HUGHES TO CITY CLUB.

DISCUSSES RACETRACKS.

Respect for Constitutional Limitations Wildly Approved.

A characteristically frank and outspoken declaration by Governor Charles E. Hughes of where he stands in his attempt to have the Percy-Gray law repealed and racetrack gambling eliminated, because it is directly opposed to the constitution, brought three hundred members of the City Club to their feet wildly cheering and applauding last night, as the Governor left them on his way to Sherry's, there to make an address congratulatory of the opening of the Hudson River tunnel.

Every word of his utterance seemed to impress his hearers, and he was repeatedly interrupted with demonstrations of applause, but at no point in his speech was there such a din as when he said: "I am told that only a few days ago one of our distinguished citizens of New York City declared I was a very narrow minded man. I confess, indeed, that I am narrow minded enough to act within only the constitutional limits of my office."

Second to the demonstration given to Governor Hughes was that for Governor Folk, who came late but in a brief talk declared himself as heartily in sympathy with his fellow executive's stand in regard to racetrack gambling.

The other speakers of the evening, for which had been set the general topic of "The City and the State," were ex-Mayor Seth Low, who responded to the toast, "The City"; Andrew Carnegie, a month-old member of the City Club, who was introduced by President George McAneny as "a citizen," and Controller Metz, Corporation Counsel Pendleton and Patrick F. McGowan, President of the Board of Aldermen. Ex-Governor Morton was also down to address the assemblage, but departed with Governor Hughes.

CARNEGIE ON HUGHES.

Mr. Carnegie, in a fervent appreciation of the great services of Governor Hughes, said he was too good a man, despite his declaration that he would not serve a second term as Governor to be unmindful of the conduct of George Washington in a similar instance, but when the words "President Hughes" slipped out by mistake there was a burst of applause and laughter, which caused Mr. Carnegie to remark: "I wonder if these words are the shadows cast before of coming events."

Elihu Root, one of the earliest members of the club, Mr. Carnegie termed the greatest and wisest American living, and in praising Governor Hughes's work Mr. Carnegie referred to the estimate put upon him by the Secretary of State. "He told me," said Mr. Carnegie, "that he was not surprised by Mr. Hughes's great record, as he classed him with the very few men who could always be relied upon to discharge whatever duty might be placed upon them."

Governor Hughes said in part:

At the very foundation of all lies freedom in the expression of the popular will. I am a party man and I am a party Governor, and I have no sympathy with the idea that parties depend for their success upon the blind following of any leadership. I believe in party organization, because it is an effective means of standing for certain commonly accepted principles. I believe in party machinery, because it is the only means through which that organization can express itself effectively; but I believe in making the party appeal to the people upon the basis of principle, and in putting up candidates who will stand the test of the closest scrutiny; and I believe it to be the best for the party, as undoubtedly it is best for the people, if every elector is required to give the consideration that is necessary to express his individual choice with regard to every candidate for office; and I also believe, within the party, in the utmost freedom.

IMPORTANCE OF LOCAL GOVERNMENT.

There are some who believe that local government started, and that the state gradually impinged upon its every exercise of power. Our history, since the adoption of the first state constitution, is the contrary. The state was the fountain of power, and gradually local communities have been enfranchised and have been intrusted with the attention to their own concerns. Now, I believe most thoroughly in this: That in a country like ours, where everything depends upon the wisdom, the discrimination, the honesty of the electorate, you cannot have good government at the top unless generally you have good government at the bottom. The first consideration of every American citizen should be to see that the government in his own district is right, the government in his own city is right, the government in his own state is right, not neglecting that the government in his nation should be what he and his fellow citizens are entitled to have it. But local government is the school of citizenship. It is the place where men learn because of the pressure of government upon their immediate necessities, what really they may expect from the representatives of the people, and it will be a great day for New York State when New York City government measures somewhere near the ideal of representative government.

I do not in any way detract from the necessary assumption of national power. Our national interests constantly grow. Our national demands constantly increase, and we must meet them fairly and loyally as a nation; but the more the demands increase the more important it is that we should recognize the function of every local governmental power in order that the people should understand where they must look for protection in any particular operation, and that every man as a citizen should confine himself to his own functions and by officially discharging those functions show to the people what can be done, while, at the same time, he illustrates what cannot be done and what the other officer may be responsible to the people for doing. That is American government.

