

M'ADOO PREDICTS LARGE DEFICIT

Shortage in General Fund at End of Coming Fiscal Year Will Be \$185,000,000.

STOCK OF GOLD IS LARGE

Washington, Dec. 6.—Secretary McAdoo's annual report of the government's finances, presented to congress today, estimates that the fiscal year ending June 30, 1917, will show a balance of \$115,000,000 in the general fund, but that the figures a year later—June 30, 1918—will show a deficit in the general fund of \$185,000,000.

Preliminary estimates place the cost of conducting the government for the coming fiscal year 1918, exclusive of the postal service, which is expected to be self-sustaining, and other deductions, at \$1,278,021,000. The ordinary receipts for the fiscal year 1918 he estimates at \$995,550,000, which is \$282,471,000 less than the estimated expense.

Estimates of large expenditures for national defense carry the estimated outlay beyond the estimated income.

For the fiscal year 1916, now drawing to a close, the secretary reports great prosperity and expresses great confidence for the future. "During the last year," the secretary says, "the prosperity which set in so strongly during the fiscal year 1915 has grown in strength and volume and is now widely diffused throughout the United States. Fundamental economic conditions have never been more sound. In all lines of industry efficiency of organization and production have reached the highest point in the country's history. General confidence in the future, healthful enterprise and development have been marked characteristics of the year."

United States Creditor Nation.

"The financial strength of the United States—the greatest in our history—gives us a commanding position in world finance. We have been transformed from a debtor into a creditor nation. On November 1, 1916, the stock of gold coin and bullion in the United States was estimated at \$2,700,136,975, an increase of \$714,597,804 in the last sixteen months. This is the largest stock of gold ever held in the United States or in any other country of the world. Through the operations of the federal reserve system and with our abundant supply of gold as a basis, the credit resources of the United States have become more than sufficient for home demand, and we have been able to finance our great domestic and foreign trade without strain and to extend vast amounts of credit to other nations throughout the world."

Reserve Praised System.

"The experience of the last two years has brought into strong relief the value of the federal reserve system. It is not too much to say that our great prosperity could not exist without it. The usefulness of the system has been broadened recently by the amendatory act of September 7, 1916, which renders it more attractive to member banks and increases the scope and services of the federal reserve banks. Due to the transference of vault and other reserves to federal reserve banks, authorized by the original act and amendatory act, the resources of said banks are now more than \$650,000,000, while the total reserves held are over \$400,000,000, and, in addition, more than \$230,000,000 is held by federal reserve agents as special security against federal reserve notes. About one-fourth of the country's stock of gold is thus mobilized in the hands of the federal reserve banks and agents."

"The increasing strength and efficiency of the federal reserve banks have enabled them to enlarge their direct service to the business community through the introduction of a definite and comprehensive system for the par clearance of checks throughout the country."

"Rates of discount at federal reserve banks have continued low throughout the year, and most of their open market paper, consisting largely of acceptances growing out of foreign trade, has been taken below a 2 1/2 per cent basis. Rates of interest throughout the country have been reduced and established with great advantage to the business of the country."

Meets Unusual Demands.

"It would have been impossible to finance our vast domestic and foreign trade without the facilities provided by the federal reserve system. Not only has it met the normal and extraordinary needs of business, but it has established confidence securely."

Only One "BROMO QUININE." To get the genuine, call for full name, LAXATIVE BROMO QUININE. Look for signature of E. W. GROVE. Cures a Cold in One Day. 25c.—Advertisement.

XMAS SUGGESTIONS



Toilet Articles

In Sterling Silver, Ivory or Plated. Ryan Designs, Quality and Price. RYAN JEWELRY CO., Rose Bldg., 16th and Farnam. THE XMAS GIFT SHOP.

SITTINGS

Made by Appointment Before December 20th Will Be Ready for Xmas

THE Heyn Studio 16th and Howard. Douglas 481.

