

panel would be chosen to treat with the Russians. The French announcement which was more detailed said: "Italy, Japan, England, Sweden, Switzerland and Poland when the subcommittee meets to-morrow, will move that a note be sent to Russia in three parts. The first will be in reproduction of Russia's attitude on the subject, the second will be a memorandum, the second will set forth the provisions for The Hague meeting, and the third will propose a truce during the meetings."

Two Expert Commissions. "At the same time the French and Belgians will make a statement in which they will recommend that their governments accept the plan if the Russians do."

The French description of The Hague commission is as follows: "Two commissions of experts, one Russian and one allied, will meet at The Hague June 26. The allied commission will meet June 16 to see if it is possible to reach an agreement with the Russian Power in a privileged withdrawal from The Hague meetings after ten days without this in any way being interpreted as a breaking up the meetings."

Both accounts then agree that all are bound not to make separate agreements with Russia pending negotiations for all to sign the truce. The British say a truce for "three months" while the French say "four months from June 26."

It is believed that both Premier Poincaré and Premier Thoms of Belgium will accept if the Russians do, on account of the British and American withdrawal without prejudice once the negotiations have been started. But if the invitation is joined with a "reprobation" of the attitude of the Russians, it is almost certain that the Russians will refuse to have anything to do with the plan, and the conference will again stand just where it did when it met as far as Russia is concerned, with France having just spent a fortune.

France also secured the promise that Germany would not be included in The Hague dealings on account of the treaty of Rapallo, which the Germans say they will not touch. The general agreement is reached, or will make it conform with the general agreement if one is reached.

Powers to Name Experts.

The French gained the point that the commissions of experts shall be named by the home governments and not by the Genoa conference, which would enable the United States to participate if she so desired. The French also gained the point that these commissions shall meet in the same town with the Russians, and as Sir Edward Griggs said, it will be impossible to do business unless the panels meet in one, whether formally or informally.

It is hoped that in the designation of the experts political considerations will be kept out of the matter until terms are agreed on by the Russians as well as by the other side. But this too probably will make the Russians all the more reluctant.

Lloyd George's achievements to-day and yesterday may be summed up as having narrowly avoided an irreparable split with France, as having averted the conference from a blind alley and having won a battle against the French opposition for a mixed commission or commissions to study the Russian question as proposed by Tchitcherine.

What made Mr. Lloyd George yield on the point of having a mixed commission rather than the conference was Barthou's argument that the appointment of the commission by the governments would give America a chance to participate, though, it is true, Italian papers wrongly assume that Mr. Lloyd George does not want American participation.

Mr. Lloyd George's skill in winning over the smaller nations by his persistent every one to favor the non-aggression pact, and all save Poland and Belgium to favor a mixed commission also.

In the meantime Italy did well in the conference. She is free to sign a commercial treaty with Russia and she made a commercial treaty with Poland to be followed by a convention about the Polish petrol area.

Plenary Session Wednesday.

A plenary session probably will be held Wednesday. It is difficult to get any big figure to speak frankly about the history of the conference for fear of giving offense to some personage who probably will be useful in the future, but the general sincere agreement is that the most important feature of the conference is the bringing together on footing of equality of the conquerors and conquered.

Dr. Eduard Beneš, Premier of Czechoslovakia, even before the New York Herald correspondent that it was a good thing that the Russians and Westerners had fought face to face. It is admitted by others, however, that the conference was fortunate and that the proper preparations had not been made.

The Russians are keen for the non-aggression pact, having already recognized the Russian frontier by the treaty of Riga and being willing to make similar arrangements with Rumania. But as Premier Beneš pointed out, the pact would be supported only by moral sanctions which are almost useless.

It would leave the Bolshevik, Polish and Rumanian armies undiminished and the strain on the Red frontier would be as great as ever. The Russian division about the Russian memorandum leaves Russia to face the prospect of separate treaties and contracts with capitalists, but there is no chance for separate treaties now and foreign experts are unanimous in the view that capitalists will not touch Russia for the present and that Americans also will keep away.

Three months ago the fact that the fact that capitalists are not stumbling over one another to gain Russian concessions may bring the Russians to a better frame of mind.

