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Sterrett

GERMAN INTRIGUE IN THE UNITED STATES

Special Federal Officers Have Traced Up the Rumely Purchase of The New York Mail.

TO VON BERNSTORFF AND THE KAISER

Why Sam McClure Was Chased Out of England—A Hundred Millions of German Bonds Sold to American Germans as a Press and Magazine Reptile Fund—How the Name of Mrs. Busch of St. Louis Comes Into the Story—Charges of Treason May Follow.

No one here in Canada can imagine the furore that the exposure of intrigue of the German Government and its ambassador, Von Bernstorff (the kaiser included) to bedevil the newspaper and magazine press of the United States, has caused in that country. Dr. Rumely is to be tried for perjury, perhaps for treason, in connection with his purchase and editorial management of The New York Mail. Sam McClure, the head of the magazine with his name on it, is involved; and we know now why, when he landed in England, he was immediately sent back to the States. He is the man who advertised himself as the discoverer of Rudyard Kipling. Mrs. Busch, wife of the wealthy brewer of St. Louis, is also involved.

Special agents of the United States Government have been at work for months on the case and we are now able to print a lot of the information on which Dr. Rumely's arrest was based. He is soon to be tried and it will be one of the great state trials of the United States. Other trials are to be put on all over the States to show the magnitude of German intrigue in that country, and how, firm after firm, doing business there, were German agents trading under false pretences. How the money for the purchase of The Mail was transferred from bank to bank, and from one man to another in the Rumely case, is a story of itself. Canadians will be more than interested in it. Some say we may find out why the Sovereign Bank in Canada got half of its share capital from Germany; also how other things were done here.

[From The Editor & Publisher, New York, July 13.]

The New York Evening Mail, whose owner, Dr. Edward A. Rumely, was arrested last Monday evening on a charge of perjury, is continuing publication under a temporary arrangement with A. Mitchell Palmer, United States Alien Property Custodian.

Henry L. Stoddard, formerly publisher of The Mail, and Paul Block, head of the advertising concern of Paul Block, Inc., are in charge of the affairs of the property under the temporary arrangement. How long this arrangement will persist, or if it will be revoked by Mr. Palmer, it is to be determined at Washington, where Mr. Stoddard and Mr. Block were at the latter part of this week in consultation with Mr. Palmer and Francis J. Garvin, the custodian's representative in New York.

When the control of The Mail passed to Dr. Rumely, June 1, 1915, one of the terms of the sale was that in the event that the property ever became jeopardized the bondholders should enter, take possession and conduct it for their own interests. Mr. Stoddard and Mr. Block are the largest holders of The Mail bonds, and under the terms of that agreement were permitted by Mr. Mitchell to assume charge.

Charge is Perjury.

Altho the charge against Dr. Rumely is perjury, based upon his alleged statement recently to the Alien Property custodian that the stock of The Evening Mail was American-owned, when in reality it was owned by German interests, if not by the Imperial German Government direct, according to German Government officials, a statement made by Assistant United States District Attorney Harper when Dr. Rumely was arraigned before United States Commissioner Hitchcock on Tuesday, indicates that the government intends to make a far more serious charge against him—possibly treason.

Asking the bail to be fixed at $50,000, Mr. Harper said that the government had evidence that Dr. Rumely had handled large sums of German money, not only for the purchase of The Mail, "but for other purposes as well." Commissioner Hitchcock fixed the bail at $50,000, but the assistant district attorney, after a conference with Frederick J. Powell of Powell, Wynne & Lowrie, counsel for Dr. Rumely, said he was satisfied that Dr. Rumely could not furnish bail in that amount and consented to a reduction to $35,000, which was given in thirty-five Liberty bonds of $1000 each.

In a statement made late in the day Mr. Stoddard, reviewing the history of Dr. Rumely's connection with the paper, said that at the time he turned over the property to the latter it was losing $1000 a day and he had decided to suspend publication if he could not dispose of it. He originally acquired his holdings, he said, from the estate of the late Elliott F. Shepard, buying $267,000 in bonds. His present holdings, all in two issues of bonds, he placed at $375,000, but added that he did not know exactly how he stood financially now, as he had allowed Dr. Rumely to put up some of the bonds as security for loans.