Business has been able to go forward without apprehension and the several crises which the country has faced in its international relations during the past two years have been accompanied by no disturbances and have caused not even a tremor in the financial world. The crops of 1915 and 1916 were financed without difficulty and to the great advantage of the farmers, and the industrial troubles which at one time seemed imminent, because of the threatened railway strike last summer, were not accompanied by the slightest financial uneasiness. Happily the country has been at peace and business and enterprises have had the largest opportunity for favorable development under the most auspicious conditions.

"If we make intelligent use of our great power and exceptional financial resources we can cope successfully with any condition the future may develop."

Too Many Public Buildings.

One of the features of the report is a discussion of present methods of constructing public buildings.

"I am convinced," says the secretary, "that the methods pursued by congress for the past fifteen years of providing federal buildings through so-called omnibus public building bills have resulted in the construction of many public buildings in small towns and localities where they are not needed and at a cost which is clearly unjustified by any actual requirements of the communities in which they are erected. The conclusion is irresistible that authorizations for public buildings in these small communities are too frequently dictated by local reasons and without regard to the best interests of the government. The most serious aspect is this: The annual operation and maintenance of these buildings impose on the treasury a permanent and constantly increasing burden."

"Common sense and business judgment would seem to demand that structures for the transaction of government business should be authorized only in localities where they are imperatively needed, and that buildings should not be erected where no public necessity can be shown. This result can be accomplished by divorcing the public-building question from all local or political considerations and authorizing no public buildings until a thorough and intelligent investigation of each proposed building or project has been made by this department and a full report thereon has been submitted to congress. If such reports were followed by the introduction and passage of separate measures to cover each proposed building project the abuses and evils of the omnibus-bill method would be eradicated."

War Risk Insurance.

The Federal War Risk Insurance bureau, Mr. McAdoo says, should be extended a year to September 2, 1918, since congress might not be in session next September and it would be impossible then to continue the work if the European war is still in progress, and serious injury to American business might result. The report says up to November 17 nearly 1,700 policies were written by the bureau, with total risk of more than \$14,610,000 and losses amounting to \$833,924. Premiums received amounted to \$3,142,525.

In speaking of customs revenues, which increased about \$3,400,000 over the previous year, the secretary says the European conflict is still interfering with such receipts.

"Before the breaking out of the European war," says the report, "the amount of the collections indicated clearly that under normal conditions the present tariff will produce all the revenue it was estimated it would produce at the time it was drawn, and since the war the receipts under the tariff bill have been all that could be expected under the present conditions."

Mr. McAdoo points out that for the year the value of imports was about \$484,000,000 greater than the previous

year and those of exports \$2,768,589,340 greater.

Anti-Narcotic Law.

Congress is asked to amend the anti-narcotic law, in view of the supreme court interpretation of the clause relating to drugs in possession, and to provide funds to care for drug addicts through government treatment.

"To cut off suddenly the supply of drugs without curing the addict of his cravings or making any provision for the amelioration of his sufferings," says the report, "is not only inhuman, but encourages evasions of the law."

Appropriations are asked to enable the public health service to prosecute investigation of infantile paralysis and for the aviation section of the coast guard, authorized but given no funds by congress.

The report concludes with a resume of operations of the various bureaus in the Treasury department.

Farmers of Pine Bluffs Organize Loan Association

Cheyenne, Wyo., Dec. 6.—(Special.)—The first Farmers' Loan association to be organized in Laramie county and one which will include a number of farmers residing in Nebraska, has been formed in the Pine Bluffs district, forty miles east of Cheyenne. The association has an initial membership of twenty-five and \$40,000 of its capital has been subscribed. The president of the new association is Stephen Hames; vice president, A. J. Droessler; acting secretary, George L. Nelson, and these, with the following, constitute the board of directors: J. J. Bozarth, Henry Wisworth and Clyde Stephens. The association's territory comprises the eastern portion of Laramie county from a line about thirty miles east of Cheyenne, and extends about one-half mile into Nebraska. The Colorado line is the southern boundary.

