

UNTERMYER FINDS TRUST BILLS FAULTY

Division Among Democrats Indicated After He Talks to Committee.

BUSINESS UPSET FEARED

Some Holding Companies and Interlocking Directorates Are Good, He Says.

WASHINGTON, Feb. 6.—That Democrats in Congress are divided over the Wilson anti-trust programme was indicated today after Samuel Untermyer appeared before the House Judiciary Committee and found fault with several features of the pending Administration bills. He went so far as to intimate to the committee there might be trouble in the business world unless some features were changed.

For instance, the former counsel of the Pulo committee told the House members that in preparing a bill to prohibit the existence of holding companies a distinction should be drawn between good and bad companies of this character. Mr. Untermyer argued that in framing the holding company bill discretionary power should be lodged somewhere, preferably in the Interstate trade commission, to determine what holding companies should be permitted to continue in business and what companies should be eliminated.

Mr. Untermyer's suggestion seemed to make a strong impression on the committee, but the practical difficulties in the way of carrying it out were acknowledged to be great.

The New York lawyer urged that the holding company bill, which is now being whipped into shape, should be embodied in the trade commission bill, the commission to have full power over holding companies. He promised to submit a brief outlining his argument.

Finds the Measures Faulty.

Mr. Untermyer commended the purpose of the Administration measures but intimated that they were faulty in many respects. He took exceptions particularly to what is known as the "trade relations bill," which prohibits price cutting and other unfair practices. He could not see where this bill would do any particular good and declared that most of the evils sought to be corrected were fully covered by the Sherman anti-trust act.

The witness said he favored the enactment of only one provision of the trade relations bills, that prohibiting discriminations in the sale of coal.

"I would have this prohibition stand but apply it generally and not attack an unfair practice in one industry alone as is herein provided," said Mr. Untermyer. On this point also Mr. Untermyer agreed to submit a brief amplifying his views.

Mr. Untermyer then took up the question of interlocking directorates, a subject that he discussed in the report made to Congress by the Pulo money trust committee.

The Administration bill relating to interlocking directorates applies to all corporations without regard to capitalization or receipts. The witness suggested the adoption of an amendment limiting the enforcement of the proposed law according to receipts of corporations.

He would not prohibit interlocking directorates in the cases of corporations with receipts of less than \$100,000 or \$200,000, a figure which he said should be determined by further inquiry.

Mr. Untermyer said the prohibition against interlocking directorates would have barren effect unless it were accompanied by a law aimed at the "communities of interest" or "holding companies" that really direct the system under which directorates of various industrial corporations are interlocked with one another.

Attacks the Definition Bill.

He attacked the Administration bill that seeks to define the term "monopoly" on constitutional grounds. Section 5 of this measure provides "that nothing contained in this act shall be taken or held to limit or in any way curtail the meaning and effect of the provisions of the Sherman anti-trust law. This authorization, which proposed to limit review by the courts of anti-trust cases brought upon appeal, is clearly unconstitutional, according to Untermyer.

Although the constitutional bill is not pending before the Judiciary Committee the witness gave testimony concerning it to the committee. He declared that the bill in its present form conveyed no essential powers now exercised by the Commissioner of Corporations. He urged that the bill should be strengthened in a number of particulars. He believed that the commission should have more authority over the operation of corporations.

Mr. Untermyer argued that Congress would make a serious blunder if it prohibited all holding companies without regard to their character. Some holding companies were distinctly beneficial to business and the public at large, he said, while others were harmful.

In urging that the trade commission should have authority to distinguish between good and bad holding companies and to permit the good ones to remain in business Mr. Untermyer gave an illustration.

He said that there are now in operation throughout the country many municipal gas plants financed by holding companies. Through these holding companies these gas plants find a ready market for their bonds. He expressed a doubt that these gas plants could obtain loans by working independently, and added that there was at least one class of holding companies that should be permitted to continue in business.

