

REICHSTAG SOLID FOR REJECTION OF REPARATION PLAN

Parties Back Government's Attitude After Three Hour Dispassionate Debate.

DERISION BY LEDEBOUR

If Germany Had Won, He Says, Conservatives Would Have Exacted Larger Tribute From Allies.

COMPROMISE IS SOUGHT

Ex-Chancellor Mueller Hopes Entente Will Not Force Economic Crisis Into Catastrophe.

BERLIN, Feb. 2.—The Reichstag parties through their leaders to-day scolded the Government's attitude to reject the reparation terms decided by the allied Premiers at Paris.

Dr. Paul Levy, for the Ultra Radicals, told the Reichstag that the present situation was mirth provoking, inasmuch as it recalled the outbreaks of official and Bourgeois anger after the armistice terms, the Versailles Treaty and the Spa agreements were published.

President Loeb, at the conclusion of the debate, commended the parties and their speakers on the unanimity of their sentiments. He hoped the Entente would listen to the warning voices and spare the German people and itself the inevitable consequences unless the reparation terms were radically revised.

Hope in Counter Proposals.

Dr. Schiffer, former Minister of Justice and Herr Mueller, former Chancellor, both approved the declaration by Dr. Simons and trusted that the counter proposals would lead to an agreement with the Entente.

"East Prussia," he went on, "expects of the Fatherland that she will not be abandoned in the face of the Bolshevik danger. No German ought to assist the Entente in imposing unprecedently hard disarmament conditions."

Expressing approval of the Foreign Minister's views on reparations, Dr. Hergt concluded: "May the German people in the hour of decision find itself equal to the occasion."

Germany Intended to Exact More.

Georg Ledebour, Independent Socialist, denounced Dr. Hergt for having, as he put it, learned nothing from the war and forgotten how his party had sinned. He said the attitude of the Independent Socialists was, that however justifiably angry they might feel at the Entente demands, they must not risk the possibility of warding off by negotiations the dangers threatening Germany.

Herr Ledebour said he regretted that Dr. Simons' speech might create the impression that the Government would refuse to negotiate except on the basis of its own counter proposals, and urged the Government not to refuse if the Entente submitted new proposals.

The speaker said he regarded the disarmament demands justified, but that he objected to the total clauses of the treaty on the ground that they would hamper Germany's economic development.

He derided the Conservatives' "eloquent protests," in view of the fact that had they won the war they intended to exact even larger tribute.

The press without regard to party affiliations approves the Government's declaration, voiced by Minister of Foreign Affairs Simons, to the effect that the Entente reparations demands are not feasible of execution.

The prevalent opinion was that Dr. Simons had not burned his bridges behind him and that his presentation of the German attitude might enable him to gain important time both in anticipating the attitude of the new American Administration and in reaching a definite settlement of the fate of Upper Silesia.

FRANCE AND POLAND PREPARE TO CRUSH COMING REDS' DRIVE

PARIS, Feb. 2.—A possible Bolshevik offensive in the early spring against Poland and other States bordering on Russia will be the chief question discussed by the heads of the Polish and French governments at their forthcoming series of conferences, it was learned to-day.

Renewal of the Bolshevik offensive is regarded as quite probable in French official circles, and the Polish Minister of War, Gen. Solnokowski, and the officers accompanying him will confer with Marshal Foch on the best means of meeting the situation.

French military leaders say it is expected the offensive will not cause serious alarm and can be halted without great difficulty.

Among other things the Polish-French meeting will probably develop a trade agreement, but the Foreign Office says there is little likelihood that a military treaty will be arranged, as some of the newspapers predict.

The conferences will begin to-morrow when President Pilsudski of Poland, with a large party of high Polish officials, will arrive here. President Millerand, Premier Briand, Marshal Foch and other prominent French officials are to take part in the meetings.

The above news confirms special despatches from Capt. Francis McCullagh, now on the borders of Soviet Russia, printed in THE NEW YORK HERALD. Capt. McCullagh told of heavy concentration of Bolshevik troops on the borders of Poland and the Baltic States and of Red preparations for a westward thrust in the spring.

NEW SAFEGUARDS FOR U. S. URGED

Congress Leaders Think Reparation Terms Disregarded American Interests.

ENTENTE SEEKS VANTAGE Report of an Anglo-French Agreement Against This Country Is Doubted.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., Feb. 2.

Members of the Senate and House are becoming more and more convinced as various phases of the reparation terms for Germany as agreed to by the Supreme Council in Paris are studied that the United States and her interests will require new safeguards. The situation has intensified the difficulties confronting President-elect Harding and his Administration in the creation of a foreign policy.

