

WEATHER FORECAST. Showers to-day; partly cloudy; moderate shifting winds.

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BAKER PLANS U. S. ARMY OF 2,170,000 MEN BY JULY; ASKS FOR \$15,000,000,000

\$2,000,000,000 for Home Fortifications Bring Total to High Figure.

BILLIONS FOR SUPPLIES Lump Sum for Quartermaster Is Desired for "Unlimited" Army.

OPPOSITION IS SHOWN Clash in Committee Over Blanket Appropriations Appears Likely.

Special Despatch to The Sun. WASHINGTON, May 3.—Secretary Baker's reappearance to-day before the House Committee on Military Affairs brought developments portending further controversies in Congress on the army appropriation programme.

Coming on the heels of Secretary Baker's request for unlimited authority to draft an army of any size the lump sum suggestion quickly aroused the opposition of Chairman Dent, and subsequently Mr. Dext, ascertained from the ranking Republican of the committee that he also was opposed to so drastic a change in the annual budget.

"Let us avoid specific figures," Secretary Baker said to-day. "They imply limits. There is no limit. We will call out enough men to make victory certain. We will call them as rapidly as they can be trained and sent forward."

3,100,000 Minimum Army. Secretary Baker, Gen. March, acting Chief of Staff, and Lieut.-Col. Brett of the Quartermaster Corps were the witnesses before the committee. These are the developments of the day: The minimum size of the army estimated for the next fiscal year is 3,100,000 men.

The War Department expects to have under arms by July 1 of this year approximately 2,170,000 men. By that time there will be in commission 120,000 officers.

With the estimates of amounts to be carried in the fortifications bill, which is not handled by the Military Committee, but the Appropriations Committee, the total sum wanted by Secretary Baker is in excess of \$15,000,000,000. Of this amount the army bill will carry approximately \$12,000,000,000, as stated in The Sun's despatches this morning.

Should the Military Committee seek jurisdiction of the entire army programme, there will be a committee on the subject of the House provide that the Appropriations Committee shall appropriate "field guns and their equipments."

\$5,000,000,000 for Ordnance. For ordnance the War Department also wants a round five billion dollars. The estimate exceeds that of the War Department which is \$3,000,000,000. The committee Monday will ask a lump sum appropriation here also, thus bringing about \$10,000,000,000.

The estimates for aviation total approximately \$1,250,000,000. For the Engineer Corps \$1,200,000,000.

A development to-day was that large sums from the ordnance appropriations are to be utilized for the enlargement and construction of plants for the manufacture of munitions or explosives to private contractors to enable them to turn out ordnance in vast quantities.

It is reported that the United States Steel Corporation and other ordnance producing concerns may procure Government aid in production and will receive large sums for machinery and engineering.

A clash in committee jurisdiction seems imminent in the House because of the staggering estimates submitted by Secretary Baker and the peculiar rules under which army appropriations are now handled in the lower chamber.

That the War Department has asked for ordnance purposes that it can possibly spend far more money than it can possibly spend for growing impressions about the Capitol this afternoon.

Members of both committees are expected to see how it is possible for the Ordnance Bureau to expect from \$3,000,000,000 to \$9,000,000,000 in the next fiscal year. This sum for one bureau would be considerably more than the entire military establishment for the present fiscal year.

ENOUGH SHIPS TO SUPPLY ARMY ABROAD SURE IN 1919

10,000,000 Tons, Estimate of Output Next Year, Is Adequate for War Department's Needs—Only 4,000,000 Building for 1918.

Special Despatch to The Sun. WASHINGTON, May 3.—American ship production with the shipyards of the country in full swing and establishing new construction records almost daily will be ample to care for all military needs, even on the largest programme yet projected, in the opinion of high Government officials here.

They have kept an unceasing vigil on ship availability and the contest between production and destruction by submarines. The production line on the chart that is being kept at the White House is moving in a steady upward and more acute curve week by week.

The shipyards of America that are now turning out ships and those that soon will be work to a reasonable percentage of efficiency American ship production in 1919 will be near the 10,000,000 ton mark if it does not pass it, according to estimates declared to be reasonably conservative.