RATE DISCRIMINATION ALLEGED.

Corn Products Company Said to Be Favored by Railroads.

WASHINGTON, Feb. 6.—That present freight rates on corn products and by-products of corn discriminate in favor of the Corn Products Refining Company, the so-called trust, was the charge made today at the inquiry which the Interstate Commerce Commission is conducting into the proposed 5 per cent. increase in freight. It was contended that the additional 5 per cent., if granted, would give the trust a greater advantage.

The first witness was Nicholas O'Halloran, traffic manager of the Clinton Sugar Refining Company of Clinton, Ia. He described a series of alleged discriminations against the independents.

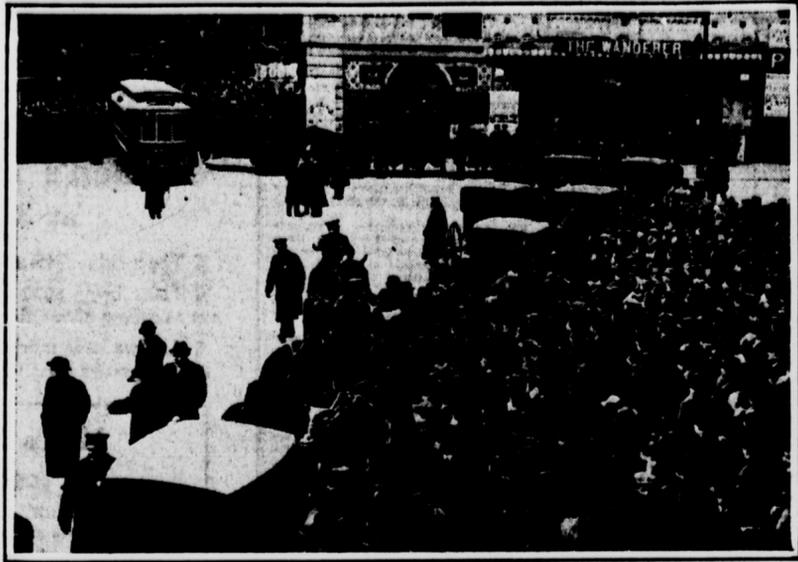
B. H. O'Meara, traffic manager of the Youngs Company of Cedar Rapids, Ia., corroborated the testimony of Mr. O'Halloran.

The commission announced today that it had postponed the hearing on lake and rail rates heretofore assigned for February 12 and 14 until March 12 and 14.

Orders Placed for 2,000 Cars.

BERKLEY, Pa., Feb. 6.—An order for 1,000 tank cars from the Union Tank Line and an order for 1,000 coal cars for the Illinois Central have been placed at the Berkley plant of the American Car and Foundry Company.

25,000 AT EAST SIDE ACTOR'S FUNERAL



The people of the East Side paid tribute yesterday to Zigmund Mogulesko, the comedian who had lightened their lives with his songs. Fully 10,000 tried to force their way into the Jewish National Theatre, at Second avenue and First street, where funeral services for the actor they loved were held, and 15,000 more lined the streets through which the police made way for the funeral procession.

It was the most imposing funeral on the East Side since that of Rabbi Jacob Joseph twelve years ago. As the hearse and pallbearers moved from the Hebrew Actors Club, at Second avenue and Eighth street, the crowd of men and women,

tears in their eyes, swept upon the line of mourners. The hearse, broke and was engulfed and the hearse moved slowly, guarded by police through the wide avenue jammed from side to side. One could hardly distinguish the hearse in the sea of those who hummed with queer breaks in their voices bits of the songs which had endeared the actor to them. So the throng moved on, low cries and sobbing, mixed with the gruff voices of policemen trying to keep the pallbearers from being overwhelmed. The East Side is demonstrative for the purpose of the actor. At the theatre, were thousands waiting who had based their hopes of attending the services on getting to the doors before the procession arrived. It was a great

wave of humanity that rolled up to the outer edge of this crowd about the theatre and was checked. Then the police with Capt. Sweeney at their head forced a way for the hearse through the crowd and with infinite difficulty held them back until it had passed within the doors. It had been planned to issue tickets for the ceremony, but actors with badges, friends and associates of Mogulesko were so mingled with others that it was impossible to sort them out. The thousands rushed the doors, swept the police off their feet for a few moments and the theatre was filled. During the ceremony, in which eulogies of the dead actor were read and a choir of 100 sang his songs, the dense throng in the street stood patiently.

