

U. S. CONCEDES GERMAN CONTROL OVER BELGIUM

Power to Suspend Exequaturs of Consuls Is Admitted.

SOVEREIGNTY POINT NOT RAISED IN NOTES

WASHINGTON, Jan. 25.—The correspondence between Germany and the United States regarding the status of Consuls in Belgian territory occupied by the Germans was made public tonight by Secretary Bryan.

This correspondence shows that the United States, while carefully refraining from even an implied recognition of German sovereignty in Belgium, admits the de facto control of Belgian territory by the German authorities and concedes that the exequaturs of consuls may be regarded as suspended.

The American Government assumes that the normal Government does not exist in Belgium, Antwerp and Liege—the places designated by the Germans as the consular cities without the sphere of military operations—personnel, objections and that if any objection to the American consuls is entertained by Germany the United States will be notified.

Little Difficulty Expected. While the correspondence does not show that a definite arrangement regarding consuls has actually been concluded, it indicates that there will be very little difficulty regarding the continued discharge of either functions by American consuls.

The correspondence was as follows, the first note being that received by mail under date of November 29:

Now that the German army has occupied various portions of enemy countries the German Government considers the exequaturs of consuls formerly permitted to act in such districts have expired.

The Imperial Government would, however, be disposed to consider favorably any wishes of Allied and neutral countries respecting the appointment of consular officers in the districts in question, excepting, of course, those districts where military operations are still in course.

In Belgium consular activities in the provinces of east and west Flanders would accordingly not be permitted at present.

With regard to the other parts of Belgium consular activities would be permitted to act for the present in Brussels, Antwerp and Liege, but not at other points.

The Imperial Government would not consider the issuance of formal exequaturs to persons who are not named in the names submitted to the Foreign Office, would simply be granted temporarily recognition to enable them to act in their official capacity under reserve of the usual regulations respecting their records.

In view of the peculiar circumstances contingent on military occupation the Imperial Government would be grateful if such persons were nominated as are assuredly friendly to Germany or have at least neutral conviction.

On opening the above to the attention of the embassy, the Foreign Office has the honor to inform that the Imperial Government may be notified in the above sense. As the embassy is aware, the German Government has already recognized Consul-General Diederich at Antwerp and is desirous of the view of the American Government.

The American Reply. To this memorandum the State Department replied on January 21 as follows:

This Government has considered the note received from the German Government, dated November 29. Since consular officers are commercial and not political agents of a Government and permission to act within certain districts depends upon the authority of the Government of those districts without regard to the question of legal right, and, further, since the fact that the consular districts named in this memorandum are occupied by the German military forces, this Government is not disposed at this time to raise the question of right of the German Government to suspend the exequaturs of United States consular officers within these districts occupied and subject to military jurisdiction.

This Government takes note that all the districts in Belgium occupied by the German army, Brussels, Antwerp and Liege are considered by the German Government to be within the sphere of military operation and that in those districts other than the others named the German Government will not permit consular officers to perform their duties.

In the circumstances this Government assumes that the German Government will not object to United States consular officers now stationed at Brussels, Liege and Antwerp and other places similarly situated exercising their functions, and that if the authorities in control of those cities have objection on personal grounds to any of such officers acting this Government will be notified of such objection.

NO VODKA; SAVINGS JUMP. Business Triple Deposits in National Banks in Year.

Special Cable Despatch to THE SUN. Petersburg, Jan. 25.—The Comptroller of the Treasury announced in the Duma today that there was no great suffering through the war had produced certain economic difficulties, owing to the sale of bonds. In proof of this statement he gave statistics of the national savings banks to show that the people were better off financially than before the war.

Commercial Meets W. U. CUT. Further Reductions Made in Rates for Deferred Cuban Cablegrams.

To Increase West Point Cadets. WASHINGTON, Jan. 25.—A bill was introduced today by Representative Van Dusen of New York proposing to double the size of the cadet corps at West Point Military Academy. The bill would double the number of cadets from 500 to 1,000.