Harry Masters Named in Louis Berger's Big Suit

Harry A. Masters, proprietor of the Omaha garage, 2010-16 Harney street, is named defendant in a \$25,000 damage suit brought by Louis Berger, who alleges that the garage man attacked him on November 29, "inflicting permanent injuries." The attack was made while he was removing a car from the garage, the plaintiff declares.

Obituary Notices.

MRS. MARGARET LORANG died Tuesday at the home of her son, John Lorang, at Laurel, Neb., aged 87 years. Her husband has been dead some years. The family came from Germany, and after living for a time at Dubuque, Ia., located on a homestead north of Laurel in 1874. Four children survive her—John Lorang, Mrs. William Horan and Margaret Lorang, living north of Laurel, and Mrs. John Leach of Crawford, Neb. She is also survived by forty grandchildren and fifty great-grandchildren. Never in her long life did she require the services of a physician until during the last few months.

DETRICH SCHINDLER, one of the best known pioneers of Otoe county, died at his home south of Nebraska City Tuesday morning after an illness of several months of stomach troubles. Mr. Schindler was born in Switzerland, July 10, 1842, and came to America with his parents in the late '60s after a voyage of sixty days, landing at New Orleans. The family then came by boat to Nebraska City and located on a farm near this city. He later resided in Arkansas, where his father was killed by bushwhackers during the war. Mr. Schindler then returned to Otoe county, where he had since made his home. He engaged in farming and became wealthy, owning land in Nebraska, Kansas and Texas at the time of his death. He leaves a family of five sons and three daughters. He was a member of the Elks lodge of this city. His body will be taken to Omaha Friday where it will be cremated.

\$100 \$500 \$1000 BONDS
Yielding 5 1/2 to 6 Per Cent
We are offering a well diversified list of safe first mortgage bonds.
Each issue is secured by improved real estate and has been protected by the definite system of safeguards which we have developed in thirty years of experience.
PETERS TRUST CO.
CAPITAL \$500,000
1622 FARNAM STREET

HOW NEAR CAN WE COME TO PERFECTION?
The 20th Century Question asked by the public of every professional and business man is: "Are you doing everything humanly possible to give me the very best there is to give?" Personally, we say yes to this question and our hundreds of patients agree, often stating their opinion in letters praising our service. We guarantee our work, something not every dentist WILL do, and we employ the latest, most efficient equipment, something not every dentist CAN do. We demand of ourselves a standard as near perfection as human effort can come, and have done so during all the twenty-eight years of our experience in Omaha. We are only satisfied when our patients are more than satisfied.
706 City Nat'l Bank Bldg., 16th and Harney, Omaha. G. D. Shipperd, Mgr. Office Hours, 8 a. m. to 6 p. m.
BAILEY THE DENTIST

KING IS TRYING TO RECONSTRUCT OLD COALITION

(Continued From Page One.)

there was no reason to believe Mr. Lloyd-George had any ambitions for the task. The Guardian, which supports Mr. Lloyd-George, says that in a letter to Mr. Asquith he took the stand that a man could not act both as premier and as a member of the war council which would have to sit morning and evening and deal with "the terribly urgent" war problems.

The hope is expressed generally that an election will be avoided on account of the delay and of interference with the business of war. Should an election become necessary, it will be held under a three-year old register, so that 4,000,000 new voters would be disfranchised.

Predict Asquith's Return.

Whether Mr. Lloyd-George, whose action led to the disruption of the coalition government and the resignation of Mr. Asquith, would have any greater success in forming a ministry than Mr. Bonar Law is a question which has not been answered. Political correspondents predict that Mr. Asquith will be back at the head of the government before many days.

Mr. Asquith takes a majority of the liberal ministers with him in his retirement, Mr. Lloyd-George being assured of the support of only Herbert Samuel, the home secretary; Edwin S. Montagu, minister of munitions; some of the junior ministers, including Dr. Christopher Addison, parliamentary under secretary for munitions, and of a small section of the party known as the "ginger group." It is not believed probable Mr. Lloyd-George would have any more success with the labor members than did Mr. Bonar Law, the parliamentary correspondents say, while the attitude of a large part of the unionist party is doubtful.

