigration will be placed before the Commonwealth Cabinet by J. A. Perkins, Minister of the Interior.

Mr. Perkins told the House of Representatives today there was a growing feeling that it was time to modify the restrictions. "No sweeping change is contemplated," he said, "but the Ministry is well aware of Australia's need for population. However, the economic position, although it is improved, is still sufficiently acute to justify the continuance of some restrictions on the entry of immigrants."

ARRANGEMENT EXPECTED

SEEK A WOMAN AIDE IN HART ABDUCTION

Police on Coast Think She Helped in Ransom Notes to Dead Boy's Father.

NEW WITNESSES FOUND

Seller of 22-Pound Bricks for Murder of Identifies Thurmond—Victim's Body Still in Sea.

Special to THE NEW YORK TIMES.

SAN JOSE, Calif., Nov. 17.—Waters of San Francisco's lower bay still held the body tonight of Brooke L. Hart, but authorities moved swiftly in perfecting a case against his confessed kidnappers and slayers, John Holmes and Thomas H. Thurmond.

Hit by bit they put together the many clues which, by their very unpremeditated simplicity, had for almost a week served to confuse investigators and aid in the kidnappers in escaping detection. Motive for the crime has apparently been established. Ransom of \$40,000 was demanded, according to the confession of Thurmond, to enable Holmes to satisfy the insatiable demand of a woman for finery and a "good time."

In this connection, authorities disclosed information indicating that a woman helped prepare one of the ransom notes sent to Alexander J. Hart, wealthy San Jose merchant and father of the slain 22-year-old youth.

The woman's name is known, Sheriff Emig announced, and she is sought for questioning. Sheriff Emig said that Wesley Shaves of Campbell, home town of Holmes, reported seeing a woman and a man helping another man write a note last Monday. This preceded by some hours the mailing of the first ransom letter in the case. Shaves will be asked to view the prisoners.

Friend Chosen for Go-Between. One more vital point in identification was established during the day, coincidentally with disclosure that Charles O'Brien Jr., friend of the slain youth and proprietor of a confectionery, had been selected by the kidnappers as the intermediary in the ransom negotiations.

O'Brien identified Thurmond, it was announced, as the man who leaped on the running board of his automobile at dusk last Tuesday, put his hand on the door handle, looked inquiringly at O'Brien and then dropped off and disappeared.

Less than an hour later O'Brien received a telephone call, supposedly from Thurmond. The person instructed him to have Mr. Hart drive south on the coast highway "toward Los Angeles" the following

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Roosevelt Leaves for Warm Springs; Will Speak at Savannah This Morning

Special to THE NEW YORK TIMES.

WASHINGTON, Nov. 17.—President Roosevelt left Washington late this afternoon for Warm Springs, Ga., where he plans to spend the Thanksgiving holidays.

He is going on a special train by a circuitous route in order to visit Savannah and make a speech tomorrow morning as part of the ceremonies celebrating the bicentennial of that city.

The stop there will be brief, however, and the President will take all his meals tomorrow aboard the special train, which is due at Warm Springs late tomorrow evening. At Warm Springs the President will divide his time between official duties and the children at the Warm Springs Foundation, which he helped to establish as a place for special treatment for victims of infantile paralysis.

He is expected to have an active official schedule, beginning on Sunday, when he will receive Sumner Welles, Ambassador to Cuba. Events in the island republic reached a stage a few days ago where Ambassador Welles believed

UNITED STATES RECOGNIZES SOVIET, EXACTING PLEDGE ON PROPAGANDA; BULLITT NAMED FIRST AMBASSADOR

TRADE AWAITS CREDITS

Russians Ready to Buy \$520,000,000 Goods, Says Brookhart.

Deal for \$50,000,000 Cotton Likely at Start—Soviet Declared 'Good Risk.'

EXPORT GUARANTEE SEEN

Government Will Underwrite Sales, Iowan Holds—Predicts Work for 300,000.

Special to THE NEW YORK TIMES.

