HOOVER STOPS ALL FOOD FOR BUDAPEST

He Acts Quickly to Prevent Seizure by the Invading Rumanians.

SITUATION GROWS WORSE

Brig.-Gen. Bandholtz Sent to Hungarian Capital by Allied Commission.

PARIS, Aug. 7.—Herbert Hoover, head of the interallied relief commission, has stopped all relief supplies on their way to Budapest, taking the position that he would be unwarranted in letting supplies reach Hungary while the Rumanians are now depriving the people of foodstuffs.

Members of the American peace delegation said this evening that there are no American troops now in Budapest and that none will be sent there. It was added that the only Americans in the Hungarian capital are officers, and possibly a few soldiers engaged in relief work.

The Supreme Council has sent a note to the Rumanian authorities begging them to conform to the decision of the Entente and not to embarrass by previous decisions the work of the Interallied Investigating Commission sent to Budapest.

By a Staff Correspondent of THE SUN.
Copyright, 1919, all rights reserved.

PARIS, Aug. 7.—The thunder cloud hanging over Hungary and southwestern Europe blackened perceptibly to-day, stirring the Peace Conference to the depths. What the outcome will be no man can tell.

It is not Hungary alone, but the effect of repercussion of these events in Russia and elsewhere that is exciting great fears here. By a coup d'etat last evening, inspired, it would seem, by the Rumanians, Premier Peidl and his social democratic Government, upon which the hopes of the British and Americans had been placed and with which the Conference was negotiating was overthrown and a new Government, apparently reactionary and with Archduke Joseph at its head, was established.

Peidl Ministers Arrested.

According to reports reaching the American mission, the members of the Peidl Government were arrested last night while they were in session at the national palace. The question before the Allies now is whether they will recognize the new Government headed by a Hapsburg, who by the strange course of events seems to owe his sudden elevation to the Hohenzollern King of Rumania. If suspicions here are well founded, nothing so astounding has occurred in years.

The connivance of King Ferdinand with his army is seen in the fact that a Rumanian General refused to permit Rumanian newspapers to print Premier Clemenceau's telegram addressed in the name of the Peace Conference to the Peidl Government promising allied help if the terms of the armistice were observed, to which there was agreement.

The coup d'etat appears the culmination of the Rumanian occupation of Budapest, which has thus far been characterized by acts exciting the greatest indignation here. The American Mission has received reports that inoffensive persons were assaulted and that live stock and agricultural implements were carried away wholesale. Even the food from the already starving capital is being carried away, it is said. Confirmation has been received of yesterday's news that the Rumanians had cut the railroads over which Herbert Hoover's relief trains were carrying food to the starving inhabitants of southwestern Europe.

The Americans made no attempt to minimize the gravity of the situation or conceal their indignation over such acts by a nation which until a few weeks ago was represented at the Peace Conference, and which for months was kept from starvation by American relief. That either the Americans or British will recognize the Archduke's Government seems unlikely.

Conference Is Impotent.

The Americans again stressed the likelihood of Bolshevism in Russia and elsewhere getting a new lease of life if Bela Kun's overthrow through allied pressure should result only in the establishment of a reactionary Government and possibly monarchism in its place.

What stood out clearly to-day was that the conference is impotent to enforce its wishes in Hungary through present means and whether this will be changed when the allied mission is established in Budapest is a question. Either the Rumanians must obey the orders of this mission or the Allies must send large bodies of troops to overpower the Rumanian army.

The whole Rumanian policy apparently is based on what everybody here has known for a long time, namely, that with the demobilization of the British, French and American armies the conference has not the physical force behind it which it once had and that it is no longer held in the same respect by the peoples of southeastern Europe, to whom the League of Nations idea is a joke.

Mr. Hoover, according to comment held in Rumanian circles, is hated in Rumania because, as they allege, he tried to dictate to them; also because of resentment against President Wilson, whom they blame for the clause in the peace treaty concerning minorities. This clause Rumania regards as an invasion of its sovereign rights and declares she will never accept it. Thus from a Rumanian standpoint the Americans are chiefly responsible for what is now happening in southeastern Europe.

After a vigorous campaign favoring Rumania the French press is now mostly silent, apparently under orders, yet Pertinax in the *Echo de Paris* continues to defend Rumania.