He agreed to sell his stock for $735,000, clear the property of debt and leave $100,000 in the treasury as an operating fund. He received the stipulated sum, he said, paid the debts, left $100,000 in the treasury and pocketed $20,000. It appears, then, that the debts were $615,000. According to government figures Germany has put $1,361,000 into The Mail, the balance over the purchase price being to meet deficits. Just what debt The Mail is carrying at this moment has not appeared.

The disposition of the funds which Dr. Rumely handled is a matter that is engaging the interest of the federal authorities. Testimony given before the federal grand jury since his arrest is said to prove that besides the money with which he purchased The Mail he handled other sums. It is known that he put $250,000 into improving the plant of The Mail, and that he invested $750,000 in The Mail news and feature syndicate. Also that he lost $50,000 in promoting the Rube Goldberg motion picture venture that did not succeed.

The federal authorities also say that he was close to Bernstorff and Dernburg, distributors of vast sums of money in this country for the German Government, tho they have not yet connected him directly with ultimate distribution of the funds. They do declare, however, that the money Dr. Rumely used to buy The Mail was from a heavy sum raised thru the sale of German war bonds in this country.

Dr. Rumely, since his arrest, has made but one statement, tho he declared that he would make another that would clear him absolutely not only of the charge of perjury, but of any suspicion of treasonable action as well. In his single statement he spoke merely of the editorial policy of The Mail as not in the least pro-German. He said:

"The policies of The Mail have been under my complete and sole control. The paper, particularly the editorial page, has been an expression of my attitude on public questions. I have relied on my own judgment of what was the right thing to do from the standpoint of America's interest. The Mail has backed every war activity of the government to the limit of its power and has performed work second to no other paper in developing policies for the efficient organization of our country for this necessary war. I am convinced that the return I made to the alien property custodian will be found truthful when all the facts are known."

Rumely Offered Mail to Many Only a Short Time Before Government Arrested Him

It is known now that for eight months the government has been investigating the financial transaction by which Dr. Rumely came into possession of the funds for the purchase of The Mail, in which investigation Mr. Stoddard says he gave the federal agents his assistance. Whether or not Dr. Rumely feared the result and wished to rid himself of a dangerous property. It is said on excellent authority that The Mail was offered for sale to a number of publishers within the month before Dr. Rumely's arrest. The price was fixed at approximately $1,000,000, in which two bond issues, one of $360,000, the other of $340,000, were to be a part. It was represented that the $1,000,000 price had been fixed by A. Mitchell Palmer, who, according to developments, was at that time aware that the property was owned by German interests, and who had had decided to take the paper over under the Alien Enemy Act. Besides being offered to several publishers individually, it is understood that the sale of The Mail was placed before a syndicate of capitalists who wish to control an afternoon newspaper in New York.

Efforts to effect a sale proving unavailing, Dr. Rumely told his associates it was impossible to get rid of the property. It is not apparent, however, how Dr. Rumely would have profited by a transfer of The Mail, so far as clearing himself from odium is concerned, since he would have remained in the same position of having acted for German interests if the charge of the alien property custodian is true.

Was Losing Money.

The private statement given ou' in the negotiations was that the government expected to take over the place and supply the necessary funds for its operation. It was reported at that time that the paper was losing money at an alarming rate, and that many of its fixed charges remained unpaid, and that the management was at a loss to obtain money for its continuance. It is said that The Mail lost $250,000 in 1917, and that the losses for the first six months of 1918 ran to approximately $75,000. The reduction in the losses for the first half of 1918 from the average for 1917 was due, it was said, to the advance in the price from one cent to two cents. The total receipts of The Mail for last year were about $1,250,000, while the total expenses were about $1,500,000.