WASHINGTON, Nov. 17.—Russian orders for American goods worth \$520,000,000 are immediately available to the United States if the government will extend the credit necessary for financing such exports, it was stated today by Smith W. Brookhart, special adviser to the Agricultural Adjustment Administration. He thought the needed credit would be provided. On the same condition, he said, a continuing annual market would exist in Russia for a similar amount of American products for many years to come. The former Iowa Senator said he had discussed trade possibilities with M. Litvinoff since the latter's arrival in the United States and added:

"We will be able to sell them two or three times as much as they expect to sell us, if the proper credits are extended."

A long-time advocate of Russian recognition, Mr. Brookhart has been negotiating with the Amtorg Trading Corporation on behalf of the Adjustment Administration for the sale of surplus farm products to Russia. He said today that the first deals with the Russian Government would be in shipments of cotton and cotton textiles, live stock and heavy machinery.

Demand for \$50,000,000 Cotton. He thought the cotton deals would come first with government-financed exports of raw cotton worth from \$50,000,000 to \$60,000,000. An additional \$30,000,000 is expected by Mr. Brookhart in orders for cotton textiles, and to this he added another \$30,000,000 in live stock. Other items included in the \$520,000,000 of orders which Mr. Brookhart said awaited only the extension of credits were about \$400,000,000 of so-called heavy equipment, such as rolling mill apparatus and machine tools. In this total \$400,000,000 of heavy equipment would be about \$100,000,000 of railroad equipment, including rolling stock and other materials.

Such orders as were described by Mr. Brookhart as being immediately available would, he said, provide direct employment for 300,000 to 400,000 presently idle workers, and additional work indirectly for several thousands more.

These orders are definitely provided for in the present Five-Year Plan, according to Mr. Brookhart. He said that large orders outside the plan were being contemplated, and recalled that M. Litvinoff at the recent London Economic Conference expressed the intention of his government to buy \$1,000,000,000 of products, apart from such plans.

Calls Russians "Good Risk." "There's no reason why we shouldn't be able to get more than half of those orders if we go after them," he said.

Mr. Brookhart placed much weight in "the utmost scrupulousness of the Russian Government about paying its debts."

"It's far better credit risk than Wall Street," he said, "and the best credit risk in the world, other than the United States Government itself."

Characterizing the Soviet Government as "the most stable one in Europe," Mr. Brookhart continued: "They conduct all their operations on a five-year plan and the second one started last January. They won't buy any more than they see themselves able to pay for, and in that way they never get in over their head."

To the workers it is one more triumph for the policies of Joseph Stalin and Maxim Litvinoff.

To the American specialist it means a consulate which will un-

Continued on Page Four.

Points Conceded by Russia

WASHINGTON, Nov. 17.—The exchange of agreements and concessions made public at the White House today in connection with the resumption of diplomatic relations with Russia was said in informed quarters to include virtually every concession the Soviet Government has ever made to any country. These points, the basis of recognition, are:

1. The Soviet Government promises "to respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way," pledging itself not to disseminate Communist propaganda in this country nor to attempt in any way to overthrow American institutions.

2. The Soviet Government expressly agrees to permit complete freedom of worship to Americans resident in Russia, including rites in the English or any other language, and leasing, erecting or maintaining buildings for the purpose.

3. A consular convention will be negotiated immediately, in which United States citizens will have rights of legal protection "not less favorable" than those enjoyed by "nationals of the nation most favored in this respect."

4. Preparatory to a final settlement of claims and counter-claims, the Soviet will not prosecute any claims against Americans as the successor of prior governments of Russia, or otherwise.

5. The Soviet Government waives all claim to damages arising from the American military expedition to Siberia in 1918. In addition to the agreements signed, there took place an exchange of views regarding methods of settling all outstanding questions of indebtedness and claims.

'TRIUMPH' HAILED BY SOVIET PEOPLE

Recognition Is Likened to the Tale of the Ugly Duckling Which Became Swan.

