

Hammill excused, there were but eight members to draw a quorum of six. Messengers were sent for Senators Dunningan, Abeles and Assemblyman Pette. The Assemblyman was the first to respond.

Otto M. Edlitz, President of the Building Trades Employers' Association was called. He did not respond. Paul Starrett, President of the George A. Fuller Company, capital \$2,000,000, a subsidiary of the United States Realty Company, which has \$12,000,000 in bonds and \$13,000,000 in stock was then called.

The Fuller Company, he said, built for other corporations only; it had three methods: 1. Cost and a fixed fee; 2. cost and a percentage fee; 3. for a lump sum submitted on a forced bid based on estimate. The Materials Delivery Company, was organized because of the exorbitant prices of sand and gravel to furnish these materials to the Fuller Company and outsiders at a reasonably profitable price.

Q. Have you any other independent operating plants? A. Yards, tools and structural steel apparatus.

Q. How much is your steel erecting plant worth? A. About \$250,000.

Q. How long did you do your own erecting? A. I think the Commodore Hotel, begun before the war, was the last.

Q. You had a permanent force? A. We had foremen—permanent foremen—about twelve; the workmen floated from job to job, though all were union men.

HAD TO GET OUT OF STEEL ERECTING.

Q. Something happened which put you out of business as steel erectors. How long ago was it? A. About a year and a half ago.

Q. Was it because of the iron league? A. It was when the iron league became militant.

Q. How did you come to buy steel? A. We asked for bids at the mills and for bids on steel erected in place in the buildings.

Q. Can you do that now? A. Yes, we can. But we have not had any available bids on steel at the mills.

Q. Could you get it at the miller? A. I don't know. I will tell you what I mean. We asked for bids in both ways for the Metropolitan Life Annex.

After we had let the contract to a firm which was a member of the Iron League we got a bid from the American Bridge Company for steel to be furnished at the miller. I do not know whether that bid was deliberately late. I do know we actually have not been able to buy steel for erection.

Q. What do you do with your erection plant? A. Sold some of it and shipped the rest to other parts of the country where we were not restricted as to erecting.

Q. So there are parts of the country where your business is not subject to this burdensome restriction. A. Oh, yes.

Q. What is the difference in cost between erecting your own steel and having it erected by the steel merchants? A. It is a burden on the business of building not to be allowed to erect our own steel.

Q. You used union labor on erecting for yourself? What is the difference in efficiency between union and non-union steel workers? A. I should say a difference with a good gang of union men is from 25 to 35 per cent. cheaper.

Q. Now you did the Commodore Hotel steel erection with your own plant and with union labor and you built the Pennsylvania Hotel with steel erected under contract through Post & McCord. How did the cost compare? A. I don't know. The Pennsylvania work cost about \$3 a ton more.

Q. Did you have a talk with Mr. McCord about seven months ago on this subject? A. Yes, he said he had us fixed now as we couldn't erect any more steel at New York.

Q. Did you ever hear of the removal of union steel from the erection of non-union mills? A. Not on structural steel, no.

Q. Did you have a talk with Mr. Grace and Mr. Schwab of Bethlehem steel about their offer to talk over a proposal that we put up a shop near Bethlehem to fabricate our own steel to be erected by us in our own way.

Q. What was your own plant doing year not being permitted to erect your own steel? A. Mr. Grace said "We are not going to let you fellows build up a union organization which will, in the end, refuse to handle our steel."

STEEL BUILDING IN MIX SINCE PARKS'S DAY.

Q. As it stands now, is it possible to have a union foreman in charge of a steel erection job? A. I really don't know. Steel construction has been in a chaotic state since the days of Sam Parks. (Laughter).

Q. And we are now in the days of Brindell? A. Yes, sir.

Mr. Starrett was supposed to get more definite figures of comparative costs of the union and open shop construction.

Louis Horowitz, President of the Thompson-Starrett Co. took his place to answer a similar line of inquiry.

Mr. Horowitz said his company had last been able to use the \$100,000 steel erection plant at Park Avenue and 123rd Street, Oct. 1919. They had erected their own steel for twenty years.

The Thompson-Starrett concern, he said, had received bids for steel to be furnished at the mills, but the dates when delivery could be made were all so late that it could not be used under the contract.

This was done by the American Bridge Company, which informed him that its owners were booked so far ahead that it could not supply earlier.