INCOME TAX TANGLES POUR IN ON 'THE SUN'

Many Persons Take Advantage of Offer to Aid in Solving Problems.

REPLIES MADE NEXT WEEK

Manufacturers' Record Urges United Opposition to Law in Courts.

Many letters came to THE SUN yesterday in response to its offer to assist readers in solving their income tax problems by answering questions through its columns. Many persons immediately availed themselves of this opportunity to get a clearer interpretation of some of the perplexing questions arising from the new law from the expert advice of Roger W. Babson, the world famous economic engineer, who will work with THE SUN to settle puzzling doubts.

The inquiries received yesterday were sent to Mr. Babson at once and the first instalment of answers will be printed early next week. The fact that each person subject to the law is required to file before March 1 a personal report of his actual income brought quick response, but the letters received only prepared the number of individuals throughout the city and elsewhere who will have their doubts as to their debt to the Government settled in this way.

Many business men and others have set to work framing questions to cover their particular cases. These will be answered in the greatest detail possible. As the replies necessarily must be brief and yet must cover the many puzzling aspects of the new law, this task in many instances is a difficult one.

It is understood that THE SUN cannot be responsible for the adaptation of answers to individual cases. It promises, however, that the information will be accurate as regards the special points in the law brought up in the query. A careful following of the questions and answers will lead to a clearer understanding of the law.

Helped by Small Taxpayer.

The SUN's offer of aid in preparing personal income reports has been welcomed especially by private individuals and smaller business concerns who have been perplexed by the contradictory wording of the law. While large corporations with legal advice always at hand have been put to no great inconvenience in preparing their reports, other business and professional men have been sorely puzzled to understand the various income tax primers issued by the Government.

In view of the fact that grave doubt has been expressed regarding the constitutionality of some provisions of the tax law this point will be considered in the answers. In general, however, the interpretations of exemptions, deductions, wording of various passages, use of blanks and other technical points, which are so common collectible at the source and the innumerable problems which these provisions present to the individual will be considered.

While problems presented to the income tax column will as far as is humanly possible, come under the personal attention of Mr. Babson, the column will be under the supervision of Mr. Babson's bureau of well known investment experts, the Babson Statistical Organization.

All inquiries, however, must be addressed to the Federal Income Tax Department, THE NEW YORK SUN, 170 Nassau street, New York, city. They must be brief, clearly written and bear the inquirer's full name and address. In the answers, however, initials only will be used.

URGES UNITED OPPOSITION.

"Manufacturers' Record" Would Test Income Tax Law in Courts.

In its current issue the Manufacturers' Record comments upon the announcement of Chairman Oscar W. Underwood of the Ways and Means Committee of the House that no bill affecting the new tariff law will be considered by Congress at this time. It regards this announcement as an official admission that the public demand for amendment of the income tax feature law as voted in the recent introduction of bills looking to that effect is to be ignored. This course, says the Record, reflects the spirit in which the law was framed and the attitude of Congressman Cordell Hull, the father of the measure, who declared that the law would work satisfactorily except to those who opposed it on principle.

The Manufacturers' Record asks how it is possible for sanity to understand regulations having no basic principle save that of effort to produce the greatest revenue, or instructions in which words having dissimilar meanings are used synonymously.

