

NATION'S BIG NEED HELD RIGID SAVING

Budget System at Once Is Secretary Mellon's Plea.

HEAVY DRAINS FORESEEN

More Short-Term Certificates Are to Be Issued, Says Letter Addressed to Bankers.

WASHINGTON, D. C., March 8.—Secretary Mellon of the treasury, in his first official statement, made public tonight in the form of a letter to bankers, appealed to "the people generally" to stand for rigid economy in government expenditures, and urged immediate establishment of a national budget system.

He said the showing made in the last eight months had been "particularly encouraging." There are, however, heavy drains to come on the treasury this month and next, he said, and these require more short term certificates of indebtedness, announcement of which he made coincident with the letter.

"The nation, so far as possible, must avoid making new fields of expenditures," he asserted. "Figures on current operations of the government show that the country's finances are sound but that the situation calls for utmost economy."

Heavy Expenses Foreseen. "The heavy requirements of the government on account of necessary expenditures, including interest and sinking fund on the public debt and maturity of \$7,500,000,000 in short dated debt in two years or thereabouts, make greatest economy imperative."

"The people generally must become more interested in saving the government's money than in spending it. A thorough-going national budget system must be established and the government's expenses brought into relation to its income."

He expressed the belief, however, that the first nine months of the fiscal year, or to March 31, would show that the treasury had made ends meet with a slight surplus to use against the war debt. Payments on the war debt must be made, he explained, that the heavy payments to the railroads would hamper previous plans to lower the debt.

Certificates to Be Issued. Issues of certificates announced will aggregate \$400,000,000 and will bear interest at 5 1/2 per cent, half having a maturity date of one year and the remainder at two years. Issues will be accepted in payment of income and profits taxes.

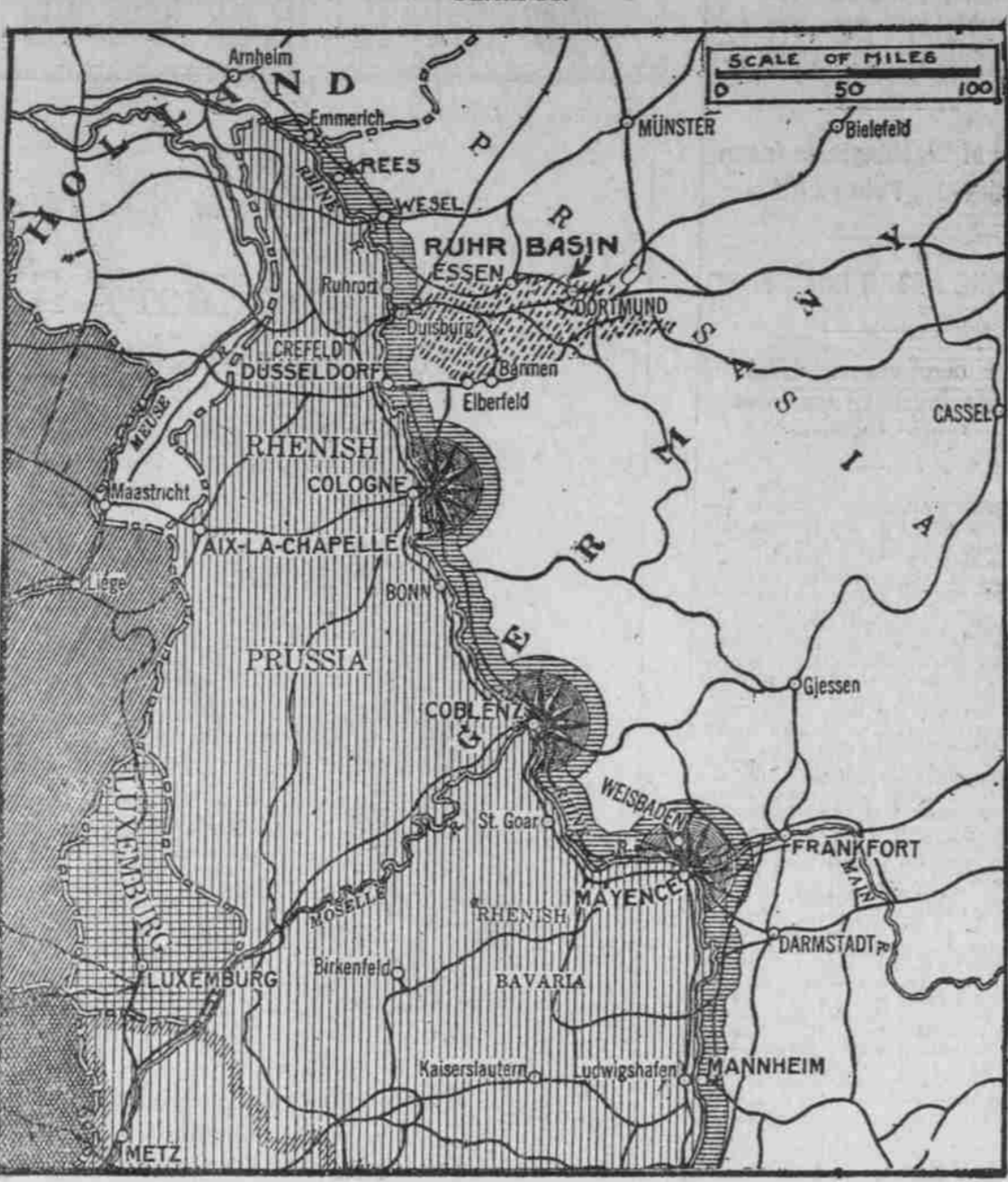
In notifying bankers, Mr. Mellon said he felt it his duty to inform them of the financial programme and probable requirements of the government. He said that the quantities of certificates must be paid off March 15 and an additional \$118,000,000 a month later. Besides there is to be paid the semi-annual interest of about \$75,000,000 on Liberty bonds March 15. The treasury also must make payments estimated at \$200,000,000 to the railroads during March.

