

WEATHER FORECAST.
Local snows to-day; to-morrow fair;
fresh southwest to west winds.
Highest temperature yesterday, 36; lowest, 14.
Detailed weather reports will be found on the editorial
page.

A HAPPY BLENDING.
The amalgamated SUN AND HERALD
preserves the best traditions of each.
In combination these two newspapers
make a greater newspaper than either
has ever been on its own.

VOL. LXXXVII.—NO. 171—DAILY. NEW YORK, WEDNESDAY, FEBRUARY 18, 1920. PRICE TWO CENTS. THREE CENTS IN NEW YORK CITY AND SUBURBS, ON TRAINS AND ELSEWHERE.

WILSON MAY BLOCK FRENCH ALLIANCE IN FIUME DISPUTE; COUNCIL INSISTS ITS DECISION WILL NOT BE MODIFIED; ITALIANS AMAZED AT PRESIDENT'S NEW INTEREST IN EUROPE

HILL MERGER OF WESTERN LINES TO BE REVIVED

New "Northern Securities" to Take Up \$400,000,000 Burlington Bonds.

RAIL BILL OPENS WAY

Famous Consolidation in 1901 Was Dissolved Under the Sherman Act.

Special to THE SUN and NEW YORK HERALD.
ST. PAUL, Feb. 17.—The gigantic railroad merger evoked by the Hill-Morgan interests after the panic of 1901 on the New York Stock Exchange, known as the Northern Securities Company, which was held a violation of the Sherman Anti-Trust law by decision of the United States Circuit Court of Appeals in 1902, is to have a rebirth in a new consolidation, according to reports strongly current here to-day.

As in the former instance, the combine is to consist of the Great Northern, Northern Pacific and the Chicago, Burlington and Quincy railroads. The chief reason for the merger is the necessity of meeting \$400,000,000 worth of Burlington bonds which were issued at the time of the formation of the National Securities Company and fall due in 1921. Confirmation of the amalgamation of the roads in the bill, but with certain restrictive limitations fixed by the Interstate Commerce Commission or some like board. The question now is how far consolidation of competing lines will be permitted in the interests of the public. The new railroad bill, it is admitted here, lifts the bar laid over the railroads by the Sherman anti-trust act and opens the way for a revival of railroad consolidation.

When the Northern Securities Company was ordered dissolved the Great Northern and the Northern Pacific were left as guarantors of the \$400,000,000 capitalization, issued in Burlington bonds. The Burlington stock is deposited as additional security. The refinancing of \$400,000,000 at the present rate of interest, at 4 1/2 per cent, which the bonds now bear, is a tremendous task. The merger would make the refinancing comparatively simple. It would have the further result of wiping out the competition between the two big transcontinental lines.

Something of the importance of the merger, if it is effected, is made apparent by the fact that the three roads involved, 7,000 miles. The route circumference is 25,000 miles. If the retraction of Congress regarding the combination becomes fact, a return to the conference managers of the formation of the Northern Securities Company may be expected. The battle for supremacy that led to the merger in 1901 sprang out of the purchase by the J. P. Morgan and the J. P. Morgan group of shares in Burlington. The Union Pacific, with lines paralleling the Burlington, saw itself forced into a secondary position, and falling in an attempt to reach an agreement with the Burlington, through Kuhn, Loeb & Co. quietly began buying Northern Pacific stock.

On May 1, 1901, while the market was making from the effect of this drive, with Northern Pacific at \$100 a share and the bottom tumbled out of the rest of the market because of the unwillingness of the short traders, the Burlington announced it had bought 900,000 shares of Northern Pacific stock. That won the battle. The Hill-Morgan interests parleyed, but finally offered to take the Union Pacific into the new company, and the merger was effected. The company paid 4 per cent dividends in 1902, and in February, 1903, increased the rate to 5 per cent. In the Circuit Court of Appeals, the bill was handed down its decision. It was announced an appeal would be taken, but on this point the record is not clear.

Special to THE SUN and NEW YORK HERALD.
WASHINGTON, Feb. 17.—Consolidation of the Northern Pacific, the Great Northern and the Burlington into one railroad system will be possible under the pending bill, it is finally agreed on by the Senate and House to-night. As it will be reported to the two houses in the bill, the bill will be reported for "permissive consolidation" of railroad lines or systems with the approval of the Interstate Commerce Commission. The commission has been on any proposed merger and has the power to effect the consolidation.

