SMITH CUTS SUPPLY MEASURE $2,185,343

Departmental Appropriation Bill Is Left With Total of $57,210,948.

STATE HOSPITAL VETOED

War's End Enables Reduction of $837,879 to Be Made in Personal Service.

Special Despatch to THE SUN.

ALBANY, April 11.—Gov. Smith announced to-night that he had cut items amounting to $2,185,343 from the departmental supply bill, which the Legislature passed up to him. This leaves total appropriations in the measure amounting to $57,210,948.

The Governor eliminated large items aggregating more than $1,300,000, including $600,000 for the construction of a new State hospital for the insane at Creedmore, $200,000 for grade crossing elimination work, about $55,000 for the division headquarters of the State guard, which will be provided in another bill which he will sign, $142,000 for canal repairs and labor, $75,000 for the purchase of additional land for the State Teachers College at Albany, $162,000 for the reconstruction of the Cortland State Normal School, destroyed by fire; $75,000 asked by the State Fair Commission for improvements and land, which will await the report of the commissioner he appointed to investigate the commission and $20,000 for a tuberculosis hospital at Dannemora.

Twenty-five thousand dollars requested by the trustees of public buildings, Albany, was cut out because "there is no apparent necessity for the appropriation," as was $40,000 for repairs to the State Arsenal, New York city, on the ground that the "reappropriation of such items tends to extravagance."

Practically all new positions which department heads requested were vetoed by Gov. Smith, the Secretary of State's office being deprived of $8,000 for temporary employees and numerous proposed new positions, including addressograph operators.

Other items cut out of the appropriation bill by the Governor include:

State Activities, Exclusive of Institutions — Personal service, $250,607; printing items, $2,500; departmental reports, $2,000; equipment and supplies, $154,200; travelling expenses, $13,000; communication, $3,950; general plant service, $6,950. Total, $443,397.

Deficiency Section—Personal service, $4,678.33; printing, $20,964.24; departmental reports, $1,500; equipment and supplies, $20,500; travelling expenses, $5,000; communication, $21,000; fixed charges and contributions, $2,132.36; general plant service, $94,700; maintenance undistributed, $50,003.33. Total, $175,478.26.

Repairs, construction and permanent betterments—repairs, $106,000; construction, $450,200; acquisition of real estate, $75,000; total, $631,200.

From part 3 of the bill, providing for repairs, construction and permanent betterments, the Governor eliminated items of repairs of $56,400 and items of construction of $871,400, or a total of $927,800.

"The State, largely as a result of the cessation of the war, has been able to reduce the item of personal service $837,879. This also was made possible by a reduction in the excise department due to prohibition. The personal service items in the bill amount to $22,177,169, a net increase over last year's appropriaion of $561,004 "notwithstanding the fact that there have been decreases in appropriations for certain personal service," Gov. Smith comments.

CITIES TO GET HALF STATE INCOME TAX

Republican Leaders in Assembly Also Agree to Let Travis Collect It.

Special Despatch to THE SUN.

ALBANY, April 11.—Republican leaders in the Assembly have agreed to pass amendments to the income tax bill submitted by the Joint Taxation Committee which will give the State Comptroller the authority to enforce the law and to give the cities instead of the counties the 50 per cent. of the revenue which is to go to the localities.

Frederick M. Davenport, chairman of the committee, is opposed to changing the provision in the bill which would take from the Tax Commission the duty of collecting the income tax, and Comptroller Travis, who has opposed imposition of the tax altogether, blames Speaker Sweet for the amendment.

These amendments and others which change details in the proposed business tax and in the personal property tax were submitted to the Assembly to-day. Chairman Davenport, it is understood, is in favor of the plan to turn over to the cities the localities share.

The Assembly leaders figure that if the lower house passes the income tax bill amended to meet their ideas and sends it to the Senate that bill or nothing will have to be taken in the last days of the session. If the session is extended as a result of the revolt of Senators Thompson, Graves, Fowler and Davenport this plan may miscarry, but there were suggestions to-day that if the four in the upper house try to hold up adjournment the Assembly, which can complete its work next week, will take a recess.

Assemblyman Franklin W. Judson of Monroe, who is vice-chairman of the Joint Taxation Committee, and Assemblyman Joseph A. McGuinness of Ripley, one of the leaders of the lower house, who also served on the committee, are understood to be ready to back the amendments.

The Assembly leaders say the Comptroller's office is the logical one to collect the income tax, as it collects other taxes. To establish a tax commission bureau in the commission's office would divide authority, they assert, and duplicate efforts would result in waste.

Calumet and Arizona Report.

The annual report of the Calumet and Arizona Copper Mining Company for 1918 shows total earnings on metals of $14,471,130, with interest, dividends and other income in excess of $1,000,000, bringing the total income for the year up to $15,528,530. The total income was $19,513,033 in 1917. Expenses for 1918, including taxes, aggregate $9,905,176, against $13,407,565 for 1917, making the net operating profit for 1918 $5,623,354, against $6,628,531 in 1917. Other charges for ore depletion and nonoperative expenses and losses totalled $1,537,116 in 1918 and thus the 1918 net income is $4,086,238, against $6,628,501 in 1917.

