plicable strangeness from his lips. Since then he has been quoted as admitting that the Stinnes negotiations were in progress.

## SAY GERMANY WILL SIGN ALLIES' TERMS

### Will Make No New Proposals, but Wait Effect of Time.

*Special Cable to* THE NEW YORK HERALD. *Copyright, 1921, by* THE NEW YORK HERALD.

New York Herald Bureau, London, May 4.

German officials here are strongly inclined to believe that Germany will sign the protocol when it is presented to her by the Reparations Commission, despite the fact that the terms as drawn up by this allied conference are the stiffest yet presented. These German officials, while refusing to be quoted, indicate that they expect their Government to show what might be regarded in some circles as a surprising change of attitude and to meet the terms demanded in the allied ultimatum.

The Germans insist that they are again under the same pressure they were under when the Treaty of Versailles was presented to them—a pressure which was so great they practically had to sign it. They say they do not see how the present terms can be met, but if the ultimatum contains the clauses the newspapers say it does they have almost nothing to do but sign it and then see what can be done, the same as in 1919.

These officials feel sure there will be no further reparation proposals from Germany. They say new proposals would be undignified and useless at this stage of affairs.

"It is obvious that the French aim at splitting up Germany and to completely disintegrate that country regardless of the consequences," one of the highest German officials in London said to-day. "On the other hand, we feel that England realizes what the consequences of this policy would be from an economic point of view and that she is trying her utmost to soften the blow. In much the same way, I think, America is reasoning more calmly and Italy is lined up with them.

"These countries need our markets and are more or less dependent on our business if the world's economic situation is to be restored to normal. So, mindful of these sentiments, regardless of France, Germany will undoubtedly try her best to see a way out when the allied ultimatum is presented."

The Germans say the threat against the Ruhr is not a temporary one, but if it is carried out the occupation is likely to become permanent, and, they declare, Germany cannot "carry on" if the Ruhr is lost to her. They intimate that if the allied ultimatum is signed by Germany they hope that the next few years, with the French militarists dormant, will clarify the atmosphere and develop some solution of the problem on strictly business lines.

The Germans pretend to see a plot, which they hint was hatched by the French, aided by the Poles, to make the crisis more dramatic. They point to the Upper Silesian outbreak as an indication of this and think that perhaps the aim was to throw Europe into an abyss to force the hand of the London conference, and they credit the calmer British and Italian influences for preventing a new sensation.

The Germans will not comment on the American attitude except to say they realize America is in a delicate position, but at the same time they think the United States would welcome an adjustment of the whole troublesome problem, the same as England would, so all parties could get back to work. They do not conceal the fact that they would be pleased if America joins the allied councils, and they express doubt whether the world's business will ever return to normal while such an important contributing party remains away from the negotiations.

## U. S. HAS NOT RECEIVED REPRESENTATION OFFER

### Awaiting Request of Allies to Join Various Boards.

*Special Despatch to* THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., May 4.

The United States has not received the allied invitation to have a representative sit on the allied Supreme Council, the Reparations Commission and the allied Council of Ambassadors. Neither has this Government received notice of any new reparations offer made by Germany.

It was further authoritatively stated at the State Department that this Government had not been officially approached relative to the possibility of the use of allied naval forces in bringing Germany to terms, and it is assumed from the previous attitude of this Government that such a course would not be approved.

It is believed the Administration would be averse to participating in deliberations of the Supreme Council while the projected occupation of the Ruhr Valley is pending.

The Administration would hesitate also about accepting representation on the allied Supreme Council pending the decision of that body on the position of the United States relative to Yap and its claim to participate in any advantages accruing to itself out of the war as one of the victors over Germany.

## BERLIN WOULD WELCOME DR. DAVID JAYNE HILL

### Press Indorses Possible Appointment as Envoy.

BERLIN, May 4.—The newspapers here comment favorably on the possible appointment of Dr. David Jayne Hill as United States Ambassador to Germany, reports of which have been received from London.

"Dr. Hill will be received with open arms by the German diplomats as well as by his own countrymen, for rarely has an American envoy in Berlin enjoyed an equal measure of the popularity that Mr. Hill did on the occasion of his incumbency of the Berlin post," says the *Lokal Anzeiger*.

The *Berliner Tageblatt* assures Dr. Hill that he will find a truly democratic environment in new Germany and that he undoubtedly will feel at home.

## 'EYE OF MOSCOW' TO SEE PARIS NO MORE

### Follower of Lenine to Be Deported From France.

*Special Cable to* THE NEW YORK HERALD. *Copyright, 1921, by* THE NEW YORK HERALD.

New York Herald Bureau, Paris, May 4.

