DEMOCRATS ARE AT SEA IN FIGHT FOR PRESIDENCY

Scramble, Not Race, Due to Uncertainty and Conflict in Leaders' Ambitions.

PALMER SEEMS IN LEAD

Candidates' Chances Scrutinized as National Committee Meeting Approaches.

There will be no race for the Democratic nomination for President in 1920. Rather will it be a scramble.

This is the opinion of men actively connected with the contest in 1912, who have been analyzing the present situation with some degree of care.

In the very nature of things the 1920 fight for the honor of heading the Democratic national ticket cannot be otherwise than as characterized above, these men hold.

The first and most potent reason for this is the uncertainty as to whether President Woodrow Wilson will be a candidate to succeed himself. Secondly, the chances of Democratic success next year have not been considered bright enough to lead to any nation-wide campaign of such an extensive nature as was conducted by the friends of several candidates in 1912.

A leader, intimately familiar with the political situation throughout the country and who has just returned from a trip through seven or eight Western States, said in substance yesterday:

That the business men in the West are not interested in the League of Nations. That they believe it is dead and that the uncertain business conditions have been due to the stubbornness of President Wilson in trying to force the peace treaty through without change.

That Democratic leaders have come to the conclusion that whereas President Wilson might have forced his renomination for a third term had his health remained, he now will be unable to control the convention to such a degree, even should he decide to make a fight on the League of Nations platform.

That there are seventeen Democratic Senators who must go before their party for renomination and before the people for reelection next year. That these Senators, realizing the failing power of the President over his party, undoubtedly will devote themselves to making alliances which will be likely to further their own fortunes.

Clear Alignments Doubtful.

Inevitably, it is held, this will lead to a great division of support for different aspirants for the Presidential nomination. Various groups may be formed to back candidates to head the national ticket solely with a view to peculiar local conditions. The result will be a lack of clearcut alignment for certain candidates, as there was in 1912.

The seventeen Democratic Senators whose terms expire on March 3, 1921, and whose principal thoughts, likely enough, have to do with the selection of a candidate for the Presidential nomination who will help them most in obtaining another term in Washington, are: J. C. W. Beckham (Ky.), George E. Chamberlain (Ore.), Duncan U. Fletcher (Fla.), Edward J. Gay (La.), Thomas P. Gore (Okla.), Charles B. Henderson (Nev.), Edwin S. Johnson (S. D.), William F. Kirby (Ark.), John F. Nugent (Idaho), Lee S. Overman (N. C.), James D. Phelan (Cal.), Ellison D. Smith (S. C.), Hoke Smith (Ga.), John Walter Smith (Md.), Marcus A. Smith (Ariz.), Charles S. Thomas (Col.), Oscar W. Underwood (Ala.).

In 1912 four men went to the post when the convention opened in Baltimore with the definite backing of groups that were solidly held together. There followed a long and tedious struggle before President Wilson's friends forced his nomination. The three other leading contenders were Champ Clark, Oscar W. Underwood and Gov. Judson Harmon of Ohio. For all of them intensive, well directed campaigns had been in progress for not less than twelve months prior to the convention. This year the situation is entirely different.

President Wilson has been made the choice of the Democratic proposal convention in South Dakota, largely on the theory that he might want a renomination and because the organization was not sure of the candidacy of any other member of the party to tie up to such a man definitely.

South Dakota's Primaries.

Although all others who wish to be contenders for the delegates from South Dakota at the Democratic primaries there in April must file a personal declaration to that effect prior to January 1, only one person has entered the race so far. He is James W. Gerard, former Ambassador to Germany, who says he did so simply because he had doubts that President Wilson would decide to run again and he did not want the delegation to go to some other man by default.

Those who are talked of most in connection with the nomination are:

A. Mitchell Palmer of Pennsylvania, Attorney-General of the United States.

William G. McAdoo of New York, former Secretary of the Treasury and son-in-law of President Wilson.

Gov. James M. Cox of Ohio.

Atlee Pomerene, United States Senator from Ohio.

Robert L. Owen, United States Senator from Oklahoma.

Oscar W. Underwood, United States Senator from Alabama.

Thomas R. Marshall of Indiana, Vice-President.

Champ Clark of Missouri, former Speaker of the House.

Within the last ten days there has been much gossip as to whether William Jennings Bryan was not staging a "comeback." There have been many signs indicating that the originator of the famous "cross of gold and crown of thorns" phrase was thinking of the possibility of assuming his old leadership of the Democratic party.

Strong Hints in Bryan's Paper.

The leading editorial in the current issue of the *Commoner*, the Bryan paper published in Lincoln, Neb., which used to have a much greater following than for several years, recently has given impetus to the story that Mr. Bryan is ready to inject himself into the campaign in 1920. This article, which is printed on the first page and entitled "The Philistines Be Upon Thee," asks these pertinent questions:

"What is the matter? Is this the party that triumphed in 1912 and wrote such a glorious chapter of reforms between 1913 and 1917? What has palsied the party's arm and sapped its vigor?"