For purpose of consolidation under the act the roads naturally must fit in a single unit. The commission, under the act, is empowered to suggest in advance general grouping of roads.

HOOVER TAKES HIS STAND IN NATION'S GREATEST PROBLEMS

Weaknesses in Our Overcentralized Government as Developed by the Strain of War Are Noted and Remedies Suggested in His Inaugural Address as President of the American Institute of Engineers.

Views Held by Hoover on Issues Which Will Play Part in Campaign

THE salient points made in his speech by Mr. Hoover are as follows: We are swamped with debt and burdened with taxation. Credit is woefully inflated; speculation and waste are rampant. On Government operation of railroads: No scheme of political appointment has ever yet been devised that will replace competition in its selection of ability and character. If the Government continues in the shipping (the merchant marine) business, we shall be disappointed from the point of view of profits. The lack of a Federal budget system is a further testimony that it is always a far cry of our citizens from the efficiency in their business to interest in the efficiency of their Government. The attitude of refusal to participate in collective bargaining with representatives of employees' own choosing is the negation to the bridge to better relationship. There is little danger of radicalism ever controlling a country with so large a farmer population.

Herbert Hoover was nominated and unanimously elected president yesterday of the American Institute of Mining and Metallurgical Engineers.

As the principal speaker at the annual dinner of that organization, which was held in the evening in the Waldorf-Astoria Hotel, Mr. Hoover framed what many regarded as the personal platform upon which he would like to stand as the nominee for a higher office. Not that he injected any palpable politics into his address. He studiously refrained from so doing, and during the afternoon sessions of the institute he refused repeatedly to discuss other than strictly engineering topics. In his evening inaugural address, delivered as president of the institute, however, Mr. Hoover defined his attitude toward many of the paramount problems of the moment, such as the destiny of the railroads, the future of the American merchant marine, the fuel problem, the necessity for a Federal budget system, the growth of radicalism and the relations between capital and labor. After expressing his appreciation of the honor of being elected president of the institute, with which he had been connected during his entire professional life, the speaker, who had been greeted with uproarious applause, said:

WET DEMOCRATS SEEK CANDIDATE

In Almost Every State Efforts Are Bent to Get Liberal Nominee.

UNDERWOOD CONSIDERED

Sentiment Also Helps Boom of Gov. Cox of Ohio for Presidency.

Special to THE SUN and NEW YORK HERALD.
WASHINGTON, Feb. 17.—Anti-prohibition elements all over the country are uniting in their efforts to obtain a liberal Democratic nominee for the Presidency at the San Francisco convention. In almost every State, according to information received by Administration politicians, the issue is clear cut. The wet elements of the party are said to be confident that this is their chance to obtain a relaxation of the strict liquor laws. Incidentally the wet drive has brought into consideration as a Presidential possibility the name of Senator Oscar Underwood (Alabama). Senator Underwood is wet and is of the type who would be supported by the liberal elements of the party. The sentiment which is developing would help the boom of Governor Cox of Ohio, according to the view here. Governor Cox is liberal and comes from a State that undoubtedly must be carried by the party that wins the election. The best judgment of the Democrats is observing the developments in the State that the liberal elements will not attempt to back any candidate who is radically wet. They want, it is believed, a nominee whose record would make it practically certain that there is no hope of collecting of intoxicants that would permit the sale of beer and light wines.

Stork Visits Sultanate

CAIRO, Feb. 17.—The Sultan of Egypt is distributing \$12,000 among the poor of Cairo and Alexandria in celebration of the birth of an heir to the Sultanate.

Prince Ahmed Fuad was chosen by the British to succeed his late brother, Hussein Kemal, as Sultan in October, 1917.

THE GREENBELLS—White Sulphur Springs, W. Va., through Government Inspectors. Bookings—The Plaza—Ad.

AMERICA HOLDS EUROPE'S FATE IN HER HANDS

Tense Feeling Abroad Regarding U. S. Attitude on Economic Questions.

WIELDS FINANCIAL KNIFE

One-eighth Central Europe's Population Unrelieved, Must Emigrate or Die.

Special Cable Despatch to THE SUN and NEW YORK HERALD. Copyright, 1920, by THE SUN and NEW YORK HERALD.
LONDON, Feb. 17.—At no time perhaps since President Wilson was drawn into European affairs by the German submarine warfare has there been so tense a situation as regards the attitude of America toward Europe as there is at present. The attitude of the United States at that time was important from the political and military standpoint; it is even more important to-day from the financial and economic viewpoint.

