BANKERS UNITE TO AID MEXICAN INVESTMENTS

Ten U. S., 5 French and 5 British Men on Committee Formed Here.

MORGAN IS A CHAIRMAN

Carranza Envoy Sent to N. Y. on Financial Mission—Loan Not Contemplated.

Bankers of the United States, France and Great Britain have united in one of the strongest financial organizations ever formed, with the object of protecting foreign holders of securities of the Mexican Republic and its railways and commercial enterprises.

Announcement of the formation of a committee for this purpose was made yesterday by Thomas Cochran of J. P. Morgan & Co., in the library of Mr. Morgan's home at 33 East Thirty-sixth street. Nine members of the combination are bankers of the United States, and a tenth, not yet selected, will also be American, while the ten others are divided equally between England and France.

The formation of the committee, together with the recently expressed desire of President Carranza to resume payment of interest on the national debt and the sending to this country of Rafael Nieto, acting Secretary of Finance for Mexico, appear to point to the possible restoration of financial, and consequently general, equilibrium in Mexico.

Prepared to Take "Further Steps."

Not only will the committee protect security holders, but, it was announced formally, will be prepared also "to take such further steps as may seem wise in order to afford counsel and aid to investors who hold interests in Mexico." No mention is made of consideration of a loan to the Mexican Government by the united bankers. It is stated that the Department of State and the French and British Foreign Offices have been informed of the formation of the organization.

Thomas W. Lamont of the Morgan firm and J. P. Morgan will be chairmen. Mr. Lamont is at present in Paris, where, as a representative of the United States Treasury, he is attending the Peace Conference. He is utilizing his opportune visit to Europe to confer also with the British and French bankers.

The statement issued is as follows:

"The following international committee has been constituted for the purpose of protecting the holders of securities of the Mexican Republic and of the various railway systems of Mexico; and generally of such other enterprises as rious railway systems of Mexico, and committee will be prepared to take such further steps as may seem wise in order to afford counsel and aid to investors who hold interests in Mexico:

J. P. Morgan, chairman, of J. P. Morgan & Co.

John J. Mitchell, president, Illinois Trust and Savings Bank, Chicago.

Walter T. Rosen of Ladenburg, Thalmann & Co.

Charles H. Sabin, president, Guaranty Trust Co., New York.

Mortimer L. Schiff of Kuhn, Loeb & Co.

James A. Stillman, chairman of the board, National City Bank, New York.

James N. Wallace, president, Central Union Trust Co., New York.

Albert H. Wiggin, chairman of the board, Chase National Bank, New York.

Robert Winsor of Kidder, Peabody & Co., Boston.

Laurence Currie of Glyn, Mills, Currie & Co., London.

Sir Clarendon Hyde of S. Pearson & Son, Ltd., London.

E. R. Peacock, chairman of the Bondholders Committee of the Mexico Tramways and the Mexican Light and Power Group of Companies, London.

Vivian H. Smith of Morgan, Grenfell & Co., London.

Vincent W. Yorke, chairman of the Mexican Railway Co., Ltd., London.

William d'Eichtal of Mirabaud & Co., Paris.

Georges Heine, director of the Banque de l'Union Parisienne.

Andre Honnorat, member of the Commission for the Protection of French Holders of Mexican Securities.

Jacques Kulp, auditor of the Banque de Paris et des Pays-Bas, Paris.

Joseph Simon, Inspector of Finance, general delegate of the Commission for the Protection of French Holders of Mexican Securities.

To Investigate Fully.

"This committee is not yet prepared to announce a definite programme of procedure, but in general its functions will be to inform itself as fully as possible as to existing conditions in Mexico with a view to such positive action as may be taken whenever circumstances permit. Especial care has been taken as to the composition of the committee upon a broad international basis, so as thereby to insure so far as may be joint and united action by security holders in all three countries concerned, namely the United States, Great Britain and France.

The U. S. State Department in Washington and the Foreign Offices respectively of the British and French Governments have been advised of the formation of this committee.

"Upon T. W. Lamont's return to New York city from Paris, where on behalf of the United States Treasury he is in attendance upon the sessions of the American commission to negotiate peace and where he will have opportunity of conferring with the British and the French interests, he will, as originally planned, undertake the active duties of the chairmanship of the committee."