NEWS TOO LATE FOR FETES

Mezhlauh and Sokolnikoff Are Regarded as Candidates for Envoy to Washington.

Special Cable to THE NEW YORK TIMES.

MOSCOW, Saturday, Nov. 18.—Word of the recognition of the Soviet by the United States came to Moscow in the dead of night because of the difference in time, but not too late for a communiqué to appear in every morning newspaper. Trusts, restaurants and trams will be buzzing with the news later in the morning. Official comment is not available at this hour, but to the Soviet leader's recognition by the greatest of capitalist powers brings the same degree of elation felt by the "ugly duckling" of Hans Christian Andersen when it was recognized as a beautiful swan.

"It hid its head under its wing," said the old fairy tale, "and felt too happy—but had no thought of pride. It remembered how it had been mocked and persecuted, and now every one said it was lovelier than all."

Soviet leaders have been living all their lives as "ugly ducklings." They are almost afraid to believe the fairy tale has reached its traditional ending.

Youth Hails Event.

But to the komsozols (young revolutionaries and future Soviet leaders) recognition comes as part of their birthright, somewhat unexpectedly delayed. It is almost impossible to explain to them why the United States has not recognized the U. S. S. R. before. From their point of view, purely Marxian, the economic and political situation has been demanding such action for three years.

To Soviet economists, engineers and scientists it brings a hope of easier budgeting, with new equipment to realize their plans for projects which are necessary to development of Russia's natural resources.

To artists, writers and actors come greater possibilities of travel to that strange land where movie stars receive unbelievable salaries, and where no party line shapes the theme of plays or poems or guides the painter's brush.

To the Red Army it probably is interpreted as meaning one less enemy in the next war.

Peasants Are Pleasured.

To the peasant in the fields it shows that "Uncle Kalinin was right, right again. Now perhaps he will manage to get some more of those American chickens for me."

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PRESIDENT REVEALS PACT

Reads to Press Letters in Which He and Litvinoff Bind Nations.

FREE WORSHIP CONCEDED

Russia Also Agrees to Allow Americans Own Counsel if Brought to Trial.

WORLD PEACE IS STRESSED

Russo-American Claims Will Be Adjusted Through Regular Diplomatic Channels.

The notes of the President and Maxim Litvinoff, Page 3.

By WALTER DURANTY.

Special to THE NEW YORK TIMES. WASHINGTON, Nov. 17.—Official relations between the United States and the Soviet were established at ten minutes before midnight yesterday. Or, to express it more simply, the United States recognized the U. S. S. R. at that hour after sixteen years and nine days of the Soviet Government's existence. The fact of the establishment of relations was announced this afternoon by President Roosevelt, but historically speaking the date was 11:50 P. M., Nov. 16.

The undertakings of the two governments were set forth in eleven letters and a memorandum exchanged between the President and Maxim Litvinoff, Soviet Commissar for Foreign Affairs, covering agreements and concessions completed in ten days of negotiation.

Subject to the approval of the Soviet Government, William C. Bullitt of Philadelphia, special assistant to the Secretary of State, was designated to be the first American Ambassador to the U. S. S. R.

The pact, read to the press by Mr. Roosevelt at his press conference this afternoon, covers propaganda, freedom of worship, protection of nationals and debts and claims.

Anti-Propaganda Pledge. The United States receives the most complete pledge against Bolshevik propaganda that has ever been made by the Soviet Government, and includes "organizations in receipt of any financial assistance from it" as well as persons or organizations under the jurisdiction or control of the government. Complete freedom of worship is assured Americans, as well as assurance against discrimination because of "ecclesiastical status."

To Americans is accorded "the right to be represented by counsel of their choice" if brought to trial in the U. S. S. R., which represents perhaps the most definite concession that M. Litvinoff made. The President made reciprocal pledges except regarding religion, which the Soviet did not desire.

Debts and claims were left to be thrashed out later for "a final settlement of the claims and counter-claims" between the governments "and the claims of their nationals." Claims arising out of the military occupation of Siberia by American forces, or assistance to military forces in Siberia after 1917, were waived, but the Murmansk occupation was not mentioned.

