WEATHER FORECAST.
Fair and warmer to-day; to-morrow increasing cloudiness; moderate south winds, becoming variable.
Highest temperature yesterday, 34; lowest, 24.
Detailed weather reports will be found on the editorial page.

The Sun AND THE NEW YORK HERALD

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. 185—DAILY. ++++ NEW YORK, WEDNESDAY, MARCH 3, 1920.—Copyright, 1920, by The Sun-Herald CorporationEntered as second class matter, Post Office, New York, N. Y.
PRICE TWO CENTS IN NEW YORK CITY AND SUBURBS. THREE CENTS ON TRAINS AND ELSEWHERE.

DRYS FAIL TO BLOCK STATE INQUIRY INTO ANTI-SALOON LEAGUE

Judiciary Committee to Begin Task After Socialists' Trial.

MINISTER OFFERS AID

Promises Proof That Funds Were Not Spent as Represented.

WETS TO CONTROL PROBE

Anderson Denies Law Has Been Violated—Prohibition "Revolt" Grows.

Special to The Sun and New York Herald.

ALBANY, March 2.—The wet forces in the Assembly clinched their victory to-day, the first they have won in this State in two years, when they compelled the drys to give up all attempts to block a legislative investigation of the Anti-Saloon League and its superintendent, William H. Anderson.

Convinced that the majority of the Assembly was determined to go through with a thorough inquiry, the Republican leaders abandoned their scheme of forcing a reconsideration of the vote by which the Cuvillier resolution, authorizing the inquiry, was adopted late Monday night.

Louis Martin, chairman of the Judiciary Committee, which will conduct the inquiry, said that, although he had voted against the resolution, the fact that it was authorized by the majority was enough for him, and that as soon as the Socialist trial was out of the way he would begin preparations for the investigation. The committee will confer immediately with Attorney-General Newton regarding the procedure and the assignment of counsel. It is regarded as certain that if called upon the Senate will approve a request for an appropriation to meet the expenses of the inquiry.

Minister Promises Exposure.

Assemblyman Cuvillier, who succeeded single handed in forcing through his resolution, announced to-day he had received a letter from an up-State minister, who was formerly a member of the Anti-Saloon League, offering to give evidence of a "sinister nature" regarding the campaign methods of the league. The minister stated he had withdrawn from the league because he could not approve of the methods adopted by that organization in obtaining money and, further, because he had proof that funds were not used as represented. This minister, the Assemblyman said, stands ready to give inside information on the operations of the league.

There is much personal animosity behind this inquiry. There is no doubt that many of the Assemblymen were moved by personal motives in desiring to pay off grudges against Mr. Anderson. Many who are in favor of prohibition voted for the investigation. They explained that they resented the "brutal" attacks made by Anderson on United States Senator Wadsworth and others.

Apparently everyone is stunned by the sudden and sensational shift in the situation. The Cuvillier resolution was introduced a week ago yesterday and was regarded on all sides as a joke. Either the Republicans had no idea it would be passed or they secretly were hoping it might pass. At any rate, Speaker Sweet and Simon Adler, majority leaders, were unable either last night or to-day to control the house, which ran away from party domination. Overnight it has become the big sensation.

Many Protest Prohibition.

Some regard the Assembly vote as an indication of a growing discontent with prohibition as it now is enforced. Complaints are coming by the hundreds to members of both houses from all sections of the State against the partial enforcement now in effect. The total result seems to be that beer cannot be obtained, whereas anyone with the price can get all the whiskey he wishes. The "prescription" is seen on all sides, and it is pointed out that all that is necessary to get a liberal supply of good brands of liquor is to be known at a drug store.

The first evidence of the discontent with existing prohibition was seen in the open declaration of the Democrats in their State convention for a wet plank.

Following that, William Barnes and Senator Sage, candidates for delegates from Albany county to the Republican National Convention, declared in favor of a liquor referendum. Their influence was seen in the Assembly vote.

