

FIGHT ON 25 BUCKET SHOPS GOES BEFORE GRAND JURY; NEW EXCHANGE IS ACCUSED

COMPLAINTS GROW CROWDS OF VICTIMS HURRY TO DISTRICT ATTORNEY TELLING OF LOSSES IN WALL STREET

THOUSANDS FLEECED NINE-TENTHS OF THOSE STUNG PREFER SILENCE TO BEING KNOWN AS GULLIBLES.

INQUIRY IN COTTON DEALS BROKERS' ORGANIZATION DENYING CHARGES, OPENS BOOKS FOR INVESTIGATION.

Recognizing the truth of existing bucket shop conditions in New York city, the District Attorney's office announced yesterday that it had before the Supreme Court Grand Jury and in the process of going there a mass of complaints against not less than twenty-five bucket shops. Jerome Simmons and Benjamin J. Schriber, Assistant District Attorneys, spent a good part of yesterday before the Grand Jury, and said afterward that they would press the investigations as rapidly as possible.

Mr. Simmons said the greatest difficulty the District Attorney's office was experiencing in pressing the complaints is the inroads made on the time of the staff in receiving the flood of new complainants who come in every day. Not in years, he said, has that office been so besieged with persons who have lost their money through the operations of stock swindlers.

How much the money involved in the cases before the Grand Jury would amount to Mr. Simmons was unable to state, but it probably will run into millions.

His assistant, James J. Wilson, who handles the cases in the First District Magistrate's court, covering the Wall Street district, said the complaints actually receiving action represent not more than 10 per cent. of the persons who sustain losses through the activities of bucket shops. That, he explained, is due to the hesitancy of persons of responsibility in risking damage to reputation or loss of position through publicity of the fact that they have been victimized.

The vigor with which Mr. Simmons and Mr. Schriber are pushing the bucket shop cases now is part of a cooperative campaign on the part of the District Attorney's office, the State Attorney-General, the United States Attorney in New York and the heads of the big stock exchanges in New York city.

No action has been taken on the cases just placed before the Grand Jury, but true bills are expected soon in a number of cases, it was learned. Still other complaints are under investigation besides those before and being prepared for the Grand Jury. The fate of those cases depends, of course, on the conditions exposed in each instance by the District Attorney's office.

New Cotton Exchange Watched. Mr. Simmons began an investigation into the affairs of the American Cotton Exchange, whose secretary, George W. Pratt, was called last week before Mr. Wilson on a John Doe summons and questioned. The summons was issued as a result of complaints and affidavits alleging that the practice of bucketing is countenanced by the exchange. A. W. Graham, president of the exchange, immediately offered to allow the District Attorney's office access to all the books and records of the exchange and to give any other assistance which might be asked in clearing up whether the exchange is guilty of any violation. Mr. Simmons said he would take advantage of that offer.

VICTIM EASILY LURED BY GLIB BUCKETEER

Operators Who Hold Out Bait of Big Profits Tie Up to Exchange House to Make Deals Appear Legal—Come On Game Described.

This is the second of a series of articles which THE NEW YORK HERALD is publishing dealing with the bucket shop evil in New York. The first showed how the swindlers have honeycombed the Wall Street district and established nationwide connections. This article explains some of the commonest schemes by which the frauds are accomplished. A third article will appear to-morrow.

The methods which bucket shops now infesting the financial district in unprecedented numbers pursue to fleece thousands of persons in New York and throughout the country are as varied and astounding as the ingenuity of the thousands of operators and "producers" engaged in the nefarious business. The only limit to the fantastic means employed is the gullibility or innocence of the victim. The elasticity of that limit is astounding beyond all fiction.

The most prevalent procedure, varied by such tricks as the individual case may call for, is that commonly and legally known as "bucketing," or the act of a broker in playing the market against his customer. Or, more bluntly, the bucketing broker merely pockets his client's money, calls for margin until the client no longer can pay and then wipes him out.

To understand that unbelievable process, it is necessary to know that buying on margin—the ordinary bucket shop transaction—consists of putting up money for the purchase of a stock representing the margin, or difference, between the actual value of the security and the amount of money a bank will lend on that security. If the stock is worth \$100, and the bank will lend \$80 on it, the margin is \$20. Theoretically, the stock is bought outright by the broker for his client's account, the money being lent for the borrowing value of the security.