This afternoon's council meeting revealed that the British are even more indignant over the Rumanians' conduct than was indicated when Foreign Minister Balfour demanded an immediate blockade of Rumania to bring her to terms. This generally was disapproved, the Americans being unwilling to do that far; yet it was decided to send another and stronger note to the Rumanians protesting against their actions in Hungary and demanding that they formally engage immediately to obey all the council's orders and adhere to all clauses of the November armistice and to the instructions of the allied military commission.

Premier Clemenceau is obviously still between two fires, the American and British on one side, and on the other the whole French diplomatic corps, who favor the Rumanians.

ALLIES WORRIED BY RUMANIAN DEFIANCE

Troops Enter Budapest and Seize Food Supplies.

By the Associated Press.

PARIS, Aug. 7.—The Hungarian situation has reached a stage of such acuteness that the Peace Conference and the home Governments of the principal Allies as well are greatly disturbed. Ultimatums hurriedly telegraphed to Rumania demanding a modification of the severe terms imposed on the Hungarians have proved futile.

Archduke Joseph, who took over control of the Hungarian Government to-day, following the overthrow of the Cabinet headed by Jules Peidl, has been invested with supreme authority. But this, the Peace Conference realizes, will not be sufficient to stabilize the situation unless the Rumanians are brought to their senses. Brig.-Gen. Harry H. Bandholtz, the American representative on the military mission named by the Associated Powers to arrange a settlement at Budapest, will leave Paris to-night.

Advices to the conference stated that Rumanian forces had crossed the Danube into the business section of Budapest and were seizing supplies, preparing to ship them to Rumania.

Accounts of the Rumanian proceedings report that they notified the Hungarians yesterday that because the terms of the armistice laid down in the Rumanian ultimatum had not been accepted the Rumanians would cross the Danube immediately, later carrying out their threat.

Other acts charged against the Rumanians in the advices to the conference are assaults upon inoffensive persons and forced entrances into houses everywhere in Budapest under the pretext of searching for arms.

The Rumanian army is reported living on the country, seizing the food it wants, while live stock, farming implements, rolling stock and food are being sent to Rumania, although Budapest is on the verge of starvation.

The Rumanians, the advices add, have instituted a blockade, one feature of which has been the destruction of portions of the railways between Budapest and Vienna.

The French official statement regarding the new Government reported the announcement of Herr Friedrich as Premier and of two Generals, Schnitzer and Tanezos, respectively, as Ministers of War and Foreign Affairs. Prof. Bleyer was made Minister of Nationalities and Dr. C. Sillery, Minister of Health.

Portfolios have been offered agrarians and Social Democrats and also members of the Szegedin Government.

JOSEPH A WAR IDOL UNDER OLD EMPIRE

Renounced Royal Rights When Collapse Came.

Archduke Joseph was a commander of Austro-Hungarian forces on the southern section of the eastern battle front during the first two years of the great war. In 1918 he headed a movement looking to securing independence for Hungary from Austria, and when the collapse of the Dual Monarchy came in November, 1918, he was asked by Emperor Charles of Austria to take charge of the situation and find a solution of the political crisis before the country.

With his son, Archduke Joseph Francis, he took the oath to submit unconditionally to the orders of the Hungarian National Council and later took the oath of fealty to the new Government.

Archduke Joseph was born at Alosuth in 1872. He and his son renounced all their rights as royal personages and took the oath to the Hungarian constitution in November, 1918, as simple citizens.

Archduke Joseph was a doctor of law and doctor of technical sciences of the University of Budapest and doctor of medicine of the University of Kolozsvar. He formerly was a Field Marshal of Austria. Among the decorations given him under the old empire were those of the Austrian Order of the Golden Fleece, the Order of the Black Eagle, the Order of St. Hubert, and the Order of SS. Cyrille and Methode.

Archduke Joseph and Princess Augustine of Bavaria were married at Munich November 15, 1893. Their home was in Budapest. He frequently has been referred to as the most popular member of the Hapsburg family. He did much work among the poor and unfortunate, particularly in Budapest. He has four children, two sons and two daughters—the Archdukes Joseph Francis and Ladislas and the Archduchesses Sophie and Madeleine.

U. S. TO START TRADE LINE.

Plans Action in South America, Says Embassy Member.

SANTIAGO, Chile, Aug. 7.—The United States Government is considering a proposal to create a transportation system to the commercial centres of South America, according to Julius Klein, commercial attache of the American Embassy at Buenos Ayres, who discussed South American trade conditions here to-day.