It has been learned that the expenses of the various departments of the paper were approximately as follows:

Editorial	$275,000
Composing room	175,000
Press and stereotype	120,000
Advertising department	215,000
Circulating department	210,000
Administration	65,000
Paper	360,000
Interest and discounts	85,000
Miscellaneous items	75,000
Total	$1,580,000

The paid circulation of The Mail on April 1, 1918, according to the report made to the government at that time, was 130,000.

Two Directors Resign From Paper as Stoddard Insists It Will Support America Fully

Since Mr. Stoddard and Mr. Block undertook the management of The Mail two of the directors of The Mail and Express Company, the style of the corporation publishing the paper, have resigned. They are Kurt Reisinger, a son of the late Hugo Reisinger and a grandson of the late Adolphus Busch, of St. Louis, and Walter Kaufmann, of the law firm of Hays, Kaufmann & Lindheim, of 60 Wall street. It has been said that a large part of the cash that was raised in this country for German propaganda was furnished by Mr. Busch's widow, and that she was directly interested in the control of The Mail. The latter statement she has denied to the federal authorities.

There has as yet been no denial from Dr. Rumely that The Mail was bought for German interests, and since the purchase was made before the United States entered the war that in itself would not be an overt act against the United States Government. Dr. Rumely is understood to have urged this upon the district attorney and others, and pointed out that since the United States entered the war the editorials of The Mail have been of a patriotic character. Prior to the American declaration of war, editorials that were distinctly anti-British appeared, the effort being apparently to cause a sentiment in this country against England, which would have favored the German cause, especially as The Mail's attacks upon the British blacklist should have resulted in serious complications between this government and Great Britain.

On Tuesday, the day after Dr. Rumely's arrest, the first edition of The Mail did not appear on the streets until after 1 o'clock in the afternoon. The first page contained a statement by Henry L. Stoddard, saying that S. S. McClure had introduced Dr. Rumely to him to negotiate the sale of the Stoddard stock. There were rumors at that time, he says, that German interests were seeking to purchase a control of a New York paper, tho there was not a breath of suspicion against any of the parties concerned with Dr. Rumely.

While he was negotiating with Dr. Rumely, Mr. Stoddard declares, Hugo Schweitzer, who represented the German Dyestuff Trust in New York, called several times with the announced purpose of purchasing the paper for German interests, a proposition which Mr. Stoddard refused to consider. He had no idea of the source of the money Dr. Rumely said he could pay for The Mail, and argues that he had no right to inquire. He asserts that Dr. Rumely told him that every man in the syndicate he represented was an American citizen and pledged his word that not a dollar of the purchase money came from German sources.

When Mr. Stoddard's bonds matured, Oct. 1, 1917, he conferred with a number of friends upon the advisability of taking over the paper because of a suspicion that it was not warmly American, even after war had been declared against Germany. Among them was Col. Roosevelt, who advised Mr. Stoddard not to embarrass the paper, on the ground that if it were not anti-American his action would only injure the property, and if it were, the fact would soon become apparent. The page also contained endorsement of Mr. Stoddard by New York State Attorney-General Lewis, Col. Roosevelt, Gov. Whitman, Nathan Straus, and Norman Mack.

Many Transactions to Cover Sources of Money With Which Purchase Payment Was Made

The financial features of the transaction by which, according to the government charges, control of The Mail was transferred from American to German interests, were similar to those of the plan followed by Von Bernstorff, Adolph Pavenstead, and Hugo Schmidt in transferring the huge sum that was turned over to Bolo Pasha to debauch French public opinion in favor of a German-made peace. The funds passed thru a number of banks before they finally reached Bolo.

In the case of Rumely, according to Attorney-General Merton E. Lewis, there were also several transfers, Dr. Heinrich Albert, the former German paymaster in this country, drawing the money out of banks in the form of cashiers' cheques, which went to Walter Lyon, who endorsed them to Renskorf, Lyon & Co. This firm, it is said, subsequently transferred the purchase price in a single cheque to Lyons, who, it is charged, paid it to Rumely. Lyon, it is declared, received $5000 for commission.

The banks that figured in the original transactions which involved the first payment of the purchase price, which government reports put at $750,000, were the Equitable Trust Company, the Manhattan Company, the Columbia Trust Company, and the Farmers' Loan and Trust Company.

