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WEATHER FORECAST.
Cloudy to-day, showers to-morrow; fresh southeast and south winds.
Highest temperature yesterday, 68; lowest, 43.
Detailed weather reports will be found on Editorial page.

THE NEW YORK HERALD

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THE BEST IN ITS HISTORY.
The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

VOL. LXXXV.—NO. 190—DAILY. ++++ NEW YORK, TUESDAY, MARCH 8, 1921.—ENTERED AS SECOND CLASS MATTER, POST OFFICE, NEW YORK, N. Y. PRICE TWO CENTS IN NEW YORK CITY. THREE CENTS WITHIN 200 MILES. FOUR CENTS ELSEWHERE.

ARMY OF COMPULSION BEGINS AN INVASION OF GERMANY; CONFERENCE BREAKS UP WHEN APPEAL FOR DELAY FAILS; AID OF LEAGUE OF NATIONS WILL BE INVOKED BY BERLIN

GERMAN INDUSTRY REVIVAL RETARDED BY LACK OF UNITY

Antagonism of Large Industrial Factors Is Keenly Felt.

TREND TO COMBINES

Socialism Is Likely to Give Way to Capitalistic Syndicalism.

Germany's Progress Toward Pre-war Activities

ARTICLE NUMBER 2

The New York Herald publishes herewith the second of a series of ten articles which will give a picture of industrial Germany to-day. The first article was published yesterday. The article published to-day deals with the reorganization of industry. The article to be published to-morrow will discuss the relations of politics and labor.

II.

By RAYMOND SWING.

Special Correspondence to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, Berlin, Feb. 20.

German industry is not being reorganized by the adoption of a completed plan, but by a slow and often confusing evolution. The new trusts, the cooperative committees of capital and labor and the economic parliament are individual contributions, but not by leaders working in concert, with a common platform and a single vision. Hugo Stinnes, the strongest man of Germany, is not a theorist, and the Stinnes formulæ for reorganization are practical suggestions somewhat loosely strung together by a belief not in a better world but in one more profitably managed. Hans Kraemer, one of the principal founders of the national economic parliament, is a successful manufacturer of rotogravure machinery, and, though more imaginative than Stinnes, he, too does not try to justify his schemes with theoretical phrases. The nation is industrial, he says; let industry, not politics, tend to its own business. And so most of the advance in industrial cooperation has been made by hard headed men for egotistical reasons.

But even though fundamental changes have been undertaken, so that German industry now appears to be on the high road to a new and powerful unity, this has come despite the antagonism of large industrial factions. The conflicts continue; they threaten to wreck the national economic parliament before it is really tried out. The progress made is unsatisfactory to the Germans themselves, and the union of industry is an ideal not yet realized and often despaired of.

German industries before the war were associated in two leagues which now have been replaced by the National League of German Industry (Reichsverband). This is a voluntary association without legislative functions (aside from lobbying) and without far reaching significance. It is a useful organization to support the government in such moments as the one which came last autumn, when negotiations with Poland were not yielding results and pressure was needed. An informal boycott was declared against Poland and carried out under the league's auspices. But only in questions where the obvious advantage lies in unanimous action in some special case can the Reichsverband count as a united body.

Trend of Nation's Changes.

The trend of the German changes has been in a different direction, toward the "Interessen-Gemeinschaft" (closer organic combinations)

Continued on Fifth Page.

Night Wind From Ocean Chills Breath of Spring

IT seemed for a time yesterday that the warm weather would establish a record for the early arrival of spring, but the thermometer, after rising to 68 and making folks wonder what good an overcoat was, dropped almost twenty degrees in less than three hours—after the wind had shifted to the east and blew from the sea.

At 9 o'clock last night the temperature was 45 and still slowly falling, and the Weather Bureau said it would probably be even colder this morning. Forty is the anticipated temperature for the early hours of to-day, a drop of 28 degrees from yesterday's maximum of 68. It may also rain to-day.

ALBANY BILL KILLS ALL SUNDAY LAWS

Assemblyman Hackenburg Leads Drive Against Blue Sabbath Cohorts.