The Shipping Board is making no predictions. It is hoping for 4,000,000 tons in 1918 and the shipyards will have to hustle to get it. Officials who are optimistic of the progress that is being made are figuring 10,000,000 tons of new ships, three times the world production before the war in 1919.

At the beginning of 1919 there will be sixty-seven shipyards in the United States with 404 ways for steel construction. If each of these steel ways turns out three ships a year, and the Fleet Corporation is aiming at four, the total will be 1,200 ships.

There now are operating 127 shipyards, with 753 ways in use. There are 398 steel ways, 332 ways either completed or under construction, four concrete ways and 19 ways devoted to naval work.

The launchings of steel ships include 18 vessels, with a total tonnage of 136,250, constructed under Government contracts and 132, with aggregate tonnage of 1,195,857, obtained by requisition. The grand total of contract and requisitioned ships already launched is 1,312,127.

Already delivered are 135 steel vessels, with a total tonnage of 977,371. Wooden ships launched number 35, with an approximate tonnage of 108,500.

Government Will Link Them With Railroads in Mighty Machine. Assistant Secretary Roosevelt Discloses Strength of U. S. War Aid.

Special Despatch to The Sun. WASHINGTON, May 3.—Final measures for the concentration of the entire steel output on shipbuilding and similar war activities, with drastic and far-reaching restrictions on the distribution of coal and the use of railroad equipment, the last step in complete mobilization of the fundamental industrial resources to win the war, were taken to-day by the War Industries Board and the Federal Fuel Administration.

The action comes as an aftermath of the meeting in New York last Friday of steelmakers with J. Leonard Ripley, chief of the steel bureau of the War Industries Board.

"Every word of steel hereafter will be concentrated on the single purpose of winning the war," said Chairman Baruch of the War Industries Board. "The output of the steel mills is at the highest point in their history, yet the Government is finding it necessary to go into other world markets and buy chrome, manganese and other high grade steels for its war work."

Mr. Garfield and Mr. Baruch are working in unison and will engage in a conference with Director-General McAdoo immediately on his return from his Liberty Loan tour with a view of completing arrangements for concentrating all railroad equipment to the consummation of their programme.

Both Dr. Garfield and Mr. Baruch have been in frequent communication with the Director-General. The latter, in some weeks ago, Locomotive fuel has a very vital place in the win the war programme which has been arranged.

"I know the capacity of the coal mines and the amount of railroad equipment at our disposal," said Dr. Garfield. "A reduction in coal consumption at this time as a war measure is absolutely necessary. I may say that the most drastic conservation measures will be employed. Lesser and non-essential industries must give way in their coal needs in order that war industries may be speeded up to their maximum."

LOAN STARTS LAST DAY WITH \$2,940,644,400

Only \$59,355,600 More Is Needed to Complete Bond Issue.

NEW YORK STILL BEHIND Local Federal District Subscribes \$773,550,650 of Its \$900,000,000 Quota.

Something less than \$60,000,000, or to be perfectly exact, a bagatelle of \$59,355,600, if added to the national total of the third Liberty Loan, will bring the subscription to that loan up to the figure of \$2,940,644,400, which represents the minimum of the obligation of the people of the United States.

That the loan will be oversubscribed, and creditably oversubscribed, became a foregone conclusion last night, when the Treasury Department at Washington announced that the total subscriptions had reached the figure of \$2,940,644,400, a gain over the day before of \$189,282,700, which is a record for any day in the campaign.

In the district which includes this metropolis the gain for the day was \$66,574,000, the total subscriptions filed with the Federal Reserve Bank of the district amounting to \$773,550,650. New York city wrote itself down for \$51,459,550 of the new issue, the Borough of Manhattan supplying \$4,773,650 of the sum. Of this a quota of \$667,125,000 is subscribed to the total of \$2,940,644,400 had been filed at the banks last night, so that New York will have to furnish \$128,449,350 to bring itself up to its minimum.

