

1,000 STRIKING WAITERS FIGHT POLICE AT KNICKERBOCKER AND ASTOR DOORS

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TRANSIT MONOPOLY SEEKS TO JAM SUBWAY CONTRACTS ALL THROUGH BY THURSDAY

Report of the Plan Follows Conference at City Hall Between Gaynor, Francis Lynde Stetson and Morgan J. O'Brien.

Francis Lynde Stetson, counsel for J. P. Morgan & Co., accompanied by former Judge Morgan J. O'Brien, who in the early subway conferences represented the Pennsylvania Railroad, were in conference to-day with Mayor Gaynor at the City Hall. It was learned that subway contracts were under discussion.

After these two visitors left City Hall, Comptroller Prendergast was requested to go to the Mayor's office. He did so within five minutes. After he had been with the Mayor a few moments Borough President McAneny was asked into the conference and a little later Corporation Counsel Watson also arrived. Mr. Watson's approval of the contracts is necessary under the law.

The visitors remained with the Mayor for about half an hour. After their departure it was persistently reported around City Hall, in spite of official statements that no special efforts were being put forth to rush the subway contracts through before Feb. 1, every attempt is actually being made to jam the whole deal through by that date. Indeed, it was stated that the matter may be arranged by next Thursday.

It was learned upon unquestionable authority that there was no truth in a story published in a Brooklyn newspaper that the Comptroller may not, after all, sign the transit documents because of a lack of city funds. The position of the Comptroller has not changed. He made up his mind long ago. It is said that the municipality was able to finance its part in the subway deal.

It was ascertained that another subway conference is to be held to-night at the home of Chairman William H. Wilcox of the Public Service Commission at No. 11 East Forty-ninth street. Besides members of the Commission and of the Board of Estimate, attorneys for the Interborough and the B. R. T. will be present. Mayor Gaynor was invited to attend, but he said he did not think he would, explaining that he did not believe his presence was necessary.

The Evening World points out ten jokers in the subway contract, which deals with the B. R. T. Comptroller Milo R. Malloy, who believes in letting the public know what is going on just now behind closed doors, said today: "The conferees have nearly finished the discussion of the proposed changes in the B. R. T. contract, and they are many and of considerable importance. The important ones are as follows:

1. The provision authorizing the amortization of the cost of certain property which is not to revert to the city to be eliminated.
 2. The supervision of the Commission to be extended to all subsidiary companies to prevent the inflation of operation expenses.
 3. Five cents fare to Conny Island and to take effect when the city's lines to Conny Island are completed, instead of Jan. 1, 1917, or some later date.
 4. The amount to be paid for "rents in Grand Central avenue to be determined before the contracts are signed.
 5. Contracts for operation of Queens lines to be approved the same time subway contracts are approved.
 6. Control of the city over the company's expenditures to be strengthened.
 7. Adequate provision to be made for depreciation on the company's property.
 8. The penalties in the case of default to be strengthened so that the city's interest may be more adequately protected.
- A curious feature of the discussion of the "jokers" in the Interborough as well as the B. R. T. contracts is that when the members of the Transit Committee of the Board of Estimate and

DAVISON DENIES 180 MEN CONTROL BILLIONS, AS TRUST

Presents Statement Refuting Charge of Absolute Power Through Directories.

IS NOT ACTUAL CASH. Money, He Insists, Is Tied Up in Properties and Not Available for Control.

WASHINGTON, Jan. 24.—To refute the contention that a group of 180 men in the world of finance, through interlocking directorates, control corporation assets aggregating \$25,000,000,000 Henry P. Davison, partner of J. Pierpont Morgan, to-day offered to the House Money Trust Investigating Committee a long prepared statement, calculated to controvert statistics prepared by the committee's accountants and put into the record for the purpose of showing such a condition. Mr. Davison offered his statement at the conclusion of his testimony and the committee decided to deliberate whether to admit it.

Mr. Davison thereupon gave out copies, although earlier in the day he and Thomas W. Lamont, another partner of J. P. Morgan & Co., had declared they had no statement to give out. The document reviews the interferences drawn from the committee's tables and says in part: "No such control exists and no such deduction can be properly made from these tables. Those who have made such deductions have fallen into several obvious errors.

"They fail to observe, first, that of the total number of directorates in these particular corporations this 'group' represents only about one-quarter; second, that, upon this assumption, these men in order to exercise 'control' must act and vote in every instance as a unit, although they come from different parts of the country and represent diverse and frequently conflicting interests; third, that, upon this assumption, the directors outside of this 'group' must be mere dummies, with no voice or opinion of their own, who, in almost every instance, are overruled by a minority; finally, that this sum of \$25,000,000,000 is not actual cash or liquid assets, susceptible of manipulation or misuse by the directors, the fact of course being that the great bulk of this enormous sum is, and for many years has been, tied up in the form of rights of way, rails, ties, equipment, factories, plants, tools, manufactured goods and other forms of corporate property necessary for carrying on railroad and industrial business in this country.