DIFFICULTIES OF A REFORMER.

One of the great difficulties of the day is this—that just as soon as you start on a particular reform or demand a particular thing, some one hops up and wants you to do ten times more at once. Well, my friends, we have got to take one step at a time.

There is nothing that is a greater evil in the community than the desire to get something for nothing, and to get rich without earning the money. Now, I am no antagonist of property. I believe that property rights should be safeguarded. I have no sympathy in any attack upon them. At the same time it is a malevolent influence and always has been in American life, the encouraging of the idea that there is a road to wealth other than the toilsome road of industry and perseverance and honest effort. Nothing can be more detrimental than a speculative spirit. It is a very sad thing that so many of our people are trying, by hook or by crook, to get something without giving the quid pro quo. But when I started within the constitution that suggestion that we should put a stop to one of the worst evils in racetrack gambling I immediately met with the suggestion: Why not abolish all speculation? Well, that is a rather large order.

Now we have, with regard to the matter I have spoken of, a perfectly plain proposition. It is a central question whether the Legislature shall do its duty according to the mandate of the constitution. It is perfectly idle to say that the Court of Appeals sustained the law by which, in the case of racetrack gambling or poolselling or bookmaking, that the penalty should be only the recovery of the money waged in a civil action. Assuming that, as the court says, to be within the legislative power, it is a travesty upon the legislative order to regard the imposition of the penalty as a compliance with the constitution's mandates.

On one side I am told that 90 per cent. of the men that go to the races go because of their love of the fresh air; that they go for a chance to get away from the crowded city and look upon the green fields, that they are interested in the splendid exhibition of the result of training horses, and that, with the purest of intent and with the greatest desire to enjoy's God's blessings, the air and sunshine, they patronize the racetracks. That is the argument formally presented in a document issued on behalf of those who would support what the racetracks do. Nobody said anything against the racetracks. Horse racing? Why, nobody said anything against horse racing. Cultivation of horses? Nobody has opposed that. The argument of the 90 per cent and their enjoyment of the fresh air is produced in favor of racetrack gambling in opposition to the constitution.

Now if the 90 per cent want the races for the love of the races, why can't they have it without the demoralizing influence of racetrack gambling which is ruining the young men who have access to racehorses, as every citizen knows.

And so, as I have said, when we see something plainly before us which can be put clearly, which can be limited, where duty is obvious, let us do it if the people through their representatives want it. What is the use of talking about putting an end to speculation and the evils of the gambling spirit? If we have a law that can be framed that will not interfere with legitimate business transactions, that will strike out those evils—I am for that law.

Among those at the speakers' table were R. Fulton Cutting, William M. Ivins, Edward M. Shepard, George Burnham, jr., Austen G. Fox and Corporation Counsel Pendleton. Included in the three hundred or more at the other tables were:

Edward D. Adams, R. Fulton Cutting, Henry Batterman, Nathan Bijur, Judge Abel E. Blackmar, Austen G. Fox, Elbridge L. Adams, Henry Bruere, Frederick A. Cleveland, Robert J. Collier, Charles A. Conant, John M. Carrère, Dr. Charles L. Dana, Surrogate Beckett, Ray Stannard Baker, Horace E. Deming, Edward R. Finch, Harvey E. Fisk, Allan Dawson, Howard S. Gans, Richard Watson Gilder, Justice John W. Goff, Norman Hapgood, Dr. Jacobi, Chase Mellen, Carl L. Schurz, Homer Folks, Milo R. Maltbie, William McCarroll, William B. Howland, Dr. Janeway, Dr. D. Parker Morgan, United States Senator Newlands, F. Cunliffe Owen, Henry T. Newcomb, Howard Potter, Ezra T. Prentice, Gustav Lindenthal, George Haven Putnam, James B. Reynolds, Professor E. R. A. Seligman, the Rev. Thomas R. Slicer, Charles H. Strong, Oswald G. Villard, Felix M. Warburg, Paul M. Warburg, Frank Tucker, Horace White, Bird S. Coler, E. S. A. De Lima, Edward T. Devine, Police Magistrate Corrigan and Joseph Langdon.