Mr. Horowitz said that the steel was erected through Post & McCord, who erected it after drawing on the American Bridge Company for a supply which they had under contract for another builder who was not ready.

Q. Did you ever hear of a union in your industry called the "Open Shop Union"? A. Yes.

Q. Did you ever hear of a man to stay out of it? A. No, I said, raising his voice "Go on into it if you want to."

Q. On (laughter) Did you see this circus? A. Yes, I was put into every man's envelope.

Mr. Undermyer read the circular. It advised the men to stay out of the open shop local which was about to vote up a union. This man was warned that the local was a disgraced branch of the Ironworkers' Union.

Q. You put these in the envelopes and then told them to go in if they were sheep? A. I had no right to tell them anything different.

Q. Didn't you mean "Go in if you are not a sheep"? A. No, I did not.

# NEW WORKS 'DECENT GRAFT' NEW BUILDING COSTS REDUCED 35 PER CENT. OF TOTAL COST

### Figures Revealed by Thompson-Starrett Co. on Park Avenue \$5,000,000 Job.

## FOUGHT THE GRAFTERS Smaller and Weaker Concerns That Couldn't Fight Had to Pay More.

By Martin Green.

Louis Horowitz, President of the Thompson-Starrett Company, on the witness stand before the Lockwood committee the other day, coined a phrase which is aptly descriptive of the inequitable profit exacted by the various building rings during and after the war. He called it "indecent graft."

How many millions of dollars "indecent graft" were piled onto building costs in this city during the past three or four years there is no way of estimating, even with the figures at hand, which have been dug out by the Lockwood committee. But an idea may be gained by figures furnished by Mr. Horowitz in connection with one of the undertakings of his corporation which show that a fair cost of materials controlled by the building rings entering into any one building the "indecent graft" addition amounted to about 25 per cent.

This does not mean that every building constructed during the period in question cost 25 per cent. more than it would have cost but for the operations of the building rings; it means that the building rings added to the cost of the materials controlled by them that percentage of "indecent graft." The approximately 35 per cent. "indecent graft" extracted for controlled materials added, of course, to the entire cost of every building and that percentage ranges from 6 per cent. in large operations running up into the millions to 10 to 15 or even 20 per cent. on small apartment houses and dwellings. The smaller the job the larger the percentage of "indecent graft" tax.

Mr. Horowitz submitted, at The Evening World's request to-day some comparisons between what it is costing his company to build the \$5,000,000 apartment house at No. 300 Park Avenue and what the cost to his company would have been had it not been powerful enough and courageous enough to fight the building rings. On nine kinds of material entering into the building and on the excavation cost, the Thompson-Starrett Co., had it been forced to submit to the exactions of the combination material and labor monopolies, would have been compelled to add to its bill to the owners the sum of \$343,500.

Here is a table which shows at a glance what the Thompson-Starrett Company saved in the construction cost of because it is so big and its operations are so widespread and its resources are so large that it could afford to be independent when smaller construction corporations and the entire body of minor contractors had to go to the material bosses and Brindell, the labor boss, with their hats in their hands.

Material or Cost of Work	Does Not Cost to Thompson-Starrett Co.	Estimated "Indecent Graft" Cost
Excavation	\$46,000	\$75,000
Cut Stone	129,000	199,000
Masonry	111,000	138,000
Brick	250,000	328,000
Electric Work	101,000	125,000
Tiling	102,000	137,000
Cement	24,000	42,000
Concrete arches	213,000	248,500
Brick	3,000	42,000
Total	1,203,000	1,326,500

The difference between \$1,226,500, which would have been the cost to the Thompson-Starrett Company had it been compelled to deal with the building material combinations, and \$1,023,000, the cost of the nine items entering into the tabulation as they were bought by or manufactured by the Thompson-Starrett Co. is \$203,500. But there is another big item of saving which does not appear in the table for reasons which it is not necessary to set forth here. The difference between what the Thompson-Starrett Company will have to pay for marble in the No. 300 Park Avenue building and what the marble quarrying and cutting ring would have demanded for it amounts to approximately \$60,000. This, added to \$203,500, the "indecent graft" missed on the other nine items, makes a total saving of \$263,500.

And that is the sum that represents the "indecent graft" which would have gone into No. 300 Park Avenue had the building rings been able to impose their prices and exactions upon the contractors.