WHITMAN NAMED AS URGING FARE BILL

Continued from First Page.

Senator tilted at a dangerous angle in a big chair and puffed on a long cigar. The arrangements were most informal and there were few Senators in the circle about the committeemen, who sat at a long table in the well of the chamber. The spaces behind the rails and in the galleries, however, were jammed with a crowd that gave the proceedings their fullest attention.

Throughout Senator Alvah W. Burlingame of Brooklyn, presiding, and other members of the committee made every effort to bring out every scrap of testimony that either of the witnesses could give. Senator Thompson suggested Deputy Attorney-General Cheney bring out the story by questions and that procedure was followed.

In the main the stories of Thompson and Burke agreed as to the time and places of their various meetings and of their interviews with other persons. Throughout it all though, Thompson indicated that he was being solicited by Burke, while Burke pictured Thompson as eager to get in touch with men of important interests so that he might help them by amending the Carson-Martin bill as they wanted it.

Burke flatly and unequivocally denied that he had either talked with Senator Thompson about the Governorship or that he had spoken to him of money. He did admit that he had been "working" the Senator in the hope of getting him to do something favorable to important financial people, but, though he admitted that it was he who had arranged the interview between Senator Thompson and Theodore P. Shonts, and between Senator Thompson and Nicholas F. Brady, he denied that he had ever got a dollar for himself from these persons.

"Did you ever have a Governorship conversation with Senator Thompson?" Senator Burlingame asked Burke.

Had No Governorship to Give.

"Do I look like a man who could give away a Governorship?" Burke replied.

Earlier in the day Senator Thompson had said of the fact that both Burke and ex-Gov. Whitman had spoken to him of the Governorship:

"If there was only one man who sent both these men to see me the whole thing was sinister. If there wasn't one man who sent them both that is a different proposition.

"Mr. Whitman said to me that he had been asked to see me by Mr. Shonts, but he said he was not retained. I think Mr. Whitman's statement concerning my Gubernatorial chances was made for the purpose of, perhaps, changing my attitude on the bill. I don't believe he thinks, or thought then, that I had the slightest chance to be Governor of the State."

According to Burke's testimony as to how he first became intimate with Thompson, he impersonated John Cade, the man who had actually telephoned Thompson his tips in the Public Service inquiry four years ago. Cade, who had lost money through the letting of contracts by public service corporations, wanted to get even, Burke said, and did the telephoning. He died soon after revealing this fact to Burke.

Burke Embraces "Good Chance."

"With this information," said Burke, "I thought it was a good chance for me to get in and see what was going on there."

After their visit to Mr. Stanchfield's office, Burke says Thompson told him that while he was opposed to the Carson-Martin bill, he had a substitute that he thought would work. This was to make it a straight 7 cent fare bill, providing the company should get the whole 5 cents and the city 2. Burke then said he said Mr. Shonts ought to be interested in such a proposition. Though he made the appointment with Mr. Shonts he sat in an anteroom when Thompson had the interview.

After leaving Mr. Shonts's office Senator Thompson, according to Burke, did not talk about the interview, but said:

"Do you think Shonts would double cross me?"

"I said, 'On what?' but he didn't answer," said Burke. "I then told him I thought Mr. Shonts was a gentleman he could trust."

The following day, Burke testified, he met Senator Thompson at the Republican Club and the latter expressed a desire to meet Nicholas F. Brady of the Brooklyn Rapid Transit. Burke arranged by telephone a call on Mr. Brady in his Fifth avenue home on a subsequent date. The call was made, he said, on the day Mr. Brady's brother sailed for Europe.

On this occasion Senator Thompson told Mr. Brady he was opposed to the Carson-Martin bill as it stood, and he asked that certain data be given to him to assist him in the preparation of the legislation he had in mind. Mr. Brady promised to send him the desired information.

"Did you ever in words or substance, tell Senator Thompson that if he voted for the traction bill you would see that he got the nomination for Governor?" asked Mr. Cheney.

"Certainly not," the witness answered.

"Or that the traction interests would finance his campaign?"

"Certainly not. Pardon me for smiling, but it is all so ridiculous I can't help smiling," Burke replied.

Burke will be recalled to the stand when the investigation is resumed at 4:30 P. M. Monday.

Burke Makes Denial.

Burke on the witness stand denied that he ever had any talk with Senator Thompson about trust companies, but finally did recall some suggestions of Senator Thompson that a trust company would make money in Lockport, and he told the committee he said to Thompson:

"Well, if I can gather enough together I'll take a little of that myself."

It is understood that the committee has information by which it can be proved that Senator Thompson told several friends in Lockport in February, 1917, about the offer of $100,000 for starting a trust company in that city, laughing about the matter as though it were a joke.