QUARREL WITH EACH SHIP U. S. BUYS, WARNS ROOT

Continued from First Page. when no business can be transacted except the making of a deal on this bill.

Mr. Root then took up the fact that the Democrats had passed on the bill in secret caucus.

Mr. Root then took up the bill itself. He pointed out that it put in the hands of three members of the Cabinet practically \$40,000,000, with power to increase the amount, for the purpose of entering into the business of ocean transportation.

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ENGLAND UNDECIDED OVER U. S. FOOD SHIP

Case of Wilhelmina, Destined for Hamburg and First to Sail, Still in Doubt.

Special Cable Despatch to THE SUN. LONDON, Jan. 25.—The attitude which the British Government will adopt toward the cargo of the American steamship Wilhelmina, which sailed from New York for Hamburg last Friday with foodstuffs for Germany, has not been decided.

The Wilhelmina, originally the British steamer Newborough, is the first food laden vessel to leave an American port for Germany since the opening of the war, and the question of foodstuffs as conditional contraband will come up for the first time.

The United States and Great Britain are agreed on the principles of conditional contraband. Great Britain also has admitted that foodstuffs placed on condition of contraband may be shipped without danger of seizure, provided they are not designed for a belligerent Government.

The question of destination that is causing the difficulty is the case of the Wilhelmina, in view of the various German proclamations that foodstuffs are primarily the property of the Government.

The United States State Secretary Bryan to Senator Stone on America's view of the duties of neutrality is regarded in official circles as eminently satisfactory, and it is expected that the letter will be used to clear the atmosphere.

The speech by Senator Lodge also is welcomed because he is believed to have pointed out by the German Government the difference between the United States and the belligerent countries. He drew attention to the fact that if the Dacia had been a Government, Germany would have attacked it as an enemy's country, the situation might have developed awkwardly.

ANOTHER DELAY FOR THE DACIA Ship Lingers to Take On Extra Supplies—To Sail To-day.

GALVESTON, Jan. 25.—Late to-day agents for the steamship Dacia announced that she will sail early to-morrow. The steamship was expected to sail to-day, but Capt. McDonald suddenly decided to take on a large quantity of extra supplies because he fears that he will not be able to get sufficient stores at Rotterdam on the passage.

Amortized Loans

What makes our Guaranteed First Mortgage Certificates secure? Each mortgage deposited with the Trustee to secure these certificates has an amortization clause providing for serial reductions of principal, thus regularly increasing the margin of security.

In addition, the principal and interest are guaranteed by us. Write for Booklet, "The Ideal Investment."

New York Mortgage & Security Co. Under supervision of New York State Banking Department. Capital and surplus \$2,500,000.

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TWO ADMIRALS POINT DEFECTS OF U. S. NAVY

Department System Would Break Under War Strain, Says Knight.

FULLAM OUTLINES GENERAL INEFFICIENCY

Two Rear Admirals of the United States Navy made addresses at the annual dinner of the Efficiency Society at the Hotel Biltmore last night which sufficed every man in his chair by reason of frankness of speech and emphatic assertion.

Rear Admiral Austin M. Knight, President of the Naval War College at Newport, asserted that the Navy Department as it has been constituted for the last fifty years would break down under the strain of war, and that the effect of conditions actually existing now is almost completely to nullify the power of our fighting ships.

Admiral W. F. Fullam, commandant of the Naval Academy at Annapolis, announced that he would give unvarnished United States history, said the American people have never been one-half as patriotic in war as they thought they were and not one-tenth as patriotic as they should have been.

Norman Hapgood in the Chair. Norman Hapgood was the toastmaster and showed himself to be efficient when he said that the United States wants to keep out of war and is trying now to find the best way to keep out now and hereafter.

The head of the Naval War College read his address from manuscript. It was apparent that he was thoroughly in earnest and there was not a stir in the room when he said in speaking of the Navy Department itself:

"There can be no question that the existing organization is inadequate and would break down under the strain of war." It was understood then that the Admiral did not refer to the personnel of the present Navy Department or its administration, but to the system which he had said previously has been in existence for fifty years.