An Italian newspaper yesterday remarked that so far as the economic future of Europe was concerned, "America holds the knife by the handle." Even the sanest and soundest bankers of England, who through years of experience and centuries of tradition have become accustomed to immense financial problems, are wondering how America is going to wield that "knife," symbol of her financial power.

From the press despatches from America that are printed here and the recurrent official statements, supplemented by private advices, the conclusion the leading bankers have drawn is that at present it is the determination of the United States to maintain as separate an attitude as possible toward Europe, allowing the nations on this side of the Atlantic to work out their own salvation. Finance Greater Problem. This does not refer to the political salvation of Europe. Regardless of all the noise made about trying the former Kaiser and settling the destiny of Fiume, the biggest nut that Europe has to crack is the financial one. She undoubtedly is willing and able to solve her own political and financial problems. Europe's position has become so desperate, which, if the opinions of the greatest financial and economic authorities could for anything, no nation in the world can afford to ignore. The leaders of the Governments here and in France realize this and their daily statements about political phases of the peace treaty and probable modifications to be made simply side play leading to the main feature, which will be the revision of the economic sections of the treaty. European economies have become as involved as a Chinese puzzle from the politicians' viewpoint, but it is a simple matter of balancing purchases and sales when the realities are faced and it should be annexed out of Germany to settle. That means the problem of exchange rates, the international financial congress to stabilize them and the tremendous power that America can wield if she wishes.

Premier Lloyd George was returned to his post as Prime Minister on a platform pledging that every ounce of commercial power that France has been pressing for many to help pay the cost of the war, and the power of the present French Government also is resting upon that foundation. The revision of the economic features of the treaty, therefore, is a problem calling for the utmost skill.

10,000,000 Most Emigrate or Die

It has been demonstrated, so far as cold figures can demonstrate anything, that there is no hope of collecting peace treaty at least one-eighth of the population of central Europe, or about 10,000,000 persons, will be compelled to emigrate or die; Germany would retrograde into an almost wholly agricultural nation; the Allies of course would not get any indemnity, but would be rid forever of the German military menace and Central Europe would be a German commercial competition. It can be stated without any reservation that England no longer fears German competition, at least for some years to come, neither is there any great clamor here for an indemnity to England from Germany.

Many influential persons believe that England probably will waive her claims for an indemnity in favor of France and Belgium. Also it can be stated that France's negligent taxation policy, because there is no hope of collecting of strict enforcement of the treaty, not because of military fears but to avoid a revision which would scale down the industries and thus compel her to inaugurate a sensible taxation policy.

An English banker, who returned from France yesterday, said that the leaders of the French financial world realize that there is no hope of collecting the full cost of the war from Germany, but through the misguided policy that unfortunately has gone too far in France the public will not countenance heavy taxation because it still believes the imposition of taxes to make the

POLITE NO IS SENT BY ALLIES TO WASHINGTON

It Is Officially Denied Grey and Chamberlain Urged Changes.

FIUME IS NOW SYMBOL

To Be Mark of Continued Allied Unity—Treaty Revision Later.

Special Cable Despatch to THE SUN and NEW YORK HERALD. Copyright, 1920, by THE SUN and NEW YORK HERALD.
LONDON, Feb. 17.—A polite explanation of the reasons of the Supreme Council of the Peace Conference for arriving at their decision on the Adriatic problem, but in which the position of the council was not in the least modified, was despatched to-night to President Wilson through John W. Davis, American Ambassador. It was stated officially that the character of the note was unchanged since it was first drafted last Saturday. The report in Paris that Viscount Grey and Austen Chamberlain, Chancellor of the Exchequer, had appealed for a modification of the note was denied specifically.

Deep Concern Illustrated

Neither of these gentlemen attended the meetings of the Supreme Council; neither did the council receive any communication on the note from them directly or indirectly. It was officially said.

London, Feb. 17.—It is coming to be believed that the excitement over President Wilson's intervention in the Adriatic problem is a tempest in a teapot. Nevertheless the case was illustrative of the deep concern in most important quarters here over the possibility of a split with America. Whether or not Viscount Grey and Mr. Chamberlain intervened to soften the Supreme Council's reply to President Wilson's note, at least it is well known here that they, with Wyckham Steed, editor of the Times, representing Lord Northcliffe, were in a conference yesterday and were authoritatively reported to be determined to unite in opposition to Premier Lloyd George's union. They were assured that America would not be driven out of the conference or out of the Adriatic settlement.