URGES 'CARE FREE' DAY

Every Restrictive Law Now Held in Contempt Would Be Repealed.

Special Despatch to THE NEW YORK HERALD.
New York Herald Bureau, Albany, March 7.

The average citizen may yet be able to make a parachute jump, go to a ball game or get up a parade in his back yard if he wishes on Sunday without fear of being arrested.

After years of browbeating from the uplifters, the lawmakers in the State Capitol have turned on those who are here shouting for blue laws. Instead of going further in reviving the old Puritan Sabbath, the advocates of a carefree Sunday now purpose to strike from the books every law restricting pastimes and pleasures.

Assemblyman Frederick L. Hackenburg of New York is leading the anti-blue law fight. He introduced to-night a series of bills which would not only repeal restrictive laws but would prohibit the further enactment of such measures. He said his bills are aimed at legislation restricting personal liberty and interfering with the free pursuit of happiness so long as it does not endanger public health or the safety of others. The Legislature and city governing boards would be restrained from putting such measures into effect. For instance, all local curfew laws would be repealed under the Hackenburg proposals.

The introducer said no attention is now paid to the law prohibiting the racing of horses "or other animals" for stakes. He would permit prize fights and other public sports, parades, theatrical performances, the opening of stores on Sundays. Under his bills all restrictions would be removed from parachute jumping from balloons, puppet shows, rope and wire walking and dancing.

Circuses and carnivals would be allowed to show in cities and towns without getting permits from the authorities. The law making possession of policy slips presumptive evidence of gambling would be repealed, the introducer of the bills declaring that convictions are seldom found and that the police often use the law for blackmailing.

JERSEY SENATE PASSES DRASTIC DRY BILL

Wide Powers of Seizure Are Provided For.

Special Despatch to THE NEW YORK HERALD.
TRENTON, N. J., March 8.—After refusing for more than a year to adopt any sort of a prohibition enforcement measure the New Jersey Senate early this morning passed what is probably the most drastic bill of the kind in the United States. It provides for trial without jury before a judge and gives to the authorities wide powers of search and seizure in both residences and automobiles. The vote on the measure was 17 to 4, four Democrats voting against it. They were Simpson of Hudson, Heath of Mercer, Brown of Middlesex and Martens of Hunterdon. The bill now goes to Gov. Edward I. Edwards for his approval or veto.

DEATH COMES TO SON OF ALICE G. D. BARRETT

Child Dies in Menton of Meningitis.

Cablegrams from Paris last night reported the death of Gerald Edwin Barrett, ten-months-old son of Alice Gordon Drexel Barrett, whose elopement in 1919, together with the dramatic climax of her married life less than six months ago, attracted the attention of society in London, Philadelphia, Newport and this city.

The cause of the infant's death was given as meningitis. He died yesterday in Menton, France.

Before the baby was born, trouble between Mrs. Barrett and her husband, William N. Barrett, formerly a Captain in the American air service, had separated them. The child was born in Nice.

PUT your Situation Wanted ad. in The Herald. The quality-quantity circulation means high grade replies.—adv.

TAXES MAIN TOPIC AT WHITE HOUSE AS G. O. P. CHIEFS DINE

Harding Punctiliously Carries Out Campaign Pledge to End One Man Rule.

SESSION EARLY IN APRIL

Right of Way to Revenue Reform Over Tariff to Ease Burdens of Americans.

Special Despatch to THE NEW YORK HERALD.
New York Herald Bureau, Washington, D. C., March 7.

President Harding will call a special session of Congress to revise internal taxation and to build a new tariff law either for April 4 or April 11.

This was decided to-night at a dinner given at the White House by the President to the Republican leaders in Senate and House, the first of a series of such informal conferences that will be held by the Chief Executive with the strong men of the party.

This is absolutely in keeping with the pre-election pledges made by the President that he would adopt a custom of consulting the best minds of the party in deciding policies to be adopted and measures to be taken—that there would be an end made of one man Government. It was a dinner to-night, therefore, of Republican "best minds," and of the best minds one was a woman's, Mrs. Harding's, for of the twenty-four present at the conference dinner there were twenty-three men and the one woman.