Mr. Bonar Law, Sir Edward Carson and the Earl of Derby probably would act under Mr. Lloyd-George.

as they supported his ultimatum to Premier Asquith regarding the formation of a smaller war council.

No Dismay Among Liberals.
The Westminster Gazette says Premier Asquith's resignation was not received with any dismay in liberal circles. A majority of the party warmly approved his decision and it is not believed probable Mr. Lloyd-George would have any more success with the labor members than did Mr. Bonar Law, the parliamentary correspondents say, while the attitude of a large part of the unionist party is doubtful.

Practical Christmas Giving

Christmas is coming and the Christmas spirit is already with us. Many people want to spread good cheer, but don't know just how to do it.

The Bee provides opportunities to do Christmas good that will have **PERMANENT RESULTS**—opportunities to help unfortunate families get on their feet, especially families where there are helpless women and dependent children.

The Bee describes today three cases, all thoroughly investigated by the Associated Charities and pronounced **deserving IN EVERY RESPECT**. Other cases will be described from day to day. The cases are designated by numbers instead of names so as to save those concerned from humiliation or embarrassment. All of them are such desperate cases and so thoroughly worthy that the appeal is sure to meet quick response from the big heart of Omaha:

1. Mother and eight children. Boy 13, girl 12, girl 11, boy 7, girl 6, boy 4, boy 2 and baby 10 months. Father has been sent to the insane asylum as incurable. Mother ill from worry and trouble. Unable to work on account of small children. Shoes, clothing and provisions are needed.

2. Widow in last stages of tuberculosis. Two children, girl 13 and boy 8. Father died of tuberculosis a year ago. Mother's health ruined by heavy work trying to support family during father's illness. No income. Need rent paid, food and warm blankets.

3. Man and wife. Woman ill with cancer. Man has broken arm. Relatives unable to aid. No income. Need rent, food and fuel.

Those who want to help can send money or goods to Mrs. George W. Doane, secretary of the Associated Charities, 1716 Dodge street, or to The Bee.

have the advantage of commanding a majority in the house, which no other administration seems likely to be able to obtain."

Half Million-Dollar Blaze in Brooklyn

New York, Dec. 6.—Fire in the business district of Brooklyn today destroyed the four-story brick building occupied by the Flatbush Storage company, burned part of the structure housing the piano factory of Freeborn G. Smith and slightly damaged adjoining properties, with an estimate loss of \$500,000. One policeman was injured. The collapse of a wall led to a mistaken report that six firemen were killed.

ALLEGES PACKERS CORNERED CHEESE

Wisconsin Maker Charges They Nearly Doubled Prices on Stock Bought in Summer.

BURKE URGES AN INQUIRY

Chicago, Dec. 6.—Anticipating an attack on the alleged concentration of the packing industry at today's session of the national conference on marketing and farm credits, high officials, including Arthur Meeker, general manager of Armour & Co., attorneys and others representing the big packers were present today.

"I am here as a listener only," Mr. Meeker explained.

The first attack came from Henry Krumrey of Wisconsin, an official of a co-operative cheese makers' association of that state.

"The packers are constantly increasing their hold on the food situation," said Mr. Krumrey. "Last summer they went into the cheese business along with the speculators who are customarily in the market. They bought up practically all the cheese in sight at an average of 13 1/2 cents a pound. Wholesalers are now selling this same cheese at 26 cents. The retailer has added his profit and the effect on the public is bad."

F. L. Burke, a live stock man of Omaha, urged an investigation of the whole live stock industry by the federal trades commission. W. H. Parry, representing the commission, was among those present.

Amendment to Stop Betting on Elections

Washington, Dec. 6.—Prohibition of betting on elections was proposed in an amendment of the corrupt practices bill offered today by Senator Kenyon, republican, of Iowa. Betting would be made punishable by a fine of \$500 for each offense.