It is asserted that the Republican reactionaries, encouraged by the "palsied" condition of the Democratic party, are preparing to try to win the Presidency in 1920. In the same edition of the *Commoner* are reprinted a number of editorial references to Mr. Bryan, suggesting that he might be the logical candidate in 1920.

According to information obtained yesterday, Mr. Bryan some time ago asked his friends in New York State to do what they could to aid in nominating Vice-President Marshall. It may be significant of a change in Mr. Bryan's personal intentions in regard to the nomination that the Vice-President the other day declared he was not a candidate for any office and did not purpose entering any Presidential primary.

"But nobody knows," he added, "what course of conduct would be pursued in the improbable event of factional fights and inability in the Democratic national convention to make a nomination among the candidates which would receive the whole hearted support of the party."

By those familiar with the situation Attorney-General Palmer is considered the principal contender for the nomination at the present time. Although the work done for him has been under cover, there is no question that it has extended all over the country. It is believed that he has the financial group known as the Brady interest behind him. His friends have gone so far as to say that when the time comes he will be found to have the support of Gov. Alfred E. Smith and W. W. Farley, the State chairman, in New York State.

Palmer Fosters His Strength.

Through the office of Alien Property Custodian, which he held during the war, Mr. Palmer was able to make valuable friends in every part of the country. He has not lessened his influence since becoming Attorney-General.

Those who know say that Joseph P. Tumulty, the President's secretary, is an ardent supporter of Attorney-General Palmer.

Bernard Baruch and Thomas L. Chadbourne have for some time been engaged in a movement looking to the nomination of William G. McAdoo. The latter's friends declare, however, that so far he has sternly repulsed all suggestions that he make a public announcement of his candidacy. They say he has not made up his mind whether to be a candidate or not, and some go so far as to predict that in the end he will not be found in the race.

The play has been to keep the advantage Mr. McAdoo obtained with labor when he was Director General of Railroads and to add to that sentiment. The letter he wrote advocating increased wages for the coal miners was in line with this policy.

Friends of Mr. McAdoo were prominent in the organization of the American Labor Party in Chicago. There are those who assert that the support of this group could be had for Mr. McAdoo, if he should be nominated by the Democratic convention. They are planning to pick their candidate in July.

Although Champ Clark has said nothing to indicate that he had dropped his ambition to run for President, the general impression is that he would be too old for Presidential honors in 1920. On March 7 he will be 70 years old, an age at which Justices of the Supreme Court in this State must be retired. So far as can be learned Julius J. Binder, who recently announced he had started a nation-wide movement for Mr. Clark's nomination, has no direct authority to do so from the former Speaker.

Underwood as Possibility.

Although he now lives in Missouri, Mr. Clark was born in Louisville, Ky., where Senator Underwood was born fifty-seven years ago. Since the prominence gained by Senator Underwood through his stand that some compromise should be made, if necessary to procure the passage of the peace treaty, and the subsequent possibility that he might become the minority leader, there has been talk of his candidacy for the Presidency next year. However, there are those who hold that Mr. Underwood is in a less favorable position now than in 1912, when he was one of the leaders in the House of Representatives. He has not stood out in the Senate as he did in the House.

Attorney-General Palmer is 47 years old, the youngest of all those spoken of for the nomination. The next youngest is Gov. Cox of Ohio, who is 49. He is a newspaper proprietor and has been widely referred to as the type of man who should be nominated. Most of the others spoken of are lawyers.

The fact that Senator Pomerene, from Gov. Cox's own State, is an active candidate has weakened the chances of the Governor. The Senator has a press bureau at Canton actively engaged in sending Pomerene cheer all over the country.

Many Democrats like Herbert Hoover, because he is regarded as a superlative administrator. Recently a story was in circulation that certain representations had been made to Mr. Hoover that he could have the backing of President Wilson for the Democratic nomination. The story was that Mr. Hoover had assumed a favorable attitude toward the idea. It is believed, however, that if there was ever any foundation for such a report, the movement has evaporated. The report is that the President was not altogether pleased with the attitude said to have been taken by Mr. Hoover that a compromise on the League of Nations should be sought, if it were necessary, to pass the peace treaty.

Although, in common with men who have been more or less wanderers over the face of the earth, Mr. Hoover has had the opportunity to vote seldom, he is known to have cast his last ballot for President for the Republican ticket. Also his ancestors were Republicans.

It is not at all unlikely that some dark horses will be uncovered at the meeting of the Democratic National Committee in Washington on January 8, and at the Jackson Day dinner, the big event on the Democratic calendar, which is scheduled for that evening. Mr. Bryan and Mr. Gerard are among those who are expected to speak.

BRITISH CITY HONORS ITS NAMESAKE IN U. S.

Winchester Sends, Winchester Receives Historic Flag.

WINCHESTER, Va., Dec. 25.—As an expression of friendship of the people of Winchester, England, through which 1,000,000 American soldiers passed on their overseas journey to join the American Expeditionary Forces, the original municipal flag of the ancient British city has been presented to its American namesake, Winchester, Va.