When the value of the stock decreases on the market, of course, the margin becomes larger and the lender of the money would demand more margin money for his own protection. On a rise in the market the buyer on margin would win through his margin being reduced.

Stock Now Has to Be Bought. In the big bucket shop epidemics of other years no bucket shop ever thought for one minute of actually going through the red tape of buying securities thus ordered. The margin was placed and gambled on, and some bucketeers were not averse to paying light losses on a legitimate turn of the market, though usually it was his client who got stuck. And a back room or any old place would do for the business, which was frankly a gambling house. It had some element of sportsmanship about it—sometimes!

But the bucket shop of to-day, due to laws and restrictions which have been thrown around it and to the advantages of pomp and show, is no more the bucket shop of a decade ago than the 1922 model automobile is to the one horse shay. It is highly technical business, frequently employing thousands of persons in elaborate offices and with telephone systems whose bills would have looked like a fortune to the old time bucketeer. The modern operator must have a good technical knowledge of finance and legal restrictions to do business.

And so, when a law was passed making it a felony for the bucketeers to neglect the minor detail of buying the stock for their clients, did they throw up their hands and go out of business? They did not. They immediately devised the scheme of buying the stock to put the transaction on record and turning right around and selling it again.

Links With Exchange Members. Not only does the bucketeer buy the stock as ordered, but through connections he has built up with members of the big exchanges he is able to send on to his intended victim a bona fide confirmation of the execution of his order right on the floor of the exchange. The sale of a similar amount of stock takes place immediately, unless the bucketeer sees an opportunity to gamble with his victim's purchase and make a profit for himself, but the record of the sale is of a separate transaction, and nine times out of ten the strictest examination into the original purchase would not reveal the fraud that has been committed.

In fact, that revelation comes only when the purchaser of the stock becomes uneasy and demands either the stock or his money. Then comes from the bucketeers an endless string of explanations as to why the stock cannot be delivered, or of how if the money is left a little longer the customer will make a fortune, and in an astonishing number of cases the bucketeer is able to get away with it. If demands are too insistent, the bucketeer will pay to keep the complainant quiet.

BROKER ENDS LIFE PROPPED UP IN BED, LEAVING ODD NOTES

Raymond W. Bayliss, 30, Writes Letter to Wife Before Firing Shot.

INSURED FOR \$60,000 BULLET CAREFULLY AIMED SO IT WOULD NOT HIT SON ASLEEP IN ROOM.

'BET ON MAN WHO IS DEAD' FINANCIER WAS A PARTNER OF F. F. DAVIS, KILLED RECENTLY IN AUTOMOBILE ACCIDENT.

Raymond Whitlesey Bayliss, 30, head of Davis & Bayliss, investment brokers, of 60 Broadway, committed suicide early yesterday by shooting himself through the head as he lay in bed, propped up by pillows, in his home in Sunset lane, Rye, N. Y. He carefully turned his body and fired the bullet in such a way that he would not harm his infant son, asleep in the same room.

He left a letter for his wife saying business troubles had proved too much for him, and urging that she take their son Eric, 18 months old, and go away and forget. Relatives said the broker's troubles were purely imaginary.

Mr. Bayliss had been dead only a short time when his wife walked into the room and found him lying across the bed with the wound in the head, and an antique and ordinarily useless pistol in his right hand.

The room bore every indication that Mr. Bayliss had passed a sleepless night. A tray was littered with burned cigarettes and a theatrical magazine the broker had been reading was filled with melancholic marginal notations of fleeting thoughts. The note to Mrs. Bayliss lay on a dresser near an empty whisky flask.

Wife Dreams of Death. Mrs. Bayliss told Coroner Edward E. Fitzgerald of Westchester county that she was awakened about midnight by a dream in which she saw her husband dying. She rushed into Mr. Bayliss's room and found him sitting up in bed. He told her to go back to bed as she had been suffering with a cold and gave her some medicine and whisky before she left.

"I am tired of worry and living," the broker said in the letter to Mrs. Bayliss. "My \$60,000 life insurance is left to you and you will be better off after I am dead. I have had so much worry and trouble from business that I want you to have everything. Take my insurance money and go far away to Europe so that our boy will never know what happened to me. God-bye and God bless you. I love you so."