"The administration starts from too many sources and flows through too many channels," he said. "It lacks the unity of purpose and the idea that invalidates the fact that a navy has one chief executive, and only one: That it shall always be ready to strike on the minute and with every element of power concentrated behind it."

"The paragraph wherein he speaks of leaving open the question of permitting shipments of food supplies not intended for the enemy's armies or Government and his story upon us in stating that we had abandoned the rules of civilization and warfare."

"The Chancellor defended Germany in detail against charges in connection with the German sea and air raids on England. He said Great Britain, instead of interposing resistance to these attacks, raised the cry of violation of rules, whereas in truth the towns attacked were an open field and liable to military action in every respect. He made the counter charge that British, French and Russian airmen have attacked undefended towns and cities, and that the British bombarded undefended towns in Belgium."

GERMANY PROTESTS ON SHIPMENTS OF SEAPLANES

Objections Filed With United States State Department Against Curtiss Company Supplying the Allies With Such "Vessels."

WASHINGTON, Jan. 25.—The State Department was confronted to-day with the necessity of deciding whether in the interpretation of neutrality rules hydro-aeroplanes must be regarded as vessels of war and therefore must not be shipped from this country to belligerent countries.

The Curtiss works at Hammondsport, N. Y., have sold and sent to England the well known hydro-aeroplanes America and five hydro-aeroplanes of the same type.

While the question will not be decided for some time, officials admit that there appears to be much basis for the German Ambassador's position.

It was pointed out that the Treasury Department had recently ruled in the operation of the tariff adequate dry docks and proper coaling and rendezvous stations. He pointed out that Guantanamo, which would be the base in a fight to destroy the Panama Canal, has no repair shops and no fortifications where ships may rest secure.

He spoke of the civil war as the most expensive in the history of the world in the lives and money wasted, of the Spanish war with its better shelter preparedness, and pointed out that this country seems not to have realized from those wars that the balanced unit of an adequate fleet cannot be made out of merchant vessels or yachts.

The dinner had an idea when Admiral Fullam began that his was to be a humorous speech because he said that naval officers were always to be found on the side of women, because like them the navy men cannot vote. Then he followed this up by saying that judging from history the only persons not competent to talk about the navy or navy or to speak for the military and naval establishments are army and navy officers, lawyers and doctors and Congressmen and such were competent.

"You get the idea from reading about it that the United States is mainly composed of natural born Admirals and Generals," he commented. He recalled that in the 18th or nearly 19th years of the United States it has actually been at war thirty-one years, or it has had one year of war for every three of peace, and he did not count the Indian wars, except Florida. He then turned to history as contained in the letters of George Washington and John Adams in the private journals of the great statesmen, not the agreed history for the schools.

"This country, the Admiral said, has always prepared to pay pensions for fifty years after war rather than spend a little beforehand to make ready for war."

"The conquest of the area within a radius of 100 miles from Peekskill, containing New York city, Boston and Philadelphia, 90 per cent. of the armament and ammunition works and the Pennsylvania coal fields," he asserted, "will be the work of a few days. It will be done before we can mobilize our available forces, much less enlist, train and arm a citizen soldier. An army of 100,000 landed on the Atlantic coast could do it."

Morgan Shuster said: "When we see how other nations violate treaties I can see no reason to rely trustfully on their sense of honor. I do not believe preparedness ever caused war or that preparedness has ever averted it."

He recalled the fact that the naval programme for 1905 called for forty-eight gun ships, whereas there are now only thirty-seven built or building. He dwelt upon the totally inadequate auxiliary fleet of supply ships, scout cruisers, destroyers, torpedo boats, submarines and aeroplanes.

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"Children of Earth"

Since "The Great Divide" no other American play has made such a lasting impression on its hearers as Alice Brown's "Children of Earth," which won the \$10,000 prize I offered for a superior play.

As seen at the Booth Theatre, its romance, its grip, and its humor of character have proven a tonic to many weary of the conventional play.

They are the Definite, Understandable Type. Pirie MacDONALD. Photographer of Men. 576 FIFTH AV. COR. 47TH ST.

ALLIES TO TALK FINANCE.