The flag will be received formally at an early date with appropriate ceremonies and will be placed on exhibition in the Handley library. It is about ten feet long and five feet wide, with a bright red background, in the centre of which are embroidered the coat of arms of the English municipality.

A photograph of the presentation ceremony in Winchester, England, which took place several months ago, accompanied the flag, as well as an engraved placard, which read: "This flag is presented as a token of friendship and gratitude toward the Americans by the people of Winchester, England. It is to be presented to Winchester, Va., the original namesake in America of the old English capital, now so well known to 1,000,000 doughboys."

OSLER "MAKING GOOD FIGHT."

Noted Doctor Cables Greetings and Refers to Operation.

BALTIMORE, Dec. 25.—Following recent disconcerting reports regarding the health of Sir William Osler the superintendent of Johns Hopkins Hospital received to-day the following cablegram dated Oxford, England, from the eminent physician:

"Empyema operation. Making good fight. Christmas greetings all old friends. "WILLIAM OSLER."

ST. CYR, OPERATED ON, NEAR DEATH

Husband of Former Mrs. James Henry Smith Suffered From Appendicitis.

HERE TO MEET DAUGHTER

Princess de Braganza on Way From Lisbon With Her Three Children.

Jean Harald Edward St. Cyr, who was married in 1916 to Mrs. Annie Armstrong Stewart Smith, widow of James Henry Smith and the divorced wife of William Rhinelander Stewart, was operated on for appendicitis last Saturday morning in Lockwood's Sanitarium in 18 East Fifty-second street. The operation, which was performed by Dr. Gibson of the New York Hospital surgical staff, disclosed complications, and it was said last night that Mr. St. Cyr's condition was very serious. Very little hope is held out for his recovery.

Mr. and Mrs. St. Cyr came to New York last October, stopping at the Ritz-Carlton Hotel, where they intended to remain until the arrival of Mrs. St. Cyr's daughter, the Princess de Braganza. She was to have sailed from Lisbon at that time, but was delayed and left Genoa three weeks ago on the steamship Pisarro of the Italian Line, scheduled to arrive in New York next Saturday. Mr. St. Cyr, it was said last night, had not been well for some time, and had suffered four attacks of appendicitis. The fifth came upon him suddenly early Saturday morning, and he was immediately rushed to the hospital, where the operation was performed, Dr. Gibson being attended by the St. Cyrs' family physician, Dr. H. H. Tyson.

Because of the seriousness of Mr. St. Cyr's condition when the operation was performed it is expected that if he recovers at all he will be confined to the hospital for several weeks longer than is usually the case in operations of this sort and will be unable to travel until the latter part of February or the first of March. He and his wife and Mrs. St. Cyr's daughter had intended to leave soon for California, where Mrs. St. Cyr has an estate, but this trip will now be delayed for some time. The Princess de Braganza, it was said last night, is bringing with her to America her three children.

Her husband is ill at a health resort in Switzerland, and his father and his wife, whom he recently married, are occupying the magnificent house built for the Princess by Mrs. St. Cyr, then Mrs. Smith.

The marriage of Mr. St. Cyr and the then Mrs. James Henry Smith rather startled American society when it occurred in White Sulphur Springs, W. Va., on April 25, 1915. His wife, who had been Mrs. Alexander Redfield of Hartford, Conn., had died but a few months previously, and Mrs. Smith had been a widow since 1907. Mrs. Redfield, who was Miss Caroline Peck before her marriage to the Hartford banker, was 60 years old when she married St. Cyr, while he was in the early twenties. He was 28 when he married Mrs. Smith. She was much older; indeed, her daughter is several years older than St. Cyr.

Very little is known of Mr. St. Cyr's past. He came suddenly into New York society when he married Mrs. Redfield, who was a woman of considerable wealth, and most of which he inherited when she died. He has let it be known that he is a Frenchman and that he came from the town of St. Cyr, in France, but three or four years ago a newspaper printed what purported to be a history of St. Cyr's life, in which it was said that he was really named Jack Thompson of Waco, Tex., and that he had assumed the name of St. Cyr and caused himself to be known as a Frenchman to further his plans of breaking into society and contracting a wealthy marriage.

Mrs. St. Cyr is the daughter of the late Gen. John A. Armstrong of Baltimore and is the eldest sister of Mrs. Anthony J. Drexel. She was married to William Rhinelander Stewart in 1879, several years before her present husband was born. They had one son, William Rhinelander Stewart, Jr., and one daughter, Miss Anita Stewart, who became the wife of the Prince de Braganza, son of the Duke de Braganza, one of the pretenders to the throne of Portugal. She was divorced from Mr. Stewart in 1906, and a month later she was married to James Henry Smith, who was widely known in Wall Street and financial circles. Their marriage took place in Newtonmore, in Scotland, the home of Anthony J. Drexel. Among the guests were the Duke of Manchester and Lady George Cooper, a sister of Mr. Smith.