"It is most regrettable and harmful that either Congress or the country at large should gain the wholly erroneous impression that these great resources are at the disposition of a small group of men, or with corporations themselves are controlled by a minority of their various boards.

"The great accumulation of money and credits in New York is due in part to purely economic conditions and in part to the defects of our banking system. If this country possessed a proper and scientific banking system, such as is possessed by almost every other civilized nation, interior banks would no longer be obliged to concentrate their reserves in New York. In this connection it is important to note that, according to authoritative statistics, the country as a whole has been growing so rapidly that, whereas in 1900 New York City banks represented 22 per cent of the banking resources of the United States, now they represent only 18 per cent of such resources.

OFFICE BOYS HERE STEAL A MILLION IN POSTAGE STAMPS

Government Officials Say Firms Buy Back What Already Belonged to Them.

BROKERS FACE INQUIRY. Many Said to Buy Loot Taken From Country Post-Offices Without Question.

Certain men of the money district who pride themselves on business sagacity are wondering to-day how they ever fooled themselves into believing they knew anything about scientific management. By the score they discovered that ever since they can remember having an office boy they have been selling themselves postage stamps they already owned (a mercantile feat involving a precisely 100 per cent. loss.) All this and a few other things has been revealed in the expose by a squad of Post-Office inspectors of stamp brokering, as carried on here and in other parts of the country.

Following two arrests in Wall street yesterday afternoon the Post Office authorities began working on other cases with increased vigor, and to-day Inspector Frank W. Smith of Washington, who is in charge of the investigation, declared a stream of indictments and arrests here and elsewhere will come within a week. He asserted that one of the most gigantic frauds in the history of the department has been uncovered, involving the loss to the government and individuals of millions annually.

Some months ago a postage stamp broker, testifying at the trial of a suburban postmaster who was charged with selling stamps in New York to swell his office's receipts and thus gain him increased salary, admitted he did a brokerage business of half a million dollars a year. This man has a 6 by 12 office in the heart of the Wall street district. Postmaster General Frank H. Hitchcock knew that the amount of stamps stolen all through the country during the year does not amount to the total of this one man's operations and he instructed Inspector Smith to investigate. Smith had not proceeded far before he uncovered the trail of an endless chain of postage stamp "fences," or brokers. He asked for aid and with five other inspectors ran down clues that proved the existence of wholesale unlawful trafficking in stamps.

BUY BOYS' STEALING AT BIG DISCOUNT.

The most important thing uncovered was that in addition to buying stolen stamps from Post-Office thieves, these brokers have no scruples over obtaining, at a tremendous discount, postage stamps pilfered by office boys. In many cases, he declared, the brokers become veritable Fagin, threatening the boys who have fallen in their clutches with exposure unless they bring in increased quantities of the stolen goods. The result is, asserts Smith, that a million dollars' worth of stamps are stolen by office boys annually in New York, not a small percentage being in turn sold back to the rightful owners by the same boys, supposedly having been bought at the Post-Office.

The direct result of Smith's investigation is that prosecutions for receiving stolen property are being worked up against thirty-seven New York brokers and the inspectors declare they have evidence to convict. They say the investigation has proven that the brokers have no hesitancy in buying stamps they know have come from the money bags of country postmasters. In one case a notorious year, acting as a stool pigeon for the Government sold \$600 worth of stamps to a dealer within a stone's throw of the general postoffice even after admitting to the broker that they were part of a haul over in Jersey.

Another important revelation is the relation of the business of these brokers to the comparatively small sale of stamps at the local post-offices. The department's report for last August showed that during that month the Chicago post-office sold \$50,000 worth more stamps than New York, whereas the entire Windy City crossed debt lightly over this proof of superiority. The discrepancy, say the authorities, is more than explained by the vast illegal traffic in postage stamps that has been going on here for years.

BROADWAY RIOTERS ATTACK TWO HOTELS

Society Leader Co-respondent Will Answer the Charges



MRS. JOHN TEMPLE GWATHMEY

MRS. GWATHMEY WILL FIGHT WIFE'S CHARGES IN COURT

Will Testify in Denial of Allegations Against Banker Bishop.

