

Partly cloudy to-day and to-morrow; not much change in temperature. Highest temperature yesterday, 71; lowest, 59. Detailed weather reports will be found on editorial page.

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PRICE TWO CENTS THREE CENTS WITHIN 200 MILES. FOUR CENTS ELSEWHERE. IN NEW YORK CITY.

MEXICO AGREES TO AMERICAN TERMS FOR RECOGNITION

Will Accept Suggestions After Certain Modifications Are Made in Hughes Memorandum.

CONCERN CONSTITUTION Changes Cannot Be Made by President, but Must Come as Result of Senate's Action.

WILL ADJUDICATE CLAIMS Obregon Asks Forbearance on Part of United States Until Legal Procedure Is Carried Out.

By the Associated Press. MEXICO CITY, June 9.—Mexico is prepared to agree to the suggestions contained in the memorandum brought here from Washington by Charge d'Affaires Summerlin after certain modifications are made by the United States Government, which it is confidently expected will be made, and the relations between the two nations doubtless will be most cordial, according to a statement made to-day by Secretary of Foreign Relations Pant to the publishers of the newspapers in Mexico city.

The modifications referred to pertain to amendments of the Mexican constitution which cannot be effected by Presidential decree, but must come as a result of action by the Senate, the newspaper men were informed.

The publishers were shown all the communications which have passed between Washington and Mexico city, including President Obregon's latest answer to Secretary of State Hughes's note. The burden of Obregon's note was declared to be for forbearance on the part of the United States until its suggestions can be carried out in a legal manner.

Claims to Be Settled. One of the suggestions made in the American memorandum was for a claims commission, and, according to the informant of the Associated Press correspondent, Senator Pant asserted that President Obregon readily had agreed on this point and that within a few days he would promulgate a decree authorizing the establishment of this commission so far as Mexico is concerned and also designate its personnel.

The conference was described as a secret meeting, held for the purpose of giving information which was not for publication. Various persons who attended it declared, however, that the situation "is far from being serious and optimism for an eventual amicable solution prevails in all quarters."

In big headlines the newspapers asserted this morning "Mexico has refused to sign the United States proposal." In dealing with the statement issued last night by Secretary of Foreign Relations Pant, declaring that while a commercial treaty with the United States is desirable, President Obregon did not possess the right to conclude a treaty of a political nature.

Recognition Before Treaty. The statement issued last night at the office of the President declared that formal signature of a treaty between Mexico and the United States as a condition to recognition of the Obregon Administration by Washington was impossible. At the same time a statement was issued by the Foreign Office declaring that a commercial treaty between the United States and Mexico was desirable, but that the Mexican President did not possess the right to conclude a treaty of a political nature such as was proposed by the United States in its recent memorandum to the Mexican Government.

The treaty of amity and commerce proposed by the United States on May 27, said the statement, "contained two sections, one pertaining to commerce and the other regarding better political relations. The clauses relative to commerce would be acceptable after the making of some modifications and additions which would avoid later conflict."

In the political phase the American note was objectionable because it contained stipulations which were contrary to the precedents of the Mexican constitution, and which the President, who must, first of all, have regard for the Constitution, has no power to accept. The Constitution, in effect, prohibits expressly in Article 15 the "celebrating of conventions or treaties which may alter guarantees or rights established by the Constitutional section is declared to be acceptable after provision is made for "reciprocal advantages for Mexicans in the United States in return for the rights and privileges of Americans in Mexico." Denial is also made that at any stage of the proceedings the Mexican Government has desired secrecy in its dealings.

MEXICO BARS FOREIGN MONEY EXCEPT GOLD Importation of Bills or Silver Prohibited After July 1. Mexico City, June 9.—Importation into Mexico of foreign money except gold, or the circulation of any such currency in this country, is prohibited after July 1 by a decree issued last night by President Obregon. The decree asserts that foreign bank bills, or, in general, any foreign money other than gold may not be used in the place of Mexican currency.

MEDICAL DELEGATES REFUSE TO REAFFIRM FIRST STAND THAT ALCOHOL IS HARMFUL

BOSTON, June 9.—The House of Delegates of the American Medical Association to-day put over for another year action on a resolution to reaffirm its attitude expressed in 1917 that there is no scientific basis for the use of alcohol as a food and in the treatment of patients. This action was taken after debate and was decided by the vote of Dr. D. H. Murray of Syracuse, N. Y., speaker of the house, which broke a tie. The resolution as proposed would have reiterated the judgment of the association that "the use of alcohol as a beverage is detrimental to human economy."