CHICAGO DISPENSES CHRISTMAS CHARITY

Needs of Poor as Great as Before War "Prosperity."

CHICAGO, Dec. 25.—After the war "prosperity" did not decrease the numbers of Chicago applications for Christmas dinner baskets. Reports from various organizations of the city to-night indicated that requests for aid were as numerous as in previous years.

The Salvation Army found it necessary to give orders for food on grocery stores to several hundred families after it had made its regular distribution of 2,000 baskets. At one of the newspapers four hundred baskets, loaded with food, were on hand in the morning. Through the cooperation of priests, rabbis, ministers and the police, who found want in the poorer sections, these baskets were distributed before noon.

At the hospitals, jails and various institutions, Christmas dinners, with all the trimmings, were served. Twenty-five I. W. W. prisoners at the county jail would not accept gifts at first and asserted that they did not want charity, but their constitutional rights. However, when social workers assured them that Christmas was as much for the I. W. W. as any other persons they decided to join in the celebration.

ELEPHANTS ESCAPE DANGER OF FREEZING

Leaking Water Puts Out Furnace Fires in Bronx Zoo.

The animals in the elephant house at the Bronx Park Zoo came very near freezing to death last night when a leak appeared in the hippopotamus tank and 1,500 gallons of water ran into the cellar of the building, extinguishing the fires in the furnace. A night watchman notified Herman W. Merkle, chief forester of the zoo, and he asked aid from the Fire Department.

Deputy Chief Thomas J. Hayes sent an engine to the zoo to pump out the water, which by the time the firemen reached there was above the fire boxes of the furnaces. The water was pumped out, however, and the fires renewed before any of the animals were hurt by the cold.

The animals in the elephant house are valued at $45,000, and include three elephants, four hippos, one of which was born only a few days ago; a tapir and a rhinoceros. They require at least 70 degrees of heat to keep them in good health.

10 PHONE MESSAGES GO ON WIRE AT ONCE

Gen. Squier Perfects Plan Made Feasible by Use of the Audion Bulb.

EXPERIMENTS NEAR HERE

Commercial Use of Patent Between New York and Albany Likely Soon.

Experiments are being concluded by Major-Gen. George O. Squier, chief signal officer of the army, and other experts which will prove the commercial practicability of sending ten or more messages simultaneously along one telephone wire for exceedingly long distances.

Gen. Squier, who has been working on the problem since 1909 except during the war, when other matters took all his time, has successfully combined wireless and telephone apparatus so that a matter which once was regarded as theoretically but not practically possible is likely to become commonplace.

Tests on the method were made by Gen. Squier last year between Baltimore and Washington, and the American Telephone and Telegraph Company had engineers working last May on a line between Baltimore and Pittsburg. Experiments also have been made on the same line by Dr. Lee De Forest, inventor of the Audion bulb, between Toronto and Hamilton, Canada.

Army engineers are making and have made successful tests along the wires of the Harlem division of the New York Central. It is now likely that the method will be placed in commercial operation between New York and Albany.

Briefly the method of transmission consists of passing a direct current modulated by a microphone through an Audion detecter, which transforms it into a high frequency current which may have 1,000,000 or more cycles a second. This current then will follow a wire, not actually passing through it, but travelling in the direction of the wire through the ether. It is possible for ten and probably many more currents to use the same wire at the same time as their guide, and the distance they may travel in this way is said to be practically unlimited. The expense of ordinary telephony between New York and San Francisco is heavy because only one conversation may be carried on over the wire, but under the new system this one circuit will be available for a number of other conversations without interfering with the ordinary method of telephoning.

The theoretical truth that high frequency currents might be used in this manner has been known for years, but the cost of a generator which could create currents of such high frequency has prevented its use. The Audion bulb, which creates the high frequency current inexpensively, has contributed largely to the success of Gen. Squier's methods.

Just when Gen. Squier will announce the perfection of his method is not known, but it will probably be soon. Much of the work was done in a Government experimental car stationed at Millerton, Dutchess county. Gen. Squier patented his method in 1911, but gave it to the public and probably thereby relinquished a huge sum of money. He is a West Point graduate, and also studied science at the Johns Hopkins University.

RECORD RUN ON THE NEW YORK THEATRES

Christmas Crowds Overflow Movie Houses.

The theatres in New York yesterday enjoyed the biggest day in their history. Because of the clear weather both at the afternoon and evening performances crowds were turned away at almost every house, and in some cases the attractions could have been sold out twice over. When the patrons, who seemed to be simply frantic for amusement, were unable to buy their way into the legitimate houses they packed the vaudeville and movie theatres to suffocation.

It was estimated that more than $100,000 was taken in during the day by the first class houses alone. Speculators who braved the weather and the vigilant eye of the police did a thriving business. Even productions that have been doing only a halfhearted business picked up enormously. The crowds were orderly, however, and no disturbances occurred.