There was a notation on virtually every page of the magazine. Among these were: "Tell them, mother, I love you. Ask her if we can trust others in this life. I have failed. Marry a clean man who never knew what happened to me. Father should have been liberal with mother and stronger. Liberal in the sense of a broader mind for nature."

Notation for Mother. "Dannie—remember I bet on a man that is dead and always managed to back him up. You may not think so, but but my jealousy was because I did not want to strike Eric. Dears, please forgive me as if I were as nothing in your life and live and forget, except Eric."

"You and Eric asleep, little 'know how' crave you best. How can I make you know how my heart calls out to you? Good-bye, precious. I love you."

On the last page of the magazine Mr. Fitzgerald found this notation: "To Mother—May you join me soon, so that we may compare our mistakes in life which were brought about by the goodness of others."

Mr. Bayliss's partner, who was killed last August when his automobile was overturned while motoring through Everett, Pa., on a vacation trip to Wisconsin. At the brokerage office, a young woman in charge said she had been instructed not to talk. Mrs. Davis, who was riding with her husband when the accident occurred, said she knew little about Mr. Bayliss. She said Mr. Bayliss was born in Hartford and that he had been married about three years.

GENUINE LOVE LETTERS AS TAYLOR MURDER INQUIRY IS SPEEDED

Los Angeles District Attorney Starts an Independent Investigation.

ON TRAIL OF PISTOL POLICE TOLD OF WEAPON PICKED UP AFTER KILLING OF FILM DIRECTOR.

WILL CALL PRODUCERS FOUR ACTRESSES TO BE PUT ON GRILL—SANDS ELIMINATED AS THE MURDERER.

LOS ANGELES, Feb. 9.—A new and comprehensive investigation into the circumstances surrounding the slaying of William Desmond Taylor, noted film director, was under way here to-day, directed by the District Attorney.

Another development late to-day was a report that some person had found a revolver shortly after the murder, possibly the weapon with which Taylor was slain. This rumor was brought to the attention of the District Attorney and the police, both officers disclaiming any direct knowledge of the purported discovery, but both saying that cognizance was being taken of the rumor and efforts made to prove or disprove it.

Yesterday and to-day the District Attorney gathered into his hands the scattered threads of evidence that had been drawn out by the police, the Sheriff's office and independent investigators, and to-night he was attempting to weave them into some sort of pattern that would disclose what took place just before Taylor lost his life.

Find Actress's Letters. One item gathered for this prospective fabric of fact and deduction was a packet of letters written by Mabel Normand, motion picture actress, and which disappeared from Taylor's home after his death. These letters were rediscovered yesterday concealed among Taylor's effects. Their contents were not disclosed and Miss Normand, who was in seclusion, declined to comment on the new turn of events.

Witnesses questioned to-day in the investigation, which it was announced would be complete and would take their inquiries into consideration only so far as facts learned by them might be helpful, included Charles Elyon, general manager of the Famous Players-Lasky studio here, at which Taylor was employed as a director. Mr. Elyon testified at the coroner's inquest that he was the first to suspect that Taylor's death had been caused by other than natural events. He said he had inquired that the body be examined for wounds. And it was his insistence, according to his statement at the inquest, that caused discovery of the fatal wound.

Elyon in Conference. Mr. Elyon had a conference to-day with the District Attorney, Thomas Lee Woolwine, and another one in which W. C. Doran, an Assistant District Attorney, with Mr. Woolwine, participated.

Others summoned to the District Attorney's office to-day and questioned included Mr. and Mrs. Douglas Maclean, whose home adjoined that of Taylor, and who had given statements at the inquest and to the police. Henry Peavey, Taylor's houseman; Howard Fellows, chauffeur for Taylor, and Harry Fellows, brother of the chauffeur, and an assistant director also were questioned fully. The District Attorney intended to disclose the results of these interviews.

Mrs. Douglas Maclean and her maid were said to have told the District Attorney's representative that a man they saw near the Taylor home the night of the slaying was not Edward F. Sands, the missing butler, nor Howard Fellows, the chauffeur, who has stated he called at the apartments that night in obedience to orders.

