

Chemical Company for \$40,000. He has already paid Kurawell \$25,000. At 9 o'clock this morning Inspector Hurley and Streppone arrived at the Essential Chemical Company's place to make a check up of their whiskey trades. They examined the permits, four in number, which called for the removal of 1,000 cases of whiskey in 250 case lots.

"Soon afterward enforcement Agents Dunn and Elliprin put in an appearance. A minute later Kissler and Coffey drove up in an expensive automobile. Five trucks made their appearance, and were being loaded while the prohibition agents, Kissler and others, were conversing about the payment of \$200 to Hurley and Streppone and \$50 to Dunn and Elliprin. The talk was overheard by two of our men concealed on the premises.

"The \$200 was handed to Streppone and Hurley by Kissler, and as they left the premises they were placed under arrest by Special Agents Golding, Scib, Anderson and Healey. The two men were brought back to the Essential Chemical Company's office. Just as the agents and the prisoners entered the place the \$500 was about to be handed to the two other prohibition sleuths, but the unexpected appearance prevented the actual payment of the money.

Marked \$100 Bill on Suspect.

"When Streppone was searched later a marked \$100 bank note was found on his person, together with \$600 in cash. During the stay in the plant after the arrests there was an animated conversation. Later the other \$100 marked bank note was found on Kissler. We do not know how it found its way back to his pocket."

"How did Kissler happen to have marked \$100 bills in his possession which were immediately recognized by yourself and men?" Chief McQuilian was asked.

"Kissler might have obtained them in change from someone," Chief McQuilian answered, and a grin overcame his face. "I cannot go into the details of the marked money at this time only to say that we know how Kissler came into its possession and how the trap was set and sprung."

The truckloads of liquor are now in the custody of the Government.

Late yesterday afternoon Samuel M. Hitchcock, United States Commissioner, released Kissler in \$2,500 bail, Cohen in \$1,500 and Coffey in \$1,000. George L. Donnellan appeared as counsel for those three defendants.

After an hour's argument before Commissioner Hitchcock, James W. Osborne, attorney for Hurley, Streppone, Dunn and Elliprin, succeeded in having his clients released in custody of counsel pending proceedings for transferring the hearing to Brooklyn. The question will be argued at 10:30 this morning before Commissioner Hitchcock.

Assistant Federal Attorney Cahill argued for \$20,000 bail for Kissler, but this was overruled by Commissioner Hitchcock. He said that Kissler was the ringleader in the alleged conspiracy and that the others arrested aided and abetted in the "four-mile Kissler" violation of liquor through forged permits.

Crooks and Incompetents.

"Many of the men and other employees in the Prohibition Bureau of the Internal Revenue Department in this city are absolutely crooked and a still larger number are absolutely inefficient," declared Leroy W. Ross, United States Attorney, in a speech yesterday at a luncheon of the Rotary Club in Brooklyn.

"The office of the Prohibition Director has become honeycombed with graft and corruption," continued Mr. Ross. "The office as originally formed consisted of the director and an assistant, with five clerks, but because of the vast amount of permits issued and applications for withdrawals it was rapidly expanded and the personnel was perhaps too carelessly selected, as has been shown by the graft revelations of the last few weeks."

"The office of the chief enforcement officer was also hastily organized, and men were employed at \$20 a week at a time when motormen and street car conductors received from \$40 to \$45 a week. These \$20 a week men were clothed with almost unlimited authority to make arrests of men who were making vast sums doing an illegitimate liquor business. The result was inevitable, and there has undoubtedly been a large amount of crookedness in this bureau."

"The difficulties confronting the District Attorney, whose duty it is to enforce the prohibition laws as well as all other Federal laws, has been during the last year fourfold. First, we had to deal with upward 1,700 persons who were permitted to withdraw liquors from bond, and although the disposition of that liquor was checked up there was apparently no difficulty in obtaining the services of clever bookkeepers.

Large Obstacles Faced.

"Secondly, we had to deal with an enforcement bureau, many of whose members did not know the meaning of honesty, while others never were on the job. In Brooklyn, Staten Island and Long Island we have been allowed only twenty-five enforcement agents to do the work of 1,000 men.

"Lastly, we had to deal with not only the indifference but in thousands of cases with the absolute hostility and active opposition to enforcement upon the part of the very type of citizens who should be most interested in seeing law and order upheld."

Michael O'Brien of 151 Douglas street, James Fitzgerald of 155 Douglas street and Joseph F. Morris of 351 Dean street were arrested yesterday by Detectives Powers and Nigamsmith of the 51st street station charged with being concerned in a conspiracy for the transportation of liquor by a forged permit.

EXEMPT U. S. SHIPPING FROM DRY ACT, DEMAND

Congress Hears Passenger Liners Will Fail.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., Jan. 13.

Representatives of steamship companies engaged in passenger business appeared today to the House Judiciary Committee to amend the Volstead law so as to allow sale of liquors on the high seas by vessels flying the American flag.

American vessels, it was contended, cannot compete with those of foreign lines if the Volstead law is enforced on the passenger liners, as Attorney General Palmer has ruled. The ship representatives said several big companies would ask transfer of their vessels to British or French registry as soon as the ruling is enforced.

It seemed apparent that the majority of the committee was opposed to the amendment, which was introduced by Representative Edmonds (Pa.). The ruling of the Attorney General has not been put into effect, but it is expected soon.

The steamship representatives pointed out that American vessels would be excluded from much of the immigrant business under the ruling, because Spain and Italy have laws requiring the serving of wine with meals to storage passengers.

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Airmen Smile Again on Return to Civilization



Left to Right—Lieuts. Stephen A. Farrell, Louis A. Kloor, Jr., and Walter Hinton, snapped on their arrival at the Hudson's Bay Company trading post at Mattice after their fifteen day trip through the wilds from Moose Factory.