Perhaps the most interesting development of the dinner was the fact that the President, who did far more listening than talking, as he guided the discussion along the lines of legislative suggestion he desired it to follow, laid more emphasis on the swift adjustment of pressing problems than he did upon the approach to international adjustments.

Tax Exactions to Be Eased.

Almost all of the discussion—certainly the larger burden of it—turned upon the question of what kind of tariff law should be constructed when the new Congress gets down to business and what changes should be made to ease and equalize the burden of taxation in a new revenue law.

One of the main points talked about was which should have precedence, the new tariff or the new revenue measure, and the weight of counsel as it was laid before the President was for giving right of way to the revenue measure. The general argument was that the wisest thing the new Administration can do is to go to work as swiftly as possible upon ways and means of easing the strain upon business and upon the average American pocketbook.

While it is given out by the President that no definite decision was reached on any of the principal points of the discussion, it is now taken for granted that the first business of the special session will be to revise taxation, including the elimination of the excess profits tax.

It was quite obvious that the President refrained from coming to any definite decisions to-night for the reason that he desires to talk over these matters with other groups and wishes to avoid even the appearance of singling out any special company of Republicans for yea and nay mandates to the party.

While there was no serious give and take between the President and his dinner guests regarding the forthcoming resolution to end a state of war with Germany, it is understood that the general subject was mentioned quietly, as were other international matters of very pressing interest to the new masters of Government—the mess between Panama and Costa Rica and the Yap crisis.

Signalizes Success of G. O. P.

The dinner was the first affair of the sort in this Administration and naturally was a happy and delightful occasion for all present, signalizing so concretely the solidity of Republican success and control after eight years of wandering in the dark.

From the Senate went Lodge of Massachusetts, the Republican leader of that body; Curtis of Kansas, Republican whip; Penrose of Pennsylvania, chairman of the Finance Committee; Cummins of Iowa, President pro tem. and chairman of the Committee on Interstate Commerce; Warren of Wyoming, chairman of the Committee on Appropriations; Wadsworth of New York, chairman of the Committee on Military Affairs; Smoot of Utah, financial expert of the body; Knox of Pennsylvania, chairman of the Committee on Rules; Poindexter of Washington, chairman of the Committee on Naval Affairs, and Johnson of California, chairman of the Committee on Cuban Relations.

From the House went Mondell of Wyoming, Republican leader; Fordney of Michigan, chairman of the Committee on Ways and Means; Longworth of Ohio, very influential in that powerful committee; Mann of Illinois, general watchdog of the Treasury; Porter of Pennsylvania, chairman of the Committee on Foreign Relations; Kelly of Michigan, Campbell of Kansas, chairman of the Committee on Rules; Anthony of Kansas, Slemp of Virginia, Fess of Ohio, Towner of Iowa and Winslow of Massachusetts.

It was nearly 12 o'clock when the contrance, which was ablaze with light, broad open door at the carriage entrance which was ablaze with light. Senators Knox and Penrose were the first to come outside. Senator Knox was slightly in the lead and therefore received the first broadside of inquiries hurled at him by the waiting crowd of news gatherers. Senator Penrose did

Continued on Eighth Page.

Harding Hobby to Help Some One Down and Out

WASHINGTON, March 7.—In a short talk this evening at the National Press Club's "Hobby Night" entertainment, President Harding declared his favorite hobby was to help the fellow who is down and out.

"If there is somewhere a human touch that awakens disappointment into hope," he said, "that is the finest hobby in the world. If in my new responsibilities I can in understanding and sympathy and in stern devotion to country find the touch that transforms the disappointments of yesterday into the fruition of to-morrow, then I shall have practised the dearest hobby, to me, in the world."

GEN. WOOD GOING TO THE PHILIPPINES

Harding Instructs General to Study Freedom Question and Report Results.

PRESIDENT BUSY AT 8:30

White House Scene of Many Conferences—G.O.P. Women Leaders at Luncheon.

Special Despatch to THE NEW YORK HERALD.
New York Herald Bureau, Washington, D. C., March 7.