CARDINAL GIBBONS CELEBRATES MASS

Prelate Officiates at Services in Baltimore.

BALTIMORE, Dec. 25.—Cardinal Gibbons pontificated this morning at the Christmas mass at the cathedral here and invoked the papal blessing at the close of the service. The Cardinal, priests and students of St. Mary's Seminary marched to and from the cathedral.

It was an imposing Christmas spectacle. The venerable prelate in his scarlet robe and cap looked hale and hearty, although in his eighty-sixth year.

GIFTS GIVEN 1,200 CONVICTS.

Warden Grant of Sing Sing Also Serves Chicken Feast.

Warden Daniel J. Grant saw to it yesterday that each one of the 1,200 inmates of Sing Sing Prison received a Christmas gift, even if they had no friends or relatives outside to send one. There was a Christmas tree in the chapel and Father Cashin, the chaplain, held services for the Catholic prisoners. Each convict received a box of candy from "a friend of the Mutual Welfare League." The unknown donor is believed to have been Thomas Mott Osborne, former warden. Cigars, cigarettes, oranges and apples were also distributed.

A chicken dinner, with vegetables and mince pie, was served. The menu in the death house was even more elaborate, but the condemned men were not permitted to attend the vaudeville entertainment in the chapel last evening.

BIG CELEBRATION IN PARIS.

Crowds Fill Churches and Theatres at First Peace Christmas.

PARIS, Dec. 25.—Paris celebrated her first peace Christmas to-day with great animation and enthusiasm, great crowds thronging the churches and theatres.

The boulevards and principal streets of the capital were filled all night with celebrators and the popular restaurants were carried by storm.

Berlin Greeting to Prisoners.

BERLIN, Dec. 25.—On the occasion of Christmas the German Government to-day addressed to its citizens who are prisoners of war the salutation of the fatherland, begging them to have confidence in it and to bear their sufferings for a short time until they can be returned to their native land.

'BLUE SKY' LAW IS NOT FEASIBLE IN N. Y.

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diligently and fully considered this problem in all its aspects.

Classes of Alleged Fraud.

"The evils, which have been suggested to us, arise out of transactions which are readily divisible into two classes, viz:

"1. The initial issuance of securities to the public in this or some other State which are either worthless or have so little value that those purchasing them at the prices for which they are offered immediately sustain a severe loss.

"2. The negotiation and sale by swindlers of worthless securities to individuals.

Proposed Legislation.

"A great variety of possible legislation has been suggested to your committee to meet these complaints. These forms of legislation readily group themselves into three classes:

1. The normal and usual method of dealing with fraud of any kind is by conferring jurisdiction upon State officials to supervise commercial transactions and to investigate frauds, and by a thorough revision of our penal laws.

2. The next form of legislation relates specifically to the issuance of securities; and for this, two separate remedies have presented themselves for consideration:

(a) A system of registering or licensing all securities to be offered to the public, by requiring those offering the securities to file with some public official specific information as a condition precedent to permitting any one to deal in such securities in this State;

(b) A system of verified statistical detail, by requiring those offering the securities to file with some public official elaborate statistical detail as a condition precedent to the offer of the security to the public, and imposing on the persons verifying the statement both a civil and criminal liability to the public.

3. The last form of proposed legislation relates to the direct negotiation of securities by crooked venders to individuals, and suggests as a remedy that each and every person who deals in securities shall first be licensed by some State official.

Fundamental Considerations.

"In approaching these various complaints and proposed legislation to remedy their causes, we are mindful of the principle which your Excellency enunciated both in your inaugural message and in your letter appointing us that 'New York is to-day the financial centre of the world' and that 'in framing laws and in administering government it is therefore of prime importance that legitimate business should be safeguarded, protected and encouraged, to the end that we maintain our financial, commercial and industrial supremacy.'

"New York State, as such financial centre, cannot afford to adopt experimental legislation of the character adopted in our Western States.

"Experience has demonstrated the unwisdom of placing drastic regulations upon enterprise as a whole merely in an endeavor to exclude a modicum of possible fraud. While all restrictive legislation necessarily and properly imposes certain burdens, it is indispensable, in the interest of this financial community, that the State should preserve as much freedom as possible for business enterprises.

"In adopting any legislation which frankly will tend to restrict legitimate business in the hope of preventing fraud, New York State must proceed intelligently and should not adopt any legislation in which the restriction upon business is out of proportion to the benefit which might thereby be attained.

"Secondly, your committee suggests that the question is not the narrow question of whether the State should restrict a single business, familiarly known as that of 'investment brokers,' in order to afford a certain amount of protection to those who are engaged in purchasing securities. The question is much broader than that. It involves the question of how far the Empire State should encourage or discourage capital, during this grave period of reconstruction, in entering into the numerous legitimate ventures which will help to bring the world back to times of prosperity for rich and poor alike.

Heavy Burdens Are Added.

"The war, and conditions which have arisen out of the war, have added heavy burdens which have seriously discouraged the employment of capital to development; and we, therefore, must meet the question: In how far is New York State willing to add a further burden of new legislation?