Beyond this general statement, however, few members of Congress are willing to comment. The despatch in to-day's NEW YORK HERALD from Berlin stating that in certain German circles it is insisted that beyond the Paris reparations agreement an Anglo-French commercial alliance against the United States, hurriedly arranged in advance of Mr. Harding's inauguration, aroused keen interest.

It is agreed that since the United States is not a party to the Versailles Treaty and likewise is the creditor nation of all the Entente Powers, any terms of settlement with Germany that the Allies make will be guided wholly by the interests of those Powers and not at all by any consideration for the interests of the United States.

Senator Moses, Republican (N. H.), of the Foreign Relations Committee, does not believe there is a specific alliance between France and England, although he regards it as certain that the nations they will take any advantage they find possible. "I cannot share any opinion that the fixing of Germany's indemnity at Paris was done with any hostile purpose toward the United States," he said.

"If so, those making the agreement were much more short sighted than those who drew the original Treaty of Versailles. It is well known that after March 4 the Republican Administration, with an overwhelming majority in both branches of Congress and a Republican President in the White House, will immediately proceed to enact a protective tariff bill to guard us against the commercial competition of all the world and especially against the intense competition that may be expected to come from Germany from the processes of industrial restoration she will institute as part of her recovery from the world war."

"The clapping on of a 12 per cent. duty on the value of all German exports puts the game of the United States just 12 per cent. As for the theory that there is an Anglo-French agreement hostile to the United States, I would not dignify it by that formality, but that there is an Anglo-French-Japanese and a world-wide animosity toward the United States, I am quite willing to believe. This constitutes the most dangerous inheritance that President Harding will receive from his predecessor in office."

"They hate us because they believe Mr. Wilson flummoxed them, and they intend to try to make Mr. Harding and his Administration the scapegoat. They hate us as every debtor hates his creditor. And, above all that, they hate us because they realize that the vigorous expression of the outraged sensibilities of the American people called the turn on their scheme of spoliation as written into the Treaty of Versailles."

"I would never be surprised at any alliance formed between any two nations with a view to getting a commercial or political advantage over the United States," said Senator New (Rep. Ind.), member of the Foreign Relations Committee. "One thing is certain. None of the other nations is going to overlook anything which may be turned to its advantage for fear that it may be to the disadvantage of the United States. They are not going to constitute themselves the guardians of America, a creditor nation, while they are the debtor nations."

Senator Smoot of Utah said that so far as he has studied the reparation terms it seemed to him they worked an injury to the United States.

SENATOR—TAKES "FLORIDA SPECIAL" TO Miami, Fla., to meet weekly sailing. Atlantic Coast Line R. R. Office, 1248 B'way.—Ad.

HUGE FRAUD BARED IN CUSTOMS HERE; CHIEFS INVOLVED

Collector of Port Uncovers Worst Scandal in Service for Years.

41 INSPECTORS TO GO Arrests Expected in Move for General Cleanup in New York.

ILLICIT LIQUOR TRAFFIC Newton in Washington on Case—Action of High Officials Coming Soon.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., Feb. 2.

The most far-reaching scandal in the customs service in recent years has been uncovered in New York by Byron R. Newton, Collector of the Port. Two score employees and a number of high officials are involved. Six customs inspectors have been dismissed from the service and at least thirty-five others are to be dismissed. Criminal action in some cases is possible.

Sensational developments in the cases are expected within the near future. Treasury officials refused to discuss the case or to go into detail with regard to the charges. Collector Newton, it is known, has been in Washington several days in conference with officials. When seen before leaving for New York to-night he refused to comment or give the details. He said:

"It is true that special agents of the customs service have placed in my hands certain information about conditions in New York which I have discussed with the Treasury Department. An investigation is in progress and I shall push it through to a finish. That is all I can say at this time."

The Collector would not give any details nor confirm statements made in regard to dismissal and charges of bribery on the part in New York. It was learned from official sources here, however, that there will be a general cleanup in New York and that there may be some arrests.

The scandal, it is emphatically stated, is in no way related to or connected with reports of sensational disclosures with regard to prohibition enforcement in New York city and State, but liquor is largely at the bottom of it. It is known that some of the charges on which dismissals are to be made and have been made have to do with the illicit bringing into the country of contraband whiskey from Europe and countries of the Western Hemisphere. The matter is much more far-reaching than this, however.

Treasury officials are reluctant to discuss the affair because they say it will interfere with the investigation, which may run over several months. While two score employees and officials are now involved, there are many others who are under suspicion, and it was hoped to clear up the case before it gained any publicity.

Despite the general secrecy it is apparent, however, that the scandal is the greatest uncovered since the famed sugar frauds that attracted nationwide attention during the Roosevelt Administration.

Complete data on the situation was brought to Washington by Mr. Newton, who crossed the frontier (and Houston, officials of the customs service and a number of special agents. It was learned through the customs service that action in regard to the "higher up" is impending and that it was this phase of the matter that brought Collector Newton to Washington on a three day visit.