The capital is flooded with all kinds of stories regarding the sensations which are to come. Nearly every official and politician suddenly recalls something or other the Anti-Saloon League's representatives have done which must be investigated. There are reports of many kinds of irregularities in campaign funds, all of which will be sifted later if found to have any basis in fact. The league unquestionably has made many bitter enemies in its long battle against booze, and these enemies now are out with loaded guns.

The investigation will be conducted under Section 66 of the legislative law, which provides that an organization which fails to file a statement of expenses incurred in lobbying within two months after adjournment of the Legislature "shall forfeit to the people of the State the sum of $100 a day for each day after the expiration of two months."

Source of Income Sought.

Other provisions forbid a corporation contributing to campaign funds. The charge is that the Anti-Saloon League

Continued on Fifth Page.

THE GREENBRIER.—White Sulphur Springs, W. Va. Through Compartment Sleepers. Bookings—The Plaza.—Adv.

GOVERNOR AIMS BLOW AT G. O. P.

Demands Legislature Provide for Labor Board and Road Maintenance.

TO EXTEND STATE TOUR

Republicans Preparing to Deal With Situation by Assailing His Policies.

Special to The Sun and New York Herald.

ALBANY, March 2.—The issue between Gov. Smith and the Republican Legislature was fairly joined to-day when the Executive fired his first broadsides at the law makers, demanding an appropriation to maintain his labor board, which is dealing with the problem of unrest, and criticising the leaders of the Senate for cutting in half the request of the State Highways Department for $15,000,000 for road maintenance.

Many invitations reached the Governor to-day from up-State counties to include them in his itinerary when he goes on the stump to carry his message to the people. Approval of his stand came from several quarters and encouraged the Governor to extend his speaking tour.

The Governor is fully determined to place responsibility for defeat of his programme squarely at the door of the Republican leaders. He will present his recommendations dealing with the milk problem, reorganization of the State departments and other reconstruction problems before the two houses. The Democratic members will insist upon formal votes.

The Republican leaders are trying to find a way of dealing with his programme without making trouble for themselves and are preparing to assail his policies.

Predicting disaster if the Legislature does not loosen the purse strings and give the highways officials the money needed, the Governor said the majority party in the Legislature through its Finance Committee would be doing a bad thing if it carried out its policy of cutting the road appropriation in half. The department's estimate was pared to the limit, and to neglect the State's highways further would be false economy, he stated. The appropriation last year was $5,000,000, and because so little construction was done the old roads are worn down.

GERMAN DIAMOND FIELDS ABSORBED

Anglo-American Interests to Pay $22,500,000.

Special Cable Despatch to The Sun and New York Herald. Copyright, 1920, by The Sun and New York Herald.

LONDON, March 2.—The terms under which the huge diamond mining concerns in what was formerly German Southwest Africa have passed into the control of Anglo-American interests were announced here to-day. The Anglo-American Corporation has caused to be formed the Consolidated Diamond Fields of Southwest Africa, with a capital stock of $22,500,000, to purchase the German interests. There has been made a cash payment, in addition to which there has been an exchange of shares. A majority of the directors will be Britons, but four Germans will be on the board.

The output of the fields will be controlled by the diamond selling syndicate which now regulates the price of the entire output of the South African fields to prevent over production and wide variation of the market price of diamonds.

SAYS W. O. JENKINS WAS NOT KIDNAPPED

Mexican Brings Charge of Perjury Against American.

Special to The Sun and New York Herald.

MEXICO CITY, March 2.—A new charge of perjury has been made against William O. Jenkins, American Consular Agent in Puebla, by Fernando Guzman, Prosecuting Attorney. Mr. Jenkins, it will be recalled, was kidnapped by Mexican bandits on October 19, 1919, and following his release on payment of a large ransom was arrested by the Mexican authorities, who charged that he was in collusion with rebels against the Carranza Government. His case was made the subject of diplomatic exchanges between the State Department in Washington and the Mexican Foreign Office.

In addition to the perjury charge just made in the Puebla courts Guzman alleges certain other crimes were committed by Mr. Jenkins, and asks for several years' imprisonment for him. He declares he has proved Mr. Jenkins never was kidnapped.

NEW N. Y. C. CHARTER TO GET 4 CENT FARE

Road's Right to Revise Is Sought in Albany.

