

AUSTRIAN MATTERS AS ALLIES REFUSE LOAN TO SAVE HER

Supreme Council in Paris Flatly Rejects Proposal for Quarter Billion Issue to Rescue State.

PRIVATE BANKERS SHY

Critical Financial Position of Powers Shown When Britain Admits She Has No Loanable Funds.

By LAURENCE HILLS. Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Paris, Jan. 25.

Grave fears are entertained here tonight that a serious political and social catastrophe is impending in Austria which might easily spill over into adjoining countries.

The gravity of the Austrian situation, where a revolution has been held off with greatest difficulty since last Friday, the day following the expiration of the ultimatum by technical trades in which they threatened force unless internal reforms were effected, was accentuated today when the Allied Supreme Council flatly rejected the proposal for an allied loan of a quarter of a billion dollars, payable in ten yearly instalments of \$25,000,000 each and guaranteed by pledges on Austria's resources.

The premiers held that it was entirely out of the question for the Allies to undertake to make such a loan in the present state of their finances. The proposal that such a loan should be made to Austria was by Sir William Goode, president of the Austrian section of the Reparations Commission, and upon such a loan being made Austria's last hopes hung, reports from Vienna being that Chancellor Mayr's Government was virtually hanging on that end of the telephone line, hoping to announce that the loan would be made and thereby avert a revolution.

Germany or Sovietism.

"Unless the next twenty-four or forty-eight hours bring salvation, Austria is lost," it was said at the Austrian Embassy here this afternoon. Officials there added that the Austrian revolution had only been postponed while waiting on the Paris conference of the allied premiers.

Despatches received here from Vienna indicate that the labor unions there want to put the Allies face to face with a fait accompli by immediate annexation, through forcible measures, to Germany. Meanwhile the Austrian Communists are making plans to proclaim a Soviet republic.

French officials tonight see Austrian annexation by Germany as a probable result of a revolution, but coming at a time when the disarmament of Germany still is unenforced, they believe such a revolution will only serve to increase Germany's spirit of defiance, in which event allied military intervention, at least for the purpose of control of the Austro-German frontier, must be exerted to prevent a westward spread of the revolutionary conflagration which Germany has been predicting for the last twelve months.

Private Loan Unlikely.

The only hope for Austria now seems to lie with private bankers in allied countries coming forward to her aid, but it is feared here that even if this were done, private bankers, especially in France and Italy, have their hands full trying to avert financial disaster in their own countries.

The financial position of the Entente powers individually, in so far as aid to another country is concerned, was never better illustrated than by the attitude shown toward the Austrian loan proposal by the Reparations Commission today, when Great Britain was forced to admit she had not a dollar to lend and that only with the greatest difficulty was she meeting her own interior needs.

The British delegates called attention to the difficulty encountered in London in connection with the \$10,000,000 loan just raised and to the fact that Government loans to Austria would mean increased taxation, which the British people would not stand.

Sir Robert Horne, president of the British Board of Trade, the Italian French Minister for the Liberated Regions, and Signor Giannini, a well known Italian economist, who were named by the President to study the Austrian situation, began studying the private loan plan this afternoon, but this portends more delay.

During the discussion this general opinion was developed that it was useless to try to do anything for Austria apart from the solution of the economic problems of the neighboring countries, with which Austria's future is bound to be closely connected. The tendency is, it appears, to reject any proposition likely to involve increased taxation for France and Great Britain. The Italian viewpoint is that Austria should not be allowed to bind herself to any particular country or group of countries through international arrangements.

DROP IN U. S. EXCHANGE.

AMSTERDAM, Jan. 25.—To-day for the first time in months American exchange fell below 3 guilders to the dollar. To-day it was quoted at 2.95 and 2.96, as compared with about 3.30 two months ago. The decline was due, according to bankers, to a decrease in American exports to Holland.

MILLERANDS TEACH ECONOMY BY ABANDONING ELYSEE FETES

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Paris, Jan. 25.

PRESIDENT and Mme. Millerand today gave a lesson in economy to the French nation when they announced they would not give the usual series of balls, receptions and dinners such as made the Elysee Palace famous in the days before the war.

"There are too many families in mourning, too many workers experiencing hard times, too many one-time residents from the devastated regions who, lacking shelter there, are unable to return to their homes, too much misery to be alleviated for the chief of the State to think of giving fetes," the President announced.

"I think, like Mme. Millerand, that it would be more useful to employ the money which would be spent in giving balls to aiding suffering, and especially the children."