So far as could be learned from officials here the scandal is confined to the New York district, though there are reports of summary action to be taken in the cases of employees and certain minor officials at a number of other ports.

MEANS TO AVOID EXTREME DECOLLETS GOWNS Diplomats at Holy See Get Another Warning.

ROME, Feb. 2.—Although a majority of the women who attended the reception given Monday night by Senator Erasmussen, the Chilean Ambassador to the Holy See, avoided extreme décolleté gowns, some of them followed present fashions and displayed arms and shoulders.

This fact was reported to Pope Benedict, and a circular is being sent to all diplomats accredited to the Holy See, asking them on the occasion of official receptions to add to the invitations, a note saying that owing to the probable presence of members of the Sacred College and other ecclesiastics, women are requested to conform to Papal etiquette by avoiding excessively décolleté gowns.

FLOWERS BLOOM IN KANSAS. TOPEKA, Feb. 2.—Wild flowers are in bloom and wheat is as green as in spring, an almost unprecedented condition for February, says the weekly report issued to-day by the Weather Bureau.

Band of 15 Assassins Discovered in Spain

SEVILLE, Spain, Feb. 2.—The Governor of the Province announced to-day the discovery of a terrorist plan of campaign being carried out by a band of fifteen, called "Charlots," a bunch of whom has been receiving twenty pesetas daily. Assassins were chosen by lot, according to the Governor, and they executed orders without question. The authorities say they are tracking the entire band.

POLICE HIGHER UPS FACING FIRE FROM WHITMAN INQUIRY

Revelations by Armstrong May Bring Indictments in Graft Deals.

IN CHAIR AGAIN TO-DAY Probe Centres on Police Traffic in Booze and Stolen Automobiles.

TOOK CARS FOR OWN USE Fireman Whose Trial Was Suppressed Is Expected to Furnish Valuable Facts.

The Whitman investigation of charges of graft in the Police Department centred yesterday on stolen automobiles and outlaw whiskey. The Grand Jury had another session with Mr. Whitman's reluctant but plain spoken witness, Detective Sergeant John Armstrong, late of the automobile squad. It finds his testimony so absorbing that he will be on the stand again to-day. Although Armstrong has refused to speak of matters not within his personal knowledge, it can be said that other and higher members of the police force are in much greater danger of indictment than they were two days ago.

In his canvass for proof that certain policemen have handled and dealt in liquor in defiance of the Volstead act, Mr. Whitman found it necessary yesterday to seek the cooperation of the Federal Government. One of his assistants had a talk with Daniel E. Chapin, prohibition enforcement supervisor. In this meeting secrecy of procedure was agreed upon.

Speaking of the stories that have come to him of police activities in the transportation and disposition of booze, Mr. Whitman said: "It's a pretty big subject. Some of the statements made to me seem incredible, but I don't say they're not true."

POLICE DENY TRADE IN LIQUOR. Two days' employment of the subpoena power has not furnished corroboration of the stories, however. More policemen from the West Thirtieth and former West Thirty-seventh street stations were examined by William Chivers of the Police Department. One of his assistants had a talk with Daniel E. Chapin, prohibition enforcement supervisor. In this meeting secrecy of procedure was agreed upon.

So far as we have gone that is not true. I do not find any record that the liquor was turned over to the Federal police. I do not see where is not such a record, but I do say, it has not been shown to me thus far."

That policemen have bought and sold stolen cars, making considerable money thereby, in addition to collecting rewards for the return of cars while ignoring the thieves, are charges the facts of which seem clearer to the investigators as John Armstrong continues his testimony before the Grand Jury. Mr. Whitman also believes that members of the department have converted to their private use automobiles known to have been stolen and disguised. He believes that at least fifteen or sixteen men will be shown to have done this. But he disclaims specific knowledge concerning reports against one of the superior officers at headquarters.

"I have only heard the rumors you have heard," was his answer to a question about an officer who was reported to have enjoyed himself last summer in a car which is one of the headlines of American manufacture.

"That I was," he replied. "It is not the law, but it has been the custom to appropriation 40 per cent. of the reward received by the police to the departmental relief fund for women and children. I think you will find that some of the men who received rewards for automobiles had them paid in cash for exactly the reason you indicate."

ARMSTRONG CLEARS HIGHER UPS. It is assumed by those who have been following the investigation closely that Sergeant Armstrong, when he was before the Grand Jury yesterday, must have been asked whether he divided with any of his superiors the rewards he got for the recovery of automobiles. It is understood that his answer was an emphatic negative. It is supposed that Armstrong was able to give positive information, however, regarding the manipulation of the lost machines and to enlighten his questioners as to the reason why the police went after the automobiles rather than the thieves. The next step in the inquiry seems to be an attempt to ascertain how extensive has been the buying and selling of stolen cars and the identity of members of the Police Department who have been concerned therein.