Special to The Sun and New York Herald.

ALBANY, March 2.—Revision of the charter held by the New York Central Railroad is to be proposed to the Legislature as a necessary step to permit an increase in fare to 4 cents a mile. The charter provides for a two-cent rate.

Under Government regulation the fare was raised, but with the return of the road to the company it is held that the old two-cent rate must again become effective.

The old railroad lobby, absent during Government control, has again appeared.

SENATE PASSES 2 RESERVATIONS BY BIGGER VOTE

Six Democrats Change to Lodge's View on Monroe Doctrine Article.

15 DESERT PRESIDENT

Unless Wilson Yields It Seems Sure Treaty Will Fail of Ratification.

BORAH FIRES BOMBSHELL

Quotes "Sun-Herald" Cable to Show Britain's Attempt to Control World's Oil.

Special to The Sun and New York Herald.

WASHINGTON, March 2.—The Senate readopted to-day two of the Lodge reservations to the peace treaty, both of them without change in the original wording and by greater majorities than when they were presented originally last November. One of them dealt with the Monroe Doctrine and was adopted by a vote of 58 to 22, while last November the vote was only 55 to 34; the other reservation dealt with domestic questions, was adopted by a vote of 56 to 25, as against the previous vote of 59 to 36.

To-day's votes in short made it perfectly apparent that unless the President yields and directs his Senate followers to accept the treaty with the Lodge reservations ratification is bound to defeat. It will lack from 13 to 15 of the necessary 64 votes to carry.

The two Lodge reservations adopted to-day have been among those most bitterly fought by the Democrats, and the fact that when they were brought up to-day a number of Democrats deserted their party ranks and voted with the Republican reservationists caused much prediction that the treaty, with reservations, possibly would be ratified this week. Last November the Monroe Doctrine reservation received the support and votes of only nine Democrats, while to-day fifteen voted for it. The domestic questions reservation was supported by eleven Democrats in November and by fourteen to-day. These figures show a clear gain for the Republicans of six Democrats on the Monroe Doctrine reservation and three on the other.

Democrats Change Views.

Little debate attended the action of the Senate. The domestic questions reservations, the fourth on the Lodge list, was taken up first and received the votes of the following Democrats in addition to those who voted for it last November; Ashurst (Ariz.), Culberson (Tex.), Henderson (Nev.), Myers (Mon.), Nugent (Idaho) and Pittman (Nev.).

The vote on the Monroe Doctrine reservation was taken an hour later and was substantially similar; in fact, the Lodge programme went through even stronger. After another series of efforts to modify the text of the reservation, all of which failed, the roll was called and the reservation adopted. In addition to those who voted for this reservation in November the following Democrats voted for it to-day: Ashurst (Ariz.), Culberson (Tex.), Henderson (Nev.), King (Utah), Myers (Mont.), Nugent (Idaho), Phelan (Cal.), Pitman (Nev.) and Smith (Ga.). Not a single Republican vote was cast against the reservation.

To-day's action of the Senate in adopting the Monroe Doctrine reservation disposes of two of the Lodge series which in the view of the Democratic leaders are crucial. The other is the reservation dealing with Article X., and there is a strong belief in Republican circles that the landslide of Democrats which began to-day will continue and wax so strong that two or three more may be gained when the Article X. reservation is taken up for consideration.

Before the votes were taken and interspersed among the series of roll calls there was an interesting running discussion. The domestic questions reservation was before the Senate when the session opened. Senator Smith (Ga.) moved to strike out "commerce" from the list of subjects which the United States reserved to its exclusive jurisdiction and over which it denies any authority to the League of Nations. This was voted down, 34 ayes, 44 noes, after Senator Hitchcock (Neb.), the acting Democratic leader, had been asked if he would support the reservation if thus changed and had replied that he would not.

Borah Asks for Explanation.

Then the Hitchcock amendment to reservation No. 4 was put to the test. It would have made the reservation say that "the United States is not required and hereby declines" to submit to the league the various matters reserved. Senator Borah (Idaho) wanted to know the difference between this and the Lodge reservation and when Senator Hitchcock would not tell Senator Borah declared that if the Hitchcock reservation carried it would place the Panama Canal under the league.