"Thirdly, your committee deems it necessary to distinguish sharply between the various classes of losses. A large proportion of losses results from ignorance, and another large proportion of losses results from the cupidity of people who engage in speculation, seeking abnormal gains. The only losses with which we are concerned at this moment are the losses which are occasioned by fraud.

"It is impossible by legislation to abolish ignorance or eliminate cupidity. Moreover, experience has demonstrated that no matter what statutory bars may be erected men will continue to lose their money not only by unwise investments and extravagant speculation but that the ingenuity of the crook can never be wholly circumvented by statute.

"In this connection we may point to the experience which has been had under the 'blue sky' laws of the Western States, where we have been reliably informed that crooks obtain licenses and have employed these licenses as a certificate of the State that they are agents of the State; that they are honest and reliable, and that whatever they say must be true because the State has certified that it is true.

As to Proposed Legislation.

"With this statement of fundamental principles, as to which there can be no disagreement, we will proceed to discuss the various proposed forms of legislation:

"I. Registration or Licensing of Securities—Your committee is unanimous that legislation of this character is unwise, in that it does not protect the unwary investor against fraudulent securities and at the same time is unduly restrictive of legitimate enterprise. The committee is advised that it has proved ineffective in the States in which the experiment has been tried.

"II. Filing of Statistical Detail, with Civil and Criminal Responsibility Therefor—The suggestion as to legislation requiring the filing of elaborate statistical data as to all securities which are offered to the public in this State comes partly from the 'blue sky' laws of our Western States and partly from the British companies' act. It is urged as being 'legitimate publicity'; but this is a flagrant misnomer. No one contends or thinks of contending that mere publicity as such is objectionable; but the difficulty arises the very moment that it is attempted to work out the statistical details which are to be required. In other words, New York State in drafting any law is compelled to face the dilemma that either it must prevent the issuance of securities by demanding elaborate statistical data to an impractical degree or it must enact a law which does not prevent the issuance of securities, in which case the law is virtually worthless.

"While theoretically we all believe that a statute which merely enforces 'publicity' might have some beneficial effect, nevertheless a careful study of any law which has been enacted or any bill which has been proposed absolutely convinces us that provisions of this character place an unwarranted handicap on legitimate financial transactions to a degree that would be intolerable.

"It would act as a prohibition or deterrent to responsible, reputable dealers; it would not restrict the activities of those without scruple or regard for their spoken or written word.

Injures Honest Investments.

"The individual who proposes to lend his money to assist a legitimate security will hesitate or abandon the project if he is confronted by the necessity of elaborate statistical data which he is called upon to verify and for which he will be held civilly and criminally responsible. The unscrupulous individual who proposes to issue a worthless security will not hesitate at the mere filing with a public official of any statement even though he knows it to be untrue.

"The honest and the careful dealer is placed in shackles, whereas the crook and the careless man is virtually unhampered.

"Moreover, a New York law will not of itself prevent the offering of either legitimate or illegitimate securities to the citizens of this State through the medium of the United States mail by dealers maintaining no offices in this State.

"The difficulty is twofold: first, that legislation of this character is more effective against the legitimate dealer than it is against the crook, and, second, that every attempt to assist legitimate business by striking out restrictions tends to make the law more ineffective against the crook, and, conversely, that every added restriction against the crook applies with double and treble force against the legitimate dealer.

Snags in Licensing Plan.

"III. Licensing of Dealers in Securities—There are many thousands of dealers in securities in the State of New York and it is of course obvious that it would be a distinct hardship to require each and every one of them to be licensed in order to conduct his legitimate business. We are advised that our courts have repeatedly declared that to justify the State in interposing its authority in behalf of the public by enacting a licensing statute it must appear that the interest of the public generally demands such interference and that the remedy is not worse than the disease.

"The objection to a law of this character is that every citizen should be free to enter into any legitimate business that he sees fit, and that to require a licensing system and to confer power upon some State official to grant or to withhold a license is an abrogation of individual rights and liberties, is un-American in principle and has been frequently denounced by the courts.

"To make any such law effective the power must be conferred upon some State official to reject applications. This must be upon some 'test' of character and fitness. A very large proportion of those dealing in securities between the issuing house and the public are bright young men, frequently college graduates, just entering upon their business life. We are not prepared to recommend that these large numbers of our citizens should be subject to the ipse dixit of a State official as to his liberty to enter the business of a dealer in securities.

"Moreover, upon all the information which we have received, the experience of the Western States, where 'blue sky' licensing statutes have been enacted, has demonstrated that the crook can obtain his license quite as readily as the honest man; and that he frequently employs his license as the certificate of the State that his acts are honest and his statements are true.

"There are those who urge that the British companies act, which provides for a system of verified statistical detail, imposing responsibility on the persons verifying the statement, has worked well. England, however, is a country with a single financial centre, whereas New York State is one State of a Union and can neither legislate as to the issuance of securities in other States nor afford to drive capital into other States.