The most important announcement from the White House to-day, after a series of conferences which strained even the oldest records for work, was that President Harding had arranged to send Major-Gen. Leonard Wood to the Philippine Islands for a first hand study of conditions. Upon his report will be based the American policy in regard to the islands.

The decision followed a conference of Mr. Harding, Secretary of War Weeks and Gen. Wood. Afterward Secretary Weeks issued this announcement:

"The President is not unmindful of the change of policy as recommended by his predecessor in dealing with the Philippines. He is anxious to settle definitely our policy and has asked Gen. Wood, because of his general experience, to go to the islands and report conditions as he finds them."

The change in policy to which Mr. Weeks referred was the plea of Woodrow Wilson for independence of the Philippines, made to Congress in the annual message last December. In view of this pronouncement President Harding wished to learn for himself the conditions there. The Philippine question, therefore, will be held in abeyance until he receives the report, which is likely to be submitted seveal months hence. It is the expectation that Gen. Wood will start for the Philippines within a comparatively few days.

The talk has been recently that Gen. Wood would be selected as Governor-General of the Philippines, but the development to-day made it seem doubtful if he would be willing to accept the post. The general understanding is that he could have it if he desired, but it developed that Gen. Wood is seriously considering the offer made to him recently to be Provost of the University of Pennsylvania.

George Wharton Pepper, trustee of the university, conferred with Gen. Wood in Washington to-day about the appointment to be provost, but nothing definite was decided. Gen. Wood left Washington late to-night for Philadelphia for a further conference.

President Harding started in his day at the White House by arriving about 8:30 o'clock, fully half an hour before the staff arrived. He plunged in immediately to clear up a mass of correspondence which had accumulated on his desk and had it in fair shape when the time arrived for the series of conferences he had scheduled for the day.

PHILADELPHIA, March 7.—George Wharton Pepper said to-night:

"My talk with Gen. Wood makes me feel hopeful he will become head of the university. He is willing to discuss the matter, but has not committed himself."

HUGHES CLAMPS LID ON STATE DEPT. AFFAIRS

Foreign Relations News to Have His Vise in Future.

Special Despatch to THE NEW YORK HERALD.
New York Herald Bureau, Washington, D. C., March 7.

The new Secretary of State clamped down the lid on too much publicity to-day. Secretary Hughes in a straight talk to the newspapermen announced that he had made a rule that hereafter no statements were to be given out concerning our foreign relations or the activities of the State Department that did not bear his vise.

The Secretary was somewhat exercised apparently over the publication of the fact that similar notes had been sent to Panama and Costa Rica last Saturday demanding cessation of hostilities.

SIMONS PROPOSAL TORN TO TATTERS BY LLOYD GEORGE

Germany's Offer Paves Way for Squirming Out in 5 Weeks, He Asserts.

BERLIN ENVOY PROTESTS

Premier Tells Him Allies Want Settlement, Definite and Immediate.

Special Cable to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, London, March 7.

The complete text of Prime Minister Lloyd George's address to the German delegates, delivering judgment for the Allies, and Dr. Simons's reply protesting against the procedure of the Allies, follow:

"Herr Simons and Gentlemen:

"I very much regret I have to state on behalf of the allied governments that not only the proposals made by Herr Simons this morning are not acceptable but that in spite of the interval which has occurred since our last meeting they do not represent such an advance upon the first proposals as to justify us in postponing the execution of the sanctions (penalties).

"I need hardly say that we all very deeply deplore having to come to this decision in the interests of world peace, and in spite of the fact that our action was liable to create a good deal of apprehension in our own countries we made an effort to secure a better understanding, and it is for no lack of effort and discussion that I have now to announce on behalf of the Allies this failure to come to anything like an approximate understanding with Germany.

"I shall now indicate, as shortly as I possibly can, why we regard Herr Simons's last proposal as inadequate. It is common ground to all parties concerned that it is essential to the interests of world peace that there should be a definite settlement of the outstanding questions between us. Germany urged it. The Allies pressed the same consideration. The neutrals were equally insistent. In fact, the friends of peace throughout the world said to us: 'Settle as soon as you can the amount of your liabilities so that every country will know exactly where it stands.' Germany appealed to us to do so for obvious reasons. Germany said: 'How can we settle down to our business to rebuild our economic life when there is indefinite liability overhanging us?'