Every effort was made here to-day to have it appear that the note from President Wilson was merely a continuation of the negotiations which began in Paris and a part of which was the agreement signed by Frank L. Polk in Paris last December. This concord was laid down on lines which the United States, England and France agreed to work in an effort to settle the Adriatic imbroglio. The memorandum drawn up, it was asserted, was in exact accord with the offer of settlement then made to Italy and Jugo-Slavia. The position of the Supreme Council proposed settlement, which was rejected by both Italy and Jugo-Slavia the council was at liberty to draw up a fresh proposal.

Position of Council. The members of the council take the position that they would have been glad had the United States participated in this work; that any American commitments contained in the memorandum of last December were absorbed by the total collapse and the elimination of the scheme. Whether or not the United States participates in the present proposed settlement, which is regarded as the only settlement which presents itself now, the council sincerely hopes that President Wilson will accept or permit its execution.

This, it was said, is well informed circles, probably was the summary of the note which was to-night forwarded to the President. However, whether or not it does represent the character of the note actually despatched could not be authoritatively learned, as both the character and the text of the Premier's note are being carefully guarded. It was stated that it would not be published by the Peace Conference. It will be left to Mr. Wilson to make public his text and also that of his own communication to the Council.

Only Doubtful Element. The only doubtful element admitted in Supreme Council circles is the authority of Mr. Trumbitch, the Jugo-Slavia delegate, to reply to the latest ultimatum demanding an answer to the Paris proposals. Unoubtedly Mr. Trumbitch is in a position to say, if pressed, that he cannot reply until a new cabinet is organized in Belgrade to succeed that headed by Louba Davidovitch, which resigned last Saturday.

PARIS BELIEVES WILSON IS GLAD TO RETIRE TREATY

French Papers Charge President With Wishing to Avoid Admitting Defeat by Senate, but Paris Will Not Enter Adriatic Plan Without America.

Special Cable Despatch to THE SUN and NEW YORK HERALD. Copyright, 1920, by THE SUN and NEW YORK HERALD.
PARIS, Feb. 17.—The charge that President Wilson is using the Adriatic situation as a pretext by which he might withdraw the peace treaty without admitting personal defeat through the action of the United States Senate in refusing to ratify it without strong reservations is made by the French press to-day.

The view is held even in certain official circles in Paris that the President will seek the same kind of a pretext in connection with the Turkish peace pact if he falls in the present move. High placed French observers are inclined to the view that the Jugo-Slavs now are ready to lend themselves to a new compromise agreement on the Adriatic problem—a compromise in which both the Paris proposals and the Pact of London would be excluded. That the attitude of President Wilson will be seriously regarded by the Government of Premier Millerand, however, goes without saying. Despite what the Paris newspapers say, the French Government is not ready to cut itself off from the Wilson Administration. It was authoritatively stated here to-day that Premier Millerand's Government would not enter any settlement of the Adriatic imbroglio unless such a settlement received the approval of the United States.

TANKS SMASH MAD MULLAH

Airplanes Also Used Against Abyssinian Fanatic Who Preached Jihad.

HE MAKES HIS ESCAPE

British and Italian Forces Succeed in Restoring Peace in African Kingdom.

LONDON, Feb. 17.—The combined operations of the British and Italians with tanks and aircraft guns against the Mad Mullah in Abyssinia have been very successful. The enemy was heavily defeated and the operations virtually have been completed, but the Mad Mullah escaped. The Mad Mullah has been preaching a holy war, according to the Somali tribes, and during the recent war continually raided the country, necessitating the maintenance of a garrison by the Italians.

BIBERY CHARGED TO DODGE INCOME TAX

Chicago Man Arrested in Opening of National Roundup

Special to THE SUN and NEW YORK HERALD.
CHICAGO, Feb. 17.—Albert J. Lauer, secretary-treasurer of Briggs and Turley Company, salvage broker, was arrested to-night and held in \$20,000 bonds in the opening of a national drive by the Federal Government to catch big income tax dodgers. Wholesale arrests will be made in the next two weeks. Federal agents intimate, involving heads of some of the largest firms in the United States. Lauer is charged with having attempted to bribe Charles Callner, an internal revenue collector, with \$20,000 to dodge payment on an income tax of \$10,000.

MEAT PRICES AGAIN TUMBLE IN CHICAGO

Hogs Drop \$1 a Hundred Below Previous Day.