Income Tax Payment Due. Partially to offset the heavy outgo, the regular quarterly payment of income and profits taxes is due March 15, from which the treasury hopes to realize approximately \$500,000,000. This tax payment, therefore, will be in retiring certificates due on the same date. Funds obtained from the new issues then will become available for caring for other debts, of which the railroad payments and the small previous issues of certificates constitute the greatest amount.

Mr. Mellon also observed optimistic signs in the financial condition, noting that the "funds quantities of government securities were widely spread and that each new issue was being taken up largely by investors."

He cited marked quotations on treasury certificates at par or at a premium as an indication of healthy and sound financial conditions. He said that the government was being gradually absorbed by "real investors." Mr. Mellon said, adding that the situation generally as a loan of confidence acquired by the government was much improved over conditions a few months ago.

ALLIED TROOPS OCCUPY ADDITIONAL GERMAN CITIES TO ENFORCE INDEMNITY DEMANDS.



MAP SHOWING REGION TAKEN OVER RECENTLY BY ALLIED ARMIES.

In order to force Germany to comply with the indemnity demands of the allies, military forces have extended the zone of occupation along the Rhine to include the Ruhr ports, which lie down the Rhine 125 miles to the northwest, beyond the French, American and British bridgeheads. The principal cities occupied in the most recent advance by the allies are Ruhrort, Dusseldorf and Duisburg, large coal ports. Ruhrort, incorporated with Duisburg, is located where the Ruhr flows into the Rhine, and here a railway crosses the Ruhr over a bridge over 1040 yards long. Essen with the great Krupp steel works, is situated near the Ruhr, about 15 miles from its junction with the Rhine. Another Ruhr coal port is Wesel, situated 20 miles down the Rhine at its confluence with the Lippe. The greater river is spanned here by the large railway bridge of the Golden-Venlo and Goch-Bartel lines. Dusseldorf is another coal port lying in the angle formed by the Rhine and the northern perimeter of the British bridgehead. Here a big railway and carriage bridge crosses the Rhine. Still other coal ports further down the Rhine are Rees and Emmerich.

In the photograph the cities of Mayence, Coblenz and Cologne, occupied, respectively, by French, American and British troops, are the principal bridgeheads held by allied forces. These cities were taken over after the armistice and have been occupied under the terms of the armistice ever since. The allied zone of occupation extends from Mayence in the south up the right bank of the Rhine along the western boundary of Baden to the Swiss frontier, and to the north, down to the British bridgehead at Cologne along the western boundary of Westphalia, opposite Belgium, as far as the Dutch frontier.