There will be only two receptions at the Elysee Palace this year, the first to be held this month for the diplomatic corps and the second in February for members of Parliament only.

U. S.-JAPAN ENVOYS REACH AGREEMENT

WASHINGTON, Jan. 25.—Negotiations between Ambassadors Morris and Shidehara for the settlement of the California question and the definition of the rights of Japanese in the United States have been successfully concluded.

Approval of the conclusions of the two Ambassadors must be given by their Governments before any further action looking to a settlement of the controversy that has arisen over the California anti-alien land law can be had. Baron Shidehara has submitted his report to the Foreign Office at Tokio and Mr. Morris has his report ready for consideration by Secretary Colby, who is expected to return to Washington Thursday from South America.

Members of the Senate Foreign Relations Committee have been kept advised by Mr. Morris of the various phases of the negotiations so that if the committee desired to consider the remaining days of the present session any treaty which President Wilson might submit the way would be cleared for prompt action.

Administration officials have had no assurance that it is the purpose of the Republican leaders to endeavor to dispose of any American-Japanese treaty at present, but it is understood that some representatives have been made from Republican sources that it might relieve the Harding Administration of a considerable burden if such a treaty could be concluded during the present session.

These representations are said to have been based upon the theory that the so-called California question can be considered by the Senate, and by the House as well, as a purely non-partisan question.

SENATE PAVES WAY TO NAVAL HOLIDAY

WASHINGTON, Jan. 25.—The Senate today unanimously approved without a record vote a resolution by Senator Borah (Iowa) which has for its purpose a suspension for six months of the American naval building programme. The resolution itself merely calls for a report to the Senate by the Naval Affairs Committee for an opinion whether "it is practical and also a sound policy" to have such a suspension, and further looks to an investigation to determine what constitutes a modern navy.

It does not mean of course that the Senate approves a six months' suspension of the naval building programme, but that is what Senator Borah hopes for as a part of his broader purpose to obtain agreement by the United States, Great Britain, and Japan for a material reduction of naval armament.

No member of the Naval Affairs Committee was present when the resolution was passed. Senator Lodge (Mass.) said he saw no objection to adoption of the resolution, and it was adopted with but a few minutes' discussion.

"I do not wish to discuss it now," said Senator Borah. "It merely calls for information with reference to feasibility and wisdom of suspending our naval programme for six months. Great Britain, I understand, has adopted such a proposal for the purpose of ascertaining, if she may, the real revelations in the war with reference to what constitutes a modern navy."

"I realize the importance of such knowledge," interposed Senator Underwood (Ala.), minority leader. "It is a problem that confronts not only the Naval Affairs Committee, but all the world as to whether the present plans for naval armaments should be proceeded with."

"What I desire to know is whether or not the Naval Affairs Committee has considered the question," continued Senator Borah. "And if so what information it has. I intend to follow it up with a resolution directing an investigation of the entire question if the report from the Naval Committee is satisfactory."

"I hope the resolution will be adopted," said Senator King (Utah), member of the Naval Affairs Committee. "I think the committee within a reasonably short time and during consideration of the naval appropriation bill may obtain the information it calls for. I believe now is the time for this Government to continue military and naval armament, and I hope the committee will make an adequate investigation to determine whether we might suspend naval operations so as to relieve the American people and the peoples of the world of the heavy burdens of maintaining large armaments."

TOKIO GOVERNMENT ARRIGNED IN DIET

Failed in Diplomacy With U. S., Says Member.

By THE ASSOCIATED PRESS.

TOKYO, Jan. 25.—In the Diet today Representative Kotaro Merchizuki, a member of the Kensei-Kai party, for two hours arraigned the Government for its alleged failure in diplomatic negotiations with the United States, Great Britain, China and Italy.

Mr. Kotaro Merchizuki quoted extracts from a Foreign Office pamphlet on the California question. He then said that Foreign Minister Uchida had been waiting and trusting to Mr. Morris, "a respectable gentleman, doubtless, but who may not be invested with full powers to negotiate the existing controversy."

Viscount Uchida, disregarding the personalities indulged in by the speaker, explained that Japan should not expect to have everything her own way in the negotiations which were in progress in Washington. He declared he was confident a suitable arrangement eventually would be concluded.

Gen. Kato Tanaka, the Minister of War, said it was not the intention of the Government to carry out the projected extension of the army to twenty-five divisions in the next decade, but to strengthen the existing twenty-one divisions to a point necessary for the country's defence.