FRANCE THROWS U. S. WILL HELP EUROPE

Believes America Is About to Aid Problem of Reparations.

MORGAN VISIT CHEERS

Optimism Is Felt Over Bankers' Meeting and Plans for Loan.

QUICK MONEY IS SOUGHT

Financial Expert Insists Upon Ample Protection 'Against Being Duped.'

Special Cable to The New York Herald.

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Paris, May 14.

The arrival yesterday of Andreus Herms, German Minister of Food, to lay before the Reparations Commission the new German proposals, together with the arrival next week of J. P. Morgan to attend the reparations loan conference, is giving rise to much optimism here. A large part of this idea still persisting in European minds that the United States, influenced by the Genoa developments and concerned over the effect the reparations problem is having on world economics, is about to interest itself in Europe again and in some way come to the rescue in the reparations matter.

This same idea was largely behind the French suggestions at Genoa, that any commission of experts appointed to study Russia should, if possible, include the United States, the French believing that if these commissions are not confined to the Allies and neutrals they would give an opportunity for America to study the Russian problem jointly with the other nations without further committing herself.

See Hope in Morgan Visit.

France herself will not be a member of any commission that would actually negotiate with the Soviets. All this seems rather curious in the face of the reports from America of continued disinterest there in European affairs. An evidence of how Europe is grasping at any American straw, the greatest significance is being attached here daily to the visit of Mr. Morgan, according to a disposition to regard Mr. Morgan as being the bearer of some actual international loan proposition that they find the support of the American financial community, but the approval of the American Government.

Well Informed Americans are seeking to dispel this impression by pointing out that Mr. Morgan is coming merely in a private capacity.

The fact, however, that the bankers are being called into consultation on the eve of another crisis in the reparations situation has great significance, and their counsel is certain to have a salutary effect.

According to the best reports of the international loan figures there are contained in the proposals which Herr Herms brought to-day, the German suggestion for a short term loan of \$1,000,000,000 running not more than five years, guaranteed by revenues from tobacco and alcohol. This loan, according to the Germans, would permit them to pay France and also would enable them to stabilize the mark, after which another long term loan could be arranged, permitting them to settle definitely their reparations obligations.

France Needs the Money.

The German proposal undoubtedly will be studied by Mr. Morgan at the conference, with the opinion of Mr. Morgan having the greatest weight, inasmuch as America would be expected to contribute the bulk of the money.

French sentiment is favoring a loan project, which is one reason why the French press has quieted down lately regarding the May 31 crisis. This is because France wants to get the money quickly and see now that about her only chance is in such a loan. The financial writer M. Gaudis, however, raises the warning that America might want back pay herself for the money advanced to the Allies from a portion of the German loan.

"Such a loan," says this writer, "must permit Germany to pay part of her debt to France rather than help the United States collect her debt." It is essential, however, that we do not abandon any of the weapons we have until we have all the guarantees necessary to assure us against being duped."

ATTITUDE OF SOVIETS DISAPPOINTS GERMANS

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Berlin, May 14.

The Bolshevik answer to the allied memorandum presented at Genoa, according to the German press, has removed all possibility of establishing at the conference a basis for the resumption of trade. Most of the papers are frankly disappointed in that the Bolsheviks sacrificed possible business and credit opportunities for polemics.

Herr Herms, the editor of the *Faehische Zeitung*, says: "Russia's answer involves postponing real Russian reconstruction. The negotiations have taken a political aspect, and the economic aspects have been pushed aside. The Russians themselves led this discussion from practical affairs to political debate."

Dr. Scheffer of the *Berliner Tageblatt*, observed reproachfully that the Bolsheviks seemed indifferent to existing time, as "turning over the Russian question to a special commission means endless delay."

"Should this commission not permit the presence of Russian members," he continues, "then it would become simply the deliberation of the victors over the vanquished. The commissions and the delegations visiting with the Russians before action can be taken is bound to involve loss of time, while Russia's plight is such that every delay will make eventual reconstruction costlier and slower."

Berlin reconstruction papers are not enthusiastic, simply finding justification for the "Soviet Government's defense of its own sovereignty and the interests of the international proletariat."