Says Offers Completely Fail.

"Quite right. The Allies said: 'How can we restore devastated provinces unless we can make some kind of plan or some kind of scheme; unless we know something of the resources at our disposal?' And neutrals said: 'How can we trade either with Germany or the Allies until we know what their financial position is?'

"Therefore, all of those responsible for the direction of the affairs of this very shaken, distracted and uncertain world said: 'Do settle once and for all what your differences are and let us know the worst.'

"It was an appeal to common sense. It is perfectly true that experts, failing to come to an agreement, made some suggestion about trying to agree for five years, but the plan was not adopted by any conference of statesmen of either country. For reasons I have indicated we wanted each of us to know exactly where we stood so as not to be building on a rocking foundation, but on something which, however low it was, was firm, and which touched bottom.

"Now I am going to examine Dr. Simons's proposals in the light of what I consider to be the paramount interest of Germany, the Allies and the neutrals, in fact, of the people of the whole world, and it is in the light of that examination that I think they completely fail, and until we get proposals from Germany that shall mean definite and unchallenged settlement there can be no peace between us.

"What is Dr. Simons's proposal? There is the appearance of accepting the Paris proposals for five years, and five years only. That is apparent and not real. It is subject to conditions which make it uncertain and which might terminate it in the course of the next few weeks. It is subject to a plebiscite in High Silesia. If this plebiscite in High Silesia or in part of it is adverse to Germany, Dr. Simons, if we accept his proposal, would be perfectly justified in coming here and saying: 'Situations have changed and Germany has been deprived of territory upon which it depended to pay annuities, and therefore the arrangement which was made in London must end.' That is, it is not a

Continued on Third Page.

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THE NEW YORK HERALD

BRITONS AND FRENCH BLAME U. S. FOR GERMANS' OBSTINACY

Special Cable to THE NEW YORK HERALD. *Copyright, 1921, by* THE NEW YORK HERALD.
New York Herald Bureau, London, March 7.

THE allied representatives to-night cannot withhold their blame of America for a part of their troubles in the conference with the Germans. Speaking to American newspaper correspondents immediately after the rupture with the Germans, Premier Briand said with much feeling:

"If America had been alongside the British and the French in this matter we would have had no trouble. The German delegates unquestionably hoped for encouragement from President Harding's inaugural speech, which they did not get, but the absence of America from the conference had an influence on the situation. If America were now to take the position she did during the war, for right and justice, I think we would be able to arrange the future easily."

The Rome correspondent of the London *Times* quotes the *Epoca* as saying the Italian Cabinet met Monday and approved the attitude of the Italian delegates in London. It emphasized, however, that the active support of Italy could not be counted upon in the event of a movement against Germany.

SIMONS IS BITTER AGAINST FRENCH

Collapse of Conference Seen as Victory for Briand Over Lloyd George.

TO QUIT LONDON TO-DAY

Insists Allies Had Indicated Willingness to Accept Last Proposal Offered.

Special Cable to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, London, March 7.

Despite the obvious depression in the manner of the German delegates to the reparations conference here upon their return to the Savoy Hotel to-night, Dr. Walter Simons made a peppery statement while engaged in getting what some members of the delegation described as their "last square meal."

Dr. Simons declared that the various allied Powers should have approved the five year payment scheme as the best way out of the dilemma. He denounced the action of the Allies in refusing to wait a week for a new proposal by Germany and reiterated his threat to appeal to the assembly of the League of Nations against the application of the allied sanctions, declaring meanwhile that while Germany was still ready to permit her future prosperity to be examined into by the Allies, he felt that the tension resulting from the sanctions would prevent such conferences in connection with German prosperity in the near future.