This was a shock to the Democrats. "I never thought of such a thing," declared Senator Smith, and Senator Hitchcock was sure it could not be so. Senator Borah insisted that it was and Senator Brandegee (Conn.) reenforced the point.

Senator Knox (Pa.) contributed a few

Continued on Second Page.

HARTSHORNE, FALES & CO., Members N. Y. Stock Exchange, 71 Broadway.—Adv.

Uncertain of Germany, France Keeps Up Army

PARIS, March 2.—The Senate to-day adopted the bill of the Chamber of Deputies incorporating the army class of 1920 into the military establishment. M. Lefevre, Minister of War, said that France was following most closely the question of the disarmament of Germany "and so long as we have not certain assurances as regards Germany's military activity, we are obliged to preserve a force necessary to assure to France the respect and security to which we are entitled."

GEDDES BACKED BY LADY ASTOR

Urged Lloyd George to Appoint Him as Ambassador to United States.

HELPED HIM TO OFFICE

Sir Auckland Says Home Rule Bill Is Only Possible Solution of Irish Question.

Special Cable Despatch to The Sun and New York Herald. Copyright, 1920, by The Sun and New York Herald.

LONDON, March 2.—Sir Auckland Geddes was revealed to-day as being Lady Astor's candidate for Ambassador to the United States. In the course of a luncheon in his honor she told how she had been impressed with him in the course of the Government industrial conference at Trouville a month ago and how she had quietly "boosted" him to Lloyd George.

Sir Auckland smilingly acquiesced in the suggestion that, when he is through in Washington, Lady Astor would be a suitable successor to him. At the same time he expressed appreciation of the importance as well as the difficulty and delicacy of his task, but declared that he anticipated most keenly the possibility of bringing about a better understanding between the United States and Great Britain.

He served at the front during the first years of the war, was wounded and invalided home, where he organized the effective recruiting system which, in the last days of the war, combed out the skulkers. Lloyd George was reported to have been reluctant to let him go, as he had several other "jobs" he wanted Sir Auckland to carry out, but was convinced finally that none of these was more important than the conciliation of America and the counteracting of the anti-British campaign by certain treaty opponents and by the Sinn Fein, as well as Germans.

Sir Auckland declared to-day that the Irish bill as presented in the House of Commons affords the only possible solution of the Irish question, putting the question of order there up to the Irish themselves. He declared that the Government was determined to pass it.

"Why is the bill so favorable to Ulster?" he was asked.

"Favorable to Ulster?" he repeated in a surprised tone. "It provides for every penalty, economically and fiscally, against Ulster if she does not join with the rest of Ireland. That is not what Ulster wanted. She wanted to be left alone. The bill has put the solution of the Irish problem where it should be—in the hands of Ireland."

WILL TRY TO LESSEN FRICTION IN TRADE

New Ambassador Sees Rivalry as Chief Danger.

By the Associated Press.

LONDON, March 2.—Sir Auckland Geddes will be the first British Ambassador to go to the United States with a considerable knowledge of trade affairs and a strong conviction of their underlying importance to the two countries in the post-war era. As president of the board of trade he had partial supervision of the consular service, while dealing also with the most important business questions of the kingdom.

While the Ambassador declines to give interviews, he speaks freely of his impression that the chief possibility of friction or ill feeling between the people of the two countries in the near future lies in the inevitable business rivalry between the two because of their paramount position as the two great commercial Powers whose present resources for trading equal, if they do not exceed, the resources of all the rest of the world. This position, he considers, one which need not cause misunderstanding if the two people have good will to try each to put itself in the other's place.

Sir Auckland has the distinction which none of his predecessors possessed of having lived in Canada and the United States so long that he could not be distinguished from a native. His wife is an American. He is likely to have a further distinction as being the first British Ambassador who can tell a funny story in an after dinner speech, and most of his repertoire is derived from his native soil, Scotland.