Here is what Governor Folk had to say on racetrack gambling:

If it be insisted that men will gamble any way and that the state may as well profit by their lust for the game, it could with equal force be argued that some men will steal, and therefore the state should license larceny in certain forms and certain places, so as to profit by this weakness of mankind. If it be said that the licensing of gambling is justifiable when the proceeds go to maintain a worthy institution the answer is, the state is wealthy enough to support its institutions without compelling them to rely for sustenance upon the licensing of a practice that degrades youth and pollutes the morals of men.

Controller Metz made one of his usual snappy addresses and then departed to attend the dinner of the police lieutenants. "You have to stand in with the sergeants if you own a machine," said he.

"What kind of a machine?" asked a voice.

"My own," was the reply.

The Controller said he agreed with Governor Hughes that the city and state lost through inefficiency. The city, he said, lost ten times more through the inefficiency than through dishonesty. The stealing, declared Mr. Metz, was very small in comparison. Mayor McClellan and President McGowan, he declared, were both men of high standards of honor.

DUTY SUIT SETTLED.

Watch Importers Agree to Pay $30,000 to the Government.

Settlement was effected yesterday between Winfred T. Denison, assistant United States attorney, and W. Wickham Smith, counsel for Byron L. Strasburger & Co., importers of watches, at No. 56 Maiden Lane, by which the government consented to discontinue its suit for violation of the custom laws on the offer of the Maiden Lane firm to pay $30,000. The suit was the first of several begun by the government following an investigation by Treasury agents into the methods of bringing into this port consignments of Swiss watchcases at considerable undervaluation on the custom invoice of the foreign cost of the cases.

By the payment of the $30,000 the government recovers the entire amount of duties of which it was asserted it was deprived by means of undervaluation of the consignments, and obtains between $10,000 and $15,000 additional. This makes the second suit during the last three months which Mr. Denison has been successful in terminating without the issue being tried out in court. The other was the suit against the firm of Georges L. Mesmin & Co., of No. 1 Greene street, charged with making false invoices extending over a period of more than five years, and thus defrauding the government out of large sums of money payable as duty on importations of Parisian dress goods. With the compromise of the Strasburger case, which was used as a test, it is probable that several other suits of similar character will be settled in like manner.

DR. LEE DE FOREST WEDS.

Inventor Marries Miss N. S. Blatch at Greenwich, Conn.

A dispatch from Greenwich, Conn., to the Tribune stated that Miss Nora Stanton Blatch was married there yesterday to Dr. Lee De Forest, the wireless telegraph man. The ceremony was performed by Stephen L. Radford, justice of the peace. When Mrs. Harriet Stanton Blatch, mother of the bride, was called up on the telephone a message was given to The Tribune reporter that she was too busy attending the wedding reception of her daughter to say why Dr. De Forest and Miss Blatch went to Greenwich to have the knot tied. As Dr. De Forest's first wife, who was Miss Lucille Sheardown, and to whom he was married at the St. Regis on February 17, 1906, obtained a divorce in Albany County only last fall, he could not have obtained a license to marry in this state, and it is believed that was the reason the couple went to Greenwich, coming back to Mrs. Blatch's home in the Victoria apartment house for the wedding reception.

The second Mrs. De Forest is the granddaughter of Elizabeth Cady Stanton, whose daughter, Harriet, was married to W. H. Blatch, an Englishman, at Basinstoke, Warwickshire, in 1882. Mrs. Blatch recently lost a suit which she brought against the Hoffman House Corporation because the employes refused to serve her when unattended by a male escort on the roof garden last summer. Mrs. De Forest is twenty-five years old and holds the degree of civil engineer from Cornell University. She is a member of the American Society of Civil Engineers and for a year or so has been a member of the engineering staff of the Board of Water Supply of this city.

TRIES TO CONVINCE MRS. MONAHAN.

Former Fiance's Mother Partially Successful in Mr. Deyo's Behalf.