Altogether, Armstrong's testimony is regarded as of major importance at this stage of the investigation. All Mr. Whitman had to say about it last night was:

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400 Million Nickels Go in Phones in 10 Months

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., Feb. 2.

TWENTY million dollars in nickels were dropped in the slots of pay station telephones throughout the United States during the first ten months of 1920, according to an estimate by A. E. Berry, president of the Chesapeake and Ohio Telephone Company.

This, Mr. Berry said, was an increase of \$2,700,000 over the corresponding period of the year before. To illustrate graphically the \$20,000,000 expenditure he explained that the nickels, if placed edge to edge, would form a line from New York city to San Francisco and then around a thousand miles into the Pacific Ocean.

Long distance telephone business increased \$20,000,000 during the ten months period, Mr. Berry added. The cost of telephoning operation also increased.

\$235,000 STOLEN BONDS RECOVERED

Found in Possession of Brokerage House Here and in Its Chicago Office.

CAME FROM TENNESSEE Detected as Part of \$446,000 Liberty Loan Loot Obtained in Brooklyn Nov. 30.

More than half of the \$446,000 in Liberty bonds stolen by bandits on November 30 from two messengers employed by the banking firm of Kean, Taylor & Co. of 5 Nassau street were recovered yesterday when representatives of the brokerage house of C. F. Childs & Co. of 129 Broadway took \$200,000 of them to the Federal Reserve Bank to transfer for bonds of smaller denominations. After an investigation it was learned that \$145,000 in the bonds were also in the Chicago office of the Childs company.

Officials of the brokerage firm and of the Federal Reserve Bank were questioned by District Attorney Harry E. Lewis of Brooklyn and his assistant, Marshall Snyder. Mr. Lewis learned that the bonds came into the possession of the Childs company's office in Chicago by purchase from the Union and Planters National Bank of Memphis, Tenn., where they had been deposited as collateral on a loan. The loan was not paid and the bonds were sold to the Childs company. When the bonds were taken to the Federal Reserve Bank yesterday afternoon their numbers were compared with lists of stolen bonds and it was discovered that they were part of the lot stolen from Kean, Taylor & Co.'s messengers.

District Attorney Lewis said last night that he will continue his investigation as well as again question officials of the Childs company, although, of course, there is no implication or suspicion that the brokerage concern bought them otherwise than in good faith. Two detectives have been sent to Memphis to learn, if possible, the identity of the persons who deposited the bonds with the bank there and the authorities believe it may be possible to trace the men who stole them.

The messengers of Kean, Taylor & Co., Irving Cohen and Austin Young, were held up by three men near the wire hall plant of Igoo Brothers in 69 Metropolitan avenue, Brooklyn, where they were going with the bonds for delivery. Some time later Antonio Di Gregorio, head messenger for the banking firm, was arrested. He was indicted on charges of robbery, assault and grand larceny, and is under \$50,000 bail awaiting trial.

From statements made by Di Gregorio, though later recanted, the police have been trying to locate a man known as "The Chief," said to have been the head of a social club which had its headquarters in a barber shop in East Eleventh street.

ROBS WOMAN AS 5TH AV. TRAFFIC HALTS COUPE

Thief, Who Got Handbag, Is Caught by Chase in Crowd.

A man reached into an electric coupe driven by Mrs. Arthur C. DeLoach of Cleveland, who is visiting friends in 471 Park avenue, at Fifth avenue and Forty-second street yesterday afternoon about 5 o'clock after the car had been stopped by the traffic jam and snatched a handbag from the seat beside Mrs. DeLoach. Before she realized what he had done the man jumped from the running board and ran.

Mrs. DeLoach drew her car into the curb and followed the man, but she lost sight of him in the crowd. The chauffeur behind her, however, had seen the robbery, and as the man started to run he blew several blasts with his horn which attracted the attention of Patrolman Ryan on the East Thirtieth street station. Ryan and a crowd pursued the man and caught him at Fortieth street. At the police station he gave his name as Joseph Holland of Scranton, Pa.

Mrs. DeLoach is the wife of an electrical engineer and will start with her family for Panama next Saturday. Her purse with \$27 in it was found in the gutter near Forty-first street.

LYNCH LOUISIANA NEGRO. PLaquemine, La., Feb. 2.—George Werner, negro, who shot and dangerously wounded Numa Trecuit, a rice planter, Monday, was taken from jail at Port Allen last night by a mob and hanged to a signpost near the scene of the shooting. Trecuit, shot five times after he had repudiated Werner for delinquency in his work, is not expected to live.

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