To the committee Burke appeared as a mystery man. In answer to a question as to whom he represented, he said:

"That is as funny it makes me laugh. I did not represent any one but myself." He declared that his purpose in continuing his friendship with Senator Thompson was to "use him." He left unexplained his acquaintance with such men as Nicholas F. Brady, to whom he telephoned to arrange a meeting with Senator Thompson; John B. Stanchfield, one of the Interborough counsel, to whose office he conducted the Senator, and others.

"I never got a dollar from Mr. Brady, directly or indirectly," said Mr. Burke. "I was playing Thompson. He had to blame somebody when he talked his head off, and he just slapped it on me."

A roar of laughter swept the Senate chamber, and Burke went on with a story that he had fooled Senator Thompson from the start of his intimacy with him after the inquiry into the New York City Public Service Commission by posing as the man who furnished him certain information on the telephone which resulted in an exposure culminating in the indictment of Robert Colgate Wood, then a member of the commission.

"The man who telephoned Thompson is dead. His name was John Cade," announced Burke. "He had an object in phoning Thompson. He lost $100,000. Wood was trying to sell something. Cade got on to him and he sold it and got caught at it. So Cade phoned to Thompson.

"I made Thompson believe I did the telephoning myself. That is the true story."

"So you got into Mr. Thompson's confidence at this time?" asked Mr. Cheney.

"I not alone got into his confidence, but to his general conversations, telephone conversations with Cade that I knew about. He kind of cleaned up the Public Service Commission, either he or I—I think mostly I."

Burke rehearsed the finding of the $1,500 check with Wood's name on the back of it (this caused his indictment) and said that when Cade died he started to get "in" with Senator Thompson, thinking, "Well, here, here is my chance to get in here and see what is doing around the place."

Burke denied ever having a financial transaction with Senator Thompson.

Burke pictured Senator Thompson as going to New York frequently to see the big financial men with the idea of trying to help them frame some legislation or an additional to an amendment to the Martin bill that would help them.

Instead of telling Senator Thompson that a fund of $500,000 was waiting for him if he would support the Carson-Martin bill Mr. Burke declared that on the Sunday morning of that meeting Senator Thompson really talked to him, Burke said:

"Senator Thompson told me the Court of Appeals was butting into his legislation and said that Judge Hiscock was interfering with his legislation. Then he got to talking about the Governorship."

"What did he say about that?" asked Mr. Cheney.

"He said to me 'That Syracuse crowd won't be formed because Hiscock is interfering with my legislation and they don't want me.'"

"'Why,' I said, 'I don't know any one from Syracuse myself and I don't know anything about them up there, but it seems to me you would be a pretty good candidate.'"

Burke declared that Thompson asked him if he thought George Aldridge, the Rochester Republican leader, would be for him for Governor and he replied that Mr. Aldridge was a good judge of men. Burke then denied, sentence for sentence, the story Senator Thompson told about the offer of a campaign fund for him to run for Governor, Burke declaring the idea was ridiculous.

"I certainly did not," was the way he answered the questions put to him by Mr. Cheney.

How Thompson Met Burke.

Senator Thompson opened the day's proceedings by describing how he met Burke and got to know him. Burke, it turned out, was the mysterious source of anonymous information which helped the Thompson investigating committee when it investigated the Public Service Commissions about four years ago, resulting in the reorganization of the New York city commission. At that time, Thompson said to-day, he frequently received anonymous letters and telephone calls. He was unable to trace their authorship. They led, however, to the information out of which grew the indictment, subsequently quashed, against Commissioner Robert Colgate Wood for his activities in awarding the contract for the signals in the Centre street loop to the concern which appeared as the highest bidder.

After the investigation was over Thompson said that his mysterious informant telephoned him he was coming to see him.

"I then found out that the mysterious man was Richard Burke, the man who sits across the table from me. I saw him frequently after that and always found him interesting," the Senator said.

Behind Senator Thompson as he testified his wife sat in one of the Senator's chairs.

Deputy Attorney-General Cheney led him to the Carson-Martin bill with this question:

"Will you state whether or not any conversations were had with you or any individuals in reference to the passage of this bill in which anything was said that seemed to you to be improper?"

"I want to say at the outset," replied Senator Thompson, "that there are men here, legislative counsel, who are ascertaining what is being done to affect their clients, and I've talked with them for years. They do a public duty in telling of pending legislation. There are representatives of the railroads with whom I have talked, and there was never the slightest departure from propriety."

"That's just the point," said Mr. Cheney. "I'm leaving it to you to say whether any conversation approached the improper."

Senator Thompson then told of the activities of Burke with regard to the Weeks-Martin bill to enable the Public Service Commission to alter the 80 cent gas rate in New York city last year. This brought an offer to Senator Thompson for $100,000 with which to start a trust company in Lockport, near his home.

Two Bills Are "Cousins."