There may be peace in sight for the Rev. George N. Deyo, rector of the Church of the Advocate, at Washington avenue and 181st street, if the efforts of Mrs. Leonard Smith, of No. 102 East 31st street, are successful. Mrs. Smith is the mother of the late Edward T. Smith, whom Mrs. Helen Monahan, the "mysterious woman in black," at present in the Bellevue psychopathic ward, claims as her fiancé and mistakes Mr. Deyo for.

Mrs. Smith was allowed to visit Mrs. Monahan for some time yesterday. She bent all her energy toward convincing the deluded woman that the Edward Smith who had once been her sweetheart had died in 1896. This could not be done; but Mrs. Smith, by the recital of many incidents of the old days, really seemed to convince Mrs. Monahan that it was the mother of her lover who had called.

Mrs. Smith left the hospital saying she would go home and hunt up certain papers and documents bearing on the death of her son and bring them to the hospital. She said she had newspapers with the notice of the death and other documents which would convince almost any one, and, if she could find them, she would return with them today.

SETTLED SUIT; MUST PAY ATTORNEY.

Court Upholds Lawyer's Contention in Action Against Miss Robert and Mr. Pell.

Justice O'Gorman, in the Supreme Court, rendered a decision yesterday in favor of Julius J. Michael, a lawyer, of No. 35 Nassau street, in a suit to recover $1,000 from Theodore Roosevelt Pell and Alma Robert. Miss Robert sued Mr. Pell for breach of promise in 1906 and asked $15,000 damages. The suit was settled out of court, Mr. Pell paying $2,000 to Miss Robert. Mr. Michael asked half of that amount, asserting that Miss Robert engaged him as attorney in her suit, promising to give him half of the amount recovered.

Nathan G. Stern, of No. 15 William street, testified that he heard the agreement. Miss Robert denied the agreement. She said that she understood Michael was simply acting for Stern, whom she regarded as her lawyer.

Justice O'Gorman decided that the defendants had no right to settle the case without consulting their counsel. "Some of these cases," he added, "have merit. The court's impression is that the majority of them are little better than blackmailing schemes, reflecting on the litigants as well as on the attorneys who lend themselves to the prosecution of such actions. Yet when the action is brought the defendant is not at liberty to settle that action in a way to impair the rights of the attorney."

WOMAN SHOT LAWYER.

SAID SHE WAS WRONGED.

Charles M. Sanford, of Brooklyn, Badly Wounded in His Office.

Charles M. Sanford, a Brooklyn lawyer, was shot yesterday morning in his offices on the fifth floor of the Garfield Building, in Court street, by Jennie Blunt. She fired two shots, one of which lodged in the lawyer's head. Mr. Sanford was taken to the Brooklyn Hospital, where the bullet was removed late yesterday afternoon. The surgeons said that he had a fair chance to recover.

The woman went to Sanford's office at about 9 o'clock, and, on being told that he had not arrived from his home in Smithtown, Long Island, sat down to wait for him. He arrived in half an hour and seemed surprised to find her in his office. As he turned his back to her to unlock his desk, she drew a revolver and fired. She then rushed out of the office and down to the street. Mr. Sanford ran out into the hall, crying, "I'm shot! I'm shot!"

Isaac Levlin, who has an office adjoining that of Sanford, had followed the woman to the street and given the alarm. She was captured after a short chase and taken back to the office by Patrolman Schultz. She took her arrest coolly, and after arriving at the office told an amazing story. At the Adams street station she said her name was Jennie Blunt, her age thirty-four years and her home No. 356 Schermerhorn street. She said she was a domestic, although she could not remember the name or address of her employers. To many queries she replied in so vague and meaningless a way that some of her hearers thought her demented. She is good looking and a little below the medium height.

She said she had known Sanford for about seven years, although for the first four years of their acquaintance she had thought his name was "Bert" Allen and that he was unmarried. She referred to her act as "the work of God." She told a rambling story of her relations with Sanford.

She admitted that she had led an immoral life before she met Sanford.

In an ante-mortem statement Sanford said that he had received a visit from the woman about four years ago, when she came to him for legal advice. He knew something about her character, he said, but took pity on her because she was destitute, and often gave her odd jobs about his office.

Sanford has lived at Smithtown for the last twenty years, where he has a wife and six children. He owns considerable property there and has been one of the most respected citizens.