Zalewski, a Russian partisan of Nikolai Lenine, called "the eye of Moscow," who was arrested in France six weeks ago, charged with having incited Communist plotting in this country, has been granted a "non-lieu," but must leave France immediately, to the chagrin of French Reds, who had counted on his aid in causing protests against the mobilization of the class of 1919.

The surety police, at the request of Communist leaders here, permitted Zalewski, accompanied by his wife and baby, to call on his lawyer this afternoon, but two husky policemen guarded the doors, while a squad outside were stationed to prevent the Russian's escape.

Zalewski will leave Paris to-night for Italy, his passport that far being in good order.

# ALLIES UNMOVED BY GERMAN CRISIS

## News of the Fall of Berlin Cabinet Brings No Change in Plans.

## PRELUDE TO YIELDING

## Reparations Terms Will Be Handed to Ambassador in London To-day.

## FULL ACCORD REACHED

## Ruhr to Be Occupied if Germans Do Not Accept Before May 12.

*Special Cable to* THE NEW YORK HERALD. *Copyright, 1921, by* THE NEW YORK HERALD.

New York Herald Bureau, London, May 4.

Just as the allied Supreme Council was completing its labors about midnight to-night word was received here that the German Government had fallen. The news was greeted by the allied chiefs in a way that caused the belief that it was a prelude to German acceptance of the reparation terms, just as in 1919 the fall of the Berlin Government was a prelude to the German signature to the Treaty of Versailles.

It was stated late to-night that the allied conference here will end with formal signatures being fixed to the reparations terms at 9 o'clock to-morrow morning and that the allied ultimatum will then be handed to Dr. Sthamer, the German Ambassador. All the minor details of the work have been cleared up and a complete accord arrived at. The news from Berlin to-night will make no difference in the allied plans. Germany must render unquivocal acceptance of the London terms before May 12 or the Ruhr district will be occupied.

**Final Action To-day.**

The note to the United States was not sent to-night, awaiting final action to-morrow morning, with other formalities.

One of the participants in the meeting, when shown THE NEW YORK HERALD despatch outlining the position of the Washington Administration as refusing to accept participation in the work of the Supreme Council until the mandate question is settled in principle, replied:

"Naturally, I understand perfectly, and I have no doubt an agreement can be reached."

But the mandate question had no place in the crowded discussions here.

Regarding the reparation scheme, it was said that the chief element of value was in its elasticity. It was admitted that on the surface the figures do not accord with the accepted formulæ. No explanation in the usual sense was given of the fact that the bonds have terms of thirty-seven years. But it was stated that the present sinking fund provisions would take care of the entire amount of bonds which could be issued up to the end of this year—namely, £2,250,000,000 (about 45,000,000,000 marks gold).

This is the exact amount which Germany said she could pay at present values. It was said that the further amount issued could be increased and the sinking fund provisions amplified, as German prosperity increases up to a maximum of £6,750,000,000 (about 135,000,000,000 marks gold). Since that portion of the debt not covered by an issue of bonds does not bear the proper interest, it is an easier plan than any other.

**Better Payments Expected.**

Experts presented reports to the council to-day encouraging the belief in better payments from Germany, based on actual and theoretical results of the Rhine tariff barrier. One hundred and fifty milion paper marks were collected there last month, and 300,000,000 paper marks will be collected monthly now that the tariff wall is working fully.

The council again refused to consider the Upper Silesian question. The allied chiefs are greatly disturbed over the Polish intervention at this time, but are firm in their determination not to mix the Upper Silesian problem with reparations and have decided to leave the entire matter in the hands of the plebiscite commission.

# FIGHT OVER DISARMAMENT DRAWING NEAR IN SENATE

## Borah, in Spite of Harding's Wishes, Reintroduces Amendment to Navy Bill and Announces He Will Continue to Seek Its Adoption.

*Special Despatch to* THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., May 4.

The issue of disarmament, in spite of the wishes of President Harding, will come to a head in the Senate soon with the consideration of the Naval Appropriation bill, which was ordered reported to the Senate to-day with the provision for a disarmament policy eliminated. Almost immediately Senator Borah reintroduced as an amendment to the bill his proposal for a disarmament conference between the United States, Great Britain and Japan. A somewhat similar amendment was proposed by Senator Pomerene (Ohio).

In spite of the attitude of certain members of the Senate and the hard fight Senator Borah and others appear ready to make, disarmament appears to have little chance in the present situation, although President Harding's attitude is not in the nature of final action on the subject. He does not take a position in opposition to disarmament, but merely asks that the legislative branch of the Government shall not expose or force his hand in international questions. He is inclined to make it plain that he regards such matters as executive functions, but summed up it means that disarmament action is postponed but not necessarily killed.