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AIRMEN TO ARRIVE AT P. R. R. STATION

Continued from First Page.

was the Central's Canadian representative that his line would have the naval officers as passengers that he sent a positive message to that effect late in the afternoon to the Rockaway naval air station.

But at 7 o'clock last night Lieut. A. D. Brewer, officer of the day, said the Lehigh representative had relayed a long distance call from Toronto, stating that the airmen had boarded the delayed 6:05.

The Board of Trade committee thereupon called a final meeting in the Municipal Courtroom, Holland Station. A committee, consisting of T. C. McKenney, Queens Commissioner of Jurors, as chairman; David Isenberg and William H. Reynolds, was appointed to meet the officers at the train. They will escort them to the Pennsylvania Hotel, where a luncheon party will be given by the welcome committee. Mrs. Farrell and Mrs. Hinton will be among the guests. A special train on the Long Island Railroad will take the official party to Hammel Station, Rockaway Beach, arriving about 1:20 P. M.

From the station the parade will pass along Rockaway Boulevard to the reviewing stand at Beach 120th street, where Borough President Maurice E. Connolly will deliver a formal address of welcome.

WESTCHESTER WAR ON BOOZE.

Sheriff Will Be Aided by 1,000 Yonkers Volunteers.

A reform wave, it was learned yesterday, is about to fall upon Westchester county. The police of White Plains and other cities, with the aid of Sheriff George J. Warner, will see that the prohibition law is enforced to the letter. In Yonkers a committee of 1,000 has been formed to do the job.

Ordinances are planned to compel saloonkeepers to remove screens which now hide their bars.

SECRETARY OF NAVY TO OVERLOOK BRAWL

Expects Court of Inquiry to Reveal Valor Enough to Whitewash It.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Jan. 13.

The naval inquiry into the flight of Lieuts. Kloor, Farrell and Hinton will be undertaken within the shortest possible time. The precept for the inquiry is being prepared and the personnel of the board will be announced tomorrow.

In view of the deep interest attaching to the episode Secretary Daniels believes the personnel of the board should include men of higher rank than those that would be named by the commandant at Rockaway. He will accordingly name the members himself.

The Secretary repeated today that he proposed to have the inquiry cover every phase of the flight for the advantage of the navy and for the information of the public. The fist fight between Lieuts. Farrell and Hinton is a closed incident so far as Secretary Daniels is concerned. He said today that he observed that the two men had made up their differences and was inclined to overlook what happened as being the result of overstrained nerves.

The Secretary said probably of a court-martial depended entirely on the testimony which will be elicited by the inquiry board. Mr. Daniels merely smiled when his attention was called to press quotations alleging that Lieut. Kloor had said the receipts from the sale of stories of the trip would be utilized to pay the expenses. He said the department would pay all expenses of the trip.

The statement credited to the wife of Lieut. Hinton that she had been authorized by the Navy Department to give out the letter of Lieut. Hinton was discussed by Mr. Daniels diplomatically. He said he had no doubt Mrs. Hinton believes she had such authorization, but he had never authorized its publication.

and no one with authority to give the authorization had done so.

The court of inquiry according to the Secretary, is automatically required because the balloon crossed the boundary and landed in a foreign country.

"I am confident," he said, "that the inquiry will develop so much in attestation of the bravery, courage, endurance and pluck of all of the officers that any petty personal differences among them will be entirely overshadowed, and the entire nation will be proud of the trio of stalwart Americans.

"In view of the hardships these men endured, their narrow escape from the jaws of death, the physical, mental and nervous vicissitudes and strain to which they were subjected during their long, perilous and harrowing ordeal and their generally overworked condition, I think the navy and nation can well overlook any spontaneous outbursts of temperament and personal difference that may have found expression in such a moment of nervous reaction.

"The nerves of the men must have been as taut as a drumhead after the hardships they have been through, and at such a time of overstrain men say and do many things they would not do when normal."

Mr. Daniels today admitted that authorization for the trip had been given by the Rockaway commandant, thus setting at rest stories to the effect the trip might have been undertaken without proper official authorization.

\$10,000,000 LOAN AUTHORIZED.

The Metropolitan Life Insurance Company announced yesterday the authorization of more than \$10,000,000 of loans and extensions. The loans included advances for the construction of forty-three dwellings and low priced apartments, of which three are in New York State. Loans on business buildings included three in New York city. Extensions in New York city amounted to \$2,500,000.

HELD ON ABDUCTION CHARGE.

Bronx Man Accused of Taking Girl to Philadelphia.

William Getz of 204 Gleason avenue, The Bronx, a letter carrier at the Fox street branch Post Office, was held in \$500 bail yesterday by Magistrate Ten Eyck in Morrisania Court for examination January 15 on a charge of abducting Jennie Klein, 16, of 832 Whittier street, Brooklyn.

Getz was arrested on complaint of Mrs. Rose Klein, mother of the girl, who charges that he took her daughter to Philadelphia recently and found employment for her there.

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Automobiles Carry Aeronauts Over Border

BUFFALO, Jan. 13.—Lieuts. Kloor, Hinton and Farrell left here for New York to-night over the Lehigh Valley Railroad after they had been guests at a reception by the Aero Club of Buffalo.

The navy balloonists, who left their station at Rockaway Point just a month ago, December 13, returned to American soil early to-night at Niagara Falls. Leaving the train on the Canadian side the balloonists reached the border in automobiles, while a large crowd, not advised of the change, waited at the railroad station. City officials met them at the middle of the International Bridge and pinned on each of the three a small silk American flag.

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The balance of our stock of young men's overcoats, in sizes 34 to 40 chest measure, which ranged in price as high as \$110, are now being sold at \$49.50 and \$59.50.

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