German business, which prior to the conference was excited over the trade possibilities in Russia, has lost interest, and is allowing its private negotiations to drag.

FOUND ANYTHING?

If so, see if it is advertised in the Lost and Found columns of to-day's New York Herald.

Adv.

FRANCE SHOULD HELP GERMANY TO AID OWN FUTURE, PAISH'S VIEW

Answering Maurice Colrat, He Shows Interdependence of Countries Is Such That Reparations Exact of One, Beyond Its Abilities, Injures All the Others.

In the final article of the series on European economic and financial reconstruction written for The New York Herald by Sir George Paish and appearing to-day, the English economist replies to the criticisms by Maurice Colrat, French Under Secretary of State, as printed in The New York Herald last Friday.

By SIR GEORGE PAISH.

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Special Cable to The New York Herald.

Genoa, May 14.—In seeking to discover the causes and remedies of the present world danger, the position and the policy of France must be considered most carefully. No one can deny or even doubt that the position in which France was left by the war and the policy which her Government has pursued since the armistice are in no small measure responsible for the precarious and anxious condition in which nations find themselves to-day.

While the war and events since the war have temporarily injured Russia so cruelly that the mind fails to comprehend the severity of the injury, Russia one day will recover and probably she has been injured less than she has been hit. The injury to France, although much less immediately severe than that to Russia, will be more permanent. Indeed, it is doubtful if France ever will recover, and it is essential that every feasible measure shall be taken to assist France.

For many years France was falling behind in the forward march of nations. At the time she was the wealthiest of all the nations of Europe. But the growth of population ever since the Napoleonic wars has made such havoc with her manhood, and her laws and customs have become so much in favor of small families, and she has been so slow that even before the war she had fallen behind Great Britain and Germany both in population and wealth.

Slower Growth Expected.

The war has now inflicted upon her a loss in manhood which she could ill afford, and it is evident that the growth of her population and wealth in the future will be even slower than in the past. Indeed, for many years to come, it is not unlikely that her population will diminish rather than increase unless her laws and customs are so modified that the practice of family limitation shall be abandoned. In this case, however, the burden of maintaining larger families, together with the orphans and widows of the men lost in the war, will be a heavy one. Thus, whatever can be done to restore France, so far as she may be restored, needs to be done.

Losing World Sympathy.

When the Government of one nation imposes upon another nation a penalty greater than it can possibly pay, and when after imposing such a penalty it does everything to prevent a portion of the penalty from being paid, when it demands fresh sanctions which still further hinder the payment of the penalty, when its policy is to injure every country and at the same time effectually prevents its own country from recovering from its injuries, can any one be surprised if such a nation loses the sympathy of the world?

It may be claimed that the nation in question would prefer not to receive reparation payments rather than see its former enemy recover to the extent necessary if the reparation payments are to be made. In that case, however, it would be essential for her to state her view frankly and leave the decision as to the fate of her former enemy to the verdict of the world.

The world would not permit any nation to pursue such a policy without its sanction, especially as such a policy would be contrary to the terms under which the hostilities were brought to an end.

The disastrous consequences of such a policy, moreover, would fall on both the aforetime enemy and the aforetime friends whose services helped to save the nation in question from defeat.

The people of France should realize that the world desires to see them restored to their former prosperity, and if they are treating for the sympathy of the world, which alone can render them safe in the days to come, they must pursue a policy which will help and not hinder the restoration of prosperity to all nations, including their own.

ITALY SEEKS TRADE TREATIES AT GENOA

Reparations Claims on Germany Up for Settlement.

Genoa, May 14 (Associated Press).—The Italian Premier, Signor Facta, who was due to return to Rome to-morrow for an important Parliamentary discussion, gave up the idea of leaving Genoa owing to the gravity of the situation. Italy is taking advantage of the presence at Genoa of representatives of the European countries to carry on negotiations of an economic character.

Italy is now negotiating a special convention concerning Polish oil and another with Rumania for the importation of raw Rumanian oil to Trieste, where it will be refined. This convention with Rumania will be accompanied by the Franco-Finnish commercial treaty whereby France has a monopoly in the importation of the alcoholic products of Finland. It is not believed that France will object.