One may surmise that the article relating to propaganda was drawn up after the most careful consideration by the Americans of the propaganda treaties or clauses between the Soviet and Latvia, and both, but it goes further than either of these two, and might almost be termed a diplomatic victory of high order.

The question of religious freedom has great political importance and is treated with corresponding detail. Americans are allowed everything they can want in this respect, but it is worth noting that M. Litvinoff takes the opportunity of "slipping something over" in a quiet way by quoting the laws of the Soviet Union to show that many of the reports upon the restriction of religious liberty in that country have been exaggerated.

The American side, however, scores tactical success in M. Litvinoff's admission that "no persons having ecclesiastical status"

Continued on Page Five.

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Continued on Page Two.

SOVIET RECOGNIZED BY UNITED STATES

By WALTER DURANTY.
Continued from Page One.

shall be refused visas to enter the U. S. S. R. on that account.

With regard to the protection of American nationals, President Roosevelt has succeeded in obtaining one sentence which will have a considerable reverberation and cause no small heartburning in Downing Street, London, namely: "Americans shall have the right" (if brought to trial in the U. S. S. R.) to "be represented by counsel of their choice." That sounds like something rather different from the circumstances of the Metro-Vickers trial, not to mention the earlier Shakta trial in which three Germans were involved.

In the matter of debts and claims, the honors are more evenly divided than appears at first sight. The important phrase here is "preparatory to a final settlement of the claims and counter-claims between the two governments" in the first paragraph of M. Litvinoff's letter, which to a certain extent detracts from the apparent importance of the waiving of immediate claims by the Soviet.

M. Litvinoff stated that there would be no mixed claims commission to adjust various Russo-American claims. They will all be handled through regular diplomatic channels.

It is also within the bounds of possibility that some more far-reaching agreements, at least with regard to the private debts, may be arrived at shortly, although they do not form part of the documents published today.

It is not surprising that the Russians agreed to waive a claim against the effects of the American Expeditionary Force in Siberia, because both in fact and intent it was far from damaging to Soviet interests. But here, too, what looks like an American victory is somewhat modified by the point that there is no reference to the American Expeditionary Force in Murmansk, which undoubtedly will provide the basis for a Soviet claim, according to the Alabama precedent.

Speaking by and large, it is probable that claims and counter-claims, so far as the two governments are concerned, and not impossibly the pre-revolution debts as well, will more or less cancel each other, whereas the American claims for money or property of American nationals seized by the Soviet will fall in another category.

President Reads Treaty.

There must have been 200 newspaper men in the circular study of the Chief Executive when he made his historic announcement, and the way he did it gave an interesting illustration of the character of Franklin D. Roosevelt, his sense of drama—I hope the word "showmanship" is not "lèse-majesté"—and his profound knowledge of psychology. Every one present was on tiptoe waiting for news about the result of the negotiations with M. Litvinoff.

Mr. Roosevelt smiled pleasantly at the crowd, cast an affectionate eye round the walls at his splendid collection of colored prints of old New England scenes and stated in

a conversational tone that he had gratifying news from the iron and steel industry about the working of their NRA code. This he thought was important news, and it seemed, too, that there were encouraging reports along the same line from the textile industry.

It was a genuine "coup de théâtre," and there was something like a gasp of suspense from his hearers.

Reporters are supposed to be toughened by their profession against surprises but, speaking personally at least, there was one of them who was startled. And the President knew it and got the full flavor of that moment of thrill.

Then quietly and calmly he proceeded to read the preamble to what is tantamount to an American-Soviet treaty.

The preamble consists of a letter from the President to the Commissar stating:

"I am very happy to inform you that as a result of our conversations, the Government of the United States has decided to establish normal diplomatic relations with the Government of the Union of Soviet Socialist Republics and to exchange Ambassadors.