Nine Alternates Are Chosen.

The announcement of the organization of the committee was made simultaneously in Paris, London and New York. At the same time alternates for the American members to serve in case of need were named. These are as follows:

John H. Fulton for James A. Stillman.

Benjamin S. Guinness for Walter T. Rosen.

Jerome J. Hanauer for Mortimer L. Schiff.

E. D. Hulbert for John J. Mitchell.

Thomas W. Lamont for J. P. Morgan.

Frank W. Remick for Robert Winsor.

Francis H. Sisson for Charles H. Sabin.

Edward R. Tinker for Albert H. Wiggin.

J. Y. G. Walker for James N. Wallace.

The Mexican question has occupied keen attention of late among bankers and among those having interests in Mexico. In the latter part of last December there was formed the National Association for the Protection of American Rights in Mexico, headed by C. E. Kelley, president of the Anaconda Company. This organization was to prevent the destruction or harassing of American business enterprises in the republic.

It was stated then that American, British and French corporations having interests in Mexico would also join the association, and that appeals for protection for American property in Mexico would be made to Washington. There is no connection between this organization and the committee formed yesterday.

Carranza Sent Representative.

Desire for the rehabilitation of Mexico prompted President Carranza recently to send to this country Rafael Nieto. Mr. Nieto was the guest of New York bankers at luncheons attended by a representative of the National Association for the Protection of American Rights in Mexico, a member of the firm of J. P. Morgan and representatives of other banking firms.

It is understood Mr. Nieto explained that he was here on an expedition of inquiry, and gave the impression that the Carranza Government was in permanent power in Mexico and that American interests in Mexico would be placed on a better footing when the Mexican Congress convenes in April.

Mr. Nieto, it is believed, stated during the luncheon discussions that Mexico wants to reconstruct its finances, particularly with reference to combined debts of $370,000,000, the interest on which has not been paid since 1914. It is said that Mexican revenue amounts roughly to 160,000,000 pesos a year, of which 120,000,000 is used for current expenses of the Government, leaving only 40,000,000, about $20,000,000, which might be used for payment of interest.

A loan to Mexico would be impossible now unless substantial guarantees were given to assure payment of interest, &c. The American, British and French bankers who would consider such a loan to Mexico are for the most part those composing the newly formed committee. It is with this committee, therefore, that Mexico must deal, if she desires new money.

Y. M. C. A. GIVES UP POST EXCHANGES

Gen. Pershing Consents to Request to Be Relieved of Operation.

By the Associated Press.

CHAUMONT, Feb. 23.—The American Y. M. C. A. at its own request has been relieved of its work in maintaining the post exchanges with the American army. Correspondence has been exchanged between Gen. Pershing and E. C. Carter, in charge of Y. M. C. A. with the army, resulting in this decision. On Jan. 29 Mr. Carter wrote to Gen. Pershing as follows:

Dear Gen. Pershing: A year and a half ago you requested the Y. M. C. A. to undertake the operation of post exchanges for the American Expeditionary Force in order that "officers and enlisted men may not be taken away for that purpose from their paramount military functions of training and fighting.

As soon as hostilities ceased we raised with you the question of whether the time had not come for the Y. M. C. A. to be relieved of the operation of post exchanges, in view of the fact that there was no longer the same pressing demand on the man power of the army for training and fighting. When we first raised the question it did not appear to you that it was feasible in the best interests of maximum service to the army that change be made. Now the situation is materially altered.

Needed in Other Work.

Recent general orders from main headquarters and requests from large numbers of commanding officers may have laid on the Y. M. C. A. increased responsibilities in promoting educational, athletic and entertainment activities in the American Expeditionary Force. This is placing a rapidly increasing burden on our personnel. The army also is now preparing for the delivery of all supplies for the post exchanges which heretofore have been imported, manufactured and delivered by the Y. M. C. A.

In view of the changed situation, I wish to know whether you do not think it would be possible for the army at a very early date to assume full responsibility for the maintenance of the post exchanges throughout the American Expeditionary Force.