There seemed little doubt that Senator Borah will make a vigorous fight to force the adoption of his amendment to the naval bill. He asked that it be referred to the Committee on Naval Affairs and announced his intention of getting a suspension of the rules to make it not subject to a point of order. To offset the activity of Senators Borah and Pomerene Senator Poindexter (Wash.), acting chairman of the committee, said to-night that the President's wishes should be respected and that failure to include a disarmament provision in the naval bill does not mean that the United States is not in favor of disarmament.

Several members of the Foreign Affairs Committee of the House, including Representatives Porter (Pa.), chairman; Rogers (Mass.), and Burton (Ohio), conferred with the President in regard to the proposed disarmament hearings before their committee, in which the views of Secretary Hughes, Secretary Hoover, Secretary Weeks and Secretary Denby were to be sought. They were prevailed upon to postpone the hearings.

# UPPER SILESIA IN CIVIL WAR, POLES ATTACKING GERMANS

*Continued from First Page.*

shooting, principally to terrify the fleeing Germans, who left their houses with doors open, despite which, however, there was no looting or destruction, although the lines of communication were cut.

As the Poles advanced the plebiscite police turned out, and the Polish policemen are reported to have made short shrift of their German comrades, who were forced to hand over their arms and were conducted to the border and driven into Poland. Those who resisted were beaten or shot.

Kattowitz, Koenigschuette, Beuthen and Tarnowitz were invested after minor fighting, with few casualties. By Monday afternoon the whole southern section east and north of Kosel was held by the invaders, who, however, were not in complete possession of Kattowitz and had met their first serious resistance from the Italians in Rybnik.

The right wing of the Polish forces then turned north from Tarnowitz, and to-day are reported marching unopposed toward Lubinitz, although rumors are current here that the Germans are forming in Rosenberg, twenty-five miles from Oppeln, either for defence or a counter drive.

Interallied officials heard these rumors with some credence and considerable concern. Major S. Watts, British representative, said: "If the Poles keep up their advance we will have civil war here. So far there has been no serious fighting, but now it looks probable.

The Germans bitterly charge the French with permitting the move to mature long after it was known that Korfanty was planning to drive out the Germans.

The British here are outspoken in blaming the Poles for the whole affair, and this has developed friction between them and the French, and there are reports in official circles that if the French fail to reestablis horder and the British officers are not withdrawn they are likely to resign in a body.

WARSAW, May 4.—Adalbert Korfanty, the Polish plebiscite commissioner in Upper Silesia, has been recalled because he exceeded his powers, it was announced to-day.

Warsaw despatches of May 3 announced that Commissioner Korfanty had issued a proclamation criticising the reported decision of the Inter-Allied Commission assigning the greater part of Upper Silesia to Germany, the Commissioner disclaiming responsibility for possible violence which he believed would follow confirmation of the rumors regarding the commission's award.

## GERMANS PROTEST COUP BY POLES IN SILESIA

### Note Sent to All Allied Governments.

*By the Associated Press.*

LONDON May 4.—Dr. Sthamer, the German Ambassador here, to-night presented a note to the Foreign Office protesting against the Polish coup in Upper Silesia as an apparently concerted effort to take the province by force, and refusing all responsibility for the situation and its consequences.

The note has also been communicated to the other allied Governments. It declares that by the action of irresponsible Polish agents and provocateurs a strike has been engineered in Upper Silesia through the whole mining and industrial areas, terrorizing the workers and preventing them from carrying out their tasks, while Polish sokols and armed bands cover the country as far as Ratibor.

The organized destruction of railways and bridges, it is asserted, shows a prearranged plan for Polish insurrections. The interallied commission, it is added, has recognized that the German population has given no provocation.

Late in the afternoon Dr. Sthamer presented a second note, stating that the situation had become extremely acute and that the insurgents had seized the entire industrial region, including the districts of Pless, Rybnik and Ratibor and a portion of Lublinitz, Gross-Strehlitz and Oppeln. In fighting at Rybnik two Italian officers and thirteen men were killed. Director Cox of the Preussen mine at Mischowitz and Director Ganse of the Czuschez mine at Rybnik and others have been murdered.

The note says that all mines and factories are at a standstill; that the insurgents are well armed, many of them wearing Polish uniforms; that railways, telephone lines and telegraph wires have been cut and many railway bridges blown up.

The interallied commission, the note declares, admits that the German population is blameless and has promised to intervene with all measures at its disposal, but, unfortunately with the exception of the declaration of martial law, no tangible success in the suppression of the revolt can be observed.

## FRENCH SAVE GERMANS FROM POLES IN SILESIA

### Use Tanks Against Bands Attacking German Towns.

*Special Cable to* THE NEW YORK HERALD. *Copyright, 1921, by* THE NEW YORK HERALD.

New York Herald Bureau, Paris, May 4.

