

## FEDERAL TAXATION CUT \$555,000,000 BY HOUSE LEADERS

Total Slash Will Be \$600,000,000, Transportation Tax Except on Express to Be Repealed

EFFECTIVE JANUARY 1 Exemption of \$400 for Each Child or Dependent and Reduction of Surtaxes to Be Retroactive.

BILL READY ON SATURDAY Programme Goes Beyond Revisions Fixed in Conference With Harding—Nuisance Levies Eliminated.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, Aug. 10.—House Republican members of the Ways and Means Committee in agreeing to-day to changes in Federal revenue laws that will cause a net tax reduction of \$555,000,000 in the current fiscal year, went beyond the revisions fixed in conference last night with President Harding.

Additional changes will be made to-morrow and Friday which are expected to push the total reduction up to \$600,000,000. The progress to-day indicates the bill will be completed Saturday.

Reductions and Changes. The reductions and changes made to-day affect rich and poor, corporations and individuals. As summarized in a formal statement they were:

Complete repeal of transportation taxes with the exception of the levies on express, effective January 1, 1922.

Reduction of the normal income tax on heads of families by increasing the exemption of \$300 for each child or dependent to \$400, retroactive to January 1, 1921.

Reduction of the excess profits tax, retroactive to January 1, 1921.

Reduction of the flat corporation income tax from 10 to 15 per cent, retroactive to January 1, 1921.

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## New Mexico Is Named "Pride of the Navy"

WASHINGTON, Aug. 10.—The battleship New Mexico, flagship of the Pacific fleet, comes as near being the "pride of the navy" as a ship of the line can come. She has just been awarded the battle efficiency pennant for the highest combined merit in gunnery and engineering, the Navy Department announced to-night.

Besides flying the triangular pennant with a black circle in its center from her foremast when at anchor the New Mexico will also be entitled to paint a white "E" for excellence on her smokepipe.

## WESLEYAN STUDENTS OUSTED FOR DRINKING

Five Collegians Dismissed for Use of Liquor and General Misconduct.

## FOOTBALL CAPTAIN GOES AWOL

Inquiry Into Presence of Women at Fraternity Dance Also Figures.

## Wesleyan Students Ousted for Drinking

Special Despatch to THE NEW YORK HERALD. Middletown, Conn., Aug. 10.—Drunkness, it was revealed to-day, was the reason for the dismissal of five of the most prominent students at Wesleyan University. The announcement made yesterday of the dismissals created a sensation in college circles, but the fact that excessive use of liquor and other forms of misconduct lie behind the action of the university was received with amazement in Methodist church circles throughout the country. The decision to dismiss the students, it became known to-day, was made after a thorough investigation of numerous escapades and an inquiry into the conduct of young women who attended a fraternity dance last spring.

Elliott Newhall, captain of the varsity football team, the only one of the five dismissed students who has been identified, was one of the most popular men in the university. Newhall, who is a son of the late Rev. William Rice Newhall, prominent as a Methodist clergyman for the better part of half a century and for more than twenty years a trustee of the university, was president of his class and of the students' general organization as well.

President Shanklin refused to sign the names of the five dismissed students, the name of the football player became public through the sending out of notices calling for the election of a new captain for the team.

Several escapades lie behind the action of President Shanklin. None of the five students was involved in all of them. It was said to-day that several of the members of the Glee Club became intoxicated while on a trip to Waterbury, Conn., early in the spring, and that some members of the baseball team got drunk on the night preceding the game with America.

In commenting on the dismissals, President Shanklin made it clear that none of the students had expelled, as that would have barred them from other universities. In a statement to-night the president criticized the local authorities for their failure to enforce the prohibition law and for the numerous attempts to bring about better conditions.

## SURGEON IS CHARGED WITH STRIKING A CHILD

Pleads Was Necessary in Order to Make Examination.

## 'TIMES' SAYS PREMIER WILL ATTEND PARLEY

Understands Lloyd George Will Accept Invitation.

## COOK IN JAIL; FREED; GOES TO SHIP BY PLANE

Back in Galley of Navy Steamship at Mess Call.

## FREED AMERICANS THINK FAMINE MAY OVERTHROW SOVIET

Say No Group in Russia Is Strong Enough to Upset Government.

## MISERY FILLS COUNTRY

Arrive at Revel in a Special Automobile Provided by Bolsheviks.

## SHED THEIR PRISON GARB

Red Cross Cares for Men Who Send Cables to Their Relatives.

## DOCTORS IN CONFERENCE

Removal of Growth Pressing Against Brain to Be Made To-morrow Morning.

## THREE BANDITS ROB AND BEAT AGED MAN

Compel Him to Open Safe and Give Up \$4,000 Worth of Jewelry.

## POSED AS DRY AGENTS

One Alleged Robber Caught After Wild Chase Despite Drawn Revolver.

## YACHT ENTERS MYSTERY

Search Made for Vessel at Anchor When Major's Son Was Last Seen in Canoe.

## SENATE HAS OLD TIME 'BLOODY SHIRT' DEBATE

Linney Wins Appointment; Roll Call Kept Secret.