He described it as follows:

"In the first place, this Carson-Martin bill is a kind of a first cousin of the Wicks-Martin bill of last year. The legislation was drawn to repeal indirectly the 80 cent gas law in New York. It did repeal it, because we have a statute fixing the maximum price of gas in various localities and various sections. If that law were repealed it would leave it to the Public Service Commission to fix the rate above or below 80 cents.

"I naturally objected to those bills. I did not believe the bills were direct. They were indirect, attempting to accomplish something by an indirect statement. The Public Service Commission can fix the rate notwithstanding the statutory provisions. It would have been better, in my judgment, to have laid down a bill so and so and repeal it, and we would know much better what we were arguing on.

"When the bill to kill the 80 cent gas law was pending Burke came to see me a good deal. You see, the representatives of the 'gas trust' wanted to insert in the bill a clause giving the Public Service Commission the right to raise the rate above 80 cents.

"The bill was identical in purpose to the Carson-Martin 7 cent fare bill. Burke endeavored to convince me that I ought to let the Weeks anti-80 cent gas bill out of committee. He suggested that I make a show at opposition to the measure, but finally let the measure come out of committee. Of course I regard this action of Burke as nothing more or less than an improper attempt to influence me."

The Senator then told how, one day at the Hotel Biltmore in conversation with a Mr. Shuster of Rochester, Frank Moss of New York and J. Frank Smith of Lockport, he had mentioned the opportunity for a trust company in the western part of the State, particularly at Lockport, and said he could start such a company if he had $100,000.

"The next day Burke asked if I really was in earnest about that trust company proposition," said Thompson. "I said not particularly. He said I might get some help if I were interested. I told him I did not want any help. I was going into lunch the following day when a man from the gas company, his name was Thomas, and he is the vice-president of the company, stopped me and said he understood I was interested in establishing a trust company in Lockport.

"Thomas said, 'We will furnish the money if you want to start it up.' I said, 'Mr Thomas, just forget that, we won't have any more talk on that subject.'"

Senator Thompson testified elaborately as to the details of his interview with ex-Gov. Whitman.

"He is an awful good visitor," said Senator Thompson, and started in to tell what they had for lunch.

"It looked all alike, but it tasted different," he said, "and it was a good lunch anyhow."

He said Mr. Whitman suggested he come to New York to practice law, where he could make $50,000 a year.

"Of course, that's more than I make in Middleport, so I was interested. I went far enough asking him about it to find he didn't want me as a partner."

"Did you ask him how you could make $50,000 a year in New York?" asked Senator Foley.

"Well, I asked him if all I had to do was come and hang out my shingle," returned Senator Thompson. "However, I thought I could live as well in Middleport on five or six thousand a year as I could in New York on that possible $50,000."

Senator Thompson said the talk then shifted to politics and the Governorship.

"Now don't any of you up-State men get jealous," he remarked, "but the Governor told me I was the only up-State figure that could be nominated in 1920."

Senator Thompson then said: "He told me Shonts sent him to talk in relation to the Carson-Martin bill, and he wanted me to vote for it. I told him he didn't understand the bill, that it called for the repudiation of contracts on the dual subway system under which the railroad men would keep all they got from the city for promising to give a 5 cent fare rate for fifty years and still would give them a higher rate."

The Senator said he insisted upon opposing the bill, adding, "I would be ashamed to come to New York if I helped pass that bill."

He asserted that he thought the city of New York had the power to change the contracts if it wanted to.

"Did you talk with Mr. Whitman in the public dining room of the St. Regis?" asked Senator Knight, Republican of Wyoming.

"Yes."

"We are getting too far afield," suggested Senator Lusk of Cortland.

Looked Sinister to Him.

"Had this conversation anything to do with your charge of a fund for bribery?" asked Chairman Burlingame.

"It depends on how your mind operates," was the answer. "If the same man sent Burke that sent Mr. Whitman the whole thing was sinister."

"Did Mr. Whitman indicate that he represented any one or any interest?" asked Senator Mackerell, Democrat, of Troy.

"Yes, he said he was asked to see me by Mr. Shonts, but that he was not retained," Senator Thompson replied.

Senator Black asked: "Do you connect the Whitman statement as to your chance for the Governorship with your attitude on the bill?"

"Yes, but it is so silly to think that I could be Governor," returned Senator Thompson. "I haven't a chance to be Governor, and I don't think that he thought I had."

Chairman Burlingame asked: "Did Burke tell you he represented the gas company or who did he represent?"

"He never told me who he represented or who he was employed by."

At this point Senator Black asked if any other improper suggestions ever had been made to Senator Thompson. The Senator told of sitting in the Biltmore with a group including Burke, who, he said, was "a great admirer of Nicholas F. Brady. He said he was a square man."

Senator Thompson said he didn't know but that Burke's offer came "from overindulgence in friendship for Mr. Brady."

The Senator told of Burke's interest in the pending legislation to permit street railway fare increases and of several meetings with him in New York. On one occasion he had visited the office of John B. Stanchfield and at another time he had called on Nicholas F. Brady at Burke's request. Senator Thompson would not mention the names of Messrs. Stanchfield and Brady until the committee insisted that he give them.