MOVING PICTURE WAR ON.

Studio To Be Built Here for Producing Foreign City Scenes.

Following a dispute over motion picture machine patents, the Edison Manufacturing Company and the American Mutoscope and Biograph Company have entered into a competition which will affect the entire moving picture industry in this country. It is said that the two concerns have the backing of foreign film manufacturers who yearly import from $10,000,000 to $12,000,000 worth of films for the picture machines. Not only are the large film manufacturing concerns affected, but the combinations will include all the renting companies which deliver the moving picture films to the show places.

According to the American Mutoscope and Biograph Company, the Edison Manufacturing Company began the organization of the film renters when it had formed a combination with the French film manufacturers, Pathe et Frères, whose studio is considered one of the largest abroad. The renters were then enlisted and after several other manufacturers had joined the Edison Manufacturing Company it was announced that the films would all be rented through the combination. It is said that an attempt was made to corner the raw films, but this plan failed as one of the camera concerns which manufactures nearly all the films in use refused to be allied with either combination.

When the film renters joined the Edison organization, the American Mutoscope and Biograph Company entered into an association with Messrs. Gaumont, Lux, Rossi, Warwick, Paul and the Society of Italian "Cines" which comprise the next largest film manufacturers in Europe. At the same time the company arranged with film renters who had not yet entered the rival organization to accept their films at a lower rate of rental and without restrictions of any kind.

While the two organizations were being perfected the Mutoscope company began suit against the rival company, alleging infringement of certain patents. Until this and several other suits are settled, the two combines will wage a bitter war, and it is said that the rates for rental of films will be so far cut that the small amusement enterprises which are now on nearly every block in the city and in every small town will be enabled to operate at a largely reduced expense. The first big cut was made by the Mutoscope company and a further reduction is expected when the American manufactures who are allied with the company complete the pictures, which are being made as rapidly as possible.

At present the largest number of films are made in Europe, as the moving picture audience prefers European views. Under the new arrangement it is said that the manufacturers will produce pictures similar to those taken abroad. According to one of the officers of a moving picture manufacturing concern, arrangements are being made to build a studio near this city where houses and scenes representing German and French cities will be photographed. Actors will be rehearsed in native dress and pictures will be taken, which will appear genuine when they are placed on the screens.

While these methods are being adopted the United States government will lose considerable, as the films imported are taxed 25 per cent at 60 cents a pound. The number of subjects on films imported every week aggregate fifteen thousand feet. These films are duplicated abroad and sent to at least a dozen different concerns here. The change of vaudeville houses to moving picture show places has been so great within the last six months that it is estimated eight hundred motion theatres are in operation in New York.

BOOM STEINWAY TUNNEL.

Long Island Real Estate Exchange Anxious to Stem Tide to Jersey.

The touch of the President's finger on that button in Washington yesterday afternoon which flashed the signal to New York to start trains running under the Hudson River may have been light in itself, but it was weighty with enough consequence to their interests, so the directors of the Real Estate Exchange of Long Island considered, to make imperative a meeting to consider what they could do toward making rapid transit to Kings and Queens counties in greater New York, as well as Nassau and Suffolk just without it a reality.

Fourteen of the twenty-three directors met yesterday afternoon and unanimously approved the plan of the transportation committee for a visit to August Belmont this week and another to Controller Metz, if he is back on the job, to find out just where the Belmont interests on the one hand and the city authorities on the other stand on the question of opening the Steinway tunnel to the public. The real estate men are not at all pleased at the prospect of so much of the working population of Manhattan turning Jerseyward to sleep.

After seeing Mr. Belmont and Mr. Metz the committee will report to the full exchange, which promises to stir up sentiment in the outlying territories across the East River for the opening of the tunnel. In the opinion of the exchange the Public Service Commission has power to issue an order to show cause why a tunnel intended for public service should not be operated. The transportation committee has already had a conference with Chairman Willcox and believes that he is with it in the wish to see the tunnel opened.

In answer to a complaint made by one of the directors of the exchange that work apparently had been stopped at the Long Island end of the Blackwell's Island Bridge, Austin Lord Bowman, consulting engineer of the bridge, reported that such was not the case. Mr. Bowman said he expected the bridge would be practically completed by September.

