

const resistance against outside attack. The record of Secretary Hughes, whose assertion of moral principles was chiefly responsible for his growth in popular estimation throughout the country, pretty closely approximates that of the President in this respect. Yet for some reason which is not entirely clear to observers of the international conference neither the President nor the Secretary of State has displayed any tendency to accept the British viewpoint and fight for the moral and humanitarian principles which comprise its basis.

YAP CABLES DIVIDED IN SIX-POWER TREATY

U. S. to Get Line to Guam and Japan, That to Loochoo Islands.

HOLLAND HAS ANOTHER

Will Receive Branch to Menado in Return or Minority Interest.

OTHERS GIVE UP RIGHTS

France, Great Britain and Italy Tentatively Approve Broader Settlement.

Effect of Revision.

At any rate, the United States to date has not instanced its appreciation of the very manifest advantages and benefits of the British policy relating to undersea boats. But the American delegates have provided unmistakable evidence of the strength of the British position by revising their first estimate of the amount of shipping of one-third of the amount originally favored by the naval experts of the Government.

Singular Phase of Dispute.

One of the most singular features of the controversy over the submarine has been that not a single voice has been raised in defense of the weapon. This fact was clearly driven home during the vigorous exchange of conflicting views between Lord Lee of the British delegation and Colonel Minister Sarraut, representing the French Government, at the session of the general naval committee yesterday.

Lord Lee is Considered to have

weakened the admirable position of his Government on the submarine issue by attributing sympathy, if not complete endorsement, of the German terms to the British.

Undivided Shares Renounced.

By the new treaty it is proposed that the Netherlands should renounce its rights in the joint pre-war interest in all three lines. At the same time, the British, French and Italian Governments suggested the power to make a further study of some questions of detail. The Netherlands delegation also asked for a delay of final action to permit it to communicate with its home Government.

French-British Tension.

The tension between British and French delegates has been so pronounced during conference deliberations that the American observers felt justified in attributing the French policy almost solely to that cause. Confirmation on this view is seen in the recent tendency in French quarters to invite reconsideration of the submarine issue at a future conference, a suggestion that does not fit in with the attitude which is admitted to be among eventualities.

French suggestion, which bears all the earmarks of official inspiration,

has been hailed in some American official quarters as an indication that under more propitious conditions than are at present possible the French Government will assume a more conciliatory position than it has adopted to date. Meantime none of the agencies of public expression has a good word to say for the submarine—that is, none except the professional naval elements of France, Italy, Japan and the United States.

CALLS FOR PRE-WAR AUSTRIAN BONDS

State Department Asks Holders for Certificates.

WASHINGTON, Dec. 31.—Americans holding pre-war bonds of the former Austro-Hungarian monarchy on July 14, 1920, were requested to-day by the State Department to send in their bonds to the department for a more complete request by the Allied Reparations Commission for the calling in of all unsecured pre-war Austrian bonds held by their nationals.

SIGMA NU ELECTS OFFICERS.

George A. Smith of New York becomes Regent.

PHILADELPHIA, Dec. 31.—George A. Smith of New York to-day was elected Regent of the Sigma Nu Fraternity at the close of the biennial convention.

BRITISH LOAN TO GREECE.

WASHINGTON, Dec. 31.—The Ministry of Finance announces that the British Government has authorized a loan to Greece of 15,000,000 pounds sterling, with the greatest part of the amount payable to be used to buy English products.

HARVEY AND LLOYD GEORGE HAVE INTERVIEW AT CANNES

Ambassador Says He Will Only Observe—May Act for United States if Submarine Question Comes Up.

CANNES, France, Dec. 31 (Associated Press).—George Harvey, American Ambassador to Great Britain, had his first conversation with Prime Minister Lloyd George this afternoon since their arrival here for the next week's meeting of the Supreme Council. An informal interview took place at the golf club, where they finished their games. Ambassador Harvey told the correspondent that he had no general intention of anything but an observer's role at the submarine or any other question in which the United States was vitally interested.