Clears Stanchfield and Brady.

In both instances he declared emphatically that neither person ever made him any improper offer or any improper suggestion. Their attitude, he said, was upright, and he wanted to emphasize as much as was in his power that they were always "on the square" when discussing legislation affecting their properties.

Explaining his first visit to the office of John B. Stanchfield, Senator Thompson said:

"I want to make it clear that Mr. Stanchfield did not suggest anything that could be interpreted as wrongful. He did say that the railway situation ought to be investigated because of the financial conditions. I replied that I would not suggest an investigation because there were people in Albany who were under the impression that I had a mania for investigations.

"But I did make it clear that I thought the public and particularly the public officials should have a right to review the dual contracts made between the city and the big railway companies. I told Mr. Stanchfield that I believed there were clauses in the subway contracts which were highly detrimental to the city of New York, and that if there was to be an investigation the city should have the right to change the harmful clauses.

"Mr. Stanchfield admitted that the city did appear to have a good case so far as its right to hold the railway companies to the 5 cent fare clause in the contract was concerned. At the conclusion of our conversation Mr. Stanchfield said he would have a talk with the Interborough."

Once more, according to the evidence, the faithful Burke appeared and told Thompson that Mr. Stanchfield wanted to see him. Thompson was then at the Republican Club. That was about February 14, according to Thompson's diary.

The second time Stanchfield and Thompson met, the latter testified, Stanchfield said he had talked with James L. Quackenbush, general attorney for the Interborough, concerning an investigation. At this point Mr. Thompson was emphatic in his explanation that Mr. Quackenbush was an honorable lawyer and a gentleman. None of his relations with him could be questioned, the Senator said.

Mr. Stanchfield reported later to Senator Thompson that Mr. Quackenbush didn't believe the financial condition of the traction companies should be investigated. Senator Thompson finally did favor such an inquiry, he said, and suggested it in Albany. He did not receive any encouragement, however.

Having failed to induce the legislators to learn just what were the profits and losses of the Interborough and the B. R. T. and the New York Railways, Senator Thompson said he began a personal investigation of securities of these roads.

MADE NO PROMISES, ASSERTS N. F. BRADY

B. R. T. Man Says Burke Arranged Talk With Thompson.

Nicholas F. Brady, chairman of the board of directors of the Brooklyn Rapid Transit Company and a director of many public utilities companies doing business in the State, gave out the following statement last night:

"In the latter part of February of this year Richard H. Burke, whom I know, informed me that Senator Thompson was anxious to have a talk with me. The interview was sought by Senator Thompson and he, being conspicuously prominent in public affairs, I was glad to hear what he had to say. Throughout the interview Mr. Burke was present.

"Senator Thompson outlined a plan for development of the water powers of the State in which I am naturally interested. His ideas seemed nebulous to me and I asked him to put them in writing.

"The conversation then turned to traction matters. I pointed out to the Senator that increased costs made a raise in fares imperative unless the roads were to go into bankruptcy.

"I have not been asked to make nor have I made, directly or indirectly, any contribution or promise of a contribution to any fund to elect Senator Thompson Governor or to promote legislation."

Mr. Brady said that he never heard from Senator Thompson again about improvements to the State's water power.

John B. Stanchfield was found by a reporter for THE SUN in his home at Islip, L. I., last night. He has been confined there suffering from influenza since Wednesday last.

"If you want to see me about the Thompson matter," said Mr. Stanchfield, "I will have absolutely nothing to say until I see the whole testimony."

The reporter offered Mr. Stanchfield an evening paper with an extensive account of the hearing, but Mr. Stanchfield refused to discuss the question on the basis of the news reports. He asked to be excused on the ground of his illness.

THOMPSON'S CHARGE DENIED BY WHITMAN

Shonts and Thomas Also Give Out Statements.

Gov. Whitman expects to be called before the Judiciary Committee of the Senate to testify in regard to the allegations made about him by Senator Thompson. He said last night that he believed they would surely do him the courtesy to permit him to appear before the committee. The Governor contented himself yesterday with saying that while he had invited Senator Thompson to have luncheon with him after the latter had gone to see him at the St. Regis he (the Governor) had not mentioned the Governorship to him, nor did he mention the name of Mr. Shonts. He denied ever having seen or heard of Mr. Burke. The Governor's statement follows:

"Senator Thompson came to see me at the St. Regis on the Saturday he mentioned at 1 o'clock P. M. I met him in the lobby of the hotel and he lunched with me in the restaurant at my invitation, leaving me after lunch. We talked about a number of matters. I did not mention the Governorship to him. He referred several times to his own ambitions in that direction.

"I gave him not the slightest reason to believe that I or any one else would favor his nomination for the Governorship. I did not mention Mr. Shonts's name to him, nor did he mention Mr. Shonts's name to me.

"I have never heard of Mr. Burke, and so far as I know have never seen him.

"Anything further that needs be said on the matter will be said before the Legislature if my appearance there is desired."