CHARGE POLICE AID FAKE BANKRUPTCIES

New York Credit Association's Agents Are Rounding Up Conspirators. \$300,000 LOST IN FRAUDS Swindlers Gain Control of Small Companies and Get Credit to Limit.

Agents for the New York Credit Men's Association, who for several months have had the active cooperation of Assistant United States Attorney Maxwell S. Mattuck, are rapidly rounding up a band of commercial conspirators, numbering probably a dozen, whose fraudulent enterprises have cost the community close to \$300,000. Some of them, it is charged, have had police collusion and aid.

Generally the process whereby these swindlers operated has been to obtain large consignments of goods from merchants or manufacturers, either by riding upon the credit of a genuine corporation bearing a name similar to or identical with the name of the fraudulent concern, or, as has happened in other instances, by gaining control of some genuine small corporation and working its credit to the limit.

The next step, the Federal prosecutor avers, was for the crooks to go into bankruptcy with little or no visible assets. After affairs had been adjusted they quietly withdrew from warehouses where they had concealed them the tangible assets fraudulently hidden from creditors and finally they realized handsomely upon their sale.

The New York Herald told yesterday how the United States Commissioner Hitchcock had held in \$2,500 hall Joseph Margel and Herman Sobel of the Globe Manufacturing Company, jobbers in novelties, of 384 Fifth avenue, on charges that they had been concerned in concealing assets of their corporation, which recently went into bankruptcy, having liabilities of \$50,000 and assets of only \$4,000.

Assistant District Attorney Matlock was in conference yesterday with F. R. A. Stiefel, manager of the prosecution bureau of the New York Credit Men's Association. Mr. Stiefel's office is in the headquarters of the association, 320 Broadway.

"In addition to the case of Margel and Sobel," said Mr. Matlock, "the Grand Jury also has indicted Harry Marks and Edward Schreyer, who operated under the name of the Cambridge Manufacturing Company from 234 Fifth avenue—the same building wherein the Globe Manufacturing Company had its headquarters. Now, it happens that there is a genuine Cambridge Manufacturing Company doing business at 217 Centre street. By using the name and trading upon the credit of the Centre street concern of the Cambridge Manufacturing Company, Marks and Schreyer cleaned up about \$20,000."

"Their method of operating was very similar to that of Margel and Sobel, and, indeed, we expect to show, when the case comes on, that a number of these swindlers—probably about twelve of them, for we are not yet through casting the net—have not more or less associated with intent to defraud creditors of the Centre street concern."

"But there is another class who get control of what has been theretofore an established, more or less going concern and then place it into a fraudulent bankruptcy for their own profit. One of the men who also rests now under a Federal Grand Jury indictment is Hill Cummings. He is illustrative of this latter class, we allege. He was associated with two concerns, the so-called New York Novelty Company and the Chicago Bargain House of 272 Canal street. In the case of the New York Novelty Company, when it went into bankruptcy, Mr. Stiefel, who took possession and made an investigation in behalf of the credit men, found listed liabilities of about \$40,000, with assets consisting of \$8,500 in cash, plus the furniture and fixtures of the establishment.

"A second indictment against Cummings charges him with concealing assets and with intent to defraud creditors of the Chicago Bargain House, which went into bankruptcy with liabilities of \$105,000. There were assets in this case of about \$20,000. These were not drawn out of the company, but for the fact that Cummings's partner, who was not in harmony with the latter's methods, went to some of the creditors and warned them before the conspiracy could be consummated. Thus the creditors actually realized upon some assets in merchandise and there was about \$8,000 which Cummings had not yet drawn out of bank."

MACHINE GUN FIRE TURNED ON INSANE SLAYER OF 2 COPS

Maniac in Attic of Toledo Home Fights 2 Hour Battle With Police. DEFIES SMOKE BOMBS Patrolman Is Shot as He Enters Room Through a Skylight. SECOND FALLS IN STREET Rain of Bullets From Roof and Suicide End Duel Witnessed by Big Crowd.

THIRD LIQUOR TRIAL BY JURY'S FAILURE

Vote Stands 7 to 5 for Acquittal in Case of Third Avenue Bartender. PROSECUTION TO GO ON No Intention of Asking Governor to Urge Change in Law—Will Fight and Hope.