That Mrs. Lella Gaines Gwathmey, the young society matron who is in the inner shrines of exclusive New York and Newport fashion, proposes to bitterly contest Mrs. Abigail H. Bishop's charges in the latter's suit for a divorce from her husband, James Cunningham Bishop, the banker, was indicated to-day. Her counsel filed in the County Clerk's office a notice of appearance in the action. Mrs. Gwathmey has engaged the law firm of O'Gorman, Hattie & Marshall, of which United States Senator O'Gorman is head.

Striking Waiters Battle With Missiles Against Police Clubs in Attempt to Rush the Astor and Drag Out Loyal Help.

KNICKERBOCKER STORMED BY 800 UNDER RED FLAG.

Walk Out at Martin's and Rector's Complete—Sherry's and Other Restaurants Badly Crippled.

The worst riot of the waiters' strike occurred at 4.15 o'clock this afternoon, when about 250 strikers attempted to storm the kitchens of the Hotel Astor and drive out the cooks and waiters, who had refused to strike. The invading force ran into a guard of private detectives, armed with clubs, and a pitched battle followed.

Police men ran from all directions and soon a dozen of them were in the thick of the fray. Many men were knocked down, several arrests were made and Longacre Square was, for fifteen minutes, jammed with excited people and stalled automobiles and street cars.

The attack on the Hotel Astor was precipitated by a French cook who got up in a meeting at Bryant Hall and made an impassioned address in his native tongue. He said he had walked out, but others had refused to follow him. He implored his comrades to follow him to the Astor and drag out the "scabs"—or whatever corresponds to "scabs" in French.

BUILDING MATERIAL SUPPLIED MISSILES FOR RIOTERS.

Shouting and waving his arms, the cook left the hall. About 150 excited Frenchmen and Swabians followed him. Others who were assembled on the street joined in. The procession moved rapidly up Sixth avenue, turned west across Longacre square, swarmed outside the Astor's servants entrance, at the extreme rear of the building on the Forty-fourth street side and right next to piles of building material for a new theatre.

For a few moments, the strikers contented themselves with yelling imprecations in foreign tongues. Then some of them made a rush for the servants' entrance. The private detective on guard blew his whistle and bawled guards, wielding clubs, rushed to the scene. The sound of the whistle also attracted police. Of course, more or less innocent bystanders rushed from Broadway into Forty-fourth street and soon that thoroughfare, for half a block west of Longacre square, was packed with struggling men.

The detectives and policemen waited no time in gentle persuasive tactics, and called right in with their clubs. How many were knocked down will not be known until casualties were counted up. One man in a fur coat, who wasn't mixed up in the riot at all, but just happened to be passing through the street, was knocked cold by a blow from a club and dragged into a basement across the street from the hotel. Three men apparently unconscious were pulled into the servants' quarters in the Astor.

Hoisting crowds followed the policemen who led prisoners to the West Forty-seventh street station.

MOB WITH RED FLAGS ATTACKS KNICKERBOCKER DOORS.

The riot at the Hotel Astor was preceded by one at the Knickerbocker of less violence but which looked for a time as if big trouble was about to break. A band of 700 or 800 strikers marched down Broadway behind red flags and with many wearing bits of red ribbon in their buttonholes, and after giving Louis Martin's restaurant a good beating, the mob turned east into Forty-second street and halted before the main entrance of the Knickerbocker.

Curses in a half dozen languages were hurled at the hotel and its guests, and in a minute the sidewalk was cleared of all but the strikers and the half dozen husky guards whom James B. Regan had kept stationed in front of the doors all day. Regan ordered both entrances on Forty-second street and the entrance to the cafe on Broadway closed and barred, and he appeared on the sidewalk, fearlessly facing the strikers.

The chorus of curses and screams swelled louder at the sight of the proprietor and a concerted rush was made toward him and the barred doors. But the big guards surrounded Regan and fought back the foremost of the mob with their sticks.

Police reserves charged on the scene just at the moment that some of the strikers began to arm themselves with stones from a gravel wagon they had stopped. The police charged the mob and used their clubs without mercy, compelling it after fifteen minutes hard work.

Many of the exclusive restaurants patronized by society and the night job seekers have been seriously crippled, if not put out of business altogether, by the sweeping strike edict. Louis Garret's restaurant, at Forty-second street and Broadway, lost 115 of its waiters shortly before the noon hour; forty waiters and bus boys deserted Sherry's diningrooms at Forty-fourth street and Fifth avenue; the Hotel Rector has been swept into embarrassment by the departure of more than 20 of its employees.

Jack's restaurant, Churchill's, the Cafe des Beaux Arts at Fortieth street and Sixth avenue, Honkel's Chop House and Brown's Chop House all have been left more or less crippled.

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