AUCTION SALE OF FURNITURE.

The Fifth Avenue Auction Rooms, at No. 332 to 341 Fourth avenue, will be the scene this afternoon of a sale of modern furniture, by order of a leading furniture manufacturer. The sale will include dining room and bedroom suites and other essentials for a home. There also will be a sale there of the private collection of Professor Charles F. Noumann, which is composed of antique Greek glass, tanasra figures, scarabs, beads, etc.

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Liberty—giving Suits for young men; all the new quips and turns in the way of pockets, lapels, cuffs—on—trousers, etc.

Prices $15 to $25.

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PAY TRIBUTE TO KRUGER

ALDERMEN TAKE ACTION.

Adopt Resolutions Approving a Monument to Dead Fire Chief.

The Board of Aldermen, by a rising vote, unanimously adopted yesterday and spread upon its minutes resolutions rehearsing the splendid record and heroic death of Charles W. Kruger, deputy chief of the Fire Department, reported by the Committee on Rules, and unanimously adopted a resolution offered by Alderman Doull, approving the action of the Potter committee in planning to erect a monument to the memory of Chief Kruger.

The resolutions were as follows:

Charles W. Kruger was appointed a member of the Fire Department on July 3, 1872, and served in every branch of the uniformed force, including the position of chief of department. When a foreman he was awarded the Stevens medal for having the best disciplined company in the department. Detailed from this city as an expert to direct the fire fighters at the great Baltimore conflagration, it was his masterful handling of men and apparatus which prevented the destruction of the entire city.

The whole course of his official life furnishes one of the most splendid examples of those noble characters who are undaunted when confronted by peril. In recognition of his heroic deeds and faithfulness to duty which resulted in his death, the Board of Aldermen of the city of New York, in meeting assembled, spreads this record upon its minutes and deeply deplores the untimely though heroic death of Charles W. Kruger, deputy chief of the Fire Department, whereby our city lost one of its best citizens and a most faithful and devoted servant.

Resolved, That the Board of Aldermen hereby express the heartfelt sympathy of the people of this city to the bereaved family of the late Charles W. Kruger for their irreparable loss; and be it further,

Resolved, That a copy of these minutes, suitably engrossed and attested by his honor the Mayor, the President of the Board of Aldermen and the City Clerk, be forwarded to the family of the deceased.

The Doull resolutions were as follows:

Whereas, It has come to the attention of the Board of Aldermen that a committee of our citizens, composed of Bishop Potter, Andrew Carnegie, Isidor Straus, Henry W. Taft, Cornelius N. Bliss, General Thomas L. James, Hugh Bonner, Egerton L. Winthrop, jr., the Rev. Dr. Henry A. Brann, George W. Babb and Hamilton W. Mabie, has been organized for the purpose of collecting a large sum of money, part of which is to be used to erect in one of our parks a monument to Deputy Chief Charles W. Kruger and other members of the Fire Department who have lost their lives in the performance of their duty, and the balance to be turned into the pension fund of the Fire Department, so that the widows and children of the heroes may be assured of an income sufficiently adequate to provide for their comfort and education; therefore, be it

Resolved, That the Board of Aldermen does hereby most heartily commend the members of the committee of the Kruger and Firemen's Memorial Fund for their public spirited action, and does most earnestly indorse their project, which has for its noble purpose the fitting recognition in lasting form of the brave and fearless men, members of one of our most devoted departments, who have sacrificed themselves in their efforts to protect the lives and property of the citizens of New York and have never flinched in the face of any danger into which duty called them; and, be it further

Resolved, That the Board of Aldermen does hereby urge all good citizens to give their support to this most worthy cause, and contribute to it whatever sums their means will allow. We feel confident that the civic pride of our fellow men, together with that, perhaps, finer sentiment which prompts us to glorify the man who dies an heroic death, will be incentive enough to assure the success of the undertaking.

Alderman Dowling then moved that the names of all firemen, of whatever grade, killed this year be spread upon the minutes. This was carried also.