In the face of the determination at Washington to disregard the justified demand for amendment the Manufacturers' Record advocates for the purpose of the income tax law by an organized body of thousands of persons affected by it with a lawyer of high standing to prosecute the matter in the courts. The expense, it points out, could be paid by assessment upon the persons joining in the action according to the gross income of each.

"The action should turn upon two main points," the Manufacturers' Record says: "The exaggeration in the administration of the income tax law, and the exceedingly dangerous tendency in American Government toward lawmaking by bureaucracy, and the embodiment in the law of provisions which are in violation of the principles of the Constitution and of elementary principles of law."

Among the latter objections it points out the following: "The exercise of judicial power upon the Secretary of the Treasury in permitting him to determine whether or not a corporation has been formed or fraudulently incorporated for the purpose of preventing the imposition of the additional tax."

"Attempting to define net income without respect to widely different classes of persons whose incomes may be liable to the tax."

"Discriminating against the incomes of a special class, married persons, in a law which is itself a notable and confessed case of class legislation."

SHIPBUILDING CLAUSE DEFINED.

New Tariff Regulations Issued by Treasury Department.

WASHINGTON, Feb. 6.—Acting Secretary of the Treasury Hamlin issued today regulations putting into effect the free shipbuilding material provision of the Underwood-Simmons tariff law, which supersedes the corresponding provision of the Panama Canal act. The acting Secretary's statement reads in part as follows:

"The restrictions on materials as to their purchase in the open market abroad and as to their not being constructed or fabricated upon a special order or design which was contained in the old regulations are dropped."

"Material may still be admitted free for use in the construction of a vessel or of its machinery either in the condition in which imported or for manufacture for such purposes."

"The word 'vessel' is defined as referring to the hull and everything permanently included therein or attached thereto, except the machinery, as that word is defined in the regulations."

"The word 'machinery' is defined so as to include only the propelling mechanism of the vessel."

"The free entry of articles to be used in the renewal or replacement of articles of the first or original output or equipment will be denied under the new regulations."

"The classes of vessels which do not come within the respective provisions of the new regulations, to wit, foreign account and ownership and vessels other than those owned or used by the United States, are excluded from the provision with regard to the free entry of materials for repairs."

"Articles of outfit and equipment are required to be marked with the name of the vessel."

It is provided that the new regulations shall go into effect thirty days after the date of their issuance.

CONDITIONS IN PERU NORMAL.

Augusto Durand Probably New President—Billingshirst Denounced.

WASHINGTON, Feb. 6.—Conditions in Lima, Peru, after the Government was overthrown by a coup d'etat on Wednesday, were reported in advices to the State Department to be practically normal again.

The machinery of Government is in the hands of a junta composed of representatives of each party and headed by Augusto Durand, the man who is reported to have engineered the revolution. Benavides, the military commander who actually overthrew the Government, is associated with Durand. Former President Billinghirst is still in prison and it is said his life will be protected. The junta has assured full protection and complete safety to all persons in Lima.

A manifesto has been issued by the junta and signed by twenty-eight Senators and sixty-three Deputies explaining the reasons for the revolution and containing assurances provided for the reestablishment of constitutional order. The manifesto places blame for the revolution upon the reported intention of President Billinghirst to dissolve the Congress and to call the present Congress to dissolve that body and order new elections.

The election of Augusto Durand as President is thought to be a likely outcome of the present situation. Durand is known to be very friendly to American interests. In fact he is understood to be an active supporter of what is known as the McCune concession for the construction of a railroad across the Andes into the Ucayali region. Durand has large interests in this region.

WILSON NAMES POSTMASTERS.

Nominations Made for Nearly Every State in Union.

WASHINGTON, Feb. 6.—The President sent to the Senate today nominations of a large number of postmasters in nearly every State in the Union. Among them were the following:

New York—Hempstead, Francis J. Mulgannon; Montour Falls, Charles L. Doolittle; Rochester, William A. Buckley; Waterville, Albert C. Salisbury; Pittsford, George Thomas.