When No. 300 Park Avenue is completed it will represent a net building investment of about \$5,000,000. But it is to be a magnificently finished apartment house, and a large proportion of the total cost will go into materials and appointments allied with luxury and into decorations which would not be thought of in a building that already had completely rented to persons who can afford to buy as much as \$28,000 a year for an apartment. But even as big a job as this is in an apartment house way, it would have been materially affected had the building rings had the building rings been able to plaster their "indecent graft" on it. For \$263,500 is a shade less than 7 1/2 per cent. on \$5,000,000.

# FEDERAL RESERVE BOARD RESENTS CONGRESS ACTION

### Will Ignore Resolution Calling for Extension of Credits to Farmers.

### WANT NO INTERFERENCE Members May Resign if Reserve System Becomes Football of Politics.

By David Lawrence (Special Correspondent of The Evening World.)

WASHINGTON, Dec. 14 (Copyright, 1920.)—Congress would raise false hopes by the passage of resolutions promising financial relief to the farmer, in the opinion of officials in the executive branch of the Government. The Senate has just passed a resolution directing the Secretary of the Treasury to revive the War Finance Corporation and expressing to the Federal Reserve Board the opinion that liberal credits should be extended to the farmers of the country.

This action of the Senate probably will be followed by a favorable vote in the House, and then Congress will have discharged its obligation to the farmers who have been clamoring for help as prices declined. But the truth is the resolution will be practically ignored and will not aid the situation, and the farmer who relies on it is apt to be in a worse situation than the one who does not.

Investigation at the executive end of the Government reveals the fact that Governor Harding of the Federal Reserve Board will stand pat and will not regard the opinion expressed in the Senate resolution as mandatory. If Congress wants anything done, it must direct the Federal Reserve Board to do it by amending the Federal Reserve Act. And if it does that, it would not be surprising to see the Federal Reserve Board go to pieces altogether by the prompt resignations of several of its members.

Either the Federal Reserve Board will act for the best interests of the country according to its best banking judgment or the Federal Reserve System will become the football of Congressional politics. That's the critical view of the situation as it has developed in executive quarters in the last few days. Some inkling of the seriousness with which members of the Federal Reserve Board regarded the invasion of their prerogatives reached the Senate yesterday for the proposal to limit the discount rate to 5 per cent. was voted down after it was learned what a mischief would be done by the entire banking situation.

So far as the Federal Reserve Board is concerned, the teeth were taken out of the resolution when the proposal was changed from a "direction" of the expression of an opinion. Gov. Harding indicated in his testimony before Congress exactly how he views the proposal to extend further credits to the agricultural interests and the action of the Senate has not changed his mind. Mr. Harding is to be Governor of the Federal Reserve Board until August, 1922, and though he comes from the South which has been insistent that cotton growers be protected by the extension of credits, he is acting independently of any political influences in the matter.

As for the Secretary of the Treasury and the War Finance Corporation, the direction of Congress that it be revived will be heeded if the resolution passes both Houses. There is of course a chance that a Presidential veto may be interposed as Mr. Houston's word with President Wilson is very potent.

and had the owners been compelled to shoulder the burden of "indecent graft" they would have had to write their rents 7 1/2 per cent. plus a percentage of profit on the additional investment.

The comparative figures shown above are taken from the estimates and cost sheets of No. 300 Park Avenue prepared by the Thompson-Starrett Company and do not include figures given by many witnesses before the Lockwood committee showing what the building rings exacted above a fair profit in the way of what Mr. Horowitz calls "indecent graft."

In the matter of brick the contractors buy at the market price as they need the brick. Since the beginning of the Lockwood investigation the price of brick has come down so rapidly that the No. 300 Park Avenue job show a saving—as set forth in the table—of \$18,000. The saving may be much larger as the work progresses, because a further decline in the price of brick is forecast by the development of the past few days, since the conspirators have been running to cover.