But the $750,000 was only about half the financial outlay of the Germans, according to the government agents. After Dr. Rumely took control of The Mail it began to lose money, its subscriptions and its advertising income dwindling because of its attitude on the war. In consequence, it is charged, additional German money to the extent of $626,000 was put into it from January, 1916, to the time Bernstorff left America, making a total of $1,361,000.

Drew on Deposit of German Funds in New York Banks To Account of Von Bernstorff

"The documents in the case," added the attorney-general, "indicate that Rumely purchased the stock of The Mail and Express Company from Henry L. Stoddard in June, 1915, the money paid to Rumely being drawn from deposits of the German Government at various banks in the City of New York, these accounts standing in the name of Bernstorff, the former ambassador of Germany at Washington, and of Dr. Heinrich Albert, who was known, I believe, as the commercial attache of the embassy. The money was drawn from the joint accounts of Bernstorff and Albert.

"The transfers of the money were concealed in the following manner: Dr. Albert procured various banks, where the German Government had accounts in his own and Bernstorff's name, to issue cashier's cheques to the order of one Walter Lyon, a member of the former Wall Street firm of Renskorf, Lyon & Co. This firm in turn paid the money back to Lyon, who then transferred it to Rumely. We have the cheques which figured in these various transfers. Subsequently and after The Mail began to decline as a money maker the Germans had to come to its rescue and paid out more than $600,000, the money being paid to Rumely himself or to the S. S. McClure Newspaper Corporation, which he, Rumely, had organized for the purpose of the transactions referred to.

Some in Cash.

"In some of the financial transactions which crop up all thru this case, Dr. Albert drew the money in cash and delivered it to the law firm of Hays, Kaufmann & Lindheim, then the attorneys of the German embassy in this country, who took the cash to Renskorf, Lyon & Co., who in turn paid it over to Rumely.

"In one transaction, which had come to our knowledge, $75,000 in bills was handled in the manner indicated. After receiving the money, Rumely would draw his notes, making them payable to Lyon, these notes covering the transfers in money and pledged stock in the S. S. McClure Newspaper Corporation to secure the loans.

"Now as to the Alien Property Custodian, Dr. Rumely in his report to the Alien Property Custodian made no disclosures of his relation with Albert or Bernstorff, or with the Imperial German Government. Instead, he reported to Mr. Palmer, the custodian, that he owed $100,000 on a note to Hermann Sielcken, an American citizen, then resident in Germany, who subsequently died in that country, and he further reported to Mr. Palmer that the notes which he had given to Renskorf, Lyon & Co., accompanied by pledges of stock in the S. S. McClure Newspaper Corporation, had been surrendered to him in exchange for the $100,000 note in September, 1917. In other words, Dr. Rumely stated that, by giving his note for $100,000, he had obtained a return of notes aggregating in excess of $1,300,000, and stock representing a controlling interest in The Evening Mail.

Statements Differ.

"Rumely has claimed recently that it was the late Mr. Sielcken who put up the money in the transaction. Previously he stated that Mrs. Adolphus Busch of St. Louis had contributed to the fund. On her arrival in this country, a few weeks ago, Mrs. Busch stated that she had not contributed any of the money, and, furthermore, added that she had never heard of Rumely up to that time. I may also state that the Columbia Trust Company, the executor of Mr. Sielcken, as well as Mr. Sielcken's former partners in the firm of Crossman & Sielcken, the coffee importing house, have informed us that, so far as they know, Mr. Sielcken was never concerned in these transactions."

Says German Kaiser Is Owner and Exhibits Original of Letter on Equitable Trust

Attorney-General Lewis said, further, that the $1,361,000 involved was not sent to this country by Germany, but was obtained in the United States thru the sale of Imperial German war bonds, sold in the great majority of cases to American citizens of German birth or German extraction. It is said that Rudolph Hecht, the German banker, and a friend of the kaiser, had a part in the sale of the bonds. Hecht is now interned as a dangerous alien enemy at Oglethorpe, Ga. He added that some of the money passed thru the firm of G. Amsinck & Co., the firm that figured in the huge payments to Bolo Pasha. Adolph Pavenstead, who is now interned, was the head of this firm, which has since been reorganized.