Joah H. Banton, Chief Assistant District Attorney, said yesterday that he would continue to present liquor indictments to the courts for trial by jury, although the failure to obtain a conviction in three cases in as many days indicates that the Mullan-Gage prohibition laws have fallen down a pitch that he believed he had a mission to kill. He talked occasionally of starting a religious war, and for several months has been in correspondence with an arms company about rifles he said he contemplated purchasing. He had stored a trunkful of ammunition in the room.

Found Him Reading Bible. To-day Mrs. Key went into the attic room, where Kelley sat brooding over a Bible opened at that part of the Book of Judges which described the exploits of Samson. She asked for his overcoat. He said he wouldn't pay it, and Mrs. Key said she would call the police.

"I'll kill any man who comes after me," said Kelley. He followed Mrs. Key to the ground floor, and watched her while she telephoned to the Third precinct police station. He stood in the hallway when Patrolman Harold Mossburger and another policeman came to the house, but as the officers entered Kelley ran up the stairs, closed his door, and the policemen climbed to the roof.

He approached the skylight which opened into Kelley's room and called on him to surrender. There was no reply, and Mossburger kicked open the skylight and swung downward from the skylight ledge. The other policeman on the roof heard a shot, and several hours afterward, when Kelley had died and his room was being cleaned up, Mossburger was found lying on the floor. He had apparently been shot as he dropped to the floor from the open skylight.

As soon as he had killed Mossburger Kelley began to shoot through the skylight at the other officer, who retreated to the street and summoned help. Several minutes later the two policemen entered the room from the roof, but in spite of the number of their shots no harm came to Kelley. He walked back and forth in his room smoking his pipe and firing from the windows.

Falls, Shot Through the Heart. Meanwhile a crowd was gathering and policemen and detectives were responding from every precinct in the city. The crowd was in plain view of the insane man, who appeared from time to time at his window, but he directed all his fire at the police, who were compelled to keep in the shelter of the nearby buildings as they returned his fire.

It is a case of deliberate perjury on one side or the other," said Justice Borst, referring to the testimony of patrolmen and bartender in his charge to the jury. "That is a question, gentlemen, for you to decide."

HAYNES IS LIKELY TO GET KRAMER'S DRY JOB

Fairbanks's Chances Seem to Become Slimmer. Special Despatch to THE NEW YORK HERALD. NEW YORK, June 9.—Announcement of the selection of a new Prohibition Commissioner to succeed John F. Kramer is expected in the next day or two. It was reported on good authority to-day that Major Roy C. Haynes of Hillsboro, Ohio, is to be named to the place. This came as a surprise to supporters of Newton Fairbanks of Ohio, who had the support of Attorney-General Daugherty and others.

German Reds' Amnesty Demand Gains Strength

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Berlin, June 9. THE demand for amnesty for their party adherents who were sentenced to prison terms for participating in the March (1920) uprising has received added strength by the publication of the sum total of penalties inflicted on such persons convicted by the special courts. The Communist organ Rote Fahne (Red Flag) reports that 400 workers were sentenced to an aggregate of 1,500 years in the penitentiary, 500 workers to an aggregate of 800 years imprisonment, 8 to penal servitude for life and 4 to death.

GOVERNOR RESPITES MANIAC FROM CHAIR

Sing Sing Officials Believe Slayer La Guidice Is Not Shamming This Time. LIFE IS SAVED BY PHONE Convict Acts Like Animal in Trying to Tear Down His Death House Cell.

Owen Potter, pardon clerk in the office of Gov. Nathan L. Miller at Albany, telephoned to Warden Lewis E. Leaves of Sing Sing Prison last night that the Governor had decided to grant a respite of ten days to Paul La Guidice, who has been a raving maniac for several days in his cell in the death house. La Guidice was to have been put to death last night for the murder of Mrs. Sophia Fichera in Monroe county. Mr. Potter told the warden that the papers granting the respite would be mailed from Albany at once and probably would reach the prison this morning.

The decision of the Governor was made after La Guidice's attorney, Joseph P. Doyle of Rochester, and Dr. Amos O. Squire, prison physician, had gone to Albany, where they talked with the Governor over the telephone at Rochester and with other State officials in the executive office. The warden made no announcement last night, excepting to say that the respite had been granted, but it was understood generally about the prison that La Guidice would not be killed until another commission of alienists had an opportunity to examine him and pass upon his sanity. Some time ago alienists reported him sane.