HUGE ALLY LOAN GERMAN AID TO PAY WAR DEBTS

Supreme Council Would Grant Opportunity to Earn Indemnities.

PRIOR LIEN ON ASSETS

Is First Step in Solution of Economic Problem Burdening World.

HARD BLOW TO FRANCE

She Still Figured on Collecting Her Entire Costs of Conflict.

Special Cable Despatch to The Sun and New York Herald. Copyright, 1920, by The Sun and New York Herald.

LONDON, March 2.—The decision by the Supreme Council of the Peace Conference that Germany must be readmitted on the broadest terms into the family of commercial nations, and without regard to a sentiment of revenge, is the first momentous step which will lead to a solution of the knotty economic problems which has, until now, been practically impossible.

It has been asserted in many quarters that the huge indemnities imposed on Germany by the Allies never would be paid, simply because they were beyond the bounds of economic reason. But the Supreme Council's statement of formal approval of a prior lien in the shape of an international loan to Germany will be a blow to popular sentiment in France, who has continued to delude herself with the hope of collecting the entire cost of the war to her from Germany. On the other hand, it will not have a depressing effect on French economics or exchange, because the French financial position long ago passed the point where any hope for indemnities could have had any effect.

[The loan, which will be exempt from any claims for reparations and indemnities by allied forces, is due to Lloyd George's insistence that Germany must be helped to her feet.]

Germany is the crux of the whole situation, just as bankers and sound economists have been contending all along, and the Supreme Council has now come around to that point of view. Indeed, it is obvious that with the German mark worth less than a penny all trade with Germany is reduced to a system of barter. An international loan will not mean that her position will be redeemed at one fell sweep, but, rather, that it will enable her to deflate her currency to such an extent that it again will be possible to use it as a medium of international exchange.

There are some political stumbling blocks, particularly in France, in the way of overriding the treaty indemnities, but it is safe to say that from now on every effort by European statesmen will be directed toward convincing the public of the folly of carrying out an extreme policy against the old Central Empires, which would only react against the Allies themselves. The fact that the international loan would enjoy a prior lien on German assets, as against the treaty indemnities, may make unnecessary a formal revision of the treaty, since even the extremist element is ready to admit that Germany cannot provide security for an international loan in addition to paying indemnities. The alternative to a formal revision of the economic clauses of the treaty will be in just forgetting them and in allowing Germany to pay what she can, with no attempt to collect the balance.

One of the advantages of such a course is that it will permit the keeping of a strong hold on Germany for many years to come, or, at least, until public sentiment in allied countries has died down and the formal cancellation of the unpaid indemnities can be effected.

But the mere fact that Germany may get outside aid will make more probable the payment by her of a considerable amount of indemnity to France, especially in view of the fact that once her industries are started up again her tax revenue will increase and her surplus fund will be larger. Therefore, while it is accepted reluctantly by France, the policy of giving aid to Germany and the reducing of the indemnities Germany must pay will be a real aid to France and, what is more to the point, to all Europe, since it would permit of the restoration of normal conditions throughout the world quicker than would otherwise be possible.

LONDON, March 2.—While it is understood the conference has come to recognize that Germany ruined would mean a weak spot, and a dangerous spot, in Europe, and it is considered probable that it will sanction an international loan to Germany, the question of security is a basic one and is occupying serious attention. It is expected that a plan will be arranged which will offer inducements to the rich smaller neutral countries to subscribe to a loan. Even England, her representatives believe, will contribute, officially or unofficially, although Eng-

Continued on Second Page.

CLOSING TIME FOR CLASSIFIED ADVERTISEMENTS
The Sun AND NEW YORK HERALD

DAILY ISSUES
9 P. M. at Main Office, 280 Broadway.
8 P. M. at former Herald Office, Herald Building, Herald Square.
8 P. M. at all other Branch Offices (Locations listed on Editorial Page).

SUNDAY ISSUES
5 P. M. Saturday at Main Office, 280 Broadway.
6 P. M. at former Herald Office, Herald Building, Herald Square.
6 P. M. at all other Branch Offices (Locations listed on Editorial Page).