Sheriff's deputies working on the case obtained similar statements from Mrs. Maclean and her maid and have announced their conclusion that "these interviews are a suspect."

Mary Miles Minter, film actress, formerly directed by Taylor and said to have been a close friend, announced she would be called to the stand.

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FRANCE IN ASKING DELAY MAY NOT GO TO GENOA; POSTPONEMENT FORECAST

CAPITAL COUPLES DELAY WITH HARDING'S ANSWER

DIPLOMATIC circles here to-day were saying that President Harding's reply to the invitation to the Genoa Economic Conference will be followed quickly by an announcement of the postponement of the conference from March 8 until May or June or possibly until autumn. The American reply is to be made public to-morrow afternoon at 4 o'clock.

The allied governments, it was said, realize now that they cannot hope for American participation until European nations show a greater disposition to solve their own economic difficulties, and until an explicit understanding is reached regarding the agenda of such a conference.

Allied diplomats here believe that when the American Foreign Debt Commission created by the funding bill shall have worked out a plan on war debts owed to the United States, and when the Senate has passed on the treaties formulated at the Washington conference the time will be ripe for a renewal of the invitation to a general economic conference.

Although the debts to the United States may not appear on the agenda, they will necessarily enter into the deliberations of any such conference, since Europe's economic recovery is impossible until America works out its debt policy. It is recognized that President Harding cannot decide without the collaboration of Congress, and that the Powers must await the decisions of the funding commission and final approval by Congress.

Revenue of \$329,000,000 Seen in Levies Favored by Subcommittee.

WILL CONTINUE 3 YEARS BUT OFFERS SELF-RULE

List Includes Increased Cost in Admission to Theaters and of Tobacco.

Special Dispatch to THE NEW YORK HERALD. The division of the Ways and Means Committee of the House in charge of the problem of finding new sources of revenue to raise the money needed for the soldiers' bonus made great strides to-day, according to several of the members, and the problem has narrowed itself down to one of taxation with the following eight levies practically agreed upon:

An extra tax of 50 cents a thousand on cigarettes, to raise \$25,000,000. A tax of 1 cent a gallon on gasoline, to raise \$70,000,000. Double the tax on theater tickets, to raise \$75,000,000. A tax of \$2 a thousand on real estate transfers, to raise \$20,000,000. An extra tax of 2 cents a pound on chewing and smoking tobacco, to raise \$5,000,000. A tax of one-tenth of 1 per cent on stock and bond transfers, to raise \$4,000,000. An increase in the rates on parcel post, to raise \$20,000,000. An extra cent on letter postage, to raise \$50,000,000.

The committee has decided to split in half the proposed tax on stock and bond transfers because of the protests filed against that assessment. That tax, as first proposed by Chairman Fordney, was one-fifth of 1 per cent. The committee is anxious to find some substitute to continue for three years.

Senator Borah tried hard to-day to get an opportunity to register in the Senate his protest against the proposed bonus. However, he could not obtain the floor, so he will try to get an opportunity to-morrow to denounce the whole proposition "as a move on the part of the Republican party to buy the votes of the soldiers, especially the 2,500,000 who never saw active service."

DESERTS HIS TROLLEY, SAVES WOMAN IN FIRE CONDUCTOR, PASSING, SEES BLAZE; RUSHES UP FIRE ESCAPE

HARRY BROWER, aged 21, of 278 Oswald street, Brooklyn, conductor on a Church avenue trolley car, jumped from his car and climbed up the fire escape of a burning building at 202 Church avenue last night and rescued Mrs. Annie Brown from her apartment on the second floor. The fire started in a store on the ground floor and was spreading when Brower saw it as his car was passing. Mrs. Brown was standing at a window calling for help. Other tenants escaped unassisted.

The fire burned out the store on the ground floor, but was under control before it had caused much damage to the living quarters above.

Off for Pleasure? Good fellowship, true spirit, dignified manners. Thru Pullman, 2:35 P. M. daily. Ad.

MAHATMA GANDHI'S ARREST ORDERED

India Office Begins Stern Measures to Repress Civil Disobedience.

Favors Policy of Evolution, Not Revolution, as Disorders Continue.

