

SECRETARY MELLON
HEARS BIG
CUT OF \$250,000,000 Needed
in U. S. Expenses.

4 1/2 BILLIONS REQUIRED

House Ways and Means Committee
Is Told That Great Effort at
Economy Is Necessary.

WASHINGTON, Aug. 4.—Congress was warned today by Secretary Mellon that it must reduce government expenditures or increase the nation's tax burden.

Appearing before the house ways and means committee he declared additional cuts of more than \$250,000,000 would have to be made in the estimated expenditures of \$4,500,000,000 for this fiscal year, if additional taxes were to be avoided.

Under estimates for federal outlay this year as presented by Mr. Mellon \$4,500,000,000 would have to be raised by taxation, whereas he estimated that the present revenue law would provide \$2,000,000,000 less than that sum, due largely to the shrinkage in the yield from excess profits and income taxes.

Expenditures on Increase. "Without the assistance of substantial additional reductions in expenditures," he said, "it would be folly to proceed to reduce revenue merely in the hope of reduced expenditures. Even without changes in the law, revenue will shrink from natural causes, and will shrink, at the present outlook, at a faster rate than current expenditures."

Then he presented a show expenditures thus far in this fiscal year had increased as compared with a year ago. He said ordinary expenditures for July, the first month of the fiscal year, were \$322,000,000 as against \$270,000,000 in July, 1920, leaving a current deficit of \$115,000,000 compared with a deficit of \$76,000,000 in July a year ago. Of the total expenditures, \$115,000,000 was for the account of the military and naval establishments and \$32,000,000 for the shipping board.

Representative Mondell, republican leader, declared in a statement that it was practical, in his opinion, "to reduce the tax levy by at least \$200,000,000 and still meet all proper, essential expenses of the government."

"The excessive expenditures," he said, "higher income surtaxes should be repealed and nothing substituted for them," he said.

People Expect Reduction. "People are expecting a real reduction—a lifting and not wholly a shifting of the burden."

In estimating the outlay this year at \$4,500,000,000, Secretary Mellon said current had been taken of the latest information from the spending departments, and that the government was at their actual cash expenditures for the year, of cuts in expenditures already reported by the military and of annual appropriations for this year already made by congress.

Ordinary expenditures were placed at \$4,025,557,352 with an additional \$551,354,655 public debt expenditure fixed by law. On the other hand, outgo included \$343,395,000 for payments to the railroads on account of the transportation act and federal control, but it was explained that allowance had been made "for possible cash expenditures resulting from withdrawal of several billion of finance corporation which has a credit balance of about \$400,000,000 with the railroad, and that it would draw down its balance at least temporarily in connection with the railroad financing proposed under pending legislation."

Deficit Put At \$350,000,000. On the basis of the existing revenue law Mr. Mellon figured that the excess of expenditures over receipts would be \$350,000,000. His estimate of total receipts was \$4,217,613,000 based on the present law, or approximately \$1,300,000,000 less than received last year. A further shrinkage of returns next year was forecast even on the basis of a law revised to meet treasury suggestions.

Mr. Mellon informed the committee that the estimates of all revenues under the revised law assumed that a more productive tariff law would be enacted "capable of yielding about \$70,000,000 and that the revenue for the fiscal year 1922 (the present fiscal year) and \$150,000,000 additional for the fiscal year 1923. The \$70,000,000 estimated additional yield from the source for this fiscal year is predicted on the new tariff law becoming effective at the beginning of 1922, the yield under the present law was placed at \$300,000,000.

Higher Tobacco Tax Asked. Mr. Mellon's statement today suggested an increase in the tax on cigarettes from \$3 to \$5 a thousand with an additional tax on other tobacco products to yield a total of \$25,000,000 additional revenue annually. Calculating on the basis of the proposed revision of the corporation income and excess profits tax being made effective as of January 1, the secretary estimated that the fiscal year 1922 from internal taxes at \$3,557,000,000, including \$575,000,000 from internal taxes, \$257,000,000 from corporation income and \$113,000,000 from profits taxes. Back taxes—income and profits taxes—accounted for \$235,000,000 of the total and the remaining \$1,326,000,000 would come from miscellaneous taxes.

Tax Yield Estimated. On the basis of a revision of the excess profits and corporation income taxes becoming effective as of next January 1, the secretary estimated that the fiscal year 1922 from internal taxes was estimated at \$4,500,000,000, making the total yield from internal taxes \$3,520,000,000, the estimates being made on the assumption of other changes in the law in line with suggestions presented to the ways and means committee last Monday, but not including the one cent increase on first-class mail stamps estimated at about \$72,000,000 annually and the two cent tax on each bank check, estimated to return \$45,000,000 annually. Revisions on which the estimates were based, he explained, assumed the following changes: Increase in the corporation income

tax to 15 per cent as of January 1, 1921 (or January 1, 1922), and the repeal of the \$2000 exemption. Repeal of the excess profits tax as of January 1, 1921 (or January 1, 1922).