Bonar Law and Austen Chamberlain Visit British Treasury. Special Cable Despatch to THE SUN. LONDON, Jan. 25.—Bonar Law, the leader of the Opposition in the House of Commons, and Austen Chamberlain paid a visit to the Treasury to-day in connection with the financial conference of the Allies in Paris to concert financial measures.

The financial situation which occasions this conference is due to the enormous war expenditures which each of the three great powers is incurring. If war had been prepared for by the allied Governments as Germany prepared for it, there would have been no need of such a conference. These matters would have been concerted long since. No doubt the plenipotentiaries will agree on some scheme of reciprocal help in raising further war loans and will consult on financial matters that may be required by other of the allied governments hard pressed by the strain of war.

COL. YOUNGS OUT OF OFFICE.

Nothing Given Out as to His Successor in U. S. District Attorneyship. Col. William J. Youngs, who had been United States District Attorney for the Eastern district for more than twelve years and had been "holding over" since his term expired on January 18, got a surprise on reaching his office in Brooklyn yesterday morning when he opened a letter from Attorney-General Gregory asking for his resignation, to take effect last night. The letter said that the Attorney-General wished "to make a change in the office." Col. Youngs immediately telegraphed to the Attorney-General desiring him to convey his resignation to the President to be effective at the close of business on January 25.

CONDEMN LITERACY TEST.

Big Cooper Union Meeting Protests Against Immigration Bill. Resolutions protesting against the Smith-Burnett immigration bill because of its literacy test clause and petitioning President Wilson to veto the measure were passed at an enthusiastic mass meeting held in Cooper Union last evening under the direction of the New York Non-Partisan Citizenship Committee. Similar action was taken at an overflow meeting outside Cooper Union.

The resolutions will be telegraphed today to the President and the members of both houses of Congress. Judge Leon Sander's resolution to veto the measure. Among the speakers were Paul Kennaday, Alphonse J. Kueble, Congressman-elect Meyer London, the Rev. Percy Scholesby Grant, ex-Congressman Charles V. Fones and William Bourke Cockran.

Daniel K. Bayne Dead. Daniel Kerfoot Bayne of 260 West Fifty-sixth street, of the firm of William Bayne & Co., office importers, 165 Front street, died Sunday in the Post-Graduate Hospital in his sixty-sixth year.

He was a member of the Union Club, the Metropolitan Club, the Southern and Baltimore societies, the New York Chamber of Commerce and Merchants Association.

R. H. Macy & Co.'s Attractions Are Their Low Price.

Macy's. Herald Square. Broadway, 34th to 35th St.

State Souvenir Spoons A Word of Apology to the Public

The response to our advertisement in the Sunday Newspapers, despite the inclement weather, quite overwhelmed us. We ran out of stock about 4 o'clock yesterday afternoon.

We apologize to those who came after that hour and were not able to take the spoons home with them. Spoons will be supplied today or tomorrow to those who left orders.

Messrs. R. Wallace & Sons, the makers of the spoons, promise to keep us more adequately supplied hereafter.

The sale of New York State Souvenir Spoons will be continued throughout the week, and next week and the following weeks the sale will be enlarged to embrace spoons stamped with the official seals of other States of the Union.

NEW YORK STATE Souvenir Spoons, 11c Guaranteed Extra Heavy Silver Plate on 18% Nickel Silver Base. MAIN FLOOR, BROADWAY.

Saks & Company Broadway at 34th Street. Announce, beginning this morning, a sale of Men's Overcoats at \$21 Reduced from \$38, \$35, \$33 & \$30. (A small charge will be made for alterations) Every overcoat in stock, including our imported London overcoats, embraced in this sale. There are double breasted, single breasted, button through coats, patch pocket coats, and other overcoat variations, shown in a great variety of native and foreign mixture cloths, and silk or skeleton lined. And every garment, with the exception of those from England, is Saks-tailored throughout, and shows it, possessing an individuality in its lines which positively cannot be found in any other clothes. Not being a drug on the market, Saks overcoats can be bought at reduced prices only once a season—enough said!

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