In the offices of the Interborough Rapid Transit Company this statement was made public:

"Mr. Shonts said he would not say anything until he had seen the stenographic minutes of the testimony, except that neither he, personally, nor any one by his authority or to his knowledge had ever said or done an improper thing in connection with legislative matters either this year or any other session."

C. G. M. Thomas of the Consolidated Gas Company, to whom Senator Thompson referred in his testimony, said last night:

"The first knowledge on my part that Senator Thompson was interested in the financing of a trust company in Lockport or any other place came to me through the newspapers this afternoon. I never spoke to Thompson or any one else on the subject. If the Senate committee regards the Senator's testimony as of the slightest consequence and desires my attendance I shall be glad to testify upon receiving an intimation to that effect.

"I met Thompson at the Hotel Biltmore with others upon his invitation at various times early in 1917 to discuss the draft of his report to the Legislature, following the investigation of the Public Service Commission, and the bills which he had drafted to carry out the recommendations contained in his report."

$5,000 JOB FOR HEROIC MAJOR.

Major Hule Made Second Deputy Highway Commissioner.

Special Despatch to THE SUN.

ALBANY, April 11.—Frederick S. Greene, Highway Commissioner, completed the appointment of his officials by naming Paul Schultze, Major Irving V. A. Hule and Charles Van Amburgh, first, second and third deputies, respectively.

Frederick A. Palmer of Nichols, a brother of United States Attorney-General Palmer, is named as assistant to the first deputy. The salary is $5,000 a year. Mr. Palmer will have actual charge of much of the construction work to be done by the department. He will succeed E. A. Bonney.

Mr. Schultze will succeed H. E. Breed at a salary of $6,000. During the administration of John N. Carlisle he was deputy of the department.

Major Hule, who has Chinese blood, served in France as a member of the First United States Engineers of the Seventy-seventh Division, and will be in charge of maintenance and repairs in succession to Fred W. Saar at $5,000. He is a graduate of the University of New York and entered the army from the engineers' training camp at Plattsburgh. After his first engagement he was promoted for gallantry.

Third Deputy Van Amburgh is superintendent of highways in Broome county, and will take the place of J. B. Rice, at $5,000.

ABOLISH COURT HOUSE BOARD.

Gov. Smith Calls on Legislature to Pass Repealer.

ALBANY, April 11.—In a special message to the Legislature to-day, Gov. Smith requested passage of pending bills designed to abolish the court house board of New York and to transfer the property acquired by it to the New York Commissioners of the Sinking Fund to be sold or used for other public purposes. The Governor recited that the board was created in 1903 following an agitation for a new court house in New York County.

"The sum total of the board's work for years," the message continued, "was to put upon the city an expenditure of over $18,000,000 for the acquisition of property and they ordered demolished the buildings thereon, leaving to-day square blocks of vacant property in the very heart of New York."

The Governor pointed out that the city administration, through its Board of Estimate and Apportionment, requested passage of the legislation.

In another special message the Governor requested the Assembly to pass the Black bill designed to prevent a surrogate or a county judge receiving a salary of $5,000 or more from acting as attorney in the county in which he is elected or appointed. The bill has passed the Senate.

ELKUS COMMISSION GETS SUGGESTION

Walter Lippman Urges Research Body to Guide Legislators Be Created.

FIRST PUBLIC HEARING

Evans Clark Calls Russian Red Government "World's Most Advanced."

Gov. Smith's reconstruction commission, Abram I. Elkus, chairman, gave a public hearing in the rooms of the Association of the Bar, 42 West Forty-fourth street, last night after a busy day of committee meetings, enlivened by a luncheon in the Bankers' Club.

Walter Lippmann, one of the editors of the *New Republic*, proposed the establishment of a permanent organization of research and consultation for the guidance and advice of legislators. This machinery, capable of dealing with new conditions, he said, should be the first step in reconstruction.

The duties of such an agency, Mr. Lippmann explained, would be threefold: first, the collection and adequate presentation of information; second, conferences with various interests concerned in legislation; and, third, the formulation of policies and their translation into concrete measures for the consideration of officials.

The body, he said, should rest on committees, in which trade unions, chambers of commerce, boards of trade and other civic and industrial associations should be represented.

Bruere Urges Conference.

Robert W. Bruere emphasized the desirability of getting together industrial groups, the unions on one side and employers' organizations on the other, in trying to work out the great problems of reconstruction.

Miss Helen Marot of the *Dial* said she would like to see the commission consider the possibility of making civil service in New York a self-governing proposition. She didn't believe bureaucratic administration of civil service is a success.

Evans Clark, who said he believes the present Russian government is "the most advanced form of government that has ever been tried," declared the function of the Reconstruction Commission is "to prepare the way for the revolution that is to come, in order to make the coming as easy as possible."

He described the State Government as a piece of machinery which is cumbersome in the extreme, while the city government is still more complex and unresponsive to the will of the majority. The city folks in reality, he said, are governed by the upstaters in the Legislature. He suggested a State government consisting of a single body, which would choose the Governor and subordinate officials.