The American Government, Mr. Klein said, is greatly interested in the South American markets and recognizes the need of a better knowledge of each other by the peoples of the United States and the South American republics as a means of developing commercial relations.

EXPOSE PLOT TO KILL RENNER.

Conspirators Arrested for Seeking Austrian Chancellor's Life.

By the Associated Press.

BERLIN, Aug. 7.—There have been a number of arrests in Vienna in connection with a plot to murder Dr. Karl Renner, the Austrian Chancellor and head of the Austrian peace delegation, and other Ministers, and Dr. Seitz, President of German Austria, according to a despatch received here from Vienna.

A despatch from Paris Wednesday said that Dr. Renner and most of his colleagues at St. Germain, the headquarters of the Austrian peace delegation in France, would leave that night for Vienna.

Japanese Warned in Pekin.

By the Associated Press.

PEKIN, Aug. 4 (delayed).—The Japanese residents of Pekin have been warned to remain indoors at night. The warning was given because the ill feeling among the Chinese over the recent incident at Kwang-chang-tsu, Manchuria where Japanese and Chinese troops clashed, with numerous fatalities.

The Housing Problem

No. 9

The lack of houses is so great that it becomes a matter of public policy to relieve it and the simplest and most immediately effective method of doing this is to exempt everyone from paying income taxes on the interest on a moderate line of mortgages.

It simply means restoring the minimum exemption to the old figure of $3,000 or $4,000, and that only for those who will stand by the mortgage market and to the extent only that they do stand by it.

The method was used successfully in selling Liberty Bonds.

It would be just as successful in drawing money into the mortgage market, and unless it is drawn into the mortgage market, building cannot go on in sufficient volume.

TITLE GUARANTEE AND TRUST CO.

BRITISH CLEAR WAY FOR RUMANIA TRADE

Agents Close Large Deals—Talk of U. S. Competition—French Machine.

Special Cable Despatch to THE SUN *from the London Times Service.*
Copyright, 1919, all rights reserved.

LONDON, Aug. 7.—With the Rumanians in Budapest the economic outlook of the expanded Balkan kingdom has brightened. Many of the most important British firms and combines have sent out representatives to study the ground and accept orders. Numerous smaller firms are doing a good business. The British commercial attache, Adams, has just come out and is energetically supporting the representatives of British firms by his first hand knowledge of the country.

Thus with conditions which favor the introduction of British merchandise a broad vista of activity is opening. Large deals recently have been closed. British representatives are getting first hand knowledge and goods are being sent which are much needed in the country. Prices are quoted in lei and measurements given in the metric system. Catalogues and price lists are being printed in Rumania, and before long British goods will pour into the country.

German competitors are expected to arrive as soon as peace between Germany and Rumania has been ratified. There is much talk of American competition, but there are no concrete facts. The French Bureau Economique, formed for the purpose of encouraging French firms to do business on a large scale, has not been satisfactory, as the French merchants are opposed to accepting long terms and stipulate payment in French francs.

Petroleum, grains of all kinds, salt, coal, lignite of inferior quality mixed with sulphate, and wood form the excess riches of this country which is now called upon to play an important part in the Balkans area. The grain harvest is expected to be satisfactory.

The great problem of the day is transportation, and facilities would be granted to firms ready to supply light railways, motor lorries, barges and trawlers. It is expected the unofficial exchange will fall from lei 70 to 72, per English pound sterling, to about 50 lei. The official rate to-day is about 44 to 50 per pound sterling.

SOUGHT TO FORCE ERZBERGER TO FIGHT

Enemies Tried to Draft Him as a Private.

By the Associated Press.

BERLIN, Aug. 6.—(Delayed)—Criticism of the war record of Mathias Erzberger, Vice-Premier and Minister of Finance, was met to-day by the *Tageblatt*, ordinarily not friendly to Herr Erzberger, with a statement that the documents published showed up the military authorities in a bad light, rather than Herr Erzberger.

The *Tageblatt* made an analysis of reports on various attempts by military authorities to force the Vice-Premier into military service as a private. The records, made public by *Die Post* recently, showed that Dr. Alfred Zimmermann, then Secretary for Foreign Affairs, sent a request to the War Ministry for Erzberger's release on the ground that he was performing foreign propaganda work of incalculable value and that his withdrawal would interfere seriously with the work.

Later, it was shown, certain military men reputed to be hostile to Herr Erzberger sought to have him drafted and General Schaefer asked the Ministry of War to force him into the army because the Vice-Premier's civil status "spread discontent and anger that a forty-four-year-old, seemingly healthy, strong man should not be used in war service." All of these efforts by the military authorities failed.