Gen. Pershing replied yesterday as follows:

My Dear Mr. Carter: I have the celved your letter of January 29 asking whether in view of the present changed situation it would be possible for the army to assume full responsibility for the maintenance of post exchanges throughout the American Expeditionary Force.

Gen. Pershing Consents.

As you correctly state, the Y. M. C. A. undertook the management of the post exchanges at my request at a time when it was of the greatest importance that no available soldier should be taken away from the vital military functions of training and fighting. As the reasons which impelled me at that time to request you to undertake this work no longer exist I am glad to approve your suggestion. In reaching this conclusion consideration has been given to the new burdens in connection with entertainment, athletic activities and education that you have assumed. I have accordingly given directions that the army units themselves take over and operate their own post exchanges.

In making this change permit me to thank you for the very valuable services and assistance which the Y. M. C. A. has rendered to the American Expeditionary Force in handling these exchanges. Handicapped by a shortage of tonnage and land transportation, the Y. M. C. A. has by extra exertion served the army better than could have been expected, and you may be assured that its aid has been a large factor in the final great accomplishments of the American army. Very cordially yours,

JOHN J. PERSHING.

JUNKERS SHOUT FOR KAISER.

See a Monarchy Again and Lay Defeat to Revolution.

Special Cable Despatch to THE SUN *from the London Times Service.*

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THE HAGUE, Feb. 23.—The Agrarian League is holding its annual meeting in Berlin. It is proceeding on the old familiar lines. The Prussian junker has learned nothing since Germany was defeated.

The spokesmen of former years protested the ex-Kaiser's irresponsibility for the war, proclaimed their monarchical sentiments and declared the monarchy would be restored.

Concerning the revolution, they assert it alone is to blame for defeat and they threaten a farmers' strike if things are not altered. This threat is not regarded seriously, since the Agrarian League chiefly comprises large landowners.

Grip Abating in Australia.

SYDNEY, N. S. W., Feb. 23.—The influenza epidemic is abating all over Australia. As a consequence the Government is relaxing the drastic mask wearing regulations.

GERMANS ATTACK ON POLISH FRONT

Make Drive in Posnania and Use Armored Train South of Posen.

POLES WIN IN VOLHYNIA

They Take Station Near Kovel and Capture Munitions and Guns.

Special Wireless Despatch to THE SUN *from the London Times Service.*

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WARSAW, Feb. 23.—A telegram from the Foreign Ministry announces that the Germans again have attacked in Posnania almost on the whole front, and are employing an armored train south of the city of Posen. The Foreign Ministry has received news that the Polish representatives have abandoned that city and are going to Odessa.

Polish troops have gained a signal success in Volhynia under the command of Gen. Smigly Rydz. They have taken the station at Manievics, forty-five miles east of Koval, and have captured a quantity of material and munitions and guns.

The Ruthenians have been attacking with full forces, apparently making a desperate effort to cut off the city and destroy its single line of railway communication. Their object is to starve out the city. Women have taken over the policing of the city in order to release the men for the front. About 12,000 men are holding the railway.

GERMANS SECRETLY PLAN WAR IN EAST

Seek to Get Bolshevist Aid Against Poland.

PARIS, Feb. 23.—The Polish authorities, according to a Havas despatch from Warsaw, have obtained absolutely reliable information from Berlin that President Ebert, Chancellor Scheidemann, Foreign Minister von Brockdorff-Rantzau, War Minister Noske and Herr Landsberg at a secret meeting adopted a plan to deal with the Polish question by which Germany, while promising to make peace with Poland, would give orders to the German troops on the frontier to continue their operations against the Poles.

In addition, it is declared, the German leaders agreed to get into touch with the Russian Bolshevik Government with a view to joint action against Poland. It was planned also, the despatch continues, to let the German troops remaining in Lithuania become infected with Bolshevism so as to facilitate action against Poland. It was agreed that it would be announced that the leaders no longer had control over these troops.

Paderewski Calms Crowd.

By the Associated Press.