Restriction of armaments will be considered by the Japanese Government, but little hope is held out by Viscount Uchida that there will be any immediate movement toward disarmament. The Foreign Office spokesman said that the limiting of armaments was being discussed by the Powers.

"Some practical men abroad, however," he declared, "do not approve of immediate disarmament, although they agree in principle. The existing German situation is one factor which prevents a complete agreement on the subject. Some people believe Japan has no intention to restrict armaments because Viscount Ishii, Japanese Ambassador to France, favored the opinion of practical men who object to reduction. Japan's naval policy, in not one of expansion, but in one that cannot be avoided in the interests of self-protection. Japan, however, is ready to consider the subject of curtailment, in order to assure world peace, in case any Power should make such a proposal."

Viscount Kato, opposition leader, in

DANIELS SEEKS TYPE OF FUTURE MIGHTIEST SHIP

WASHINGTON, Jan. 25.—The Navy General Board has been instructed by Secretary Daniels to institute an investigation into the probable design of "the type of ship that will form the main strength of the navies of the world of the future," and particularly into the possibility of aircraft and improved submarines displacing capital surface vessels. It was learned tonight. The board's orders are to conclude the investigation in time to report early in February. In his letter directing study of the subject Mr. Daniels said:

"It seems to be evident that this Congress is not disposed to authorize the construction of any capital ships, and due to the amount of construction work authorized for the future, it is in my hand, the Department has not urged the authorization for any battleships other than those which are now under construction.

"The Department feels, however, that the question of design in construction of battleships is an important one and demands continued study and investigation. It is noted that this is extensively discussed in the public press, both in America and England, and particularly in England, in regard to the type of ship which will form the main strength of the navies of the world of the future."

PITTSBURGER BEATEN BRUTALLY IN MONTREAL

MONTREAL, Jan. 25.—Sam Rosen, Pittsburgh poolroom proprietor, was attacked by three unidentified men in his room at the Hotel-Carillon Hotel here today. They beat him into unconsciousness with the butts of revolvers.

Rosen was removed to a hospital, where a judge, accompanied by a court stenographer, took a statement to be used in the event of his death.

300 DEAD ON WAY HOME

BRUSSELS, Jan. 25.—The United States army transport Whatson sailed from here today with three hundred American soldiers dead.

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MURDERED LAD'S MOTHER IS HEARD IN BRINES'S TRIAL

Gives Dramatic Testimony and Shows Friendship for Mother of Accused.

TWO TELL OF SHOTS Evidence of Speeding Car Following Shooting Given to Jury.

CHARRED LETTER SHOWN

Drewes's Roommate Identifies It as One Sent to Accused Student.

Special Dispatch to THE NEW YORK HERALD. PHILADELPHIA, Jan. 25.—Mrs. Christian F. Drewes, mother of Elmer C. Drewes, the slain Dartmouth College senior, took the stand today at the afternoon session of the trial of William P. Brines in Judge William C. Ferguson's court.

Soon after beginning her testimony, Mrs. Drewes, who had been seated and who had spoken in a low tone, arose and spoke in a loud, firm voice, as she bent a fixed gaze upon Brines:

"No, I did not see my boy after 8:30 o'clock on Saturday night, October 16, until he was brought home to me dead—murdered."

The incident was the most dramatic occurrence in the second day of the trial. It was preceded by a little scene which also impressed the spectators. They were shown that Mrs. Drewes and Mrs. Annie Brines, mother of the accused man, still cherish friendly feelings for each other. To reach the witness stand Mrs. Drewes had to pass Mrs. Brines, who again was seated in the center of the first row. As she did so the mothers exchanged a smile of sympathy and nodded to each other. Again, while in the stand, Mrs. Drewes more than once looked to Mrs. Brines as if asking confirmation of her statements, Mrs. Brines each time smiled and nodded approval.

Tells of Drewes's Plans.

The most significant testimony of the day was that given by Howard L. Heath of Trenton, who was Drewes's roommate at Dartmouth, and who, despite objections by William A. Gray, attorney for the defence, was permitted by Judge Ferguson to tell of a conversation with Drewes on the day he left Philadelphia, October 15.

Heath declared Drewes told him he was going to take the 5 o'clock train from White River Junction to New York, where he was going to see Charlie Schloss, a wealthy young friend. Then, the witness said, Drewes announced he would go to Philadelphia to get an automobile. Heath added that Drewes told him Brines had informed him where he could get one.