Alderman Mulcahy next moved the following resolution for the erection of a memorial to the dead fire heroes:

Resolved, That this Board of Aldermen respectfully recommends to the Board of Estimate and Apportionment that a suitable fund be set aside for the erection of an appropriate memorial building, arch, or column, in memory of the gallant firemen who have fallen in the discharge of their duty, and that a competition be invited, under the auspices of the Municipal Art Commission, to the end that such memorial may be a work of art worthy of the metropolis of the Western Hemisphere.

Contributions to the Kruger and firemen's memorial fund received up to last night amounted to $1,849.11, of which $920.25 had been sent direct to Thomas L. James, treasurer, Lincoln National Bank, No. 32 East 42d street.

DEATH LETTERS SENT.

Armenians Testify to Their Fear at Former Priest's Trial.

The trial of Levont Martougessian, the unfrocked Armenian priest, said to be the head of the local branch of the Hunchakist society, who was connected with the murder of Hovhannes Tavshanjian, a rug merchant in Union Square, several months ago, was continued yesterday in the Court of General Sessions on a charge of blackmail.

Assistant District Attorney Nott, in his address to the jury, said that he had several witnesses to prove that the former priest had approached Miram G. Karaghensian, a rug manufacturer, who had offices in the Parker Building. Mr. Nott said that Bedros Hampartoonian, who killed Tavshanjian and is serving a life sentence in Sing Sing, would be one of the witnesses.

Karaghensian was the first witness called by the prosecution. He said that he had received eight letters from the Hunchakist band in Constantinople, and that Martougessian had called personally and requested money for the "Armenian cause." Mr. Nott asserted that five other rug manufacturers in the city had received demands for "twenty thousand English pounds," under pain of death.

Harootim Gulbenkian, a rug manufacturer, of No. 889 Broadway, testified that he had received three letters from the Hunchakist band, but had refused to give money, fearing that his family in Constantinople would be killed by the Turkish authorities. Gulbenkian said that the reign of terror spread by the Hunchakists in this city made the rich Armenians stay in their homes for weeks.

"We made a practice of calling each other up on the telephone each day," he said, "to see if all were still alive." Two salesmen from Karaghensian's store were called as witnesses, and were followed by Bedros Kazanjian, a rug dealer, of No. 29 Union Square, who said that he received a "death letter" from the Hunchakists on the day Tavshanjian was murdered. Martougessian called, he said, after several letters had been sent demanding £200.

J. P. MORGAN PLANS TO SAIL TO-DAY.

Wall Street Regards Booking of Passage as Belief in Stability of Financial Situation.

J. P. Morgan, it was stated at his office yesterday, has booked passage on the Adriatic, which sails for Europe to-day. A member of the firm said, however, that Mr. Morgan frequently books passage on a steamer, only to find at the last minute that he could not go, and that it was possible in the present instance that he might change his mind and stay here.

Wall Street looked upon Mr. Morgan's intention to go abroad as proof that he believed the financial situation was fast returning to a normal basis. This is a little earlier than the usual time of Mr. Morgan's departure for Europe.

Books and Publications.

A NEW NOVEL BY THE AUTHOR OF "The Call of the Wild"

The Iron Heel — By JACK LONDON

The Iron Heel — By JACK LONDON

Just Ready. Cloth $1.50

The story is a daring one, with a swing, color and vitality that will not let one go. No one can escape the feeling that Mr. London is intensely in earnest, and this, coupled with his dramatic gift and literary power, makes "The Iron Heel" one of the most remarkably interesting novels of the day.

A. & E. Castle's *new book* — Flower o' the Orange

Each episode is clear cut, depicting genuine men and women, consistently alive for good or ill, or both, against a background of pure romance, picturesque, yet wholly credible. *With frontispiece in colors. Cloth, $1.50*

B. L. Putnam Weale's *exceptional forecast of* The Coming Struggle in Eastern Asia

by the author of "The Re-Shaping of the Far East," etc., is of uncommon interest because of its distinct summing up of the part the U. S. will be forced to play. The author is regarded in the world's capitals as "so far the best as to be practically the only authority" on his special subject. *Cloth, 8vo, with map and illustrations, $3.50 net*

Alfred Noyes's *new poems* — The Golden Hynde

sustain his reputation for a surprising variety of poetic expression and all of it good. "He, almost alone of the younger men, seems to have the gift of uttering in authentic lyric cry some fresh, unspoiled emotion," says Richard Le Gallienne. *Cloth, decorated cover, $1.25 net; by mail, $1.35*

H. Fielding Hall's — The Inward Light

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MAY CALL ON STATE AID

City Authorities Looking Into Peekskill Water Troubles.