Mr. Harvey let it be known that the United States would make no move for a more active part in the approaching council meeting, and said America's position would be the same as at the council's last meeting in Paris, despite British reports to the contrary. Should the Allies desire the United States to participate fully in consideration of the German reparations question, discussions of the German reparations question they must request it. Otherwise the American representative would act in next week's sessions only as an interested observer. It was said to-day that Mr. Harvey might take part in the preliminary conversations between Mr. Lloyd George and Premier Briand if the submarine question should come up for the council's meeting, which is regarded as the most important deliberation since the Paris peace conference, have taken place and tranquility as their motive.

Those making advance preparations to attend the conference are providing ideal spots for the holding of such deliberations for the good of mankind and the peace of the world. They argue that if environment counts for anything the Cannes conference will start under more favorable conditions than those surrounding any previous meeting of the council. Mr. George has secluded himself three miles from Cannes in the Villa Valetta, one of the most beautiful on the Riviera. In order to make his stay as comfortable as possible, gendarmes have been placed at the entrances to the estate.

BANKERS PROGRAM TO AID EUROPE IS UP TO PREMIERS

Continued from First Page.

American attitude, give the European financiers the benefit of American dollars and help in any way possible in the short of taking an official part in the action of the conference.

The administration is hopeful that the Cannes conference will take more specific steps toward relieving the situation when it becomes apparent that Europe is taking steps to return to a sound financial basis and to make the flood of unsecured paper money.

The United States will in no sense remain indifferent to the movement, but hope to be a genuine force in the machinery. It will not lend countenance to any scheme which does not have for its purpose the restoration of sound, common sense financing and stability to the economy of the world.

It is predicted that at the right time the United States will be found taking its proper part in pushing forward a scheme which has such an end in view. Therefore the attitude which the United States ultimately takes will depend altogether upon the course which the forthcoming European conference decides to follow.

WOULD HELP EUROPE IF SHE CHANGES WAYS

U. S. Will Send Observers to Give Advice Abroad.

Special Dispatch to THE NEW YORK HERALD. Washington, D. C., Dec. 31.—The Government is dispatching observers to the Allied Supreme Council for an international consortium, including the United States and Japan, by which it is hoped to restore the financial stability of Europe.

President Harding and his cabinet want to help Europe, but they do not want to be involved in the joint project if the United States binds itself in any way to aid in wiping out allied debts so long as present practices are continued in Europe. American sentiment is against any such participation at this time, they have found.

TECHNICIANS SPEED NAVAL REGULATIONS

Agreement Reached on Details of Limitation.

WASHINGTON, Dec. 31 (Associated Press).—Naval experts of the five Powers made progress to-day in "mopping up" details of the naval limitation agreement. They considered capital ship replacement plans, methods of scrapping ships to be destroyed and regulations to govern conversion of merchant liners for war use. The experts will resume meeting tomorrow.

AGREEMENT REACHED ON FUNDING MEASURE

Senate Committee in Accord on Principles.

WASHINGTON, Dec. 31 (Associated Press).—The House bill has been so amended that the approval of Secretary Mellon. The measure provides for the funding of the \$11,000,000,000 debt and interest owed the United States by foreign governments is obligated to pay a certain interest on the debt each year, and bearing interest at a rate of not less than 5 per cent. Interest on the new obligations will be made payable semi-annually, and the principal of the debt will be canceled.

CLOSE OF CONFERENCE IN THREE WEEKS LIKELY

Two More Plenary Sessions Are Forecast.

WASHINGTON, Dec. 31 (Associated Press).—The international conference will end within the next two or three weeks, according to the fact that the British delegation has booked passage for the middle of January. Mr. Balfour is willing to remain further if his services are required by the British Government, Australia, New Zealand and India will leave about the same time.

TOKIO ATTACHE SEES CHINA'S LATENT POWER

Treaties Alone Cannot Remake Massive State, He Says.