The Germans do not contemplate active resistance to the further allied occupation of German territory. One delegate to the conference said the German workers could not be driven as hard under the whip of the French as under their own patriotic impulse. Reports from the Ruhr Valley, however, indicate that an important section of public opinion there believes the German workers will be better fed under allied occupation and will, therefore, work better, and that this will have an important influence in the future on both sides.

The breakdown of the conference is very plainly a disappointment for the German delegates, who were so obviously hopeful last night. They blame the French for the refusal of the allied Powers to accept the scheme to pay the indemnity in thirty annuities of 3,000,000,000 marks gold each, plus 30 per cent. of the value of German exports to the allied countries. The French admit they could not accept this offer, conditioned upon the Silesian plebiscite returning Silesia to Germany, while the Germans insist they could not give up Silesia.

The German delegates regard the result of the conference as a victory for Premier Briand of France over Premier Lloyd George, which is admitted in certain high British quarters, where the surrender by the British Prime Minister is defended on the ground that while Mr. Lloyd George might be able to face his country on the question of a compromise with the Germans, he could not do so in connection with a split in the Entente, hence Premier Briand held the final card.

In high British circles Dr. Simons's threat to appeal to the League of Nations against the enforcement of the allied sanctions was received with the same generous cynicism that has been evidenced whenever it was proposed to use the league covenant in any important matter. It was stated that the sanctions arise from the Treaty of Versailles, where the allied Supreme Council, still has an authority equal, if not superior, to that of its child, the League of Nations.

Dr. Simons in his statement to-night said:

"Germany came to this conference with the best of intentions of settling the question of reparations. The German delegation proposed a plan which, as far as was possible, was based on the Paris proposals—a plan which considered the immediate financial needs of France and the necessity for reconstructing all the participating countries.

"The Allies characterized this plan as impossible of consideration and have refused to discuss it. They gave us an ultimatum of four days—either to accept the Paris proposals or to make equivalent proposals. The German delegation

Continued on Second Page.

FRANCE DELIGHTED AT LONDON ACTION

Decision to Impose Penalties Is Received With Deep Satisfaction.

FOCH DIRECTS ADVANCE

Assigns Occupational Zones to Forces of French, Belgians and British.

By the Associated Press.

PARIS, March 7.—The decision of the London conference to impose the stated penalties on Germany was received with deep satisfaction in French official circles, where it always has been contended that sooner or later force would have to be resorted to in order to bring Germany to a proper appreciation of her position as a vanquished foe.

The belief was expressed by officials to-day that the Allies will have a better chance for collecting the indemnity from Germany with armies well within German territory than they would have through long drawn out negotiations.

The Ministry of War understands Marshal Foch already has sent instructions to Gen. Degoutte for the occupation of Duesseldorf and other German cities, and that the occupying contingents will be composed of French, Belgian and British, says the *Petit Parisien*.

Marshal Foch has assigned a zone to each allied contingent, the number of whose effectives will be only of a sufficient number strictly necessary to carry out orders and not necessitate the retention of the French class of 1919 with the colors. The holding of this class will be considered only if the measures undertaken result in untoward incidents, which it is believed are unlikely.

The allied troops along the Rhine have been estimated at 80,000 French, 20,000 Belgians and 9,000 British. Only a few units of British troops, it is understood, will take part in the advance.

In official circles the action taken today in London was regarded as a complete vindication of the French point of view. It was stated that French officials always had asserted that too much talk and too little action would serve only to stiffen the backs of the Germans and encourage them to resist their treaty obligations.

It was contended by officials that a display of force was the only thing which would convince Germany that the Allies were determined to collect a just indemnity. It was added that the French, while regretting that drastic action was necessary, were glad that Great Britain at last had seen the futility of negotiations without force.

The Bourse was strong early to-day on the basis of the news from London regarding the reparations conference with the Germans, but this tone was not maintained to the end of the session, the closing being nervous.

TWO SINN FEINERS MURDERED IN BED

Interpreted as Reprisals for Killing of Gen. Cumming.

BELFAST, March 7.—Bands of men shot George Clancy, Mayor of Limerick, and Michael O'Callaghan, a former Mayor of that city, in cold blood while they were lying in their beds. Mrs. Clancy, while endeavoring to protect her husband, also was shot.