At that time, however, La Guidice was quiet. Recently he has become violent, and keepers who have observed insane prisoners or years say there is no doubt the man is a raving maniac. He has confided himself like an animal, refusing to eat and tearing the clothing from his body and sprawling about naked on the floor. During the night he has howled and screamed and banged the walls and floor of his cell, alternating the banging with attempts to pull the bars from the masonry. To prevent him from inflicting injuries upon himself he has been confined in a straitjacket for the last two days, and during that time an effort was made to clothe him in the black suit that all condemned men wear to the electric chair he became so violent that seven men fought him for more than an hour before they subdued him.

Keepers who have been in the death house said yesterday that La Guidice was more violent than any man they recalled. None of the other State officials in the executive office, however, said that the man had confessed that once before he was insane and obtained the respite on several days. He has, however, been convinced prison attendants and officials that he is insane. He has, however, been so violent after his periods of roaring and raving, and then only for a few minutes at a time.

LABORER SUCCEEDS HIS EMPLOYER IN COMMONS

Second Defeat of Lloyd George Government. Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, June 9. The second serious defeat suffered by the Lloyd George Government in by-elections was announced to-day. Walter Hall, labor candidate and a farm laborer on the estate of the Right Hon. Albert T. Hingworth, was elected to the House of Commons, defeating the Conservative candidate, Mr. Col. England, the Coalition-Liberal candidate. The vote was: Halls, 13,489; England, 12,125.

The election was necessitated by the elevation of Hingworth to the peerage. Thus by a coincidence Halls takes the seat formerly held by the man for whom he worked. These defeats are attributed in great extent to the campaign waged against the Government for alleged "extravagance and wasteful methods," conducted by powerful sections of the British press, including Lord Northcliffe's newspapers.

COUNTRY BOARDERS WANTED

Now is the time to find that charming place to live in the country. See the Country Boarder Want Ads. in the classified section of to-day's issue.

COURT-MARTIAL NOW EXPECTED FOR SIMS; DENBY AWAITS REPLY

Published Report That Admiral Stands Pat Assumed to Be True. OFFICIALS DISTURBED Senate Adopts Resolution for Investigation by the Naval Committee. ACTION ALSO IN HOUSE Renewal of Irish Agitation in This Country Feared by Administration.

Site Chosen for World's Biggest Suspension Bridge

PHILADELPHIA, June 9.—A site for the longest suspension bridge in the world, to cross the Delaware River from Philadelphia to Camden, was recommended to-day by a special board of engineers, in a report to the joint Pennsylvania and New Jersey Bridge Commission. The main span would be 1,750 feet, from end to end, and from approach to approach 8,190 feet, or more than a mile and a half. The cost is estimated at \$28,000,000.

Engineers declared it could be completed by July 4, 1926, the 150th anniversary of the signing of the Declaration of Independence, when a world's fair is planned here.

BROWN CLAMPS LID ON CITY GRAFT NEWS

Meyer Committee Counsel Warns Officials Not to Obstruct Inquiry. 'N. Y. Herald's' Exposure of Alleged Graft in Market Permits Stirs Probers.

The activities of the joint legislative committee which is preparing to investigate the manner in which the present city administration has performed its functions, in order to diagnose the political and financial ailments of the city and prescribe remedies, were manifested yesterday by these happenings:

Eliot R. Brown, chief counsel to the committee, gave out a statement in which, while proclaiming that "the object of the committee is not the impeachment or discrediting of this or any other administration, but constructive work in fundamentals that will improve the finance and government of the city," he also uttered a very definite warning to all city officials not to obstruct the committee or treat it as an "enemy."

Edwin J. O'Malley, Commissioner of Public Markets, confronted with the details exclusively printed in THE NEW YORK HERALD yesterday of the circumstances leading up to his action in removing the West Washington Market, declined to Adolf Kahn, a wholesale butcher and a constituent of Tammany Leader "The" McManus, admitted that McManus had gone to O'Malley's office in Kahn's behalf, and said that his revocation of the permit was based upon "rumors" which had reached him that money had been paid for influence exerted by some one interested in seeing Kahn get the market stall.

Inspector John J. Connelin, commanding the detective bureau at Police Headquarters, was summoned before a sub-committee of the committee and instructed to bring with him all books, records, etc., relating to promotions and demotions in the detective force. The committee is said to have information to the effect that in many instances substantial and even large sums of money have been paid out by members of the Police Department for assignment to and promotion in the detective bureau.