THOMPSON, BELDEN & COMPANY

If you delay you miss the fun 15 fine days ahead

\$1.75 and \$2 Gloves Thursday \$1.49
A timely special is offered; styles for dress and street wear, white and colors, all sizes 5 1/2 to 7 1/4.
\$1.75 and \$2 qualities For \$1.49 a pair.

The Loveliest Gifts from One Woman to Another
Embroidered hand-sewed gowns, skirts, corset covers, combinations, chemise. Beautiful, practical, an ideal gift.
Women's Gowns of fine nainsook, slip-over style, with kimono or set-in sleeves, square, round or V neck, \$3.50, \$4, \$4.25, \$4.75, \$5, \$6.50, \$7, \$7.50, \$8 and more.
Chemise and envelope chemise to match the gowns.

Sufficient Silk for a Waist or Dress
A Gift Indeed
The largest and most choice selection of really fine quality new novelty silks in the city and at reasonable prices, too.
\$1.25, \$1.50, \$1.75, \$2.00, \$2.25, \$2.50.

Trimmings Disclose These New Effects
Paisley and Bulgarian trimmings in bandings and motifs.
Dull gold banding and ornaments, for lamp shades.
Spangled and bead trimmings.
Rosebuds in all colors.

New Heatherbloom Petticoats
Distinctive patterns and styles, each in a Christmas box, \$2.95 at Basement.

The Family Hose Prevents Confusion
Every member of the family has a different color top; no chance for mistakes, and no need for marking. The hose itself is a fine black lisle with tops, heels and toes of lavender, pink and blue.
50c a pair.

New Challis Bright and Different
They came in during the past week and make a delightful showing in both light and dark color effects; 49c and 75c a yard.

The Best Toilet Waters
For holiday gifts we suggest a bottle of fine Toilet Water, knowing that its reception will be cordial.
Scores of odors, 50c, 75c, \$1.00 to \$3.50.

Hand Made Ribbon Novelties
Display a great amount of originality and distinctiveness.
One must necessarily see the showing itself in order to appreciate the novel designs.
Four articles are pictures: A vanity jar, a vase, a pin cushion and a guest's vanity. Each is made over glass, which is covered with gold lace and decorated with French rosebuds and ribbons. A decided novelty.
Orders taken for the above; also ribbon bags, beaded and brocaded effects, slipper bags, boudoir caps and slippers and bows for lingerie.

Suggesting Haberdashery for his Christmas

Handkerchiefs
Gloves
Silk Pajamas
Hosiery
Silk Shirts

Reefers
Bath Robes
Belts, Buckles
Vestograms
Umbrellas

The Men's Shop
To the left as you enter.

A Gift Good Every Month of 1917
McCall's Magazine will bring fashion news every month. The cost is but 50c for the whole year.
Basement.

Women's Union Suits
A fine ribbed cotton fleeced union suit, low neck, no sleeves; Dutch neck, elbow sleeves; high neck, long sleeves; all styles ankle length, \$1.00 a garment.

Have You Prepared Your Gift List?
For those who have and those who intend to, we advise a visit to the wonderful Section

of Novelties from the Pohlson Galleries
A line of gifts so distinctive and likable, although moderately priced, that choosing is a real pleasure.
Art Needlework Third Floor

COAL FROM THE CAR
We have a car of SUNBURSTS SMOKELESS LUMP, which will be in today. We will deliver this excellent Semi-Anthracite Coal right from the car, unscreened, for \$9.00 A TON. Order now.
Nebraska Fuel Co.
411 South 16th St. Phone Douglas 430.

Persistence is the cardinal virtue in advertising; no matter how good advertising may be in other respects, it must be run frequently and constantly to be really successful.

GOAL FROM THE CAR
We have a car of SUNBURSTS SMOKELESS LUMP, which will be in today. We will deliver this excellent Semi-Anthracite Coal right from the car, unscreened, for \$9.00 A TON. Order now.
Nebraska Fuel Co.
411 South 16th St. Phone Douglas 430.

If you want good help put your ad in the "Help Wanted" column of The Omaha Bee. Phone Tyler 1000