WASHINGTON, Dec. 31 (Associated Press).—If any one thinks the Washington conference by drafting declarations or treaties can remake that massive old state of China he is very much mistaken, Frederick Moore, an American who is Foreign Counsellor of the Japanese Foreign Office, declared to-day in an address before the National Council for the Limitation of Armament.

"This conference can help a little and will do so," Mr. Moore said, explaining that his views were being expressed personally and not officially. "China alone can remodel herself, and when she remakes herself upon modern lines there will be no power on earth that can possibly hold her in subjection."

OPERATION ON F. E. GUNNISON.

Frederick E. Gunnison, vice-president of the Lawyers' Guild, died last night at 188 Montague street, Brooklyn, underwent an operation Wednesday at the Decker Memorial Hospital. It was learned yesterday that his condition is very favorable. Dr. E. Rodney Price is in attendance. Mr. Gunnison is 51 years old, and lives at 73 Apple road, Brooklyn.

EXPECTED TO ADVISE FRENCH NAVAL CLAIM

Her Submarines Can Maintain Balance of Power in Europe.

SEES CHECK TO BRITISH POSSIBILITY OF A LATIN ALLIANCE IN MEDITERRANEAN.

By GRASER SCHORNSTEINER. Special Dispatch to THE NEW YORK HERALD. Washington, D. C., Dec. 31.—With the ratio for the three great nations virtually settled, France has opened a seam in the Hughes proposals. However, the more exact estimates of the situation, based on the three Power arrangement, show that France's claim for sea power is only natural and deserving of support. The French claim for tremendous capital ship tonnage was impossible, because it was certain that that nation could not build up to it, but it must be recognized that France should have adequate sea protection.

The analysis of England's position under the big three naval settlement holds the key to her opposition to France's claims. France recognizes capital ships as the backbone of all naval power and so her first claim was for great capital ship tonnage. Being forced from this point of view, she had to make her defensive one and one which she really could afford to take.

England is supreme in her home waters and has a fleet of 604,000 tons, actual and 678,000 potential tons, as against 525,000 tons, both actual and potential, for the United States. Japan has won the British regard before the British because she is too far away to be a factor in the defence of the British Isles.

Superior French Position.

France's position is far superior to that of Germany for a submarine war on England. The French naval base at Calais gives France three very great advantages: First, it gives access to the North Sea and the Atlantic. Second, the French bases at Dunkirk, Cherbourg, Brest and Le Havre enable France to send submarines almost directly into the British sea lanes. Third, the French bases at Dunkirk, Cherbourg, Brest and Le Havre enable France to send submarines almost directly into the British sea lanes.

The next sphere of British interest is the Mediterranean. It is of importance, of course, the route to India and the East. To be exact, this route is from the British home ports south through the Mediterranean, the Red Sea, the Suez Canal and the Red Sea to Aden. This route is the most important artery of the British Empire. For years England has striven to hold the Mediterranean and the Red Sea, and through the Suez Canal and Aden. The most important points of British control are, of course, Gibraltar, Malta, the Suez and Aden. The French proposal to allow, give England the dominance of the Mediterranean.

CHINA ACCUSES JAPAN OF FOMENTING REVOLT

Harbarouk Captured by Rebels, Delegation Says.

WASHINGTON, Dec. 31 (Associated Press).—A recent capture of Harbarouk, Siberia, by Russian troops opposed to the Far Eastern Republic was declared to-day by the special delegation from the Far Eastern republic to have been the work of reactionary bands armed and organized by the Japanese.

The delegation also charged that the city of Tachienkai on the Chinese Eastern Railway between Harbin and Manchuria, was occupied recently by Japanese troops with the view of seizing the railway as far as the station of Manchuria.

At Japanese headquarters it was said Harbarouk was captured by the Russian troops, which is opposed to the Government at Chita, and that the Japanese army, which is remaining absolutely neutral, had nothing to do with it.

OLD PROMOTERS SAVE BANCA DI SCONTO

Organization to Go to Relief of Suspended Institution.