Unless the Peekskill authorities cleanse their reservoir and the watershed from which the supply is drawn the authorities in this city may invoke the aid of Dr. Eugene Porter, the State Health Commissioner, to compel cleansing action. It was learned yesterday that the Peekskill officials had employed men to delve into the reservoir. As reported yesterday, conditions were found to be so bad that action was delayed until the work of cleaning up might be done without attracting too much attention. It was again reported yesterday that dead animals were found, and it was rumored that the body of a man was also brought to the surface. The Peekskill authorities deny these reports.

The Catskill water supply, as is known, is intended to supplement the present Croton system. Should the city be dependent upon the Croton water supply alone there would undoubtedly be a most disastrous water famine here in at least five years. The Catskill supply as a whole will not be ready for six or more years. Thus, it would seem that a water famine in this great city was inevitable.

In determining to begin work at once on the aqueduct on this side of the river, to be connected subsequently with the aqueduct crossing the Hudson from the Esopus, it was with the view of utilizing the Fishkill watershed, in which are included Peekskill Creek and Sprout Brook. The contract for the aqueduct was let to McNally, with the specification that it should be completed in four years at the latest. This aqueduct will tap the creek and the brook, and will then be led into the Croton reservoir, so that the danger of famine before the completion of the whole Catskill system will be obviated to a certainty.

Any cry of impending famine, it was said yesterday, was farfetched and without reason. There are 77,000,000,000 gallons in storage in the Croton watershed reservoirs now. The Cross River reservoir is not full as yet, but when full there will be 88,680,000,000 gallons ready for use. When the Croton Falls reservoir is ready there will be an increase in the available supply to 104,442,000,000. The city uses approximately 325,000,000 gallons a day. It will thus be seen that the available supply provides for a period of seventy-seven and more days. That means that the city will have a water supply for more than two months and a half, without drawing on the brooks, creeks and rivers that are continuously flowing and adding to the supply.

It was said by one of the water officials yesterday that there could not be a famine under the most unfavorable conditions for two years. If a famine should occur at that time it would be due to unprecedented drouths. But it is to meet the unprecedented conditions that the Board of Water Supply has provided the additional aqueduct to feed the great Croton reservoir pending the completion of the Catskill supply system. And as this emergency supply will come from the Peekskill region the city authorities are determined that hygienic conditions shall prevail in the district from which the city water may be drawn. It was said by one of the inspecting officials that the watershed from which the Peekskill supply is drawn is worse than that at Mount Kisco.

It is expected that the Board of Health of Peekskill will take action at its next meeting. It is also expected that there will be a movement of citizens to demand that the cleansing process begin at once. There will be no sparing of money to save the town from the odium of having the worst water supply in the Hudson Valley.

At the office of the Board of Water Supply in this city it was said yesterday that it was expected to appoint the head of the Catskill watershed police in a few days. Then he would appoint his deputies, and the force of two hundred men would soon be furnished for the active work of preventing pollution.

TWENTY-SIX MIDDIES DROPPED.

Washington, Feb. 25.—Secretary Metcalf accepted the resignations of twenty-six midshipmen to-day at the Naval Academy, who failed in their midwinter examination for promotion.

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E. H. HARRIMAN WORKS ON BIRTHDAY

Says He Doesn't Know What He Will Do When He Is Seventy.

E. H. Harriman was sixty years old yesterday, but he did not let that fact interfere with his appearing at his office and attending to business. He did not, however, stay as late as usual, as he was one of the guests invited to the opening of the Hudson tunnel.

A year ago Mr. Harriman said that he hoped to retire from active business on his sixtieth birthday, but many things have happened since then to make him alter his intention, and a few days ago he announced that his retirement was impossible at this time. Asked yesterday if he would retire at seventy, he answered that he did not know exactly what he would do when that time arrived.