"I trust that the relations now established between our peoples may forever remain normal and friendly, and that our nations henceforth may cooperate for their mutual benefit and for the preservation of the peace of the world."

Formal recognition was followed immediately by the designation of Mr. Bullitt as Ambassador to Russia. Hard on the heels of this announcement came publication by the State Department of the correspondence terminating the tenuous hold of representatives of the old Kerensky régime on the Russian diplomatic and consular service in this country.

No Russian Ambassador to the United States has been designated, but it is taken for granted that an announcement will be made in the very near future.

At the National Press Club this evening, while President Roosevelt was speeding toward Warm Springs, Ga., for a Thanksgiving holiday, M. Litvinoff in a brief speech and in reply to questions reviewed the negotiations for the benefit of Washington newspaper correspondents.

It is worth noting that the final phrase in the President's letter is "for the preservation of the peace of the world."

That is no formal insertion. Indeed there is hardly a word or line in the whole exchange of letters which does not merit the most careful scrutiny and attention.

M. Litvinoff replied in almost the same phrasing, and he, too, stressed the preservation of world peace which, as I cabled from Moscow, was the keynote of the first official Soviet reaction to the news of the President's message to Kalinin.

The letters cover four points of vital moment and are listed, one may presume, in the order of their importance. I venture that presumption because if ever there has been a conference in world history, and historically this conference may be found to rank among the most decisive, which really did "proceed according to plan," at least according to President Roosevelt's plan, it is this one.

You can hardly call it "an open covenant openly arrived at," that is to say, not so far as the last three words are concerned, but as a piece of "State planning," to employ the phrase familiar in Moscow and not unknown in Washington,

it stands unique in post-war international events.

Put briefly, the points are propaganda, freedom of worship, protection of nationals and the question of debts and claims.

Right here there is to be noticed a most interesting point. As to propaganda, M. Litvinoff's letter comes first, expressing what the Soviet undertakes in this matter. The President's letter follows, recording, registering, and approving the said undertaking.

In the case of protection of nations, M. Litvinoff announces that certain steps shall be taken and the President assents, after which M. Litvinoff adds a short note of explanation upon the somewhat obscure question of economic espionage, which he clarifies. Once more M. Litvinoff leads in the matter of debts and claims and the President takes note of and records what he says.

To discuss the four points in detail, the propaganda letter of the Commissar contains four articles which admirably illustrate upon what a fair and reciprocal footing these negotiations have been conducted. Because, although all four articles are apparently undertakings by the Soviet, the first two are specifically things in which the United States is interested, whereas the two latter are things in which the Soviet is interested.

President Accepts Terms.

The fourth article is reminiscent of a clause in the Franco-Soviet non-aggression pact which referred primarily to "White Russian," or Nationalist Georgian and Ukrainian anti-Bolshevist organization.

The President's reply recapitulates the four articles, but adds significantly "it will be the fixed policy of the Executive of the United States within the limits of the powers conferred by the Constitution and laws of the United States to adhere reciprocally to the engagements above expressed."

The agreement was described in informed circles as including every concession the Soviet Government has ever made singly to any other country. The significant thing is that in this case the concessions are lumped into one vastly important international document—and were made prior to recognition.

To sum up, it would seem to me, with a certain knowledge of both countries, that this is one of the best and fairest international agreements I have ever read because it has a solid basis of mutual understanding and respect.

If one wants to estimate the "horse trade," I should say M. Litvinoff has got perhaps a shade the worst of it, but, on the other hand, to vary the metaphor, M. Litvinoff is taking home a pretty fat turkey for Thanksgiving.

And don't forget that there is no mention of future credits and business in these documents, save rather vague allusions to consular conventions, and so forth. It is absurd to suppose that such subjects have not been discussed and may lead to great mutual benefits.

There are other points of international and political interest which have perhaps been covered. The negotiations have taken ten days, and, without being oversanguine, it may happen that, in view of the gravity of the issues involved in this moment of international confusion, general perplexity and danger, too, some future historian will term them "ten days that steadied the world."