LONDON, Feb. 10 (Friday) (Associated Press).—The Indian Government has ordered the immediate arrest of Mahatma K. Gandhi, leader of the non-cooperationists in India, according to the Daily Sketch.

The India Office issued an official communication on Tuesday indicating that it was the intention of the Government to adopt stern measures to suppress the campaign of civil disobedience in India. It adds that "no Government could discuss, much less accept, the demands contained in the recent manifesto of Mahatma K. Gandhi, the Indian Nationalist leader."

India is gradually to take her place as a partner in the British Commonwealth of nations, probably as a federation of provinces. This was the ideal British policy as described by the Secretary for India, E. S. Montagu, in a speech last night. He believed that all that was necessary for the success of this policy was patience and sincerity.

"We are in favor of 'swaraaj' as they call it, within the empire. We will lead them there in the only way we believe they can be successfully led there," he declared. "It is pathetic that those disturbing the peace in India to-day bear on the forefront of their banner the demand for precisely the same 'swaraaj' or self government, but they think they can get it faster by revolution."

"It is by evolution, not revolution, that progress is possible; therefore there is no way of dealing with their efforts except by the rigorous enforcement of the law and the severe repression of those seeking to disturb it."

The British Indian police fired on a mob of 10,000 natives during a serious riot at Tiruvannamalai, about thirty-five miles south-west of Madras, in the Tanjore district, on Tuesday last, killing three persons and wounding eight others, said an Evening News despatch from Madras.

The situation at Rajahmundry and the adjacent villages in the Godavari district, northeast of Madras, is daily becoming more menacing, the dispatch added. Indian Congress volunteers in uniform, armed with bamboo staffs, parade the streets, singing national airs and drilling openly. All this is done under the noses of the police. The women are participating in the demonstrations, rebuking the more backward among the men folk for their lack of enthusiasm.

Dr. Sarat Mukerji, national executive secretary of Friends of Freedom for India, in a statement last night said: "Indian Nationalists are enrolling themselves by thousands in the ranks as a challenge to the British Government's threat of stern repression. Mr. Gandhi's terms of peace, which include the evacuation of Syria by the French and of Egypt by the British, and of the immediate departure of the entire British army from India, were considered impossible by the British Government. As a result the entire program of non-cooperation, including boycott of British goods, civil disobedience and nonpayment of taxes is put into force among the masses."

TO SHIFT HISTORIC SWORDS. WASHINGTON, Feb. 9.—A resolution by Senator Lodge to limit the State Department's remaining "armament" was reported favorably to-day by the Senate foreign relations committee. It would transfer from the State Department to the National Museum the historic swords of George Washington and Andrew Jackson.

NOT READY IN TIME

Will Not Participate if Any Existing Peace Treaties Are to Be Discussed

RUSSIA MUST NOT BALK

Wants Powers to Adhere to Agenda as Fixed at Cannes.

TO KEEP PEACE TREATIES

Conference Must Not Be Allowed to Replace League of Nations.

PARIS, Feb. 9 (Associated Press).—In the note of the French Government to the United States and the Allies regarding the Genoa conference M. Poincare thinks the financial programme which was the outcome of the financial conference at Brussels under the League of Nations may well be taken up at Genoa. In the meantime technicians are preparing a plan of the work in detail. He recalls that it took six months to prepare for the Brussels conference, and says it will be impossible to arrange for the Genoa meeting in a few short weeks. Hence he recommends that the conference be postponed for three months.

Premier Poincare declares flatly that France will be unable to send delegates to the proposed Genoa economic conference if any of the invited governments let it be understood that they do not accept entirely the conditions arranged at the Supreme Council meeting at Cannes in January, precluding any discussion of the existing peace treaties.

It is necessary, M. Poincare thinks, to see whether the Russian Soviet Government is disposed to accord commercial facilities and to give guarantees for the protection of industrial and personal property. The official reply of the Russian Soviet Government to the invitation, Premier Poincare mentions, makes no allusion to the conditions of January 6.

Cannes Conference Decisions. After strongly advancing the principle that the agenda as fixed at Cannes must be adhered to, that the existing treaties must not be discussed and that it must be understood that the delegates by their very presence at Genoa accept this condition, the note criticizes the agenda in that it fails to make clear what it means regarding nonintervention in the interior affairs of States.