The *Tageblatt*, in its comment, said the documents proved the military authorities tried to punish Herr Erzberger, whose political course they disapproved, just as they did others.

Only two Majority Socialists, Herr Hannover and Herr Wolf, the *Tageblatt* remarked, were killed in the war in spite of all the enthusiastic talkers and shouters of the party. The Conservatives, it was said, made a fairly good showing in field gray but none ever were killed.

DEMONSTRATIONS IN BUDAPEST

Singing Crowds Celebrate New Government.

COPENHAGEN, Aug. 7. — An enormous crowd of enthusiastic persons took part in a demonstration to-night before the Hotel Bristol in Budapest, where the members of the new Hungarian Government reside, says a despatch from the Hungarian capital. The crowd was finally dispersed singing the national anthem.

Budapest everywhere is orderly. The national flag has been hoisted again with the assent of the Entente missions.

Dr. Poinay, general director of the Atlantic Shipping Company, has been appointed Food Minister. The magistrates have resumed their functions.

WOULD REVISE PEACE TREATY.

International Socialist Conference Passes German Resolution.

By the Associated Press.

GENEVA, Aug. 6 (delayed).—The International Socialist Conference now in session at Lucerne, which is preliminary to the main congress to be held at Geneva in February, 1920, voted to-day in favor of a German resolution advocating revision of the German peace treaty.

The congress also adopted a proposal to send a commission to Budapest to study the recent Hungarian Soviet administration.

BIG 4 MUST ACCEPT CHANGES IN TREATY

League Opponents in Senate Serve Notice No Mild Reservations Can Be Made.

U. S. STAND TO BE CLEAR

Lodge Asserts Other Powers Will Willingly Assent to America's Position.

Special Despatch to THE SUN.

WASHINGTON, Aug. 7.—The leaders of opposition to the League of Nations served notice in effect to-day that they were not going to be satisfied with mild reservations in ratifying the treaty. They are determined on nothing less than a statement of very definite reservations which shall be affirmatively accepted by other nations signatories to the treaty; that as affecting the United States they will have the weight of amendments to the treaty.

Senator Lodge (Mass.) expressed the hope that when the Senate adopts the reservations protecting American interests they will be required to be accepted affirmatively by the other leading Powers before this country shall enter the league. Then there would be no question about them. He did not doubt that the other countries would give this assent.

In this he was sustained by Senators Borah (Idaho) and Brandegee (Conn.). The discussion grew out of a speech by Senator Kellogg (Minn.), in which the treaty making power and the effect of amendments and reservations was dealt with from a legal point of view. Mr. Kellogg after a long consideration of the authorities declared his conclusion that there must be reservations construing Article X. so as to make it absolutely certain that the function of the league council is simply advisory so that the other signatory Powers will "thoroughly understand that the Congress of the United States has sole and exclusive power to declare war and provide for the operation of the military and naval forces of the United States, and that the failure of the Congress to contribute to the relief of any member of the league shall not be deemed a violation of the covenant, or, as the President says, that it shall be left of the judgment of each member whether the circumstances justify such action. Otherwise it will be impossible to determine the construction that the council may place upon this clause.

Control Vested in the Senate.

"I cannot understand why if this is the proper interpretation as claimed by proponents of the league, the Senate, in the exercise of its prerogative, should not so declare," he added.

"The individual expressions of opinion by Senators, or even the President, do not control it. The expression of the collective judgment of the Senate by its vote does control it.

"Shall we leave to the uncertain arbitrament of contending nations in future years the question whether the United States shall marshal its armies upon foreign soil or be branded as a violator of treaties, or shall the world rely, as it must, upon the good faith of the American people which has been abiding for the protection of this country as well as that of our allies in this war? If we subscribe to this covenant for a league of nations it is incumbent upon us to be scrupulous in the observation of all its provisions.

"There is another reason why this should be done by a reservation rather than an amendment. There are many parties to this treaty. If the Senate strikes out Article X. entirely its elimination must be accepted by all the signatory powers and Article X. will no longer constitute a part of the treaty between them.

"The United States can have no objection to the European nations guaranteeing the territorial integrity and existing political independence of any of the members of the league. We on the other hand are situated differently. We are not in the immediate vicinity of those Governments lately set up as independent. We are not so intimately interested in their stability as is France, England, Italy and other European nations. We have a more direct interest in the stability of the nations of the Western continent. We might therefore by a reservation limit the obligation of the United States without affecting the treaty between the other nations who are willing to accept Article X. without reservation.