New Jersey—Gloucester City, Thomas J. Foley; Lambertville, James A. Clary; Lawrenceville, Andrew E. Saut; Baritan, William Slattery; Somerville, William Maxwell; Sussex, H. J. Quince; Williamstown, Howard J. Tomblinson.

Capt. Berry's Trial Next Week.

WASHINGTON, Feb. 6.—The trial of Capt. Berry of the steamship Nantuxet, which ran aground and sank the steamship Monroe off the Virginia Capes, will probably be opened at Philadelphia next week, according to present plans. The trial, it is said, will be public.

L. B. ADAMS, BROKER, ACCUSED OF FRAUD

Postal Authorities Assert He Swindled Firms by Circular Game.

OFFERED TO SELL STOCK

Had Names of 20,000 Possible Buyers—Denies Kinship to Polley King.

Lorenzo B. Adams, "an investment broker" of 1 Broadway, said to be a nephew of the late Al Adams, the policy king, although he denies the relationship, was arrested yesterday by the postal authorities, charged with using the mails to defraud.

The complaint specifies \$5,000 as the amount he has obtained fraudulently; the post office inspectors have on their list seventy-five firms which they believe they can prove he has defrauded. They believe the publicity resulting from the arrest will cause many other firms to come forward and that, when the case comes to trial, they will have five or six hundred firms on their list, with evidence that Adams has obtained \$200,000 or more in the last five years through his use of a hoary old scheme for which several men have gone to jail.

Adams admitted yesterday, when arraigned before Commissioner Shields, that most people with whom he has done business believe that he is related to the late policy king.

"But this is not so," he said. "Al Adams had a son, Louis B. Adams, and the similarity in initials led some people to believe that Al and I were related. Several commercial agencies investigated this matter, but found we were not related. But I have done business for Al Adams, and he was one of the best business men I have ever met."

L. B. Adams first bobbed up in the New York financial field as president of the Colonial Securities Company, organized to push the stock of the Guanajuato Mining Company, which was owned by Al Adams. Sales in the company were brisk until the failure of the bucket shop of M. B. Sage & Co., backed by Al Adams, and then the fact that Al Adams was connected with the mining company became public. Then the sale of the stock fell off.

Under Watch 3 Months.

Lorenzo Adams became an investment broker five years ago, but the attention of the authorities did not become focussed on him until about three months ago, when complaints caused an investigation. For three months Post Office Inspectors Mayhew and Swain kept tabs on his business, then they drew up the complaint and arrested him.

They assert that Adams used a cheap scheme to defraud, cheap but highly lucrative. It is charged that he represented to firms wishing to sell stocks or bonds that he had a large wealthy clientele and it would pay them to have him push the stock. He said he had a mailing list of 20,000 and numerous agents through the country.

If a firm wanted him to push its stock he would say the first step was to circulate his mailing list. This would cost anywhere from \$3,500 up, the maximum sum that has come to the attention of the authorities being \$1,000. He would make the firm pay the cost of printing and mailing these circulars, according to his alleged system, and instead of sending out the circulars would keep the money.

In the last three months, while his business has been under the eye of the authorities, he has obtained \$5,000 in this manner, the postal inspectors say.

The complaint alleges that he sent letters to P. W. Braniff, secretary of the Cooperative Mining and Development

The Store is opened at 9 A. M.

B. Altman & Co.

The Department for Women's Ready-to-wear Dresses

has now ready for selection a highly attractive assortment of Afternoon and Evening Gowns, Dancing Frocks and Tailor-made Suits, representing the latest dictates of fashion as to style and made up in such fashionable materials as taffeta, moire, poplin and the new crepes.

A Special Offering for this day (Saturday) will consist of

Women's Dresses

(sizes 34 to 42) in an entirely new model, featuring a smart combination of taffeta and serge, in white, navy blue and black, at \$25.00

Also for this day (Saturday).