By the occupation of the Ruhr ports the allies have performed a maneuver similar to that of the French last April, when they occupied the cities within the neutral zone beyond their bridgehead—Homburg, Frankfurt, Offenbach and Dieburg—because the Germans had sent military forces into the demilitarized zone of the Ruhr district. This zone lies between the Rhine and a line drawn 30 miles from the river and parallel to it.

At the end has come or whether the negotiations will be continued. The Boersen Zeitung said perhaps it would be a good thing if in the next weeks it made clear "our intentions will not flow more quickly because Germany's empty pockets are now forcibly opened."

George Bernard, in the Vossische Zeitung, wrote: "Failure of the negotiations is a failure for Germany's foreign policy. Germany must make proposals which will satisfy her creditors. She must stretch to the limit her capacity as far as the changed and unsettled economic conditions will allow."

The Lokal Anzeiger considered that the effects of the penalties were not nearly so clear "our intentions will not flow more quickly because Germany's empty pockets are now forcibly opened."

Chancellor Fehrenbach at the re-assembling of the reichstag today, announced the breaking off of negotiations at London. He said: "The allies have begun to put the penalties into effect. This means an act of violence, for penalties have nothing to do with the usual principles of right. The conditions imposed on us are to be secured by force. This rupture can neither be disguised nor justified by legal deceptions. Discussion cannot begin, it was announced, until the return of Chancellor Fehrenbach, who declared the allies admitted that the impossible was expected of Germany in the Paris decisions. Neither sentiment, European relationships nor liquidation of the war was possible owing to the allied course of action."

"If they persist," he said, "the evil can only be enhanced. The allies are only creating fresh embarrassment for themselves."

There will be no general strike in Germany, it has been decided by the labor unions. The communists have been urging a strike.

DUTCH HAVE EYE ON TRADE. Commercial Prosperity Dependent on Rhine District. THE HAGUE, March 8.—(By the Associated Press.)—The Dutch government, as much of Holland's prosperity depends on the Rhine district, was watching closely any effect the allied occupation or the proposed European relations will have on Dutch trade.

While losses may be incurred through a decrease in the Rhine trade, Dutch officials hold that nothing can prevent Germany sending as much merchandise as she pleases direct into Holland over the railroads. Evening newspapers generally were unfavorable to the allied action.

GERMAN ENVOYS GO HOME. Delegates to London Conference Seem Glad to Get Away. LONDON, March 8.—(By the Associated Press.)—German reparations delegates left Berlin at 3 P. M. today and seemed pleased to get away. Their departure was without incident. The train carried British relief soldiers proceeding to join British forces on the Rhine. Great Britain's contribution to the occupational forces for the present is to be confined to railway, tanks and a small flotilla of boats in addition to a small complement of soldiers. It is officially announced that no troops will be sent from England.

Argentina Press Raps Invasion. BUENOS AIRES, March 8.—"The treaty of Versailles has ceased to exist," said La Epoca, government organ, commenting on allied occupation of German territory. "The

HOLDINGS OF GRAIN LARGEST IN HISTORY

Decreased Prices Blamed for Slow-Moving Crops.

WHEAT IS ONE EXCEPTION

Almost Half of Country's Record Corn Yield on Farms March 1, According to Reports.

WASHINGTON, March 8.—Larger stocks of grain were held on farms March 1 than on that date in any other year. Wheat was the only exception, the holdings in 1921, the year following the one billion bushel crop, having exceeded this year's holdings by 37,000,000 bushels.

Almost half of the country's record corn crop remained on farms March 1, more than a quarter of the wheat crop and almost half of the large crop of oats, according to the department of agriculture's estimates announced today.

Decreased Prices Blamed. Last year's large crops and decreased grain prices are believed largely responsible for the heavier holdings of farmers. Holdings of corn were more than half a billion bushels larger than a year ago, while wheat holdings were about 42,000,000 bushels more.

Iowa, premier corn state, had 100,000,000 bushels more corn on its farms than on March 1, 1920, and Illinois had 40,000,000 bushels more than a year ago, while Nebraska's holdings exceeded last year's by 37,000,000 bushels.

With a few exceptions the principal wheat producing states were holding larger stocks on farms than a year ago. Farm holdings of Kansas were largest, being about 5,000,000 bushels more than a year ago; Nebraska's holdings were second largest and were more than 5,000,000 bushels larger than last year.

Wheat Stocks Listed. Stocks of wheat on farms by principal producing states follow:

Table with columns for State and Bushels. Includes Illinois, Minnesota, Missouri, North Dakota, Nebraska, Oklahoma, Kansas, Texas.