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# Form \$100,000,000 Corporation To Revive U. S. Foreign Trade



WM. H. BOOTH JULIUS H. BARNES A. C. BEDFORD W. C. REDFIELD G. E. BOWERMAN INTERNATIONAL

## Financial Experts Organize Under Edge Law to Stimulate Buyers' Lack of Credit.

First steps toward reviving America's foreign trade, now almost stagnant because of foreign buyers' lack of credit and the adverse exchange rates, have been taken in Chicago with the tentative formation of the so-called \$100,000,000 foreign trade corporation. It is formed under the Edge law, an amendment to the Federal Reserve Act. It will be under

## COPS TURN DOWN ENRIGHT'S HOSPITAL BY A HUGE VOTE

small returns to solicitations for financial aid, is against the plan. Besides the 173 delegates who are excused by the rules of the department from patrol duty for eight hours of the day of the monthly meeting, 300 patrolmen from all parts of the city took enough interest in the matter to attend the meeting on their own time as spectators. These 300 unanimously expressed themselves as against the Enright hospital plan.

"TRICK" REFERENDUM DENOUNCED BY DELEGATES.

Many of the delegates roundly denounced the "trick" referendum suddenly imposed on the patrolmen yesterday by order of the Commissioner. From the testimony of these delegates it is quite apparent that the referendum, which on its face shows a majority of the patrolmen favorable to the Enright scheme, is actually worthless as an expression of sentiment. They were either openly coerced by some zealous captains and sergeants or they considered inasmuch as they were compelled to sign their names and give their shield numbers that a vote against the project would put them on the bad books at Headquarters.

In nearly every station house the patrolmen protested against the form of the referendum and asked for a secret ballot. In some station houses the Captains lined up the patrolmen at midnight and, with aid of men at hand, called each name. In other station houses patrolmen were required to sign under the eyes of the desk sergeant.

It was reported at the meeting that in one precinct, in which 132 men voted "no" in the midnight referendum sergeants were sent out during the night and talked with many of the men into changing their votes to "yes" at the 8 o'clock roll call this morning.

The power of the commissioner over the uniformed members of the department is absolute. The sentiment of the meeting of patrolmen's delegates was that the Commissioner was guilty of coercion in his referendum and if any body is disciplined there probably will be instituted a test case which will bring the whole hospital situation into the courts.

## HOSPITAL BUILT IN N. Y. CITY MAY BE LEASED BY U. S.

To Cost \$3,000,000 and Devoted to Soldiers Suffering from Nervous Diseases.

WASHINGTON, Dec. 14.—Senator Wadsworth, Republican, of New York, introduced a resolution to-day authorizing the Secretary of the Treasury to lease from New York State a \$3,000,000 hospital for the care of nervous and mental disease cases among disabled soldiers, which would be built in New York City.

The resolution also would give the Treasury Department authority to lease any other hospital built for like purposes by other States.

## SUIT AGAINST BRINDELL.

Suite was started in the Supreme Court to-day against Robert P. Brindell, Court-day of the Building Trades Council, and two of his walking delegates, Richard J. Pike and Christian Chapman, by Joseph H. Goldblatt, a house-renter, to recover \$5,000 alleged to have been extorted from him by the defendants.

In his complaint Goldblatt said that while he was complying with all union conditions and hiring union men, Brindell, through his aides, called a strike on a job in order to "illegally and feloniously extort" the \$5,000. He was not allowed to return to work, it was alleged, until the money was paid.

# BORAH PROPOSES FIVE-YEAR RECESS IN NAVY BUILDING

### Introduces Resolution Calling on President to Negotiate With Britain and Japan.

WASHINGTON, Dec. 14.—A resolution requesting the President to open negotiations with Great Britain and Japan for an agreement to reduce naval building, programmes 50 per cent. for the next five years was introduced in the Senate to-day by Senator Borah.

The resolution would declare it to be the opinion of Congress that the United States would make such a reduction if an agreement could be brought about, and asserted that the navies of Great Britain and Japan were the only ones of power sufficient to require American attention.

Senator Borah's resolution was referred to the Foreign Relations Committee without debate.

When Senator Borah offered his resolution, Secretary Daniels was before the House Naval Committee strongly opposing such a proposal. "It would be a blunder almost equal to a crime," said the Naval Secretary, "for the United States to enter into an alliance with any two or three nations, either to suspend or curtail naval building or for any other purpose. It would certainly

# BRINDELL TRIAL EARLY IN JANUARY

### Prosecution Will Be Conducted by Mr. Undermyer—Hettrick Counsel May Ask Delay.

The trials of Robert P. Brindell and his four lieutenants, William H. Chapman, Joseph Moran, William L. Doran and Peter Stadtmiller, on indictments arising from the Lockwood committee investigation are to be started the first week in January, it was announced to-day.