"It is my opinion therefore that if we ratify the treaty defining the obligation of the United States under Article X. it will not interfere in any way with the other nations ratifying the treaty and obligating their respective governments to any extent they see fit. Such a reservation would simply modify our obligation under Article X."

Favors Kellogg's Restrictions.

Senator Pittman (Nevada) declared himself in favor of every reservation proposed by Mr. Kellogg, adding:

"I think it is important to determine what the effect would be if they were included in a separate resolution or if included in the resolution of ratification. I am satisfied in my own mind that if included in a separate resolution it serves as notice to those with whom we are dealing, of the position we will take if the construction of the treaty comes in question."

Senator Pittman insisted that a reservation would not be binding unless it were agreed to by the other signatories to the treaty. He said that whether he would vote for reservations or not depened on whether the reservations presented might endanger the whole treaty.

"I hope when we put these reservations on we shall provide that they shall be accepted by at least the other four of the five principal allied and associated Powers before we become members of the league," said Senator Lodge, "and that we shall have their acceptance of our reservations. There will be no question about it. They will accept them."

Senator Williams (Miss.) asked why if it had been the general practice that reservations were accepted if they were not protested against by the other signatories it must be necessary to secure the acceptance of four other nations to the reservations to this treaty.

"Undoubtedly if a foreign country should put the treaty into force with a reservation upon it it would be accepted the same as any man who puts a contract into force with a reservation upon it," replied Senator Kellogg.

Senator Brandegee, referring to Senator Kellogg's suggested reservation on Article X., said:

"In my opinion the only effective reservation to be made in reference to Article X. is the reservation by which we would decline to be bound by that article even if we entered the League of Nations.

"In reference to the remark of Senator Pittman that after the treaty had been ratified the Senate could pass some sort of a declaratory or interpretative resolution as to our understanding of it. I would say of course that would be absolutely futile. Once the Senate has approved and ratified the treaty and it has been ratified and ratifications have been exchanged nothing that the Senate could say or do would have the slightest effect on it. The contract would then speak for itself.

"If, however, at the time of the resolution of ratification the Senate puts on reservations that we will ratify this treaty with reservations, that we understand thus and so, then that does not become a part of the treaty; it does not alter the treaty; the treaty stands as it is between the nations which have accepted it; but it leaves us unbound by those things which we have reserved."

"I can say that no such interpretation will be put through in this Senate unless the Democrats put it through," said Senator Borah (Idaho).

"Then it will not be put through," remarked Senator Williams.

Senator Nelson (Minn.) expressed the opinion that if the other nations put the treaty into effect after the Senate had made reservations a formal acceptance of the reservations was not necessary.

Senator Brandegee said that the Senate should insist on the formal acceptance of the reservations "to make assurance doubly sure."

"In order that there may not be any unnecessary waste of time in the discussion of interpretation of amendments which are going to be based upon the silence of some other nation," said Senator Borah, "I desire to say that if any such thing passes through the Senate the votes will have to be furnished by those who are in favor of this league. We to a certain number are not going to consent to any amendment or reservation which rests for its vitality upon the mere silence of another Power."

League Barnacle Delays Peace.

"I thoroughly agree with the Senator as far as my intention and efforts are concerned," said Senator Brandegee. "I will join with him for that purpose and effect.

"There is very little opposition to the treaty, except in one or two parts, barring the League of Nations covenant. Everybody is going to ratify a peace treaty with Germany, of course. The only thing that is preventing the immediate ratification of the peace treaty with Germany is that they insist in putting on an entirely irrelevant thing—this barnacle, this league of hallucinations, which is retarding peace—and it is mere insistence by the obsessed rainbow chasers upon their sacred ark of the covenant which is a Pandora's box of troubles, a witch's cauldron of complications which no one understands. That is the thing which delays the peace between us and Germany.

"The League to Enforce Peace and the idolators of the Administration seem to insist that if we put on any reservations it is going to send the treaty back to all the nations and resummon the Peace Conference. There is not a word of truth in that. No reservation that the Senate puts on will necessitate the resubmission of the treaty nor the resummoning of the Peace Conference. The reservations are simply our declaration in the resolution of ratification.