"No matter what the commission may think about it," Mr. Clark said, "a change is coming from below and they should look below for the ideas which are generating there."

Hearing in City Hall.

The committee on production and distribution of the Reconstruction Commission had its first public hearing in the morning in City Hall. The subject was the spirit of cooperation as it pertains to production and distribution of food. T. B. Patterson, chairman, presided.

Dr. James P. Warbasse, president of the Cooperative League of America, in an address on "Cooperative Organization as a State Opportunity," said that cooperative purchasing and distributing, helps people to save and gives workers more money.

"Here is the way it operates," he said. "In an industry employing 5,000 men a cooperative society is formed. Let us presume that about 2,000 employees join it. Each subscribes $10. They establish a store which handles groceries, meat, clothing and dry goods. Goods are bought at wholesale and sold at the current retail price. This leaves a surplus or 'profit' in the treasury. If possible it should affiliate with an agricultural producers' cooperative society and proceed to cut out the middleman in buying farm products direct.

"There is no limit to the possibility of cooperative organization. The same machinery which is used to run a store also may be used for insurance and health protection. It can conduct a banking business, a credit loan department, a bakery, and help a member to become the owner of his own home.

"The cooperative movement aims to set people working harmoniously together and to substitute the spirit of mutual aid and human sympathy for that of hostility and antagonism. The State of New York can best prepare itself for the trials of the near future by taking in time steps necessary to show the people how they may be saved from the oppression of the forces which now control the necessaries of life."

Dr. Dalton Clark, president of the National Cooperative League of America, compared the cooperative movement here with the movement in Europe, especially in England. He said the apparent failure of the movement here is due to the alleged historical fact that development of capitalism has always preceded democracy and its aims.

"Labor will not be satisfied with higher wages," he said. "It must have a greater and greater measure of cooperation in the industries themselves. This is a worldwide movement."

Cooperation Stabilizing Force.

He declared that the stabilizing influence of cooperation in this country will be one of the first principles in the life of our democracy.

Ex-Assemblyman A. Shiplacoff, manager of the Cooperative Bakery of Brownsville and East New York, said prices of breadstuffs were out of all proportion to the price of flour during the war, but his bakery held prices at 7 cents on bread and 16 cents on rolls, and private bakeries in the neighborhood of the cooperative branches had to cut prices to meet them.

Emerson Harris, founder of a cooperative store in Montclair, N. J., said a cooperative movement cannot be initiated by any commission, but must come from the cooperators themselves.

C. A. White, director of the bureau of cooperative associations of the Department of Farms and Markets, said:

"Our office is to assist people to cooperate by giving them proper knowledge of cooperation. We might as well try to dam Niagara Falls or the Hudson River as attempt to fight cooperation. It is better to have progress in that direction through normal means than to have it through revolution."

Ben Howe of the Community Councils of National Defence said there is a retailer for every fourteen families in the United States "and the profiteer is the one we should gun for."

41 U. S. Prisoners Released.

LEAVENWORTH, Kan., April 11.—Forty-one prisoners have been released and more than one hundred sentences reduced as a result of the review of cases of men in the Federal prison here for military offences, L. J. Fletcher, acting warden, announced to-day.

GEORGE WASHINGTON SAILS FOR FRANCE

Wilson's Ship Fires Salute for Vice-Admiral Greaves.

The Presidential ferryboat George Washington sailed on schedule yesterday afternoon for Brest, presumably to bring back to his native land the executive head of the Republic. Dr. J. Chalmers Da Costa of Philadelphia, a Naval Reserve surgeon, was a passenger.

As she drew out of her berth in Hoboken the George Washington fired a salute to Vice Admiral Albert E. Greaves, who returned yesterday from his home in Nashville, Tenn., with a bejewelled sword presented to him by the appreciative fellow citizens of his State and who also sailed away in the big ship.

It had been rumored that Dr. Da Costa had been summoned especially to attend President Wilson on his trip homeward on the George Washington. The doctor himself said he knew nothing about this. He said: "I simply received orders and am obeying them. I am glad to take a trip to Europe and am tickled to death that the Government has placed such a fine ship at my disposal."

It was said at the office of Admiral Greaves, in explanation of the summons of Dr. Da Costa to join the medical force of the ship, that she had been "carrying from time to time distinguished personages" and that it was deemed advisable to enlist the best possible surgical talent to guard against any emergency that might occur. It was solely a precautionary measure.

Admiral Greaves expects to be some time in France, Belgium and England. It is likely he may stay several days in Antwerp, which is being considered as a port of debarkation for American troops from the occupied portion of Germany. It will be the Vice Admiral's first visit to Europe since he commanded the convoy of the first American Expeditionary Forces to France.