Samuel Undermyer, counsel for the committee, will conduct Brindell's prosecution, it was stated, and will be assisted by Arthur Train, former Assistant District Attorney, Charles A. Perkins, Emory L. Buckner and William A. De Ford will also assist.

The indictments have also been transferred to the Criminal Branch, Supreme Court, and Kenneth L. Spence, Special Deputy Attorney General, to-day served notice on Robert H. Elder, attorney for John T. Hettrick, that Hettrick's trial will be set down for one of the first, Mr. Elder intimated that he may seek delay in going to trial.

Indictments against 16 members of the Metal Lath and Furring Association, charged with destroying records of their meetings while under subpoena, also were transferred, Supreme Court Justice McAvoy is presiding in the Criminal Branch.

## COHEN TELLS WHY MOVIE EXHIBITORS FAVOR HOSPITAL

### Says Wives of Policemen Told of Privations in Sickness—Replies to Mrs. O'Grady.

Sydney S. Cohen, No. 1482 Broadway, President of the Motion Picture Exhibitors' League of New York, answering Mrs. O'Grady's charge that certain motion picture exhibitors claimed police immunity because they had contributed to the police hospital fund, said to-day: "We are interested in the police hospital fund only because we have had the wives of policemen tell us personally of the privations policemen and their families undergo in times of sickness and stress."

Mr. Cohen said he had met Mrs. O'Grady but once—at Albany in March, 1919, when exhibitors were favoring a bill to admit minors to picture theatres which had two majorities to care for them.

Mrs. O'Grady opposed that bill and she withdrew. Mr. Cohen said, she likewise declined, he stated, to support a bill barring all children from picture theatres, whether accompanied by guardians or not.

"Had Mrs. O'Grady given her support to either of those bills the Catharine Street disaster could not have happened," said Mr. Cohen.

## CRUISER OMAHA LAUNCHED.

First of Her Class Takes the Water Bow First at Tacoma. The Todd Shipyards Corporation of New York announced to-day that the United States Navy's highest powered cruiser, Omaha, had been launched this morning at the company's Tacoma, Wash., plant.

The Omaha is the first of her class, is equipped with four engines which develop 35,000 indicated horse-power and a speed of 35 knots. She is 500 feet 11 inches long and has a beam of 65 feet 6 inches. She carries twelve 6 inch rapid fire guns.

make for suspicion among the other navies of the world.

"I believe that the United States cannot afford to take a five year's naval holiday as it has been rumored in England and Japan will suggest to this country. I wish that we could have a world agreement that would settle disputes without recourse to arms, but until that comes and comes surely, we ought to carry out our naval building program."

Admiral Coontz, Chief of Naval Operations, testified before the committee that if Great Britain, Japan and the United States were to suspend all naval building immediately their relative naval strength would be: Great Britain, 604,000 tons of capital ship displacement completed, the United States 488,000 tons and Japan 326,000.

## RYAN'S AFFAIRS ADJUSTED?

Report That Verbal Agreement to Finance Has Been Reached. It was reported in Wall Street to-day that verbal agreements had been reached in relation to an adjustment of the affairs of Allan A. Ryan and that papers are expected to be signed to-day or tomorrow, under which the collateral will be safeguarded and the indebtedness funded.

The report could not be confirmed.

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High Grade Assorted Chocolates 2-lb. Boxes, \$1.15; 5-lb. Boxes, \$2.35. POUND BOXES **59c**

Very High Grade Assorted Chocolates 2-lb. Boxes, \$1.60; 5-lb. Boxes, \$3.00. POUND BOXES **80c**

Old Fashion Clear Toys or Candy 5-lb. Boxes, \$1.25. POUND BOXES **29c**

Milk Chocolates St. Nicholas Family Twelve Canning Little Milk Chocolate Figures of Santa Claus PACKAGE **29c**

Fruit and Nut Bars 2-lb. Boxes, \$1.60; 5-lb. Boxes, \$3.00. POUND BOXES **79c**

Santa Claus Loftytops These Delicious Candy Boxes, with special Santa Claus decorations. PACKAGE OF SIX **24c**

Milk Chocolate Maraschino Cherries Red, Blue and Lavender, developed in our famous Premium Milk Chocolate. POUND BOX **79c**

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