"The treaty if it is signed by Great Britain and France and Italy and Germany and Belgium is a treaty between them, and we cannot affect that. That is in existence as soon as they sign it. Whether we enter into it or not is a different proposition. If we amend the treaty by striking out one of its articles or making any change in it then it has got to be resubmitted to all these nations and they have got to agree with us on that amendment or else we have got to withdraw from it and we have all got to sign the same treaty.

"Not so with reservations. The Senate can make any reservations it has a mind to make in the resolution of ratification and if the other Powers do not object to them they will be binding, or if they agree to them they will be binding. That does not change the treaty. It simply takes us out from that provision of the treaty which we have reserved, but leaves the treaty binding on all those who have signed it as it is."

MORGENTHAU ISSUES DENIAL.

Did Not Say Polish Pogrom Reports Were Exaggerated.

WASHINGTON, Aug. 7.—Henry Morgenthau, head of the American mission investigating conditions in Poland, cabled to the State Department from Warsaw a denial of a statement credited to him by the Polish Telegraph Agency on July 28 that "in the short time he had been in Poland he had convinced himself that all the so-called pogroms of Jews are incredibly exaggerated."

Mr. Morgenthau said on that date the American mission had not even begun investigation of pogroms. The mission, he added, had devoted most of its time in Warsaw to obtaining general impressions of existing differences regarding economic boycotts and general economic conditions.

SIX BILLION MARKS ASKED.

Germans Would Strengthen Ordinary Cash Supply.

By the Associated Press.

WEIMAR, Aug. 6 (delayed).—A bill was presented in the German National Assembly to-day under the terms of which the Finance Minister will be authorized to issue 6,000,000,000 marks in Treasury warrants and new money during the coming year.

The purpose of the bill is to make more fluid and strengthen temporarily the ordinary cash supply of the Imperial Treasury.

PORTUGUESE PICK PRESIDENT.

Parliament Elects Ex-Premier Almeida on Third Ballot.

LISBON, Aug. 6 (delayed).—Antonio Almeida, former Premier and Minister of Colonies, was elected President of Portugal to-day by Parliament.

The election took place on a third ballot, Senhor Almeida receiving 123 votes to 51 for other candidates. Thirteen members of Parliament abstained from voting. He will take office October 5.

ORDER

Ballantine's GOLDEN GLOW

GINGER ALE

FLEET IN GREATEST PACIFIC REVIEW

Daniels and High Officials of Coast States Welcome Armada.

SIX MILES OF FIGHTERS

Secretary Prophesies Day When This Force Will Be Greatly Exceeded.

By the Associated Press.

SAN DIEGO, Cal., Aug. 7.—An American armada—the greatest fleet that has ever turned a propeller blade in the Pacific—came to-day to make the seas under the Sierra and Cascade slopes its home. In an inspiring naval parade Admiral Hugh Rodman's newly created fleet passed in review of Secretary of the Navy Daniels and Governors and Mayors of Western States and cities aboard the cruiser Montana, anchored off Coronado Beach, while thousands lined the shore to aid in the welcome.

Six miles of war vessels, thirty-one in number—some of which had held guard with the British in the North Sea—swung past the reviewing ship, firing the dreadnoughts' salutes of nineteen guns in honor of the Secretary of the Navy as they came abeam the Montana. It required one hour for this vast fleet of dreadnoughts, battleships of lesser type and twenty-one sleek and speedy destroyers to pass the welcoming party.

The war vessels turned in shore by the Montana, then stood away to the southward for three miles, came about and steamed into the northwest, making almost a complete circle, and then the dreadnoughts took up their anchorages off the beach, while the battleships and destroyers came into the bay.

Dream of Six Years.

Secretary of the Navy Daniels, turning from the bridge of the Montana after the last destroyer had passed, said:

"This is the realization of a dream I kept constantly in view for six years since I first came to the Pacific coast shortly after induction into office to study naval conditions here. I conceived of an American fleet that was truly an American fleet equally at home and equal in strength on both coasts. This organization into two powerful fleets is an epoch making event in naval history and presages the day when the whole fleet, now composed of more than 1,000,000 tons, with 5,000,000 more tons building, will make the magnitude of this review seem small in comparison."

After the review Secretary Daniels, in company with Gov. Stephens of California and Gov. Octaviano Larrazola of New Mexico, with a personal representative of the Governor of Arizona, together with the Mayor of San Diego and Admiral J. L. Jayne, Josiah McKean and Charles Parks and prominent West Coast citizens, went aboard the flagship New Mexico, where speeches of welcome were made to Admiral Rodman and his fleet officers.