Increased collections of back income and profit taxes. An increase on the tax on cigarettes and smoking and chewing tobacco.

Repeal of the transportation tax on freight and passengers; the tax to be reduced one-half January 1, 1922, and repealed January 1, 1923. An increase of the documentary stamp taxes, approximately doubling the present rates, to yield an additional \$50,000,000.

The license tax on motor vehicles, averaging about \$10 a piece and to be strided according to power. Repeal of the tax on ice cream and fountain drinks as of January 1, 1922. Revision of the income tax rates with a maximum surtax rate reduced to 32 per cent.

Repeal of the so-called luxury taxes on wearing apparel, carpets, rugs, trunks, valises and the like.

LORD BYNG WILL SAIL

Hero of Vimy Ridge Will Assume His Post in Canada.

LONDON, Aug. 4.—Lord Byng of Vimy left today for Liverpool to sail

for Canada, and assume the governor-generalship.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

Navy have only been through Canada previously as a tourist, but I can truly say I know most of its people. I feel I am making a familiar journey," he said just before he left with Lady Byng and the vice-regal party.

He was referring to his experiences as commander of the Canadian corps in the war.

PHONE USERS WAR
ON RURAL TOOLS

Milwaukie, Oak Grove, Jennings Lodge Unite.

OTHER UTILITIES CITED

Water, Gas and Electricity Obtained Same as in Portland, Witnesses Point Out.

(Continued From First Page.)

Delivered in their district, they said, and the telephone exchange service, restricted to the district, was of no value.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

Telephones in use in the district.

caller to remain on the line, with the result that the connection was made much quicker than had been the case previously.

Mr. Bassett said that if the tolls between Milwaukie and Portland were removed, he would be willing to pay a reasonable flat rate, even though such a rate were higher than at present.

Tolls Declared to Be High. The fact that only two trunk lines are furnished for service between Oak Grove and Portland was brought out by a number of witnesses.

Attorney Shaw volunteered the information that the company had already scheduled a new board for Milwaukie and had planned the installation of new cables. It was admitted by the company that the service given to this group of users could be improved vastly, but the inference seemed to exist that such improvements would necessarily wait until the policy of development of telephone service in the district had been definitely decided upon by the commission.

Telephone tolls of C. E. Garfke of Oak Grove for the months of March, April and May amounted to \$20.98 under the new rates compared with \$7.50 for a previous three months' period, he testified. If the present rates are maintained, Garfke said, he and many other telephone users would be forced to discard their telephones.

Among other witnesses who dis-

cussed the Milwaukie, Oak Grove and Jennings Lodge telephone situation were: L. B. Blinn, Jennings Lodge; A. M. Gray, Stanley Station; Mrs. Edward Younka, Rialto Station; Mrs. H. W. Stevens, Jennings Lodge; and Captain J. T. Gray, Oak Grove.

Mrs. Alexander Thompson, a member of the Portland motion picture

censorship board, took the opportunity to testify that she lives four miles outside of the city limits of Portland on the Powell valley road and that she pays \$8 a month for direct service to Portland. She protested against payment of this rate, maintaining that she was entitled to Portland rates.

Frank E. Ward, executive secretary of the telephone association, appeared before the commission and testified that the telephone company be required to pay the cost of telephone machines on a 50-50 basis as was the rule prior to the order of March 1, 1920.

E. W. Beach, secretary of the Oregon State Caterers' association, pleaded for lower rates, holding that the restaurant men of Portland could not afford to pay the present rates.

Mrs. Maggie Johnson, president of the Milwaukie commercial club, was the first witness called to the stand by Mr. Skulason.

She said that all of the telephone users in Milwaukie were opposed to the payment of tolls.

While she was speaking, the stand to register complaints in the service, she was forced to say that the service was a perfect annoyance.

The telephone rearing began in Milwaukie when the service has been vastly better, she said.

If the free tolls are not given to Milwaukie subscribers, the witness ventured the opinion that the tolls of the telephone users in use would be ordered disconnected.

The witnesses declared the cost of telephone service under present rates in Milwaukie with that in Portland and that the fact that the greater number of the 28 telephone users in Milwaukie would be removed and Portland rates substituted.

Ninety per cent of all calls in the district were directed to Milwaukie from Portland, according to H. E. Johnson, who lives at Concord station and who was also called to the stand to testify that the company was unfair in drawing tolls from the benefit of city service when they do the bulk of their business with the city.

Attorney Shaw asked the witness what if all telephone users north of the city were to be given free service to Portland and the tolls were forced to pay tolls.