WARSAW, Feb. 23.—A crowd, apparently made up of persons out of work and led by Bolshevik agents, made a demonstration yesterday before the Hotel Bristol, where Premier Paderewski and the interallied mission to Poland have their headquarters. The Premier's automobile was stopped as he was leaving the hotel and M. Paderewski was forced to make a speech to the crowd. He promised the demonstrants work as soon as possible and appealed to them to disperse because of the impression their attitude would make on the foreign mission.

Later one of the French officers attached to the mission appeared on a balcony and told the crowd that food was on the way to Warsaw. The affair turned out to be rather tame and the crowd was eventually dispersed by a squadron of cavalry and some infantry.

Moscow, the seat of the Russian Bolshevik Government is quiet for the time being pending the outcome of the proposed Princes' Islands conference. Some reports reaching Warsaw are that the Bolshevik leaders are spending money to secure agitators to foment disorders in Poland. Meanwhile Polish troops are weeding out Bolshevism in Lithuania and White Russia.

Poland within three months will introduce new paper money, the unit of which will have the same value as the French franc, under an act now before the Diet. The reason for the step is the feeling that Poland should have its own national money and also a monetary standard which could be quoted abroad, since at the present time there are three or four different kinds of foreign moneys in Poland, all varying in value. This makes it difficult for Poland to make necessary foreign purchases. The money will be issued by a new national bank, which may possibly be termed the "Fatherland Bank," when the division of lands has been decided.

The money situation in some respects is worse than in other countries of central Europe, because of the circulation of rubles, crowns and two kinds of marks, which are all of uncertain value. Poland does not intend to adopt temporary measures, but is stamping crowns which also circulate in Galicia, as do the Czech and Austrian coins. Polish bankers believe that such stamping tends to enhance the value of their crowns. Arrangements have been made to have the new Polish money printed in Paris, London and Brussels.

While Poland is making an effort to secure foreign credit to stabilize her money, she has little gold or silver within her borders. The value of the new money rests on Poland's national guarantee, plus what is owed her by Germany, which is, first, the 860,000,000 marks printed during the German occupation and guaranteed by German banks; second, German marks circulating in Posen and in Poland, which are estimated at 2,000,000,000; third, sums which Germany should restore to Poland for war requisitions and thefts; fourth, Poland's share in the claims for indemnities from Germany established by the Peace Conference.

The new Polish money probably will be replaced later, or readopted, when the Peace Conference settles the question of the money standard to be adopted.

250,000 MEN PASSED DEVELOPMENT UNITS

War Department in Report Tells of Regeneration Work.

WASHINGTON, Feb. 23.—Nearly 250,000 men passed through the army development battalions in the six months these special organizations were in operation.

The War Department announced today that as a result of the physical and educational training received in the battalions, which were maintained in thirty-one training camps in this country, 38,466 men were placed in the first class or reexamination, 42,788 in the second class and 38,468 in the third. A total of 36,274 were discharged, 919 deserted and 1,358 died during their stay in camp.

"A casual glance at these statistics," said the department's statement, "at once show that the development battalion was not only a necessary organization but it proved to be a profitable one as well. The battalions in six months relieved our ghting forces of over 200,000 unfit men, thus leaving these forces free to prepare for the front. For every unfit man discharged by the development battalions there were three men returned to useful duty in the army."

More than 34 per cent. of the men sent to the development battalions had been found unfit for immediate duty because of contagious diseases, nearly 13 per cent. were disqualified because of foot conditions and nearly 5 per cent. because of heart trouble. Inability to speak English caused nearly 7 per cent. of the total men in the battalions to be placed there, illiteracy caused 5 per cent. and 8 per cent. were aliens.

FIGHTING DIVISIONS TO STAY ON RHINE

Soldiers of the 42d and 32d Excited by Rumors.

Special Wireless Despatch to THE SUN *from the London Times Service.*

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COBLENZ, Feb. 23.—There is considerable talk among the soldiers here of the possible return to the United States of two of the best fighting divisions, the Forty-second and Thirty-second, now with the army of occupation, but it is understood there is little possibility of their immediate return home. At least nothing is likely before the middle of April.

Uncertainty in the present situation under the armistice conditions is attributed as the reason for the indefinite retention of all present divisions on the Rhine.