LABOR ACCEPTS RAIL ACT; STRIKE DANGER AVERTED; BOARD TO SETTLE WAGES

ALLIES ALLOW TURKS NO NAVY

Fate of Army Will Be Passed Upon To-day by the Peace Conferees.

DEBTS ARE APPORTIONED

Sultan Will Retain Only Constantinople and Anatolia, Halving His Kingdom.

Special Cable Despatch to The Sun and New York Herald. Copyright, 1920, by The Sun and New York Herald.

LONDON, March 2.—There will be no Turkish navy. The naval clauses of the treaty with Turkey have been completed by the Supreme Council of the Peace Conference, and they leave to the Turk only a few cutters for customs purposes.

The fate of the Turkish army will be decided to-morrow.

[The only vessels of the Turkish navy possessing any real value are the battleship Torgut Reis, 9,876 tons displacement, launched in 1893; the battle cruiser Sultan Selim, 22,640 tons, launched in 1911, and the cruiser Hamidieh, 3,800 tons, launched in 1903. Besides these, there are about thirty destroyers, gun boats and other vessels, half of them being modern. A submarine flotilla was created in 1917. Under the terms of the armistice of October 30, 1918, it was provided that all Turkish ships and war vessels should be surrendered to the Allies and interned as directed. On November 5 the Admiralty announced that the transfer had taken place.]

As a sop to those who opposed leaving the Turk in Constantinople, it was made known here to-day that he will have only Constantinople and Anatolia, thus reducing the population under Ottoman rule by about 50 per cent.

[Latest statistics give the estimated population of Constantinople at 1,200,000 and of Anatolia at 9,175,000; of Turkey in Europe at 2,755,000; of Armenia and Kurdistan, 2,500,000; of Mesopotamia and Syria, 4,650,000, and of Turkish Arabia, 1,100,000, thus making the population of the old Turkish empire about 20,180,000.]

The Turkish Finance Commission also has completed its work and has decided to apportion the Turkish debt among the severed portions of the empire according to population, at the same time placing a just portion on Constantinople and Anatolia.

It has not yet been officially disclosed what the Council has decided on regarding the Turkish provinces in Asia Minor outside of Anatolia, but it is believed here they will be allotted to several Powers, with a view to a more complete protective arrangement than heretofore has been contemplated in view of the recent massacres, the Greeks getting Smyrna, the French getting Cilicia, the English getting Syria, Palestine and Mesopotamia and the remainder going to the Armenian Republic and the Arab Kingdom of Hedjaz.

REDEEM ARMENIA, IS PLEA TO PRESIDENT

Fresh Massacres by Turks Cause Alarm.

WASHINGTON, March 2.—Prompted by the renewed reports of Armenian massacres, the Armenian National Union telegraphed to President Wilson from Boston to-day asking that he take necessary steps for "the redemption of Armenia."

"In our intense anxiety, caused by the fresh calamities to which the Armenians are subjected in Cilicia and elsewhere in Turkey," the message said, "may we appeal to you once more to take the requisite steps for the redemption of Armenia?"

MORE TERRITORY IS TAKEN FROM PRUSSIA

Schleswig-Holstein Now Proclaims Independence.

LONDON, March 2.—A despatch from Flensburg, Schleswig-Holstein, says it is reported that representatives of the Schleswig and Holstein organizations, together with members of various political parties, assembled at Rendsburg, Holstein, to-day to proclaim the emancipation of Schleswig-Holstein from Prussia and the establishment of a new State.

According to the despatch the State Commissary, Dr. Koester, in an address said: "I am going to Berlin this evening to hand over this declaration of independence."

COPENHAGEN, March 2.—The coup in Schleswig-Holstein in which a new State was established by the cutting away of Schleswig-Holstein from Prussia, occurred while the three leading members of the International Commission were absent from Flensburg. The Commissioners are hurrying back and are expected to reach Flensburg to-night.

THREE DIE IN BURNING PLANE.

Capt. Page, War Hero, and Two Passengers Killed in Florida.