The most important negotiations being conducted by Italy relate to reparations due her from Germany, consisting of commodities to the value of \$40,000,000. To-day, however, the German Foreign Minister, desired that these commodities should be supplied by Germany over and above the ordinary exportations to Italy and should consist of finished articles. The Italian Minister of Commerce, Count Rossi, had arranged that German reparations should be included in the ordinary exportations of goods to Italy and should consist only of raw materials.

RAISULI HIDES IN SANCTUARY.

Bandit Fleeing Spanish Forces Expected Soon to Surrender.

Madrid, May 14.—The bandit Raisuli, who recently was forced to flee from Tazart when Spanish forces captured the village, has taken refuge in the sanctuary of Abdesslam, where he will be safe from attack, according to dispatches received here.

The Government forces will respect his asylum, it is said, but it is expected that lack of food will soon compel Raisuli to surrender.

125,000 FIRE IN MAINE.

LIMESTONE, Me., May 14.—Loss estimated at about \$125,000 was caused by fire which swept through a section of the town to-day, destroying fifteen buildings.

DRY U. S. THREAT TO FIVE EUROPEAN STATES

GENOA, May 14 (Associated Press).—France, Italy, Spain, Portugal and Greece have agreed to meet in Paris in the summer for a conference regarding their alcoholic production, which is seriously imperiled by the prohibition laws in the United States.

BRITISH NAVY CUT AID TO EFFICIENCY

Experienced Higher Officers Not Lost in Carrying Out Washington Treaty.

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None of the large number of Admirals in the British service will be retired by the Admiralty order, but many of them will automatically drop out of the service shortly because of age. Most important to the navy's efficiency are the experienced officers of the line. Capable to the number of 119 and 200 commanders will be retired, but the grade of lieutenant-commander, which is more important to the strength of the navy two years hence, is not touched. Thus only 219 of those men, such as in the American navy are termed "experienced" line officers, which means those with more than ten years service, will be lost.

It had been generally expected the Admiralty would wait until the American naval personnel reductions were announced before publishing its figures, partly because the American Government has taken the lead in the policy of cutting down.

The total reduction in the officer force of the two navies would not form a basis for comparison, because of the difference in the organization of the two forces. The British Government air force is an independent service, whereas the American Army and Navy each has its own air branches and some 500 American air officers are detailed to that service. The auxiliary services of the British navy, supply, coaling and repair ships, are officered by men on the regular naval list, while similar auxiliaries in the American Navy are officered by regular officers. The British navy also has a reserve of officers "on unemployed or half pay" which has no counterpart in the American Navy.

The special terms of retirement offered seem generous. The men are given retired pay ranging from \$900 for captains of twenty-one years' service, to \$250 for the cadet of less than one year in service, plus liberal gratuities based on the length of time normal service is curtailed. The Admiralty states that retirement constitutes no reflection on character or ability. Some men are to be displaced with that it may be necessary to let go select promising officers who might be expected to rise high in the service.

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The rejoinder as arranged to-day by the allied leaders will suggest to the Russians that they convene their experts at The Hague on June 26 to discuss credits, debts and the status of foreign property in Russia. The Russians are asked to promise that during the conferences with the experts of other countries they will indulge neither in aggression nor propaganda. In the meantime the Powers, other than Russia, represented at Genoa would agree to recommend to their home governments that their experts be sent to The Hague on June 15. This would permit mutual consultation on a program to be discussed later with the Russians.

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There was a slight breeze blowing from the north to north-east, and the balloons disappeared, some of them due south and others southwest. The present weather conditions make the landing probable in the Frenches Mountain region or that in the Bois de Lieux. M. De Myster, Belgium, winner of the Gordon Bennett race in the United States in 1920; Capt. Hirschauer, France, and Maurice Bianame, France, are the favorites.

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Prince Insists He Will Play Polo To-day.

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He was hit by a polo ball yesterday, but to-day insisted he would play to-morrow on returning from Cavite.

In the late afternoon the Prince was the guest of Manila's British community at a tea-dance at the Manila Club. To-night he gave a dinner aboard the Renown in honor of Gen. Wood.

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