Upholds the League.

Some Senators who oppose the League of Nations are taking a position just directly opposed to their desires to end wars expressed in 1916. Secretary of the Navy Daniels said to-night in a speech at a banquet given in his honor by citizens of San Diego.

"The 1916 naval appropriation bill," he said, "allotted the greatest sum in history, for a naval building programme, and its framers and the men who passed it incorporated specifically within it terms enjoining the President immediately after cessation of hostilities to take steps to obtain an agreement among nations of the world to reduce naval armament.

"This the President has done. Yet the men, in some cases, who most bitterly oppose him were among those who voted for the greatest naval appropriation bill with its proviso looking to elimination in the future of such appropriations through action initiated by the President.

"The naval appropriation bill of 1916 passed with only nineteen Republican and Democratic votes registered against it. Senators who then voted as desirous of ending the war through agreement among nations for peace now oppose the League of Nations, which has the Congressional behest as its chief object.

"The bill apparently was a paradox with its provision for a great American navy and another seeking to end naval building and thus stop wars, but it was a logical bill for the reason that only by becoming so strong that none could safely attack us and forcing them to see what all nations would be driven to could we take the lead for the reduction of the navies and military establishments of the world."

AMBASSADOR FLEES.

Hungarian Envoy Escapes From Vienna in Motor Car.

COPENHAGEN, Aug. 7.—A despatch received from Vienna says that according to Die Ziet the Hungarian Ambassador fled from Vienna Wednesday night in an automobile after having burned all his secret documents.

The despatche adds that Hungarian journalists and officers went to the embassy Thursday morning and thrashed the staff and threw the members into the street.

ANTWERP CLOSES AS BASE.

Millions of Army Supplies Are Sold to Belgium.

By the Associated Press.

BRUSSELS, Aug. 7.—Antwerp will cease to exist as a base port for the American Expeditionary Forces at the end of this week. All Americans expect to be out of the city by that time. The huge supplies on hand in Antwerp have been sold to the Belgian Government by J. G. Adams, special commissioner, on most favorable credit terms.

The deal involves between $10,000,000 and $12,000,000 and the goods sold include food, clothing and medical supplies.

SO EASY TO HEAL YOUR SKIN WITH POSLAM

Don't let those eruptions remain to blemish and annoy any longer than it takes Poslam to heal them. And Poslam is best equipped to do the work because its healing powers are concentrated. Relieves itching at once.

Apply Poslam at night—and leave it on in the daytime too, when convenient. It acts quickly. You can soon see benefits. Poslam is harmless.

So effective is Poslam that a little of it will cover a large surface. It is the QUALITY, not the quantity of it, that does the work.

Sold everywhere. For free sample write to Emergency Laboratories, 243 West 47th St., New York City.

Poslam Soap, medicated with Poslam, brightens, beautifies complexions.—*Adv.*

OLUS

the only COAT CUT UNION SUIT

A union of comfort and convenience

Silk or Cotton GUARANTEED FABRICS

One Dollar and up

Chain Shirt Shops Largest Shirt Specialists in America

For addresses see Telephone Directory

BALKS AT BILLS OF COUNCILS OF BERLIN

State Shifts Revolution Burden to Employers.

By the Associated Press.

BERLIN, Aug. 6 (delayed).—Final decision by the Finance Ministry that the industrial executive councils of Berlin, formed during the revolution, must be financed by the employers, as the State cannot continue to bear the burden, reveals how enormously expensive these organizations, alleged to be useless and unproductive, have been in nearly a year of existence.

Originally an executive council was started with six members, but its personnel later was largely increased, with consequent additional expense. It is stated the stenographers of the council received 12,000 marks monthly.

When the Independents broke away from the majority Socialists they formed a rival council, which meant a doubling of the financial burden. The Government tired of paying for organizations which did no real work, and since the split spelled trouble and disorder when the councils met, put the responsibility on the employers.

It is considered questionable, however, whether the employers are willing to support the system, especially as general elections will be held soon, by which a new council with a small membership will be elected. This will be called the "Central Council of the Industrial Workmen's Councils" and will be supported by the workingmen.

BERLIN MAY DRAFT WORKERS.

Few Men Respond for Reparation Task in France.

By the Associated Press.