FORT MEYERS, Fla., March 2.—Capt. R. C. M. Page, who was decorated for distinguished service in overseas air service, and two passengers were burned to death near Everglades, Fla., late to-day in a fall of a seaplane which caught fire. Capt. Page won the American Distinguished Service Cross and the French Croix de Guerre, and was said to have brought down three German planes in France.

Capt. Page, as pilot of the plane, started on a flight with G. Hunter Bryant, Tax Assessor, and Thomas H. Colcord, member of the City Council, to assess road taxes in the southern part of Lee county.

WILSON NOTE TO BE SENT TO-DAY

Latest Answer to Views of Premiers on Adriatic Problem Does Not Change Policy.

FIUME ISSUE CLEARING

Jugo-Slav Protest Made Public —Allied Message to Be Announced To-morrow.

Special to The Sun and New York Herald.

WASHINGTON, March 2.—President Wilson's latest answer to the note of the Entente Premiers on the Adriatic problem is ready for transmission to Europe and probably will be cabled late to-morrow. No hint of its contents was divulged at the State Department to-day, although it was generally recognized that the communication would reveal no alteration of policy on the part of Mr. Wilson. It simply will express his willingness to continue a party to the conferences designed to effect an amicable solution of the problem and satisfy the primarily interested parties.

Also it was unofficially announced at the State Department that the reply of the allied Premiers to the Wilson note of February 24, to which the pending note is the response, would be made public Thursday.

The State Department made public to-night the text of the Jugo-Slav protest against the definition of boundaries by the allied Premiers and accepted by Italy as a tenable ground of adjustment on January 14 last. It was this adjustment, in which America had not participated, that caused President Wilson to utter his objection of February 10. The Jugo-Slav reply was couched in language of the most temperate character and indicated that the protest which it voiced was practically confined in purpose to combating the allied adjustments of the previous tripartite agreement of December 9, 1919.

Accepts Fiume Independence.

The text of the note in part follows:

"The corpus separatum of Fiume would not be under Jugo-Slav sovereignty and in principal the independence of Fiume is accepted.

"The corpus separatum of Fiume without the railways and without the port will be an independent State under the sovereignty of the League of Nations. Fiume's diplomatic representation will also be under the League of Nations. The port of Fiume, inclusive of the great pier and the terminal railroads of Fiume, as well as the installations connected with these services, will be the property of the League of Nations, and will be placed under the management of the Serb-Croat-Slovene State.

"The railroad system of Fiume, which port is the only Serbian commercial outlet by water, belongs to the Serb-Croat-Slovene State.

"The Serb-Croat-Slovene State will have the right to develop the port and the railways, and is to conclude arrangements with Rumania, Jugo-Slovania and Hungary for the development of the commerce for these countries. In case of a disagreement the question will be settled by the Council of the League of Nations.

"The city of Susak and the port of Baross, which form an integral whole and which were constructed exclusively for the lumber trade of Croatia, will be attributed to the Serb-Croat-Slovene kingdom as its property. This small part would be the only one from a commercial point of view on the entire Adriatic coast which would be the exclusive property of Jugo-Slavia.

Agrees to Arsa Frontier.

"The frontier between Italy and Jugo-Slavia, established by the Wilson line, from the Julian Alps as far as the Arsa, is the only frontier which corresponds with the geographic strategic and economic conditions, and it is entirely in favor of Italy. This frontier is accepted, although by according 40,000 Jugo-Slavs to Italy it greatly prejudices the principle of nationalities. This enormous sacrifice, greater than any other allied State has been asked to accept, is nevertheless agreed to by the Jugo-Slav people in the interests of accord and peace.

"The unjustifiable annexation of purely Jugo-Slav territories beyond the Wilson line would bring about a new and flagrant violation of the principle of nationalities. It would inevitably create a permanent hotbed of irredentism within the frontiers of Italy of a nature precisely analogous to that which was held as a justification of the claims of Italia 'Irredenta,' in which its return to the mother country was demanded in the London memorandum stipulations.

"Concerning the territory on which the railway line from Fiume runs along the coast, if it were attributed to Italians insurmountable difficulties would occur daily.