Limerick is intensely excited over the shootings, which are popularly interpreted as reprisals for the assassination of Brig.-Gen. Cumming, who was killed at Clonbanin on Saturday.

Meagre reports state that Mayor Clancy and his wife were shot at about 1:30 o'clock, but, owing to the curfew restrictions, members of the household were afraid to venture on the streets to secure aid. When a doctor arrived from a hospital he found Mayor Clancy dead and Mrs. Clancy in a critical condition. Former Mayor O'Callaghan was dying when doctors summoned by the police arrived at the house.

FELTON SUCCEEDS MELLON.

PHILADELPHIA, March 7.—Edgar Felton, Philadelphia, was to-day elected a director of the Pennsylvania Railroad Company, succeeding Andrew W. Mellon, now Secretary of the Treasury, who resigned in January. Mr. Felton has for years been a prominent figure in the steel industry.

Advance on 3 Towns Ordered and Customs Barrier in Rhineland Will Follow.

FOCH ACTS QUICKLY

Dramatic Scene Follows Refusal by Simons to Accept New Plan.

NO THREAT TO RESIST

Collapse of Negotiations Is Triumph for France—Germans to Leave To-day.

Special Cable to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, London, March 7.

To-morrow Germany must again feel the armed weight of the allied armies. Refusing this afternoon before the assembled Allies in St. James's Palace to accept either the Paris accord or the Allies' modification of that accord offered at midnight last night, on the ground that the allied Powers had fixed conditions which Germany could not promise to fulfil, Dr. Walter Simons, Germany's chief spokesman here, and his colleagues, with folded arms, heard the order given which applied the penalties decided upon by the Allies and which released the French army for its advance on German soil.

At midnight it was reported from Berlin that the French troops had advanced to within a few miles of Dusseldorf.

The penalties provide for the occupation of Dusseldorf, Duisburg and Ruhrort and for allied customs control in the Rhineland. Purchasers of German goods in allied countries will be compelled to pay a percentage of the purchase price of such goods into the treasury of their respective countries. It was proposed to make such levies at the rate of 50 per cent. of the value of the goods.

Dr. Simons officially announced, after Mr. Lloyd George had stated the Allies' determination, that Germany would appeal to the League of Nations against the action of the Allies in imposing their penalties.

Negotiations End Swiftly.

"Germany is not a member of the League of Nations, but she has signed the pact of the league," he told the conferees when he had heard the order given for the application of the penalties. "I therefore announce in the name of the German Government an appeal to the assembly of the League of Nations against the sanctions with which we are menaced."

The end of the negotiations came at 6:30 o'clock this evening with the swift rush of a storm. Hope of a settlement or at least of a continuance of the negotiations persisted until almost the last minute. But when after passing fifteen tense minutes in conference alone in a room apart from the Allies the German delegates, Dr. Simons at their head, marched back into the council chamber, with heads erect and without an acceptance of the allied terms, but with merely a last protest against the Paris sanctions, everybody realized that the end had come.

There was a nod to Marshal Foch, and it was all over.

Immediately after the conference Marshal Foch despatched a telegram sending forward the allied armies to occupy Duisberg, Dusseldorf and Ruhrort.

Advance Set for To-day.

The allied advance was set for tomorrow morning, although a hint was given to-night that it might be put off until the following day. Small detachments of British and Belgian troops will participate in it, but it will be a French army that will really carry out the Allies' decision.

Thus there came what to many persons seemed the collapse, after two years' negotiations, of the reparations chapter of the peace treaty. To the French, who have been battling for two years to use force to enforce the treaty, it was a triumph. To the British, who have been working tirelessly to the last to effect some arrangement that would return the world to a normal status, it was evidently a tremendous disappointment.

No one knows to-night what the consequences of this move will be. Based on a knowledge of German character and also on what Dr Simons said to-day, it is the feeling of many persons that the German leaders have themselves rather invited the allied occupation of further German territory, hoping it will effect a change of sentiment on the part of the German people and their acceptance, ultimately, of the allied terms. To other observers it seems to fore-