Deputy Attorney-General Alfred L. Becker declared that, to the best knowledge and belief of the government, the German Kaiser was the owner of The Mail. He added:

"Mr. Palmer, the alien property custodian, called for a report from Rumely in October of last year, and on Dec. 4 Rumely filed his report, and in that report he stated, as I have already indicated, that, on Feb. 3, 1917, he purchased the stock for $100,000, the money being advanced by Sielcken."

Mr. Becker exhibited the original letter from Dr. Albert to the Equitable Trust Company, asking for the issuance of a $350,000 cashier's cheque. This letter reads:

"45 BROADWAY, New York.
"May 27, 1915.

"Equitable Trust Company, New York City:

"Dear Sirs: Please issue your cashier's cheque for $350,000 in favor of Mr. Walter Lyon and charge the amount to the account of J. Bernstorff and myself.

"H. Albert."

The Equitable Trust Company replied by issuing the cheque for the amount asked on the Hanover National Bank, the date of the cheque being May 27, 1915. The cheque was endorsed by Lyon to the order of Renskorf, Lyon & Co.

On the same date, according to Mr. Becker, Dr. Albert wrote a letter to the Columbia Trust Company, in which he asked for a cashier's cheque for $200,000. The letter of application was worded the same as the one to the Equitable Trust Company. Also, on May 27, two cheques, one for $185,000 and the other for $5000, were drawn on the Farmers' Loan and Trust Company, completing the purchase price of $735,000, and also providing for the payment of the $5000 commission. These cheques were signed by G. Amsinck & Co. Amsinck & Co. have informed Attorney-General Lewis that the letter of Albert's applying for these cheques was returned to Dr. Albert. On June 1 the full amount of the purchase money was paid over to Rumely by Lyon.

Chain of Five Links.

According to Mr. Becker, there were five links in the financial chain used in the purchase of The Mail. Those links, as described by Mr. Becker, were as follows:

First, the sale of German war bonds and the placing of the money secured to the credit of Bernstorff and Albert.

Second, the issuance of the cashier's cheques by the banks concerned, and the turning over of the money to Lyon.

Third, transfer of the money by Lyon to Renskorf, Lyon & Co.

Fourth, retransfer of the money to Lyon.

Fifth, payment of the money by Lyon to Rumely.

"Mr. Lyon tells us," Mr. Becker said, "that the real purpose of the transactions was carefully concealed from him. He says that at no time did he know that the source of the money was the Imperial German Government. The fact that the money came to him in cashier's cheques, he points out, is evidence of the fact that the source of the money was concealed. In this connection I may say that the only way we were able to get at the source of the money was by searching the bank records and the subsequent discovery of the Albert letters."

Mr. Becker then showed a financial statement of Renskorf, Lyon & Co., which listed the payments made to The Evening Mail between Jan. 14, 1916, and the following April 3, or up to within three days of the time that congress declared war on Germany.

This sheet, which is captioned, "Walter Lyon, special account," shows twenty-eight payments to The Mail, all of them to Rumely personally or to the S. S. McClure Newspaper Corporation.

First Entry, $75,000.

The first entry is for $75,000, and is dated Jan. 18, 1916. The money was paid to the S. S. McClure Newspaper Corporation. On April 15, $30,000 more was paid, and in May $20,000 more. In June, July and August $50,000 more was paid in, while in September the payments amounted to $118,000. In October the payments totaled $231,700; in November, $82,000; in December, $38,000; in February, 1917, $80,000, while the last payment appearing on the sheet was made on April 3, 1917, and was for $50,000. Of the total amount listed, $125,000 was paid in cash and the rest by cheques.