An intensive study is being made by the committee of the "system" by which the purchaser peddlers of the city, some 1,200 to 1,500 in number, have been mulcted of \$1,000,000 in the past year, which until May 20, had no official connection with the Department of Markets.

What eventually will develop into a sweeping investigation of the Department of Education has been begun by investigators for the committee. This inquiry will touch upon every phase of the educational system of the city, academic, physical, administrative, executive and financial.

In addition to the above, it was learned that a padlock of the "unpickable" variety has been suspended from the door of the committee's office, which is under the supervision of the committee's members, counsel, investigators, door attendants and messengers. Even the public office has been warned not to talk to anybody.

UNTERMYER BLAMES HIGH OFFICE RENTS IN HOUSE SHORTAGE

Says Money Is Attracted to Business Buildings, Including Lofts, Instead of to Dwellings. WILL RECALL DRYDEN Lockwood Counsel Wants to Know More of Prudential's Investments and Splitting of \$18,000,000. BANKERS UNDER FIRE More Facts on Coercion of Borrowers—Albany Institution Charges 6 P. C. Up-State, but Not Here.

HEARING IS FULL OF LIFE

The exchanges between Mr. Untermyer and Mr. Mortimer, which were marked with no little acrimony at times, made one of several features crowded into yesterday's session.

Another was the decision arrived at after a study of the testimony given on Wednesday by Forrest F. Dryden, president of the Prudential Life, to delve even deeper into the affairs of that institution, and also of Mr. Dryden's personal holdings in various financial institutions, which Mr. Untermyer holds as a depositor of the Prudential's funds.

In this connection Mr. Untermyer set the committee's authority to request the State Superintendent of Insurance, acting under the power vested in him by the Legislature, to cooperate with the committee in an independent investigation of the Prudential's activities in New York, which he determined to be known that he was not finished with his examination of the president of the Prudential and that he would go further to probe his belief that the mutual insurance of the company in 1915 was in reality a mutualization of all, but in reality a move by which the stockholders tapped the company's treasury for \$18,000,000, which they could not have received through dividends and at the same time have retained control of the company.

Untermyer Tells of Plans. On this point Mr. Untermyer said: "In connection with the preliminary examination, still unfinished, of Mr. Dryden, I want to say that I have gone over the data in the hands of the committee, especially as to the holdings of Mr. Dryden and those connected with him in various banks and trust companies, and I have determined that the Prudential Life Insurance Company and in connection with the scheme of so-called mutualization, and it will be necessary before resuming the taking of Mr. Dryden's testimony to have some further investigation, and I will ask the committee to request the Superintendent of Insurance to exercise the powers vested in him under the law to permit us to examine into certain of the transactions of the Prudential Life Insurance Company, which is conducting one-fourth of its entire business in the State of New York, having now upward of one million policy holders in this State, whose fortunes are vitally concerned in the affairs of the Prudential Life."

"You will observe that although the scheme of mutualization contemplated making this a mutual company it appears between the lines of Mr. Dryden's testimony that there is a small amount of stock outstanding, and that he qualifies these directors by stock holdings to become directors, apparently on the contention that since there is outstanding stock, which Mr. Dryden is holding out, the stockholders of the company have a voice in the affairs of the corporation, and it seems to my mind that it nullifies the mutualization scheme except to the extent that I have gone over the books of the Prudential Life. What the policy holders have thus far gained by this is a little difficult to understand."

"The house problem is very closely tied up with the affairs of these great life insurance companies, especially in the relation to their investments. And as this company now has some \$170,000,000 of assets and has about one-fourth of its policy holders

SIMS STANDS FOR ALL HE SAID ABOUT IRISH

Says Denby Message Has Not Reached Him. Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, June 9. Rear Admiral William E. Sims, U. S. N., told THE NEW YORK HERALD correspondent here to-night he was returning to the United States "anyway" on June 15. Beyond this he refused to comment on his speech before the English Speaking Union in London last Tuesday. He said he had not received a cable despatch from Secretary of the Navy Denby calling on him to say if he was correctly quoted in the newspaper accounts of his speech referring to "Jock-anas votes."

Both at the American Embassy and at the United States Naval Attaché's office it was said that Secretary Denby's message to Admiral Sims had not been received.

The Admiral said to-night he had arranged to have Secretary Denby's despatch delivered to him the moment it was received in London.

The Evening News to-day declares that Admiral Sims will stand by what he said. It quotes him as follows: "I have not yet been able to see re-

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