ROME, Dec. 31 (Associated Press).—At the instance of the Italian Government the Treasury King to-day signed a decree postponing until January 4 the December settlement, which was to have occurred to-day, on all the Italian banks.

The reopening of the Banca Italiana di Sconto, which has been granted a moratorium by court decree, is expected tomorrow. The newspaper *Il Lavoro* has announced that the promoters of the bank are organizing to go to its relief. It is asserted that \$5,000,000 lire will be sufficient to meet immediate demands on the bank and that the remaining obligations are known to have brought out the feeling among the representatives of all five Powers that no impediment should be put in the way of commercial development of aircraft such as might result from an attempt to prevent creation of an air force in each country quickly convertible to war machines at need.

CONFERENCE AIRCRAFT EXPERTS SUBMIT THEIR REPORT.

WASHINGTON, Dec. 31 (Associated Press).—The final draft of the report of the arms conference sub-committee on aircraft was completed to-day and submitted for consideration by the conference. The discussions in the sub-committee are known to have brought out the feeling among the representatives of all five Powers that no impediment should be put in the way of commercial development of aircraft such as might result from an attempt to prevent creation of an air force in each country quickly convertible to war machines at need.

STRIKE LEADER ARRESTED.

Americans on Rhine Hold Railway Men's Secretary.

COPENHAGEN, Dec. 31 (Associated Press).—The American authorities in the area of occupation have arrested Secretary Knut, of the railroad men's organization in the Rhineland, on a charge of violating the order of the Allied High Commission forbidding a railroad strike. Notwithstanding the order the strike was proclaimed yesterday. The resumption of work by the railroad men has been ordered.

SAYS DEMANDS AFFECT ALL NATIONS

Chinese Statement Declares They Make Equal Opportunity a Mere Fiction.

ADVANTAGEOUS TO JAPAN

Stipulations Cited to Show Inconsistencies With Rights of Others.

WASHINGTON, Dec. 31 (Associated Press).—Emphasis will be placed by the Chinese delegation on the interests of all nations having treaty relations with China in urging the Powers represented in the Far Eastern committee to take up consideration of the twenty-one demands submitted by Japan to China in 1915. Notwithstanding Japan's refusal to discuss the validity of the series of treaties and notes growing out of these demands, it was said to-day at Chinese headquarters that the delegation would attempt to point out how many other nations are affected by them.

"The question of the twenty-one demands," said a statement issued at Chinese headquarters, "is one which concerns all the Powers interested in the maintenance of the principle of equal opportunity. It is unnecessary to go into the details of the question. But the following facts may be recalled in order to show that the principle of equal opportunity should be reduced to a mere fiction if the rights and interests which Japan had forced from China under the twenty-one demands were permitted to stand."

"In the Chinese treaties of 1915, concluded as a result of the twenty-one demands, the second article of the treaty respecting southern Manchuria and eastern inner Mongolia stipulated: 'Japanese subjects in south Manchuria may lease land necessary for erecting suitable buildings for agricultural enterprises.' The third article of the same treaty stipulated: 'Japanese subjects may be free to reside and travel in south Manchuria and to engage in business and manufacture of any kind whatsoever.'"

"Now these are the rights and privileges acquired by the Japanese as a result of the twenty-one demands and which are not enjoyed by the nationals of other treaty Powers. As these privileges create a status for Japan far above that of the other Powers, they are absolutely incompatible with the idea of equal opportunity. Japan's unconditional demand for the privilege of inland residence and travel in south Manchuria is to extend extraterritorially into the interior of China and to enable Japanese subjects to monopolize all the interests in south Manchuria and to engage in any kind of business and manufacture, because such things were deemed helpful for the economic development of Manchuria and for the trade development of China."

CONFERENCE DOINGS.

FROM all over the world came evidence that the submarine, no matter what decisions may be reached regarding it by the conference, is doomed as a pirate craft, as it was used by Germany in the world war.