Included in these payments was $258,000, which, according to the attorney-general, the German Government had originally set aside to pay for grain which was to be smuggled into Germany via neutral European ports. This grain was purchased thru a St. Louis firm, and was sent to Europe on a steamer called the Wilhelmina. When the British seized the ship and cargo, the money was returned thru Hays, Kaufmann & Lindheim to Dr. Albert.

"And Dr. Albert," added Mr. Becker, "directed that the money be used to help finance The Evening Mail."

The New York Stock Exchange firm of Renskorf, Lyon & Co., at 33 New street, was dissolved last year, and its business taken over by E. W. Wagner & Co., a Chicago concern. The firm of Renskorf, Lyon & Co. was organized in November, 1908, and it did an extensive brokerage business in stocks, cotton, grain and coffee, having branch offices in a large number of the principal cities of the country.

Harry Renskorf, the senior member of the firm, was admitted to membership on the stock exchange in February, 1902. The other members of the firm were Walter Lyon, James Theus Munds, E. G. Kaufmann and William Bouldin 3rd. Messrs. Kaufman and Bouldin were special partners.

McClure Surprised.

S. S. McClure, former editor-in-chief of The Evening Mail, expressed great surprise when informed Monday night that Dr. Rumely was charged with having falsely sworn as to the true ownership of the paper. Mr. McClure made his statement at his home, 126 East 24th street.

"What you tell me is so astounding that I find it almost impossible to believe it. This is the first time I have ever heard the charge made by a responsible person that The Mail was bought by German money or that Bernstorff or Albert was interested in the transaction, as representatives of the German Government.

"So far as I am personally concerned, I know nothing whatever about the financial transactions involved in the transfer of the control of The Mail to Dr. Rumely. I had a two-years' contract as editor-in-chief of The Mail with Dr. Rumely, but beyond giving use of my name to the S. S. McClure Newspaper Corporation, I have never known anything about the financial management of the paper. After I became editor-in-chief I soon found that I could not carry out my editorial policies and a difference developed between Dr. Rumely and myself. Dr. Rumely was pro-German and I was pro-British.

"I have followed The Mail closely since Dr. Rumely's connection with it, but at no time did it appear to me as pro-German. He and I have had many interests in common. Both of us supported Colonel Roosevelt and the Progressive party, and on many questions of social and political reform we were in agreement. When he bought The Mail I understood that he bought it in order to realize an ambition to own a newspaper.

"It is impossible for me to believe that he is guilty as charged."

Rumely Long Suspected.

The fact that for two years it has been common gossip that The Evening Mail was under German influence is shown by these paragraphs printed in The New York Times on July 27, 1916, from an article in The Providence Journal. S. S. McClure had been detained twenty-four hours by the British authorities when he sought to disembark at Liverpool, and then was informed by them that his presence in England was unwelcome because of the suspicion that he was pro-German. In commenting upon the action of the British authorities, The Providence Journal said:

"Mr. McClure was led into his present entanglement by Dr. E. A. Rumely, one of the chief propagandist agents of the German Government in this country, who acted as the dummy in the purchase of The New York Evening Mail from Henry L. Stoddard last year. The real purchaser was Dr. Heinrich Albert, fiscal agent of the German Government in the United States, who put up the money after a futile attempt to raise $2,000,000 by the sale of stock for the creation of a German propagandist daily paper to be published in the English language in New York.

"Immediately after Dr. Rumely took hold of The Mail several of the older men on that paper left it, being unable to work in the atmosphere of international intrigue which began to pervade the whole establishment. The United States Secret Service secured possession of evidence showing that Dr. Rumely was using his office as a centre of the German propaganda system in New York. It was in the midst of these conditions that Mr. McClure was induced to enter the service of The Evening Mail, and on his recent European trip he was carefully watched by the British authorities.

"They claim to have discovered sufficient evidence to justify their action of this week in ordering Mr. McClure's deportation from England."

Palmer Worked for Months on Liability and Investment Under U. S. Alien Enemy Act

Washington, July 8.—A. Mitchell Palmer, the alien property custodian, said that his office had been at work for months on the liability of Dr. Rumely's investment in The New York Evening Mail to action under the alien property law.