Heath identified a bit of charred paper as a letter from Drewes. That piece of black paper, it is said, was among the letters Brines burned.

Ellen Brines, who lives about one city block from where Drewes's body was found, testified that she heard a shot about 9 o'clock in the evening. She also saw an automobile race by after the shot was fired. That she declared, was the same car she had seen proceeding slowly up the road about fifteen minutes before, when she and her 14-year-old daughter returned from church. Mrs. Brines, who has seen Brines's automobile, said the car she saw that night was of the same make as that owned by the accused man.

Heard Cries for Help.

Mrs. Retta Fillmore, who also lives near the place where Drewes's body was discovered, told the jury that at 10 o'clock on the same night she heard piercing cries for help, followed immediately by one shot.

Thomas C. Gammitt, janitor of the West Philadelphia apartment house where Brines lived with his mother, testified that he saw Brines both on the Saturday before and on the Monday after Drewes's body was found. He said he was helping Brines Saturday afternoon to clean his car. Brines told him, the witness declared, to keep the automobile on Sanson street, so his mother would not know he was here. He said he was "going on a party."

Charles M. Schloss of 68 West Seventy-eighth street, New York, a Dartmouth student, related that Drewes had called upon him in Atlantic City on Saturday, October 16. Drewes, he said, wanted to borrow \$500 from him to buy an automobile. Mr. Schloss said he could let him have only \$100, and did so.

Says Germany Will Recognize Soviet Russia

COPENHAGEN, Jan. 25.—A Riga despatch says that Victor Kopp, the Soviet representative in Germany, arrived in Riga today and declared that Germany's recognition of Soviet Russia was practically an accomplished fact. He said that the German Independent Socialists next week would present an interpellation in the Reichstag and demand recognition and that the German Government had decided to acquiesce.

WOULD DAM ALIEN FLOW AT SOURCE

Caminetti Wants to Detail Staff to Foreign Ports to Turn Back Inadmissibles.

REPORTS ON SURVEY SAYS EIGHT NATIONS ARE READY TO HELP STEM TIDE TOWARD AMERICA.

Special Dispatch to THE NEW YORK HERALD. NEW YORK, Jan. 25.—New York Herald Bureau, Washington, D. C., Jan. 25.

Attorney-General Palmer launched a counter attack to-night upon Samuel Untermyer, charging the latter with service to the German Embassy and the German people before this country went to war and after the armistice. He accused Mr. Untermyer of serving secret and sinister interests and quoted Boy-Ed, who was Naval Attaché of the German Embassy here, as saying that Mr. Untermyer was in effect the author of one of Boy-Ed's attacks upon the American people. The Attorney-General said:

"The motives and purposes of personal attacks upon public officials in their governmental conduct are the concern of the public when such attacks are made on behalf of secret and sinister interests.

"The malicious reiteration by Samuel Untermyer of the baseless rumors and false charges which the friends of Germany insistently circulate about the work of the Alien Property Custodian would not call for any reply if his recent activities had not somewhat obscured in the public mind the real character of the man who makes his motives plain. He desires to avoid a significant part of the war's achievement.

"He was vigorously opposed to the Government's policy—as laid down by Congress and carried out by the Executive—in regard to enemy owned property. He refers to enemy owned concerns in this country as the 'properties' of these unfortunate people whose aid and plight he always sought to alleviate.

Quotes Alleged Boy-Ed Letter.

"His exact status, despite his equivocations and denials with respect to these 'unfortunate people,' the Germans, is best shown by an official report of Capt. Boy-Ed, the notorious naval attaché of the German Embassy, who was sent out of the country by our Government. It is addressed to the chief of the German Admiralty Staff, and was captured on Boy-Ed's person in Nazareth, and was transmitted to this country by the German Headquarters of the American Expeditionary Forces in France. In explaining a statement abusing the American people, which he issued on being expelled from this country, Boy-Ed said:

"Every statement was drawn up in its original form by Counsel Samuel Untermyer. He was at the time of my stay in New York the unpaid judicial and legal political adviser to the German Embassy. He is one of the most important, if not the greatest, counsel of the United States, the presumptive successor of Mr. Gerard, if he should leave his ambassadorial post, a former very influential member of the Democratic party of New York State, a personal friend of Warburg, Federal Reserve Bank of the Secretary of Justice, the chief State counsel of New York, etc.