The United States, the Netherlands and Japan will divide the Pacific under the terms of a six Power treaty proposed and adhered to in principle by all the subscribing nations.

Naval experts devoted much time to clearing up the details of the naval program—displacements, scrapping and other technical points.

China asserted that in insisting on a consideration of the twenty-one demands she acted in the understanding that all nations really are affected by Japan's position as thus expressed.

RUSSIA LOOKS HERE TO FEED 20,000,000

Bread Problem Main Topic at Soviet Congress—Votes 36,000,000 Gold Rubles.

MOSCOW, Dec. 28 (Associated Press).—The bread problem overshadowed everything else in the all-Russian Soviet congress, which closed to-night. How to feed 20,000,000 hungry persons in the Volga, how to get seeds, horses and cattle, and how to persuade peasants throughout Russia to reestablish agriculture and prevent a general collapse were the subjects of questions by workmen, who at previous congresses gave little attention to peasant problems.

M. Olesinskiy, commissar for agriculture, was the man to whom everyone turned for answers. He directed his eyes to the west and said that help must come from abroad, particularly America. Of the 30,000,000 pounds of grain expected from America he declared twenty million were necessary to feed families until the harvest and the remainder was needed for seed. He pointed out that 45,000,000 pounds would really be needed to prevent disaster.

M. Olesinskiy's statements moved the Congress to increase the agricultural budget from 2,000,000 to 36,000,000 gold rubles. It also instructed the Finance Commissar to levy a special tax of 0.000 rubles for famine relief. Dr. Reginald Farrar, representative of the epidemics commission of the League of Nations, died here to-day. Death was due to typhus contracted during a recent visit to the Samara and Saratoff famine districts with Dr. Fridtjof Nansen, Commissioner of the Inter-Allied Russian Relief Commission.

FEED EVERY STARVING CHILD, HOOVER CABLES

American Relief in Volga District Extends.

Herbert Hoover, acting in his capacity as head of the American Relief Administration, sent a cable yesterday to the relief forces abroad instructing them to increase immediately the feeding of children in the Volga basin. Under the present plan," says a statement from the American Relief Administration, 42 Broadway, "the child feeding program will include provision for the assistance of 2,000,000 victims by the end of the year. It is expected that by the end of the year the number of children fed will be increased to 4,000,000. Man eating wolves have been encouraged by the American relief workers, according to a report received from the headquarters. Americans have armed themselves with sawed off shotguns.

LENINE IS REELECTED HEAD OF THE SOVIETS

Trotzky Will Be Reappointed Minister of War.

ROSA, Dec. 31 (Associated Press).—Nikolai Lenin retains his position as executive head of the Russian Soviet Government in a report received from the Soviet Congress just before its sessions closed last Wednesday night, according to a radio dispatch received here to-day from Moscow.

TOKIO DEPARTS A BRITON.

TOKIO, Dec. 6.—Boris Grey, said to be a naturalized British subject although born in Moscow, has been deported to Shanghai. Grey was accused by the Yokohama police of being an agent of the Russian Soviet Government, sent to Japan to spread Bolshevik propaganda.

AIR TRANSPORT SEEN AS WAR DETERRENT

Conference Aircraft Experts Submit Their Report.

WASHINGTON, Dec. 31 (Associated Press).—The final draft of the report of the arms conference sub-committee on aircraft was completed to-day and submitted for consideration by the conference. The discussions in the sub-committee are known to have brought out the feeling among the representatives of all five Powers that no impediment should be put in the way of commercial development of aircraft such as might result from an attempt to prevent creation of an air force in each country quickly convertible to war machines at need.

It has been contended by some experts that in fostering development of a new and swift means of communication and transportation the governments represented at the Washington conference would be taking a very direct step toward lessening the probabilities of wars.

Scholars are said to be agreed that uneven distribution of natural resources among nations has been the underlying cause of most wars. Another war promoting factor, it has been held, has been misunderstandings between peoples due to lack of adequate communication facilities between countries.