Mr. Palmer said he understood that Rumely bought The Mail long before the United States entered the war, and the case, therefore, did not come under the Trading With the Enemy Act, but is clearly a case for government action. Representatives of the government are making an examination to ascertain all the facts bearing on the charge against Dr. Rumely.

An official of the government acquainted with the case said tonight that Dr. Rumely admitted that he bought The Mail with borrowed money, and asserted that not all the purchase price, but a part, was borrowed from German sources. This official expressed the belief that Dr. Rumely got all the money from Dr. Albert, the chief disburser of German war propaganda funds under the direction of ex-Ambassador Bernstorff.

May Be Others.

The investigations of the federal authorities indicate that all the stock of The Mail is held in the name of Rumely, but there is ground for believing, it was said, that the actual purchaser of The Mail was Albert himself, and Dr. Rumely's part in the transaction was simply as a representative or trustee of the German Government. If the investigation into the facts should show that actual ownership of the property lies in Albert as an official of the German Imperial Government and that Dr. Rumely has continued in charge after the United States entered the war and after the Trading With the Enemy and the Espionage Acts were passed by congress, it is more than likely, the United States officials said, that Dr. Rumely will be tried for treason.

In answer to questions, an official connected with the alien property custodian's office said that the whole transaction involved in the purchase of The Mail by Dr. Rumely had been under consideration for many months in the alien property custodian's office, and that the evidence has been sifted thoroly. Dr. Rumely insisted, the official explained, that he had simply borrowed some money from German sources. The government investigators stated that it did not appear that he put any money of his own into the enterprise, and they are of the opinion that all the purchase money was furnished by the German Government.

Alien Property Custodian Palmer asked to be excused from making public the details in the matter, but admitted that the transactions connected with the transfer of funds involving very large amounts had been traced thru various banks, and there was no doubt as to the facts as broadly stated.

HAS HAD INTERESTING CAREER.

Dr. Rumely Was an Educator and Got Degree in Germany.

Dr. Edward Aloysius Rumely was known as an educator and as a manufacturer prior to his purchase of The Evening Mail on June 1, 1915. He was born in La Porte, Ind., in 1882, and received his education at the University of Notre Dame, the University of Heidelberg and the University of Freiberg, being graduated from the latter with the degree of doctor of medicine in 1906.

The following year he founded and organized the Interlaken School in his home town, of which he became the head. This was a unique boarding school, where the children were taught to do things for themselves. They had to carry their own water, arrange their own rooms, clean their boots and clothes, and serve their own meals.

Dr. Rumely was secretary of the M. Rumely Company of La Porte, Ind., which engaged in the manufacture of tractors and agricultural machinery and which failed in 1915, the property being sold under foreclosure on December 31 of that year. The company went into the hands of a receiver on January 10, 1915, because of its inability to meet certain obligations, particularly $10,000,000 of two-year 6 per cent. notes. The M. Rumely Company was eventually reorganized and succeeded by the Advance-Rumely Company.

Dr. Rumely is the author of "To Teach Boys to Live," and joint author of a work on "Power and the Plow."

BRITISH MAKE ATTACKS ON ENEMY RAILWAYS

London, July 21.—The official report on aerial operations tonight says:

"Early on July 19 several long reconnaissances were carried out by us and many photographs were taken of the enemy's back areas. Work with the artillery and bombing were continued thruout the day.

"Over 17 tons of bombs were dropped on hostile ammunition dumps, railway stations and airdromes. In one of the raids on a hostile airdrome the machines dropped their bombs from between 100 and 500 feet. One pilot landed on the airdrome and swept the hangars with his machine gun before rising again.

"Ten hostile machines and six balloons were brought down. Seven of our machines are missing.

"After dark, altho there was a strong west wind blowing and low clouds continually drifting up, our machines dropped 14 tons of bombs on the railways between Mons and Valenciennes and on the stations at Cambrai, Lille and Saclin, a direct hit being obtained on a train at the last-named place. All our machines returned."

RESORTS IN THE CANADIAN PACIFIC ROCKIES.