Major Beard, chief United States disbursing officer here, says $7,000,000 is paid monthly to United States officers and men here. Considerable sums are sent home to the United States. The Germans in payment of the expenses of the American Army of Occupation have now sent $35,250,000. There are large sums owing.

The American troops spend comparatively little in Germany.

GERMAN CROP OUTLOOK BAD.

Secretary of Agriculture Expects Yield Half of Normal.

By the Associated Press.

BERLIN, Feb. 22 (delayed).—Herr Ramm, Under Secretary of the Ministry of Agriculture, gave a gloomy picture of the prospects of the coming harvest at the meeting of the German Agricultural Society to-day. He said that nothing better than half a normal crop could be expected this year. This was due to the impoverished condition of the soil.

SIMS URGES U. S. TO BUILD DIRIGIBLES

Sends Wireless Message to Daniels Telling of Lessons War Taught.

WASHINGTON, Feb. 23.—Rigid airships in the future will comprise a specific element of the fleet of every first class naval power, Vice-Admiral Sims said in a wireless message made public to-day by the Navy Department. The Admiral said that observance of the naval lessons of the war had thoroughly convinced him of the importance of these machines and he recommended that the United States lose no time in developing them.

Secretary Daniels included the message in a letter to-day to Senator Swanson (Va.), chairman of the Senate Naval Committee, expressing the thanks of the department for the favorable report of its recommendation that $36,000,000 be appropriated for the development and construction of rigid airships.

England is making rapid strides in the new line of military aeronautics, Admiral Sims said, having built airships 695 feet long, with a displacement of 2,700,000 cubic feet, a maximum speed of approximately 59 miles and cruising period of more than five hundred hours.

"Following the signing of the armistice," the Admiral added, "this programme was so modified as to provide that new construction and development work be pushed even more actively than during the war."

Admiral Sims confirmed printed reports that the British Admiralty is planning for the coming summer a flight to the United States and return with one of these new ships, and declared that the chances are "better than fair that it will be successful."

"Without hesitation," Admiral Sims said, "I can recommend on strong military grounds that two more airships of the latest type be started in the United States and that these be followed by at least two more of an improved type for helium gas. This should involve an adequate building and repair base and an operating base to be located later."

GREEKS TAKE GERMAN WIVES.

Interned Soldiers Start Home With Them on Release.

By the Associated Press.

BERLIN, Feb. 23 (delayed).—The repatriation of the Greek troops interned at Goritz was begun to-day under the supervision of two American officers. Three hundred and fifty officers of the Fourth army corps left on special trains, a number of them taking along German wives, having married since their internment.

The rank and file of the Greek troops will leave Monday.

ONE DAY AIR TRIPS TO EUROPE, PROMISE

New Motor Device to Make 300 Miles an Hour Possible.

PARIS, Feb. 23.—An airplane with a speed of from 200 to 300 miles an hour, which will bring America within a short day's journey of Europe, is the prospect held out by the invention of a French engineer, Auguste Rateau, according to the *Matin*. The invention of M. Rateau was one of the surprises in store for the Germans which were about to be revealed when fighting ceased.

At the present time without the invention the higher an airplane mounts the less power does its engine develop on account of the rarefying of the air. The loss at 15,000 feet, for instance, is 50 per cent.

M. Rateau's device, the paper says, consists of an arrangement by which the exhaust from the engine works a small turbine which compresses the air drawn into the engine to normal pressure, so that the engine develops full power no matter what the altitude. As the resistance of an airplane decreases enormously at high altitudes, the *Matin* adds, it follows that the higher a machine fitted with the new device mounts the greater will be its speed. This fact, it is declared, was demonstrated by the famous German long range gun.

It has been found that a heavy bombing machine whose speed at 15,000 feet ordinarily did not exceed 80 miles an hour made 140 miles when fitted with M. Rateau's invention.

AUSTRALIA OUSTS REDS.

MELBOURNE, Australia, Feb. 23.—The Federal Government has taken measures to prevent the landing of Bolsheviki and other undesirables. The Government has dismissed 500 shipbuilding employees on Cockatoo Island owing to the men's "go slow" policy.