In the probable development of air navigation may lie a cure for these fundamental and bitterest causes of war, it has been said. Through air transportation most experts expect to see wider access to natural resources of the world made possible and a consequent lessening in the struggle for actual physical control of those resources.

FRENCH ATTITUDE DEPLORED BY STEED

Departing Editor Doubts Paris Appreciates Spirit of Conference.

PRAISE FOR HARDING

Gen. Cavan, Also Departing, Sees No Menace in Germany.

The French attitude with regard to submarines was the cause of regretful comment yesterday by H. Wickham Steed, editor of the *London Times*; General Cavan, British military adviser at the Washington conference, and Lieut.-Gen. Giuseppe Vacari, Italian military adviser, all of whom sailed for Europe yesterday on the White Star liner Olympic.

None of the distinguished visitors to the conference displayed bitterness toward France, but their words plainly indicated they were deeply disappointed by her stand with regard to undersea boats and other light crafts.

Mr. Steed, sailing after four months in this country, departed with words of praise for President Harding and Secretary Hughes as statesmen of the highest ability and ideals. He said he thought the conference would end about the middle of January, and expressed the belief that "good news from Europe" would be received before his close.

"I am glad to see the news from Washington is better this morning," said "I feel quite certain France does not wish to build these submarines and light craft and that there is no real aggressive intent behind the attitude her people have taken at Washington."

"It is unfortunate the French delegates did not readily understand the spirit in which the Washington conference was convened and the decree in which Great Britain was animated by the same spirit. It is also unfortunate the French delegation does not even now seem to understand the deep feeling which French tactics at Washington have aroused in the United States. They seem to imagine the criticism of France in this country has been prompted by hostility. That is not the case. It is prompted by the realization that France does not have perceived in what large dimensions she was operating."

"I hope that before the conference is ended her representatives will have evaded this and will have brought their attitude into harmony with the operations of President Harding and of the other American people. The British Government may be able to assist France, and if it can do so certainly should."

HOPEFUL OF HARMONY.

Steed expressed regret he must leave this country, which, he said, was "astonishingly sunny" when compared with northern Europe. The effect of so much sunlight on the temperament, he said, was to produce a higher and more spontaneous outlook than was general in northern Europe.

"As the majority of the American nation is of northern European stock, the effect of this sunshine on you is to produce a type of mind and temperament quite unlike anything else in the world," he said. "It is a revelation to me, and in every way a delightful revelation."

Gen. Earl of Cavan, who on February 19 will succeed Sir Henry Wilson as commander in chief of the British army, in expressing his regret concerning the recent developments at the conference, said he did not believe the French people would back their delegation in its attitude with regard to submarine tonnage.

"Before the matter is finally decided, I believe it must be referred to the French people, and I doubt whether the French people will regard the building of this tonnage," he said.

SEES NO GERMAN MENACE.

"The French, I believe, overestimate the danger of a German attack. As a matter of fact, there is no real danger, in my opinion, the slightest danger, from the south."

"The French seem to have the idea that in hostility against them, and I regret that what they have done is to doubt has really set them back in the minds of the American people. I cannot help thinking they have strengthened the position of Great Britain and the United States."

The British military adviser expressed the belief a three nation alliance such as France desires would be the most potent thing on earth to cause another great war.

The Earl of Cavan explained he was returning home because the conference was not concerning hand armament. In connection with this subject, he said the Geddes commission in Great Britain, headed by a brother of the British Ambassador to this country, is shortly to make a great cut in the military power of Great Britain.

Gen. Vacari said that while the people of the United States might be surprised by what he characterized as the political movements of France at the conference, in Italy people were accustomed to the politics of France.

REPORT AMERICANS SEIZED.

ARMENIA, Dec. 31 (Associated Press).—Seven American professors of the orphanage at Derindji, twenty miles from Constantinople, are declared by the Armenian newspaper *Yeraguir* of Constantinople to have been carried off by the Turkish Nationalists, says a Constantinople dispatch.

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