"Untermyer's statement was inordinately long and was a sharp, in my opinion, very cleverly written and well grounded attack on the American Anglo-phobe press for the protection of the German official personalities in the United States, and particularly in defence of the logic of my proceedings. Mr. Untermyer insisted particularly on such a statement on unflinching grounds as the foregoing shows, because my departure had to be utilized in any circumstances to the advantage of the officials remaining behind, especially the German Ambassador. At the last minute I decided in collaboration with Chief Frivy Godec for Russian territory, or to Argentina and other South American ports.

He suggested that the immigration bill ought to be referred to the Secretary of Labor before being reported to the Senate, but did not express his individual opinion on the measure. That he may have been deceived, when he will continue his testimony.

The report of Mr. Caminetti, it was recalled, upheld the recent cable despatches to THE NEW YORK HERALD showing the effect on the correspondents in Europe could see no signs of an enormous exodus to America. These despatches were read into the official records of the Senate Committee on Immigration at earlier hearings and were considered to have an important bearing on the important question now under consideration.

BOY-ED'S ATTACK ON U. S., SAYS PALMER, WAS UNTERMYER'S

Attorney-General Asserts Captured Letter Tells of Aid to German Agent.

SEES SINISTER MOTIVES Lawyer, Under Cover, Was Chief Counsel of Kaiser's Aids, He Charges.

CITES NOTE BY ALBERT Serves Old Clients by Trying to Save Alien Property. Tirade Concludes.

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U. S. in First Suit for Sinking by German 'U'

WASHINGTON, Jan. 25.—The first suit to recover damages from the Government for a ship sunk by German submarines during the war was begun today in the Court of Claims by the New York and Porto Rico Steamship Company, which claims to have been damaged \$2,750,000, the value of its steamship Carolina, which while under Government operation and bound from San Juan, Porto Rico, to New York, was attacked by a German submarine and sunk off the New Jersey coast on June 2, 1918.

The company has been paid \$937,500 by the Shipping Board and sues in the Court of Claims for a balance of \$1,812,500.

MORROW MAY ASK FEDERAL TROOPS

Night Riders of Kentucky Tobacco War Must Observe Law, He Says.

INSURANCE IS CANCELLED Grows Face Utter Loss Now if Barn Burning Threats Are Carried Out.

Special Dispatch to THE NEW YORK HERALD. LEXINGTON, Ky., Jan. 25.—Gov. Morrow said today that he would ask the United States Government for troops, if necessary, to put down any outbreak by night riders, who have warned tobacco growers that their barns would be burned and their crops destroyed if they sold their product at prevailing prices. He sent word to all county authorities that he would support them in any movement against the vandals.

"I am going to back up the county authorities with all the power of the State," the Governor said, "to break up any attempts at violence or intimidation. Kentucky shall not be given over to any such lawlessness if I have to call for Federal troops to prevent it. The people should condemn such outbreaks in such certain terms that the lawless element will understand that public sentiment is against it."

One of the most important developments in the situation arising from the warnings of the night riders is the action of insurance companies in notifying their agents at Paris to cancel all outstanding policies on tobacco and tobacco barns.

"Due to unsettled conditions in the tobacco market," the notice says, "and the large number of severe losses of tobacco in barns, which we hoped would abate but which have steadily increased with no prospect of a letup, we must ask you to cancel immediately all outstanding policies covering tobacco in barns and also liability on tobacco barn buildings."

If this order is issued generally throughout the State it will take away from the farmers the last remaining protection against an outbreak of night riders, and their loss will be complete if the vandals burn their barns. Several of them suffered heavy losses today when a barn in Bourbon county and another in Mason county burned, though the latter were not of incendiary origin. In western Kentucky forty-five were burned last autumn, however, during the trouble in the "black patch" district.

Advices today from Mount Sterling said that Henry Prewitt, a tobacco grower and Presiding Judge in the district in which the night riders were not farmers last Sunday, has ordered the Grand Jury to investigate the raid and attempt to fix responsibility for it. In Lexington Special Judge Stoll has issued warnings against any attempt of the night riders to operate near here, and has instructed the Grand Jury to investigate any outbreak that might occur.

Lexington is the tobacco capital of the State, eighteen large warehouses being located here. If there is any general trouble they will be placed under heavy guard.

HARDING TAKES DIP IN SURF AT VERO, FLA.

Plays 18 Holes of Golf Also—Palm Beach Expects Him.

VERO, Fla., Jan. 25.—The houseboat Victoria, bearing President-elect Harding on his vacation trip, anchored here to-night at the end of another day of uneventful sailing down the Indian River. She will continue her journey to-morrow and reach Palm Beach by to-morrow night.