It asks whether that means that the Powers would undertake not to interfere in the interior organization of the German Government if the restoration of the Hohenzollerns were involved, or the restoration of the monarchy in Hungary.

"It is necessary to know," says the note, "exactly what is meant by non-intervention; otherwise this clause might be dangerous for the peace of Europe."

The note concludes by saying that first of all the Allies must come to an understanding as to the interpretation of the resolution adopted by the Supreme Council at Cannes, since the practical application of those principles is the first item on the program.

Avoid Dangerous Questions. "The Governments desiring to oppose the conditions laid down on January 6," says Premier Poincare in his note, "will not give warning of their intention. But they would introduce dangerous questions and endeavor to pass them through the holes in the program if it is not prepared rigorously on a plan not open to discussion."

The Genoa conference must not be allowed to substitute itself for the League of Nations in the tasks which the treaty of Versailles attributed to it, the note says, and points out that the engagement to abstain from all aggression upon neighboring States covers cases coming within the province of the league as far as it concerns Europe, which alone is in question at Genoa.

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BUCKET SHOP LOSSES SHUT NATIONAL BANK

R. R. Conroy, Cashier of Institution at Hammond, N. Y., Held in \$25,000 Bail.

SHORTAGE PUT AT \$75,000

Had Accounts With New York Brokerage Houses—Caught in Two Collapses.

ORCHENSBURG, N. Y., Feb. 9.—The Citizens National Bank at Hammond, a village twenty-five miles west of here, was closed to-day and its cashier, Robert R. Conroy, was lodged in the county jail at Canton on a charge of misappropriating the institution's moneys and securities.

Conroy when arraigned waived examination and was ordered held to await the action of the Federal Grand Jury, which convenes at Albany February 14. Bail was fixed at \$25,000, which Conroy was unable to furnish.

Bank examiners to-night worked on the bank's books. It was stated an accurate estimate of the bank's losses could not be made until all the outstanding passbooks had been checked with the bank's records.

One report is that Conroy's shortage is about \$75,000. He is said to have made part restitution with property and securities valued at \$15,000. He was bonded for \$15,000, leaving a net loss to the bank of \$60,000. The bank's capital was \$25,000 and its surplus and undivided profits amounted to as much more.

Conroy was ranked as one of the influential business men of northern New York. He declined to discuss the case.

According to a statement issued to-night by Conroy's attorney, the bank cashier blames a Syracuse bond broker who, he says, induced him to enter into speculation. Conroy, the statement says, had accounts with several New York brokerage houses, two of which collapsed a short time ago. Conroy in these transactions was forced to stand the loss.

Conroy is 42 years old and has a wife and two children.

WOULD FORBID LIQUOR TO SEVERAL GUESTS

Dominion Alliance Seeking to Regulate Homes.

TORONTO, Ont., Feb. 9.—An amendment to the provincial temperance act that would forbid the serving of liquor in one's home to any party of more than three guests is being sought by the Ontario Branch Dominion Alliance.

Representatives of the alliance presented their proposed amendments to-day to Premier Drury and Attorney-General Raney. They also want to curb home brewing, reduce the variety of liquor on sale at the dispensaries and force people with cellar stocks to make annual inventory reports to the Government. Premier Drury told the delegation he would consider their proposals seriously.

Many Pedigreed Dogs Stolen From Estates on Long Island

Frequent thefts of valuable dogs, believed to have been spirited away in automobiles, have aroused the colony at Locust Valley, L. I., to such an extent that their canine pets are being guarded carefully. Owners of pedigreed dogs say the thieves are well aware of the value of the various animals and they are disposed of at high prices to "fences" in other sections.

E. Mortimer Ward, it was learned yesterday, recently has lost a valuable black and tan Pekinese puppy named Tim. Prince, police dog belonging to Clifford V. Brokaw, also disappeared recently from The Elms, in Lattington road, near Locust Valley. Ten high priced dogs vanished from the neighborhood in December and the list grew greater last month, the operations of the thieves extending to Glen Cove, Forest Hills, Kew Gardens and other sections of Long Island.

According to the police, the thieves invariably use motor cars and are good

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Theatrical and Hotel and Restaurants. Advertising will be found on Page 4.—Ad.