## FLIER LEAPS TO DEATH FROM HOTEL WINDOW

Schuyler Adams Was Formerly Harvard Hockey Star.

## LITVINOFF GUARANTEES RELEASE OF AMERICANS

Promise Covers Those In and Out of Russian Prisons.

## World Needs Falstaffs, Says Maurice Casenave

Special Despatch to THE NEW YORK HERALD. WILLIAMSTOWN, Mass., Aug. 10.—Maurice Casenave, French High Commissioner in the United States, in an interview to-day said that the greatest figure in the history of the English speaking world is undoubtedly Sir John Falstaff.

## UNDERMAYER LAYS CONSPIRACY TRIALS FOR INSURANCE MEN

Hints at Indictments if Fire Companies Do Not Change Methods.

## WILL RESUME PROBE

Will Give Officials Last Chance to Explain to Lockwood Body.

## SAYS ROOT IS DECEIVED

Sees Start of Propaganda Move Intended to Prevent Passage of Regulations.

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# \$24,000,000 ILLEGAL TAX INCREASE LAID TO HYLAN; PAYROLL IS UP \$30,000,000

## Mayor Admits Highest Assessment But Blames Mandatory Legislation

THE Hylan administration has given New York the "highest and most extraordinary assessment" on real estate in the history of the city and in so doing has violated the State Constitution, Elton R. Brown told the Mayor committee. This was done, he said, by applying the tax levy to the current instead of the preceding year.

"We have a financial condition which foreshadows a reduction in values and there will be great difficulty in maintaining an assessment as high as the present one," Mr. Brown said. "That is your opinion and the conclusion of some lawyers," Mayor Hylan shouted angrily, leaning forward in the witness chair and striking the desk with his fist.

"Has there ever been a time in the history of the city when the tax levy exceeded 2 per cent. of the assessment roll of the preceding year?" Mr. Brown asked, also using his fist.

"Not that I know of," the Mayor said, cooling off. "This is the first time the city or you have ever exceeded the assessment roll of the preceding year?"

"Yes, but you are not going to place the blame on the shoulders of this administration. It was because of mandatory legislation."

"There have been enough outbursts of this character from the Mayor and I wish to ask him whether his attitude is one of assisting the committee to aid the situation of the city or one of hostility?"

"It is to help," the Mayor said.

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## Figures Presented by Counsel for Meyer Committee Throw Mayor Into Rage on Stand.

## ADMITS SALARY JUMPS

Heavy Additions of City Employees Also Shown by Albany Investigators at Hearing.

## WALKER MAKES A ROW

Tammany Man in Angry Dispute With Counsel in Effort to Draw Fire Away From Mayor.

Mayor Hylan lost his temper yesterday and angrily asserted that the Meyer committee was pursuing unfair methods when Elton R. Brown, counsel, charged that the Hylan administration had pushed the tax levy this year in New York \$24,000,000 beyond the legal and constitutional limit in the effort to make the municipal accounts balance.

This outburst was followed closely by a row between Mr. Brown and Senator James J. Walker, Tammany member, who charged unfair methods and declared he was not going to be silenced by the committee majority. Mr. Brown demanded that Walker be silenced and stated that if there was repetition of the attack he would quit as counsel.

The Mayor was on the stand all day, and as on the first day insisted he did not know much about city finances. Departing from his plea of Wednesday to call Duncan MacInnes of the Finance Department to explain financial methods and conditions the Mayor varied his statement by repeating over and over, "Ask the Comptroller; he knows." Mr. Hylan admitted frankly he did not know.

## Senator Meyer is Hissed.

Mr. Brown drew from the Mayor an admission that the inspecting and engineering forces of the city departments duplicate efforts and add big and unnecessary sums to the city's expenses. While the advisability of consolidating and cutting those forces had been "talked over," nothing approaching a policy or plan had been suggested and nothing done to bring about a saving.

Outstanding among the Mayor's other admissions was his statement that along with the mounting tax bill the city's payroll had gone up \$50,000,000 in 1919 and 1920. Mr. Brown laid great stress upon this testimony, out of which was developed the fact that the number of city employees also had been greatly increased. Although the testimony along this line was brief so far as the Mayor was concerned yesterday, it is known that the subject will be gone into at far greater length further along in the Mayor's examination.

Although still bewildered when bond issues, sinking funds and revenues were mentioned, the Mayor was more ready and apt with his answers to queries regarding other phases of city government. The crowd which filled the Board of Aldermen chamber was with the Mayor and three times applauded when he made prompt answers. Mr. Brown insisted he would lock the doors and find out where every man and woman in the room was employed if there was repetition of the outbreak. Senator Meyer's threat to clear the chamber brought a chorus of hisses.

The examination suggested a primer lesson in the A. R. C. of finance. Mr. Brown appeared patiently and kindly to lead the pupil, and once or twice when right answers were given remarked "That's good." Finally the Mayor lost his composure and said impatiently:

"You are unfair to ask me these questions; you ought to ask the Comptroller and get accurate information." "I do not wish to offend you," Mr. Brown said. "You say you object to being subjected to a civil service examination. Because of your attitude I shall not go further with this line of the inquiry."

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