BERLIN, Aug. 6 (delayed).—Better food conditions do not attract German workmen in large enough numbers to carry out necessary reparation work in France, according to the *Neue Berliner Zeitung*, which estimated to-day that only one-fifth of the men needed may be expected to volunteer. The newspaper said the remainder must be recruited through some moderate form of compulsion, probably conscription.

German metal workers, it was said, are ready to send their members provided the men themselves have a voice in what they are to do instead of having the details entrusted to a commission at Versailles, out of contact with the workmen.

GERMANY TO HALT RHINE SMUGGLING

Goods Brought In From Occupied Territories.

Special Cable Despatch to THE SUN *from the London Times Service.*
Copyright, 1919, all rights reserved.

BERLIN, Aug. 7.—The Government, in view of the large amount of smuggled goods being sold in Germany, has taken steps to negotiate with the authorities of the occupied territories to prevent the import of goods from the left bank of the Rhine.

Since the conclusion of peace a large export business has begun from the occupied territory which until then had been strictly shut off. While at first only small quantities of foods, &c., were smuggled at night, export now is allowed by the occupation authorities.

Cologne, Coblenz, Frankfort on the Main and Duisburg have become centres for the people who do the buying in the occupied territory. Provisions are there to be had in any quantity desired.

It is an open secret that the goods so urgently needed in the interior of the country, such as butter, lard, bacon, chocolate and soap do not pass into the legitimate trade but into the hands of illicit dealers. It is not surprising that railway trucks, which under the circumstances would be detained and confiscated, pass, thanks to the assistance of their owners on the frontier line, without any hindrance.

The German authorities would probably not have interfered seriously to prevent the import of food had not innumerable articles of luxury been smuggled through latterly, such, for example, as foreign films which have found their way in large quantities. Stricter examination is now to be carried out at the railway stations and quantities of goods have already been confiscated.

TRUCE VIOLATION CHARGED.

Germans Say French Demand Secrets in Factories.

BERLIN, Aug. 6 (delayed).—The *Boersen Zeitung* reports there have been violations of the armistice terms at Oppau and Ludwigshaven, in the Rhineland, which are occupied by the French. The newspaper declares that professors, chemists, editors and manufacturers are swarming through the German plants in these cities, demanding, on the authority of the economic division of the occupational army, that they be given secrets of factory construction and production.

These evils, the newspaper asserts, persist despite German protests.

Macy's Macy's

Why Walk to Work?

The fact that the transit lines are tied up need not prevent your going to business

BICYCLES

enable people to travel where they will, when they will, on business or pleasure. And, when it comes to bicycles, you will find us well equipped for any emergency.

For Men and Women

"Aero" Bicycles
$36.75 (for men)
$37.75 (for women)
Women's frames 21 inches, men's 20 and 22 inches. Coaster brake, mud guards and stand. In colors.

Men's "Adlake" Bicycles
$41.50 and $42.50
equipped with coaster brake, mud guards and stand, in several colors.

Women's "Adlake" Bicycles
$44.75
Equipped with coaster brake, mud guards and stand. Enameled in colors.

For Boys and Girls

"Aero" Bicycles
$33.75 each
with 16 and 18 inch frames equipped with coaster brake, mud guard and stand. In colors.

Boys' "Adlake" Bicycles
$36.75
equipped with coaster brake, mud guards and stand. In several colors.

Also—
Bicycle sundries in large assortment and at moderate prices.

Macy's—Sporting Goods Dept., Fifth Floor Centre.

R. H. Macy & Co
HERALD SQUARE Inc. NEW YORK

Macy's Macy's

NEXT SUNDAY, AUGUST 10th

The New York SUN will publish the first of a series of twelve articles on educational topics:

"The Country Day School"

by Joseph Dana Allen

Headmaster Polytechnic Preparatory School.

The following is a list of well known educators who will contribute articles to this important series to be published on consecutive Sundays throughout August, September and October:

John Grier Hibben, President, Princeton University,
Kenneth M. Sills, President, Bowdoin College,
James R. Day, Chancellor, Syracuse University,
Charles F. Thwing, President, Western Reserve University,
Homer St. Clair Pace, Pace Institute,
Horatio Nelson Drury, Pace Institute,
John H. MacCracken, President, Lafayette College,
Mary E. Wooley, President, Mt. Holyoke College,
Hafiy A. Garfield, President, Williams College,
Alexander Meiklejohn, President, Amherst College,
William Herbert Perry Faunce, President, Brown University.