"The districts of a purely Jugo-Slav character comprise not only these located along the line traced on the map attached to the draft, but also these located to the south of Senozetche and extending as far as the sea, which compose a territory almost in the form of a triangle. By the cession of this territory 60,000 more persons of Jugo-Slav nationality would be attributed to Italy.

Other Decisions Acceptable.

"The coast extending from Arsa to Volosca, more than 500 kilometers in length, dominates the Fiume Gulf, in which Italy has no legitimate interests. On the other hand, the Fiume Gulf is essentially necessary to the existence of Jugo-Slavia, as it is her only economic outlet. By the cession of this territory to Italy the entire hinderland, which, as

Continued on Second Page.

Wilson's Letter to Union Admits Failure to Cut Living Costs.

CONFERENCES CALLED

Roads' Heads and Workers' Chiefs Will Argue on Pay Problems.

WILL MARK REAL TEST

Maintenance of Way Leaders Postpone Signing Pact Until To-morrow.

Special to The Sun and New York Herald.

WASHINGTON, March 2.—Railroad labor is prepared to accept and to make the most of the Cummins-Esch transportation act and the machinery it provides for the settlement of wage and labor disputes. Announcement of labor's acquiescence to the provisions of the bill, which was fought bitterly, was made to-night, after three days of conferences among leaders of railroad labor unions. The announcement means that there will be no strike or hindrance of the transportation system until the labor provisions of the act have been tested.

President Wilson addressed letters to-day to the Association of Railway Executives and to the sixteen railway labor unions asking their immediate cooperation in the creation of a joint board under the transportation act to settle the wage demands that have been running since last August. An immediate compliance is expected.

A significant feature of the President's letter is the statement that the wage increase demands cannot be expected to wait longer upon efforts to reduce the cost of living. In some quarters this is interpreted as a tacit admission of the futility of Administration efforts in this direction.

One Union's Action Delayed.

All the railroad unions except the maintenance of way employes indorsed an official statement to-night that the railroad bill would be accepted and tried by labor. The maintenance of way employees were represented in conference here, but their representatives did not have power to commit the organization.

This body is to have a special meeting in Chicago March 4 to determine its stand. It probably will fall into line, though it called a strike recently and went through all of the strike motions up to the last, when surrender was made to an appeal to reason from the President.

Labor Unions' Statement.

The general attitude of railway labor was made plain in the following statement from the affiliated unions:

Notwithstanding the fact that labor in general, and railroad labor in particular, with the full cooperation and support of other bodies representing American citizens, urged the Congress not to pass the railroad bill and the President to veto it and return it to Congress, we are now officially advised the President has signed the bill and it is the law.

Labor's criticisms and protests against this legislation are a matter of record and were presented to the Congress, the President and the public. We have not changed our views in regard to this explanation and therefore do not indorse the law. However, as American citizens we feel that in the interest of railroad labor there is nothing left for us to do at present except to cooperate in the prompt creation of the machinery provided for in law.

In the case of the Brotherhood of Maintenance of Way Employes and Shop Laborers this organization has not had duly authorized representatives in this last conference. Therefore, in compliance with their constitution, it was necessary to convene such representatives, which they will do in Chicago Thursday, March 4.

Wilson's Letter to Unions.

The letter of President Wilson to the railroad leaders, addressed to Thomas De Witt Cuyler, chairman of the Association of Railway Executives, said that since the transportation act had become a law "the way is open for the immediate handling of the wage matter in accordance with the procedure contemplated by that law." The President's letter reviewed the railway wage situation since the presentation of the demands of the brotherhoods last August, and it also recalled that last month the President notified the union representatives that the settlement of their demands ought to be postponed for a further indefinite period and that the problem ought to be handled by an agency which could continue to function after the Federal operation of the railroads had ceased. The letter in part said:

Since the railroad companies have now resumed the operation of their properties, and since the transportation act has become a law, the way is open for the immediate handling of the wage matter in accordance with procedure contemplated by that law.

I believe all will agree that the matter calls for the earliest disposition and for the most active and earnest cooperation to avoid any delay whatever in bringing it to a conclusion. Section 301 of the transportation act contemplates that the carriers and employes may and