Other voyagers are L. J. McKenna, American Consul at Zurich, Major-Gen. Peter Harris, Capt. J. A. Duggan, Mme. De Tonay of the French Red Cross, and field workers of several war work organizations. The transport will have an additional radio expert, Lieut. H. L. Leeb of the Navy, who will direct the wireless telephone system of the liner so the President, should he return aboard her, which seems not improbable, may talk on the way to the Department heads in Washington.

LEAGUE BIG THEME AT BONYNGE DINNER

McCormick and Calder at Republican Club.

Speaking last night at a dinner given at the Republican Club in honor of Robert W. Bonynge, its retiring president, Senator Medill McCormick of Illinois referred to the round robin of Senator Lodge on the League of Nations covenant as a new Declaration of Independence. Senator William M. Calder of New York ventured the assertion that if the peace treaty was sent to the United States Senate interwoven with a League of Nations constitution that was not materially changed from that brought back from Europe by the President on his last trip, both would be defeated.

"Men and women are not ready to adopt a shibboleth," said Senator McCormick, "or accept a constitution simply because it is one. I say that in the stand the Republicans have taken on this matter they have only made a beginning. We must 'carry on.' In the last election the people condemned the Democratic party to defeat and sentenced Woodrow Wilson to return to writing ephemeral history."

There was great applause from the thoroughly representative Republican audience when James R. Sheffield, who presided, declared:

"I am for a League of Nations, if it is right, and so are you. But I am for peace first and I want it now, and so do you. Sometimes I think that the reason the President does not always follow the Constitution is because he did not write it himself."

Senator Calder predicted a harmonious Republican majority in the House, but said the majority of two in the Senate was too close to be comfortable.

Senator Calder agreed with E. N. Hurley of the Shipping Board that the Government should offer its ships to private buyers at the going rates, but even that, he thought, would not be attractive enough to bring buyers.

"I propose the further inducement," he said, "that while these ships are operated in foreign trade their earnings shall be free from taxation. This may be considered an indirect subsidy, but it is a necessary one, I believe. Unless this is done the Government will probably have to operate the boats and at a loss."

PACKERS SAY MEAT PRICES WON'T FALL

Armistice Increased Demand —U. S. to Feed Europe.

CHICAGO, April 11.—The American Meat Packers Association in a statement issued to-day declared that lower prices for meat may not be expected until the war stricken countries of Europe are enabled to resume their quota of production.

The statement reads in part:

"High prices will continue for a long time. Each day that brings final peace nearer means a greater call on this country for meat. The supply of meat is dependent first of all on the supply of live stock. European herds have been reduced by war. To that extent world production of live stock is crippled.

"Live stock on farms in the United States at the beginning of this year exceeded the number at the beginning of 1918 by 1,036,000 cattle, 4,213,000 hogs and 962,000 sheep.

"But the armistice, instead of having reduced the demand for meat, has given us more than 200,000,000 additional mouths to feed, either wholly or in part. As shipping becomes available an increasing number of hungry nations will be accessible for provisioning.

"Great numbers of meat animals have been dressed since the first of the year. Hogs are now coming into American markets in dwindling quantities and in lesser numbers than a year ago. Yet pork products must form a large part of our exports. The price of hogs remains high.

"Statistics now available as to the effect of war on foreign herds indicate that swine in Italy have decreased from 2,508,000 in 1908 to 1,670,000 in 1918, in France from 7,037,000 in 1913 to 4,168,000 in 1917, in Germany from 25,592,000 in 1913 to 12,000,000 in 1918, in the United Kingdom from 3,940,000 in 1914 to 2,448,000 in 1918, in Denmark from 2,497,000 in 1914 to 513,000 in 1918, and in the Netherlands from 1,350,000 in 1913 to 1,185,000 in 1917.

"Low meat prices must wait until European production is in good swing again. Meanwhile American farmers and packers can only continue their strenuous efforts and full cooperation with Governmental agencies to keep production at the maximum and prices at the minimum possible."

The American Meat Packers Association is composed of the five big Chicago packers and virtually all the leading independent packers in the country.

PARKER'S HAIR BALSAM
A toilet preparation of merit.
Helps to eradicate dandruff.
For Restoring Color and Beauty to Gray and Faded Hair.
50c. and $1.00 at druggists.

GOMPERS PROTESTS COVENANT CHANGE

Cables Wilson Against Any Alteration in Platform Agreed On by Labor.

U. S. LAWS SAFEGUARDED

Federation Head to Preside at First Conference in Washington in October.

Samuel Gompers, president of the American Federation of Labor, announced last night at his headquarters in the Hotel Continental that he had sent a cablegram to President Wilson in Paris protesting against the action of G. N. Barnes, Labor member of the British Cabinet, in submitting an amendment to reopening the labor covenant of the League of Nations. Mr. Gompers returned Thursday from Paris, where he was chairman of the Peace Conference committee on international labor legislation.

"I cabled President Wilson that I am compelled to protest against any amendments or reopening of the covenant," said Mr. Gompers. "It took the labor representatives of the world two months to perfect the covenant, and I most emphatically protest against reopening it."

Mr. G