At the moment when the French army is being mobilized against Germany French troops in Upper Silesia have been ordered to protect the towns of Beuthen and Kattowitz, where the German element predominates, against Polish bands. This official information provoked profound concern and caused the *Temps* to comment on the fact that while France is preparing to take the mining and industrial area of the Ruhr Valley as security for Germany's reparation debt the French are acting to prevent similar security being taken away from the Germans in the Upper Silesian towns.

The Polish bands operating in Upper Silesia were said to have been recruited in the mining districts which in the plebescite voted for admission to Poland.

The *Temps* attempts to justify the action of the Poles on the ground that if the industrial areas were given to Germany they would be used later as arsenals in which Germany would prepare for a war of revenge, not only against Poland but against France as well.

**DUKE OF AOSTA COMING.**

ROME, May 4.—King Victor Emmanuel has given his consent to the Duke of Aosta, who is the King's cousin, heading the Italian delegation, which will carry greetings to President Harding.

# INSISTS WESCOTT KNEW OF GOLD POT

## Bailey, Ansell's Partner, Corroborates Testimony Before Inquiry.

WASHINGTON, May 4.—Edward S. Bailey, law partner of Samuel T. Ansell, corroborated before a House investigating committee to-day Ansell's testimony that former Judge John W. Wescott of New Jersey knew all about the story of "the pot of gold" before G. C. Bergdoll, the Philadelphia draft dodger, escaped.

Judge Wescott said yesterday that he first heard of the buried treasure after Bergdoll had escaped. Mr. Bailey also corroborated the Ansell testimony, denied by Wescott, that the Judge went to the War Department to see the Secretary in the prisoner's behalf and remained there some time without seeing him. Mr. Bailey related the gist of a conversation in his office as to plans by which the lawyers hoped to obtain the release under guard of Bergdoll to recover his hidden fortune, and in which the late D. Clarence Gibboney of Philadelphia and Judge Wescott took part.

"While Gibboney was explaining how Bergdoll himself had come to Washington with Judge Romig, his friend, and had obtained $150,000 in gold from the Treasury Department, which took three or four hours to count," said Mr. Bailey, "Judge Wescott sat there and said little. But certainly the impression made upon me was that the Judge knew everything about it prior to our conference, because at no time did he express the least surprise over the statements by Gibboney."

Responsibility for changing military plans, by which Bergdoll was permitted to stop over in Philadelphia to visit his mother instead of proceeding direct to Hagerstown, Md., near which the money was supposed to be buried, fell properly upon the shoulders of Gibboney, Mr. Bailey declared. It was from his mother's home that Bergdoll escaped.

**SWISS LIVING CHEAPER.**

BERN, Switzerland, May 4.—The cost of living in Switzerland decreased 1.32 per cent. during April, the decrease since October, 1920, when prices were at the highest, being 11.83 per cent. Wages have been lowered in the various industries.

# HARDING IS FACING SPLIT ON TREATY

*Continued from First Page.*

Versailles treaty as the basis for the new understanding with Germany. Opposition to the treaty is not confined to more radical Republican Senators of the irreconcilable group, but finds its way into the conservative groups

The Administration is not so optimistic as to believe that the presentation of a definite constructive foreign policy will not meet opposition and honest questioning and criticism will be invited from the "best minds" in both parties.

There will be no shrinking, however, in putting forth its policy once agreed on, even if it precipitates genuine opposition in a small but militant group of the party.

## 90 MOROS KILLED IN REPRISAL IN SULU

### Savages Chastised for Murder of Four Constabulary.

*By the Associated Press.*

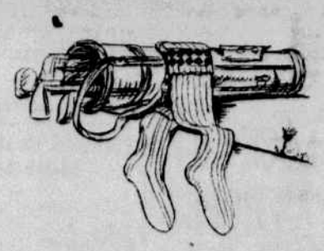
MANILA, P. I., May 4.—Ninety Moros, including Maharajah Untong, a religious fanatic leader, were killed Sunday by a detachment of Philippine constabulary in an engagement near Taglibi, on the Island of Sulu, 500 miles from here.

The slaying followed the murder Saturday of Lieut. D. Velasquez and three constabulary troopers. After killing the four men the Moros took their guns and escaped. All available constabulary forces of the department of Mindanao stationed on Sulu Island were despatched in pursuit of the Moros, overtaking them near Taglibi.

In the battle following virtually the entire band of Moros was wiped out. The constabulary forces recaptured the guns taken from their murdered companions. One constabulary man was wounded in the battle.

**SOVIET GOLD COMING TO U. S.**

CHRISTIANIA, Norway, May 4. — The Scandinavian-American Line steamship United States, from Christiania April 30, due in New York May 11, has on board seventy sacks of gold bullion valued at several million dollars, consigned from the Swedish mail service as first class mail. The gold is Russian Bolshevik gold remelted by the Swedish royal mint.

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