An additional subscription of \$10,000,000 by the Central Trust Company and subscriptions of \$5,000,000 each by the Exchange Bank, the Metropolitan Life and the Prudential Insurance companies, the United States Steel Corporation and John D. Rockefeller personally led off the list of the big money at the opening of the bank hours yesterday.

The Treasury's table of districts' subscriptions showed the following:

Table with 3 columns: District, Subscriptions, P. C. Includes entries for New York, New Jersey, Pennsylvania, etc.

Sales in New York District. The figures as compiled for this district last night were:

Table with 3 columns: District, Quota, Subscriptions. Includes entries for Manhattan, Brooklyn, Queens, Richmond, etc.

Day of Big Subscriptions. The following were subscribers for bonds for more than \$100,000:

Table with 2 columns: Name, Amount. Includes entries for Metropolitan Life, Prudential Insurance, etc.

U. S. PRISONERS ILL TREATED. State Department Says Our Boys Suffer in Germany.

Special Despatch to The Sun. WASHINGTON, May 3.—With respect to German treatment accorded American prisoners of war it was said at the State Department today that the Government had taken up the matter with the Spanish Embassy in Berlin in several specific cases, where it was charged that the Americans were being very badly treated.

"How are the others being treated?" officials of the State Department were asked. "Very badly," was the reply.

FRENCH GAIN BEFORE AMIENS; BRITISH ALSO IMPROVE LINES; ENEMY GIVES UP YPRES HOPE

CECIL PREDICTS OFFER OF PEACE Tempting Terms From Foe to England Expected as Blows Fall.

SEEN AS PLAY FOR TIME Germany Must Satisfy People Tired of War and Gather Russian Resources.

Special Cable Despatch to The Sun. Copyright, 1918; all rights reserved. LONDON, May 3.—Lord Robert Cecil, Parliamentary Secretary for Foreign Affairs and Minister of Blockade, in a talk this evening with American newspaper men said he expected a vigorous German peace offensive to begin in perhaps two weeks, directed mainly against Great Britain, in view of the fact that the recent revelations by former Ambassador Lichnowsky had acquitted Germany of any complicity in beginning the war.

Germany, he predicted, probably would make an offer which might be thought particularly tempting to England. Such a peace offensive, of course, in view of the situation on the western front, would be mainly for home consumption in Germany, for showing Germany's failure on the west front continue and become manifest to the German people, both Germany and Austria would have a hard time ahead of them.

The main object of Germany would be to gain time and the peace offers were counted on there to help serve this purpose. Germany evidently had been disappointed in the Ukraine in the matter of supplies and had established some sort of martial law in the hope that thereby she could extract from the peasants by force the food supplies which she could not acquire otherwise in a country the use of the Ukraine Russia's resources help.

Germany has had time to establish her domination over Russia to the extent that she desired and she might have the idea that with the resources of Russia fully at her disposal she could afford, comparatively speaking, to ignore the western front and make a stand against the world for an indefinite period.

The German peace offensive seems to have begun already and in fact to have gathered considerable headway. There is little attention being given to the sort of martial law in the hope that thereby she could extract from the peasants by force the food supplies which she could not acquire otherwise in a country the use of the Ukraine Russia's resources help.

The general attitude of the Allies, as expressed by their chief spokesmen, is that any definite offer of peace must be made directly by Germany, through a recognized intermediary, such as the King of Spain or the King of Sweden, and that no further attention will be paid to peace feelers of the indirect kind in which Germany usually indulges.

U. S. AVIATOR LOST IN BATTLE OVER LINZ He and His Foeman Fall to Earth in Flames.

By The Associated Press. WITH THE AMERICAN PRESS. PHOENIX, May 3.—In a desperate air fight over the American lines northwest of Toul today, Charles W. Chapman, Jr., of Waterloo, Iowa, and a German pilot with whom he was fighting, plunged to the earth in flames.

Both their machines were wrapped in flames. Five American pilots in fast pursuit made a dash for the German lines when they encountered a German formation of an equal number of airplanes and promptly attacked. Chapman singled out one of the enemy single seaters and they moved off battling desperately.