Banff, Lake Louise, Field and Glacier, the ideal mountain resorts, are in the heart of the Canadian Pacific Rockies, and on the main line of the Canadian Pacific Railway.

POLAND IN THROES OF LAWLESSNESS

Criminals Have to Be Released and Anarchy is Rampant in State.

GOVERNMENT IS HELPLESS

Member of Council of State Says Powers Do Not Carry Out Their Promises.

London, July 21.—Reuter learns from a Polish source that at a recent meeting of the council of state at Warsaw the representative of the Inter-party Club, which is the real exponent of public opinion in Poland and which comprises three-fourths of the elected members of the council, declared that the council of state does not represent the Polish nation. He proceeded:

"At a moment when the whole world recognizes the Polish question as an international one, the political aspirations of the Poles as just and their realization as a necessary condition of a new world based on justice and liberty—at this moment on Polish territory nothing is done by governments of powers which are able to carry out their promises to prove that they have any real intention of reconstructing the Polish state."

He emphasized the fact that present conditions of life in Poland make it impossible to carry on peaceful legislative work.

"The country is devastated and reduced to misery," he asserted; "this produces anarchy and the government has no means of maintaining order or of alleviating the misery which is increasing to a terrible degree. To this must be added the sufferings of thousands of Polish prisoners of war, of those who were forced to emigrate to Russia and cannot return, the fate of the Polish army corps in Russia and the Polish contingents now interned and under trial."

Reuter also learns that at Cracow it was admitted at the last meeting of the municipal council that owing to the food shortage criminals had to be released from prison and that at the end of the week all prisoners would for this reason have to be set at liberty. Anarchy is rampant and burglaries and thefts are increasing in such terrifying fashion that mutual protection of property and wounded will have to be organized.

ITALIANS CAPTURE MOUNT STABEL

Austrians Lose Hold on Corno di Cavento in Adamello.

Rome, July 21.—Italian troops have wrested from the Austrians Monte Stabel and have completely reoccupied Corno di Cavento, in the Adamello region of the mountain front, according to the official statement issued from general headquarters today. The text of the communication reads:

"In the region of Adamello our detachments with great gallantry wrested from the enemy Monte Stabel and have completely reoccupied Corno di Cavento, on which the Austrians partly established themselves on June 15. The enemy left many dead and numerous prisoners, and a large quantity of material was captured.

"In the Camonica Valley, in the Pasubio region, on the Asiago Plateau and east of Montello there were more intense artillery actions.

"Macedonia, Thursday night, after violent artillery preparation the enemy attacked our positions west of Hill 1050. Our troops, counter-attacking, compelled the enemy to retire in disorder.

"Albania—On the heights of Mali Siloxes, in the bend of the Devoli, enemy detachments were forced to withdraw."

ALLIES DRIVE BACK STUBBORN ENEMY

French Hold Entire Southern Bank of Marne Thru Advance.

Paris, July 21.—"The Germans, violently attacked on their right flank and south of the Marne," says the war office announcement last night, "have been compelled to retreat and recross the river. The French hold the entire southern bank of the Marne. More than 20,000 prisoners and more than 400 guns have been captured."

The text of the statement reads:

"We have not had long to wait for the result of our victorious counter-offensive. The Germans, violently attacked on their right flank and south of the Marne, have been compelled to retreat and recross the river.

"We hold the whole south bank of the Marne.

"Between the Aisne and the Marne Franco-American troops continue to progress and have driven back the enemy, who is resisting stubbornly.

"We have eached Ploisy and Pacygny and have passed beyond St. Remy-Blanzy and Rozet-St. Albin.

"Farther south we hold the general line of the Priez Plateau, northeast of Courchamps.

"The number of prisoners we have taken since July 18 exceeds 20,000. Over 400 guns have been captured."

ITALIANS ADVANCING

Several Important Points Are Wrested from Austrian Forces.

Rome, July 20.—Italian troops have wrested from the Austrians Monte Stabel and completely re-occupied Cornodi-Cabento, in the Adenello region in the mountain front.