AN EXTRAORDINARY SALE OF

Over 20,000 Yards of All-Silk Crepe Charmeuse and Drap de Charmeuse

(40 inches wide), at the special price of \$1.80 per yard

in the newest shades for Afternoon and Evening, as well as in white, ivory and black.

5th Avenue, 34th and 35th Streets, New York.

Company, Walla Walla, Wash., stating falsely that with an organized force of sales agents in the New England States he was making a campaign to market new securities. The complaint states that after Braniff had given him advance fees Adams failed to mail the circulars.

Other clients were the Universal Publicity Company, the West Coast Dry Dock Company of San Diego, Cal.; the Silver Horde Mining Company of Spokane, Wash.

Destroyed All Books.

The post office inspectors say that Adams' clerk said that Adams kept the accounts of each firm for sixty days and then destroyed the books. This has hampered the authorities and they invite firms that have done business with Adams to correspond with them.

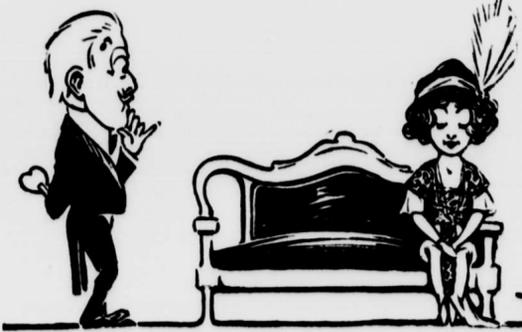
Adams said the whole thing was caused by the poor conditions of the market in New York lately. Because of general depression he went West to take care of his business there, and because of his trip West he neglected his New York

business. He denies that he is unable to furnish a full list of his agents and says the Government had frightened some of these men, so that they are afraid to come forward.

One of his letters, describing his business methods, reads in part: "A vigorous, direct, persistent campaign is necessary to make a market for an issue of unlisted securities. The literature must be distributed to select number of clients and prospective investors of whom I have many. The names of those who show interest must then be placed in the hands of agents to be properly worked up. My business is well established and I maintain a number of salesmen on the road for this purpose."

"Only a small number of people are interested in any proposition. It would therefore be necessary to circulate seemingly disreputable notices and to insure sufficient replies to enable me to lay out routes for my salesmen, and to communicate with you direct from the road."

TO-NIGHT — TO-NIGHT



Have the Exact Change Ready

This is the day when you are going to put down five cents at the newsstand and get the VALENTINE NUMBER of The New York Evening Post.

With its Illustrated SATURDAY MAGAZINE, The New York Evening Post is the best afternoon newspaper in existence.

There are four parts: The News Section, The Supplement, The Financial Section, The Magazine

We know a good many competent judges of investments who say that any one of these parts is worth the five cents you have to pay for the whole.

In to-day's magazine, for instance, will be found:

- "The Matchmaker," a tale by Eden Phillpotts.
- Fancy Dress Ball Pictures, showing the popularity of Oriental styles among the Tangoists.
- Ignacio Zuloaga and Segovia, a talk with the painter in an ancient Spanish City.
- Anecdotes About Lincoln, whose birthday comes next week.
- Post-Impressions, by Simeon Strunsky, explaining why some people regard the Gettysburg Address with sorrow.
- Beautiful Fanny Davenport and the Daly stock company in J. Ranken Towse's stage memories
- An Italian Palace on the Battery described under the title "The Door of America."
- "Woman at Her Toilet" and "Naked Truth"—two Statues which have caused talk.
- Other Work of the Sculptors—from the Pennsylvania Exhibition.
- Vassar Alumnae Players.
- Stage Favorites—Amusing Anecdotes—Some Great Sports Pictures—New Paris Hats—In the World of Science.

The Cover is Printed in Three Colors. Out-of-town people can have the Saturday Edition of The New York Evening Post by mail for \$2.50. So good an opportunity is worth thinking about.