Suddenly both the machines were seen to burst in flames and almost at the same time plunged to the earth behind the German lines. The four remaining American pilots chased the other enemy machines back over their territory, but all of them escaped his head.

Noted Anzac Orator, Wounded at Gallipoli, Recovers Vision. Special Despatch to The Sun. WASHINGTON, May 3.—Signaller Tom Shekell, the blind Anzac orator, has recovered his sight. He had been blinded since he was struck by a shell in a charge on the Gallipoli peninsula.

Dr. Riley D. Moore endeavored to treat his head, but the slightest touch caused great pain. Finally Shekell was taken to the hospital. He was apparently deranged, but soon cried "My God! I can see." Today his sight had so improved that he could distinguish colors.

Shekell went to Europe with the first Australian contingent. He was wounded five times in one engagement.

U. S.-NORWAY EXPORT PACT BLOW TO ENEMY INTRIGUE

Liberal Agreement Just Signed Will Strengthen America With Neutrals—No Materials Sent Abroad Are to Reach Central Powers.

Special Despatch to The Sun. WASHINGTON, May 3.—A commercial agreement with Norway under which that country receives large quantities of materials from the United States was consummated to-day by Vance McCormick, chairman of the War Trade Board, and Dr. Fridtjof Nansen, special representative of the Norwegian Government.

No shipping tonnage is involved, but the moral effect of the pact on the other neutral nations and in strengthening the position of the United States in the war is expected to be far-reaching and to aid materially in checking inroads of German intrigue and propaganda elsewhere.

Dr. Nansen called at the White House soon after the completion of the agreement and expressed to President Wilson his pleasure over the success of his mission. The United States as its part of the agreement promises to furnish Norway with quantities of foodstuffs, fodder, fertilizer, textiles, metals and minerals and with rubber and miscellaneous commodities.

The Norwegian Government will permit unhampered export to the United States and the allied powers in the war and will turn over to them such commodities as are not needed for home consumption, especially minerals, ore, chemicals and wood products.

EHRET GIVES UP ESTATE TO U. S. ENEMY CUSTODIAN

Voluntarily Turns Over \$400,000 in Property to Alien Enemy Custodian.

Special Despatch to The Sun. WASHINGTON, May 3.—Because George Ehret, New York brewer, has been resident in Berlin continuously since the American declaration of war the entire American estate, valued at \$400,000, has been taken over by Alien Property Custodian A. Mitchell Palmer.

George Ehret, Jr., voluntarily turned over the estate when informed by the state department that his father had entered the war. Though Mr. Ehret, Sr., is an American citizen, the Home Office not only has been negligent, but absolutely defiant in their neglect of British interests in their handling of this question.

Mr. Ehret, Jr., told Francis P. Garvan, chief of the Bureau of Investigations, that he was ready to turn over real estate amounting to \$24,000,000 and personal property amounting to \$16,000,000.

Custodian Palmer said to-day that no change in management of the estate is contemplated. George Ehret, Jr., and the Central Trust Company have been named as depositaries for the alien property, and rents and other income will be collected by Mr. Ehret, Jr., as usual.

Mr. Ehret's father said to-day that he would not stay here and carry on their business while their own men are being sent off to the front.

This applies not only to enemy aliens, but to Russians and Poles, who in thousands are stepping into our men's shoes. What is going to be done after the war with more than 13,000 who have not been interested and with the 30,000 interned, who are to be let out to join their families, to forward the interests of German trade, German industry and German stability in our midst? They do things differently in Germany," concluded Mr. Ehret.

Considerable indignation has been expressed recently over the comparative freedom enjoyed by German officers and other prisoners in England, who are permitted to visit certain cities and large towns, and also over the unemployment of the bulk of the enemy prisoners. Photographs showing civilian Germans in the United States working on roads, including officers of German ships, are reproduced and commented upon favorably as showing the proper method of treating the subjects of enemy nations.

George Ehret was 83 years old on Saturday.

Retain's Troops Win Strategic Hill at Confluence of Luce and Avre.