"Conditions in England are otherwise wholly different from conditions in the United States. For instance, the bond salesman, of whom we have thousands, and who conducts a large business between the investment banker and the public, is unknown in England. Moreover, we have received many reports to the effect that the British companies act has not succeeded in preventing fraudulent dealings in securities. There is probably no market in the world where highly speculative securities are more common than in London.

"There are also those who urge that the licensing features of our insurance and banking statutes have worked well. These statutes, however, apply to a comparatively small number of individuals and cannot be fairly cited as a precedent for the licensing of the many thousands who are engaged in the investment business in New York.

"With the consideration of the three classes of legislation heretofore enumerated, we have disposed of the various forms of so-called 'blue sky' legislation. We now proceed to consider the forms of legislation which are familiar to the citizens of New York and which have placed the statutes of the Empire State upon a high plane among the laws of the world.

Remedy That Is Favored.

"IV. State Supervision and Investigation—First and foremost of these, it has been urged that the Banking Department should have jurisdiction over commercial transactions, and that the Attorney-General should have similar jurisdiction. These departments should be fully empowered to investigate such transactions and should be under the duty, on complaint of any citizen, to investigate any transaction of which complaint is made. The Legislature should also provide that the Attorney-General should have in his department one or more special deputies whose sole business should be to familiarize themselves with commercial transactions of this character of all kinds and descriptions, and who would be in a position to investigate all dealings in securities, and, wherever they should find that there was evidence of fraudulent practices, to bring immediately the same to the attention of the proper prosecuting District Attorney and to furnish him with the full evidence obtained upon such investigation.

"We favor this remedy and we urgently recommend it to your Excellency. We are convince that if you consider this subject with the same fullness that we have you will be convinced, as we are, that this does not unduly burden the legitimate security dealer, but gives the community an adequate, full and complete remedy against the crooked security dealer.

"If the banking department and the Attorney-General are given jurisdiction over commercial frauds they can pursue whom they will with their investigation, and they can obtain more information in respect to the issuance and negotiation of securities than any one could be required to give under any statute which has been enacted or contemplated.

"Moreover, if this broad jurisdiction be conferred upon these two departments the deputies in charge are bound to become acquainted with the individuals in the State who are engaged in the negotiation of securities, and from time to time they can readily single out the crook or the unscrupulous dealer.

"We believe that if this practical, common sense remedy is adopted by the Legislature it will be a matter of only a short period of time before the existence of commercial frauds in this State will have practically disappeared.

Laws Against Frauds.

"V. Amendments to the Penal Law—We are advised that there are many amendments to the penal law which can be made to protect further the public against commercial frauds. We have examined certain of these proposed statutes, but we are faced with the difficulty that of the twelve members of this commission only three are members of the bar, and that this is obviously a matter which should be determined by a commission of those expert in the criminal law.

"We are strongly of the opinion that our penal statutes should be fortified in every possible way.

"We also suggest that if the Legislature will enact a statute conferring the jurisdiction which we have stated upon the Banking Department and the Attorney-General and will make an appropriation which will enable them to investigate commercial frauds in the State of New York they will readily discover wherein our penal statutes are strong and wherein they are weak, and that such experts can readily suggest penal legislation which will finally and completely stamp out stock frauds in the State of New York.

"We do not, however, advise that we wait for this practical experience, and we take the liberty of suggesting to your Excellency that you appoint a commission of lawyers, on which the various District Attorneys are represented, to examine fully and revise the penal laws of this State, with a view to punishing fully and effectively unscrupulous dealers and promoters and making such provisions as to the keeping of records and documents as to make a fraud readily discoverable and the swindler speedily convicted.

Offer Solution of Problem.

"We believe that we are recommending the only practical and common sense solution of the problem which you have submitted to us.

"No formula of words, no mathematical computations dependent on automatic operation can make an efficient trap to catch the crooked dealer.

"What is needed is a flexible, virile fraud hunting State machinery, driven not by statute, but by human intelligence and human activity.

"The promoter and vendor of spurious stocks does not operate along conventional lines, nor can he be persuaded to do so by any statute which we might recommend or the Legislature might enact. On the contrary, during the interim periods of legislative action he could be counted on to abandon certain lines which might be marked as legally dangerous and adopt new lines that would be safe until a future Legislature should discover and pick up the trail of dishonesty.

"Common sense dictates that the State shall not place its dependence on legal traps composed of words, which, no matter how well chosen, are notoriously easy of evasion.

"The committee held its final session on December 22, and on a roll call the undersigned eight members voted in favor of this report and Mr. Hepburn, Mr. McLaughlin, Mr. McGuire and Mr. Hoey voted in favor of a minority report which they will submit to you."

The minority report recommends a law which would contain two of the familiar features of a blue sky law. One is a system of verified statistical detail with civil and criminal liability for false statements and the other is the licensing of every person dealing in securities.