Today's run was completed in time to permit the President-elect and his companions to play eighteen holes of golf at the Vero links and take a surf bath before nightfall. Mr. Harding was welcomed at the Golf Club by members of the Ohio winter colony, but in deference to his wishes plans for a formal reception in his honor were abandoned.

At the present rate of travel the Victoria should reach Miami, the southern terminus of her trip, by Friday. She has no fixed schedule, however, and it may be decided not to go into Miami until Saturday or Sunday.

WORLD'S MINERS URGED TO SUPPRESS OVERTIME

Supreme Council Asked to Join Supply and Demand.

LONDON, Jan. 25.—The Miners' International Congress to-day passed a resolution, based on reports of German delegates, appealing to the Supreme Council in Paris to take action for more closely relating the supply of and demand for coal and raw materials throughout Europe.

The resolution also called upon miners in every country to suppress overtime.

MILLER, REJECTING BUSES, INSISTS ON HIS PROGRAMME

Governor Tells Hylan That State Supervision of Transit Is Inherent in Police Power.

NO RIGHTS ABROGATED Loose Thinking as Well as Loose Talk He Blames for Misdirected Official Activities.

LEGISLATORS TO CAUCUS New York City Men May Fight Plan, but Total Vote Is Minority of Senate and Assembly.

Special Dispatch to THE NEW YORK HERALD. ALBANY, Jan. 25.

Gov. Miller told Mayor Hylan and other members of the Board of Estimate when they met today in the Executive Chamber that they were not only indulging in loose talk, but were thinking loosely by insisting that the Legislature was robbing New York of the right of home rule in dealing with transit and other public utilities issues.

The Mayor and his associates came up to urge the Governor to back their request to the Legislature for authority to operate municipal bus lines. They spent an hour facing the Governor and when they went away they knew that Mr. Miller was not going to help them. They also had a clear view of what the Governor thinks of the city's transit plight. Evidently the city officials did not have a very happy afternoon. The bus bills are as good as killed.

This plain talk, amounting almost to a flat showdown between the Governor and the Mayor, was the climax to a day of swift developments in the transit situation. The New York delegation seized upon the Governor's message as the challenge to the eight cent fare battle, and sensational charges were made in the Senate concerning the Brooklyn Rapid Transit receivership.

Would Be a Minority Probably.

The New York Senators and Assemblymen continued their effort to organize as a unit to oppose the Governor's policy. The up-State organization appears to be solidly behind the Governor, so that even if the sixty-three Assemblymen and twenty-three Senators from New York city are able to perfect a working transit agreement they probably will be only a minority.

Gov. Miller listened while Mayor Hylan, Henry H. Curran, Borough President of Manhattan, F. H. La Guardia, President of the Board of Aldermen; the other Borough Presidents and Commissioner Grover Whalen presented arguments showing why they believed the city should have power to go into the bus business.

"It is an error to hear what you have to say," the Governor began, slowly. You can address an appeal to the Legislature as well as I. The fact of your coming here shows how desperate is the city's situation. From some cause the city's transportation problem has drifted to where it is.

"This is not a question of bus lines; it is not a surface car, elevated or subway question. If we are to go on dealing with it piecemeal as a bus or some other question we are never going to get anywhere. There must be one correlated power centered somewhere to deal with the whole thing.

"The Borough President of Manhattan has challenged my expression of power to regulate public utilities. With all respect, I think that there is not one question we are never going to get anywhere. There must be one correlated power centered somewhere to deal with the whole thing.

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Legislature Possesses the Power.

"You speak of control of education. Of course, that is a State function, but the power to regulate public utilities is a part of the police power, and as it can be exercised only as a part of the police power, it necessarily inheres in the State and can belong nowhere else. Undoubtedly the Legislature might delegate that power.

"Equally, the Legislature cannot delegate to the extent of depriving itself of the power of exercise, because that would plainly be the delegation of a power which necessarily resides in the State Legislature itself and nowhere else.

"Now, the truth is, that it will be impossible to find anywhere, either in any constitutional provision or in any statute, a delegation to any municipality in the State of the power of regulation of public utilities. The truth is that that power arises and has created this confusion of thinking, leading to what I call loose talking, from an entirely different source.

"The constitutional provision in the Constitution of 1877, which required the consent of municipalities to the laying of tracks in streets—the local consents as they are called—was not a delegation of any power of regulation of public utilities. It imposed a condition