Special to THE SUN and NEW YORK HERALD.
CHICAGO, Feb. 17.—Meat tumbled at the stock yards to-day. Hogs dropped \$1 a hundred pounds. The bulk of the better grade of hogs sold at \$14.50 a hundred pounds, against \$15.50 yesterday, and there were numerous offerings as low as \$12.75 a hundred. Beef prices also went down. The bulk of the cattle sold at the yards were taken in by the packers at \$17.75 a hundred pounds, against \$18.75 yesterday. A week ago the same grade of cattle sold at \$18.90 a hundred, making a total slump of \$1.15. Prices of hogs and cattle to-day were from \$4 to 4 cents a pound less than the price a year ago to-day. Inquiry at wholesale and retail meat markets and at downtown restaurants failed to show, however, that Mr. Ultimate Consumer was getting much benefit from the slump.

Note Threatens Also Withdrawal of the Versailles Treaty From Senate.

REPLY COMES TO-DAY

Premiers Likely to Bow to Ultimatum, Many Senators Believe.

BORAH SEES LESSON IN IT

Says Situation Shows Impossibility of U. S. and Europe Acting in Unison.

Special to THE SUN and NEW YORK HERALD.
WASHINGTON, Feb. 17.—An overt threat to withdraw both the treaty of Versailles and the French alliance treaty from the Senate if the Allied Premiers did not continue to consult him in any remaking of the map of Europe was contained in President Wilson's note of February 19 to the Allied Governments. As was stated in THE SUN and THE NEW YORK HERALD this morning, the President's whole position in this matter still revolves around Article X, and its guarantee. Not until to-day was it admitted, however, that the President had gone so far as to mention the possibility that if the Allies did not come to his terms the peace treaty, containing the League covenant and its concomitant pact regarding France, would be withdrawn. This is in addition to the positive declaration in the note that the United States refused to be a party to any Adriatic settlement on the basis of the ultimatum sent to Belgrade and would not sign the Hungarian treaty if it were included.

The admission that the President had coupled with this mention of the peace treaty now under discussion in the Senate was made at the White House to-day, although it had been denied there yesterday that any general threat of this sort had been made.

Capitol Amused and Astonished

The admission caused some astonishment, but more amusement, at the Capitol, where the treaty during the last few days has seemed to be in its expiring throes. It was at once charged by some Senators as a bluff directed at foreign governments, but for which they probably would fall, as it is not doubted that these governments would be from the very start willing to pay any price to keep America in the European game.

The President in his note has not made the direct threat to withdraw the two treaties if the Allies do not rescind their latest Adriatic plan adopted by them last month before they had consulted Mr. Wilson. What he said in this note, which language is as yet withheld, is in effect that if it is their plan to continue to redraft arrangements covering boundaries and other matters like the Adriatic without first getting the approval of this Government he will "take under consideration" the advisability of withdrawing the Versailles treaty. It is intimated that this would mean also the Franco-American treaty, as both "go together."

Whether the note mentions the Franco-American treaty specifically in addition to the Versailles pact is not made clear as yet. But the foreign Governments know plainly that one goes with the other is certain. Its significance is plain. This is a threat directed at the French, to whom the alliance pact is far more precious than the League of Nations.

President's Whole Position

The President's whole position appears to be predicated not on the specific treaty which the Adriatic settlement would form a part but upon his theory that hereafter, under the League covenant, the United States is called upon to guarantee the boundaries of Europe and cannot be expected to sit by idly—supinely—which is very close to the language the President uses—while these boundaries are being defined in accordance with ideas to which it has not subscribed. The President has been demanding that those who have been his peace treaty away from the Senate, as he virtually tells Europe, before he would let the Senate ratify the pact and make the United States a party to the guarantee of Europe's boundaries. If they are to be drawn up without first obtaining the approval of the United States.

Whatever effect this may have had upon the European Governments it certainly has had a withering effect upon the already blighted prospects of the German peace treaty in the Senate. It apparently has given the hard argument in the world to those who have been contending against the President's internationalism. In fact it looked today as if the President, by his own hand, had given the coup de grace to his own treaty. As seen at the capital the President has threatened to withdraw from Europe when a large element of the Senate and of his own countrymen have demanded this very thing. More than this, his ultimatum to the allied Premiers would seem to be in effect, that unless they accede to his demands the League of Nations will be thrown into the discard. For with the treaty containing the League covenant withdrawn Europe would have nothing else to do but