The majority report is signed by eight members of the commission—John J. Pulleyn, president of the Emigrant Industrial Savings Bank; Charles H. Sabin, president of the Guaranty Trust Company; William H. Porter of J. P. Morgan & Co., John Godfrey Saxe, William H. Remick, Alfred J. Johnson, formerly City Chamberlain; Mortimer L. Schiff of Kuhn, Loeb & Co., and Edwin C. Vogel. The minority report bears the signatures of these four members: A. Barton Hepburn, George V. McLaughlin, Laurence McGuire and James J. Hoey. The final session of the commission was held on December 22.

HAWKS KILL OFF QUAIL.

Cause Great Scarcity of Game Bird on Kansas Prairie.

SALINA, Kan., Dec. 25.—With the open season on quail at this time there have been but few men out after the birds and they report a great scarcity. Henry Weisberger, a farmer near this city, declares that the hunters in the past have had little to do with the extermination of the quail supply and that the pigeon hawk has been the great enemy to the game bird. He has observed many times that when a pigeon hawk gets after a quail there is invariably one less quail, as the hawk never fails to land its game.

"The pigeon hawk is a mischievous, meddlesome bird," said Mr. Weisgerber. "When he spots a quail that quail is gone. He is much quicker, can get through the brush easier and has a sharper eye. The quail cannot possibly escape. Hunters do some damage, but nothing like the pigeon hawk. It is almost impossible to shoot the hawk, as it is small and very fleet. And the worst of it is he is increasing rapidly."

POLICEWOMEN ON JOB IN KENTUCKY

Former Nurses Appointed in McCracken County.

PADUCAH, Ky., Dec. 25.—McCracken county, Kentucky, citizens awoke this morning to find themselves possessor of a corps of policewomen, a Christmas gift of the Board of City Commissioners. They are the first policewomen to be appointed in this State.

Previous to their appointment the policewomen were nurses employed by the McCracken Public Health League.

CLOSE FINISHES AT PINEHURST

Keen Competition in Christmas Day Racing Meet.

Special Despatch to THE SUN.

PINEHURST, N. C., Dec. 25.—A number of spectacular finishes featured the Christmas Day race meeting of the Pinehurst Jockey Club to-day. Galley Head, entered in the mile flat race by Robert Taylor of Baltimore and ridden by Call, led the field by two lengths at the seven furlong flag, but was overtaken and passed at the finish by His Nibbs, owned by J. Trotter of Baltimore and ridden by Wright. His Nibbs trailed the field at the start, but won by a nose in 1:48 3-5.

Hob Rock's Mildred Buretta had an almost equally close victory over Nat Hurd's Lyndonia in the six furlong flat race. The mile steeplechase resolved itself into a remarkable struggle between Robert Taylor's Algardi, ridden by Call, and George Nibbs's Melos, ridden by Wright. The leaders practically were neck and neck over all of the jumps, but Algardi pulled away in the final furlong on the flat and won by a good length.

Two of the three heats in the 2:12 pace were won in fast time by David B., owned by H. Wilson of Tyrone, Pa., and driven by Wickert.

Gets Two Crops of Tobacco.

PENDLETON, Ky., Dec. 25.—P. W. Hart, a well known farmer from McKinneysburg precinct, near the Harrison county line, made quite a record with a small patch of his tobacco this year. He set out the patch early in May and cut the crop in August, getting 530 sticks. He allowed the suckers to grow, and late in October cut 470 sticks more from the same patch.

FOUR FREED IN JAIL DELIVERY IN TOLEDO

Safe Blowers Make Escape During Attack of Six Men on Three Deputies.

ONE OF OFFICERS IS SHOT

All Locked in Cell After Surprise Assault in County Institution.

TOLEDO, Dec. 25.—One of the most daring jail deliveries ever accomplished in this part of the country occurred here early to-day, when six men called at the county jail, exchanged Christmas greetings with three deputy sheriffs on duty, overpowered and locked them in a cell, then liberated four notorious burglars and safe blowers.

In the fight that followed the arrival of the visitors Leo Noonan, a deputy, was shot through the left breast. Hearing the commotion Sheriff John Mathias rushed from bed to investigate and was promptly carried off to the cellar and imprisoned.

The ten men then walked leisurely out of the jail, and although an alarm was quickly given, no trace of them had been found late to-night.

The four men at large are Edward Meehan, alias D. E. West, 39, known nationally as a safe blower; Albert Loach, alleged safe burglar, known to the police under six aliases; Leo Mitchell, with eleven aliases, safe blower, and Frank Howard, alias Albert Johnson, alias Whitey, safe blower and burglar.

Meehan, on January 25, 1912, was sentenced to eleven and a half years at Fort Leavenworth for post office robbery at Paulding, Ohio. The following year President Taft commuted his sentence to three years. He was arrested here for killing James Manion in a resort, was found guilty of manslaughter and sentenced to twenty years. Loach was arrested here September 10 last for the robbery of a silk store.

Mitchell has served several terms in prisons in different parts of the country. His most prominent "bit" was done at Auburn,