"Oh, I suppose they would view it like they do now," he said, "and they would stir up a big row," the witness declared.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

The practical effect of the toll rates was shown by J. A. Rupert, who lives near Oak Grove, when he presented a receipted telephone bill showing that his telephone service cost had increased from \$2.50 a month to \$10.40 a month since last February.

He also advocated the removal of the toll charges now in effect.

CREST OF HOOD IS GOAL

Polk County Woman Again to Try Ascent of Mountain.

SALEM, Or., Aug. 4.—(Special.)—"Although I was ill my plight was not nearly as serious as described in the newspaper," said Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

This was the comment of Mrs. Beatrice Crawford Newcombe, who was the subject of the article.

She was reported to be recovering from her illness and to be preparing to make another attempt to ascend Mount Hood.

Mrs. Newcombe is a resident of Polk county, two miles west of Salem. She has been a member of the Mount Hood club for several years.

CATHERINE HELLIG, 85, DIES

FUNERAL TO BE HELD AT TACOMA TOMORROW.

Mother Never Attended Theatrical Performance, Though Three Sons Are in Show Business.

Although three of her sons were theatrical managers Mrs. Catherine Hellig, mother of Calvin Hellig, died yesterday in Tacoma without ever having attended a theatrical performance. She was 85 years old. She was a woman of strict religious habits, did not like theaters and although her sons, Calvin, James C. and Irving, all engaged in the theater business, she persistently clung to her belief.

"Mother was not bigoted about her theatrical beliefs," said James C. Hellig yesterday before he left for Tacoma to attend his mother's funeral. "She never objected to us being in the theatrical business."

Funeral services for Mrs. Hellig will be held tomorrow afternoon at 2 o'clock in the Buckley King company's chapel, with the Rev. J. P. Marlett officiating. Interment will be in Mount Vista cemetery.

Mrs. Hellig is survived by the following children: Calvin, James C. and Irving; and by her son, Edward, of Fairbanks, Alaska; Mrs. S. F. Bullard of Portland; Mrs. Robert Walker of Tacoma and Mrs. Henry Traver of San Luis Obispo, Cal.

EXPLORER PLANS VOYAGE

STEFANSSON TO CONTINUE INVESTIGATIONS NORTH.

Company Incorporated to Promote Arctic Expedition—Use of Airplanes Held Feasible.

VANCOUVER, B. C., Aug. 4.—(By the Canadian Press.)—Vilhjalmur Stefansson, the Canadian explorer, on his return here today, announced plans for forthcoming expeditions under the auspices of the Stefansson Explorers' association, a company recently incorporated. Mr. Stefansson announced as his associates E. L. Knight of Seattle, F. W. Maurer of this city and Allan Crawford of Toronto.

It was said that Mr. Crawford would head a party sailing from Seattle, August 11, on the steamship Victoria for Nome, where the power schooner Orion was being outfitted. By the end of August the party expects to be in the Arctic seas. Next year, according to the statement, Mr. Stefansson and several scientists will join the Crawford expedition.

The expedition is expected to be a long one, and will involve considerable expense. It is possible to mobilize foreign credits and securities and relieve the situation by the exportation of these products. A longer time credit can be given to the agriculturists of the country and relief can be extended to the exporter, the banker and organizations of producers in the way of advancements.

"I was keenly disappointed if great benefits do not follow the passage of this legislation," he said.

Generally the farmers of the country are smothering in their surplus products and this bill would make it possible to mobilize foreign credits and securities and relieve the situation by the exportation of these products. A longer time credit can be given to the agriculturists of the country and relief can be extended to the exporter, the banker and organizations of producers in the way of advancements.

"I was keenly disappointed if great benefits do not follow the passage of this legislation," he said.

Generally the farmers of the country are smothering in their surplus products and this bill would make it possible to mobilize foreign credits and securities and relieve the situation by the exportation of these products. A longer time credit can be given to the agriculturists of the country and relief can be extended to the exporter, the banker and organizations of producers in the way of advancements.

"I was keenly disappointed if great benefits do not follow the passage of this legislation," he said.

Generally the farmers of the country are smothering in their surplus products and this bill would make it possible to mobilize foreign credits and securities and relieve the situation by the exportation of these products. A longer time credit can be given to the agriculturists of the country and relief can be extended to the exporter, the banker and organizations of producers in the way of advancements.

"I was keenly disappointed if great benefits do not follow the passage of this legislation," he said.

Generally the farmers of the country are smothering in their surplus products and this bill would make it possible to mobilize foreign credits and securities and relieve the situation by the exportation of these products. A longer time credit can be given to the agriculturists of the country and relief can be extended to the exporter, the banker and organizations of producers in the way of advancements.

"I was keenly disappointed if great benefits do not follow the passage of this legislation," he said.

Generally the farmers of the country are smothering in their surplus products and this bill would make it possible to mobilize foreign credits and securities and relieve the situation by the