Stocks of corn by principal producing states:

Table with columns for State and Bushels. Includes Ohio, Illinois, Minnesota, Iowa, Missouri, Nebraska, Kansas, Texas.

EX-SENATOR PAYNTER DIES

Native Son of Kentucky Passes After Long Illness. FRANKFORT, Ky., March 8.—T. H. Paynter, 69, ex-senator, died today after a long illness.

Thomas H. Paynter was elected as a democrat to the 54th and 55th congresses. He was elected judge of the court of appeals of Kentucky in November, 1894, to accept which he resigned as representative in congress; was re-elected judge in 1902, which position he held until August 1, 1906, when he resigned and was elected to the United States senate for the term beginning March 4, 1907. His term of service expired on March 3, 1913. Mr. Paynter was a native son of Kentucky.

West Kelso to Have Sewer. KELSO, Wash., March 8.—(Special.)—The Kelso city council has set Tuesday evening, April 5, for hearing on proposed organization of a sewer district to serve all of West Kelso, at present practically without sewerage.

City Engineer U. G. Jackson is preparing plans and estimates of the cost of the project.

REACTION EXPECTED SOON

Arno Bosch-Fleuret Notes Sullen Among Germans. BY ARNO BOSCH-FLEURET. (Copyright by the New York World. Published by Arrangement.)

BERLIN, March 8.—(Special.)—Apathetically, but not without sullenness, Germany learned only this morning that the London conference had broken up and that allied troops were marching into the newly occupied territories. For four days the country had been mentally preparing for this although the government, which knew it was inevitable, gave no public hint.

What impressed the people most was the news that allied troops were in Dusseldorf and on the edge of the newly occupied zone for hours before the rupture. It was the general belief that the entente intended from the start to make the new invasion and there has been a reaction to bitterness from the hopelessness with which the German delegation went to London.

The Fahrenbach government may not be immediately shaken by the outcome, but the reigning attitude is expected to be much more reactionary. The present government is regarded as really democratic and nothing more democratic is available in the present political development of Germany. The failure of the allies to come to terms with this government can only be taken as a blow to the cause of democracy.

Reactionary elements are preparing to profit politically by this development and co-operation between the extreme right and the communists is a possibility. The nationalist reactionaries can show the workmen where the government is leading them and may get their votes.

Papers with democratic policies such as the Tageblatt and Vorwaerts are pessimistic in their comment and Theodore Wolff wrote: "Perhaps a few not entirely weak minded people in the entire country might see that 12,000,000 marks fully paid in five years is more worth while than an advance by French soldiers and official hangers-on."

Reactionary papers printed the news without comment. While not publishing their activities, ex-Russian officers have been boycotting everyone having anything to do with the entente or entente nationals.

Reds Reported Repulsed. LONDON, March 8.—Reuter's Helmsfors correspondent says it is reported that the communists were repulsed in their attempt to force a general strike in Germany.

TURK ARMY TAKES BATUM

Nationalist Forces Hold City Long Sought by Reds. LONDON, March 8.—Turkish nationalist forces have occupied Batum, says a Reuter's dispatch from Constantinople.

Batum is a strongly fortified seaport on the eastern shore of the Black sea and one of the chief shipping points for petroleum produced in the Caucasus region of Russia. Recent dispatches have indicated that the Russian bolshevik forces were attempting to reach Batum before the Turkish nationalists occupied the city.

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All wool and in two shades of navy. Second Floor—Lipman, Wolfe & Co.

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Fifth Floor—Lipman, Wolfe & Co.

HEALTH THE KEYNOTE TO BEAUTY

Beauty means so much to women—power, social triumph, admiration and love. Beauty implies good health. Who ever saw a woman racked with pain, struggling with weakness or disease, who could be called beautiful? The woman of today in this high-strung, nervous age is continually overdoing, with the result that ill peculiar to her sex develop which, unchecked, will rob all chances for her happiness. The natural restorative for such ailments is Lydia E. Pinkham's Vegetable Compound, which has more than forty years has been recognized as a standard remedy for women's ills, and has done much to relieve pain and restore good health to women.—Adv.

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Take Tablespoonful of Salts if Back Hurts or Bladder Bothers. We are a nation of meat eaters and our blood is filled with uric acid, says a well-known authority, who warns us to be constantly on guard against kidney trouble.

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