LYS VALLEY SHELLED Heavy Bombardment May Be Prelude to Renewal of Battle There.

ALLIES MORE CONFIDENT French Resume Granting of Furloughs, Indicating Foch's View of Supremacy.

LONDON, May 3.—Taking the offensive, the French last yesterday by a brilliant attack took important positions between Hallies and Castel, at the point of the Somme salient where the Germans had approached nearest to Amiens, including Hill 82 and the wood between it and the River Avre.

This hill, which is about 250 feet high, overlooked a considerable section of the Allies' line to the east and south. The ground gained by the French is said to be more valuable probably than any other of equal area in the entire Somme district. On Hill 82 the Germans were within three miles of the important Amiens-Paris railroad.

Additional interest is lent to this fighting by the fact that the American contingent which was sent to Picardy is believed to be holding the sector between Hangard and Hallies, and probably it was in that district that they defeated the Germans, who attacked in considerable force and after an extensive and severe bombardment. It was there that the Americans made their first appearance as separate units in the great battle of Picardy, which has now been in progress forty-four days.

British Also Make Gain. To the northeast of this point, at Villers-Bretonneux, the British gained the advantage and improved their position during the night. There were rather heavy bombardments yesterday of the British positions in the north, on the southern side of the Lys salient, which may indicate another attempt by the Germans to broaden the wedge they have driven into the Allies' line in that region. Military experts point out, however, that the Lys salient already is deeper than it should be, and if it were made any deeper without a corresponding broadening of the base it would be an element of weakness for the Germans rather than of strength.

Apparently the Germans have been bombarding the sector between Hangard and Hallies, and at Lore and southwest of Ypres on the northern shoulder.

A representative of Gen. Joffre, Director of Military Operations at the War Office, summed up to-day the military situation in Picardy and Flanders as follows:

"In the north where the Germans failed in their main objective they have been successful in capturing the capture of Kemmel. But we must regard the operation from the viewpoint of economy of men and they used up 400 divisions (60,000 men) from the general reserve, besides seven or eight divisions (from 84,000 to 96,000 men) previously employed.

"The results of the last week on the whole were satisfactory, because the enemy used up a larger number of fresh divisions than the Allies without strategic result. In all he used on the northern front 400 divisions (60,000 men) besides the nine divisions (108,000 men) already there.

"The effect of the operations in the north is to reduce materially the number of fresh divisions the Germans have available.

Advantage With Allies. As to the future the Germans have large numbers of divisions recovering which can be used shortly. It is difficult to make an exact comparison of the staying powers of the two armies, but the facts shown are in our favor. If the enemy continues to offer divisions in the north he must impair his chances of success in the south.

The main aim is to separate the north from the south, and if the enemy continues to offer divisions in the north without important results he is using up his forces to no purpose.

Dispatches from British headquarters in France to-day state that a tremendous presence of gunfire broke out this morning, the chief increases seemingly being in the Lys valley. The time table taken with German prisoners, the great offensive is far behind its schedule and the Germans apparently are finding their task much more difficult than they expected.

Last night there was much bombing activity on both sides, the Entente air men inflicting heavy casualties.

Australians in Night Raid. The Australians carried out successful minor operations at Villers-Bretonneux during the night, while the Canadians topped up a strong post, taking both positions and five machine guns.

GERMANS TAKE 20,000 FINNISH PRISONERS

Defeat Reds in Five Days Battle, Berlin Says.

Arranging to Exchange Prisoners. BERN, May 3.—German and Italian delegates to arrange for the exchange of prisoners held their first conference here last night. Dr. Felix Calonder, president of the Swiss Republic, presided over the sitting.

Defeat Reds in Five Days Battle, Berlin Says. BERLIN, via London, May 3.—In southwestern Finland we have over a five days battle near Lahti and Tavastus, capturing 20,000 prisoners," says the German official communication issued today.

"In Ukraine our troops marched from the Ekaterinograd-Khar'kov line into the Donetz region. We occupied Tagenrog, on the Sea of Azov."

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