

\$1,600,000,000 CUT FROM U. S. EXPENSES BY BUDGET SYSTEM

Indicated in Dawes Report for This Fiscal Period Compared With Last.

INCREASE OF RESERVE

Director's Data Will Be Submitted to the House Committee To-day.

COOPERATION IS PRAISED

Actual Saving Under Executive Control Plan Is Put at \$907,500,000.

Special Dispatch to THE NEW YORK HERALD.

Washington, D. C., May 7.—An actual saving of more than \$1,600,000,000 in governmental expenditures during the fiscal year 1922, as compared with the expenditures during 1921, is forecast in a report to Congress by Charles G. Dawes, Director of the Bureau of the Budget, which will be submitted to the Appropriations Committee of the House of Representatives to-morrow.

Further, Director Dawes expresses the belief, based on the estimates which he has prepared, that the actual expenditures during the year will be \$45,560,286 less than was indicated by the December budget estimate figures of \$3,967,922,366, or \$3,922,372,080.

The report of the Director results from the resolution offered in Congress on February 9 by Representative Byrns of Tennessee asking the President to inform the House of the manner in which reported savings had been made, from what Congressional appropriations and in what amounts.

There are more than ninety closely printed pages in the report. It contains the Byrns resolution, the President's letter to Director Dawes, the report of the directors and page after page of tables and compilations in which not only are all the departments of the Government dealt with but transactions involving supplies and commodities of all sorts, transfers of appropriations and many other things.

Col. Dawes, after asserting that the budget law was a non-partisan product, and that members of both parties in Congress have been affected during the present fiscal year in the conduct of the routine business of government has been the assumption by the President of the United States of his full responsibilities as the head of the business organization of government.

"Some of the agencies for the transmission of Executive pressure, plan and the organization of Executive policy. But the activities of the Budget Bureau may be considered as simply incidental to the change in Executive attitude."

Next Col. Dawes praises governmental agencies and departments for their cooperation. He comes then to his final declaration: "As will be noted in the body of the report, the expenditures of the Government for the fiscal year 1922 have been reduced in a present estimated amount of over \$1,600,000,000 from the 1921 figures. Only a portion of this large reduction in expenditures, however, can be properly attributed to the imposition of a unified plan and policy upon the business organization of the Government."

The report then goes on to deal with the methods by which savings may be determined, pointing out that an appropriation by Congress is simply an authorization of expenditure; that if Congress overestimates the unexpended balance it is not a real saving; that if it underestimates a deficiency appropriation may not necessarily be a sign of extravagance. The Director calls attention to the relation of efficiency to expenditure and says that appropriation limits in the past have failed to effect real economy.

Referring then to the tables which are contained in the report, the Director says that the machinery for investigation is limited and that there is likely to be error in the figures. But for the first time, he says, the governmental business machine has functioned in the present fiscal year with a sense of responsibility, a central control, bringing a marked improvement in the extent of which can only be developed by time.

France Ends 50,000 Jobs, Cuts 300 Million Francs

PARIS, May 7.—State jobs to the number of 50,000 are abolished by decree which appeared in the Official Journal to-day. The public functionaries who are holding these positions are to be gradually relieved of their duties before December 31. The decree says the abolishing of the positions will mean the saving of 300,000,000 francs in the 1923 budget.

DETECTIVE INQUIRY ORDERED BY ENRIGHT

Shakeup Expected in Request for Report on Men's Records of Arrests.

MUST BE READY FRIDAY

Inspector Coughlin to Turn in Two Year Survey; May Eliminate Veterans.

A thorough shakeup in the detective division of the Police Department, to increase the efficiency of the plain clothes force, is expected within a week following issuance of two special orders yesterday by Police Commissioner Enright.

The first order received by Inspector John D. Coughlin asks for an immediate survey of the detective force and the second is a request for the names of all detectives who made arrests for major crimes Saturday, yesterday and to-day. The survey must be completed and in the Commissioner's office by Friday.

The first order is interpreted by members of the Police Department as a sign that Commissioner Enright is not satisfied with the manner in which the plain clothes men are doing their work. It is said that it is an effort by the department head to weed out all men who have grown old and incompetent in the service.

The survey is to cover the records of members of the detective force during 1920, 1921 and the first quarter of the present year. It will grade men also according to their potentialities, particularly those drawing salaries as first grade operators.

MRS. NORTHPROP, NATURE LEAGUE HEAD, KILLED

Mrs. Hirsch, Treasurer, Hurt When Train Hits Motor

Mrs. Alice Northrop, 61 years old, president of the Nature School League, was killed and Mrs. Richard Hirsch, treasurer of the league, was seriously injured late Saturday when the automobile in which they were riding was struck by a New York Central train at a crossing at Mount Kisco, a few miles north of Millerton, N. Y.

Five Shot as Gangs Blaze Away in Midst of St. Joseph Festival

Two gangs with about six men on a side had a gunfight late last night at Thirty-ninth street and Second avenue in the midst of more than 2,000 people who were celebrating the feast of St. Joseph with a block party and dance. More than twenty shots were fired. Three men and two women were hit. Two of the men are said by the police to be members of the gangs. Neither is expected to live.

DANCING CABARETS IS ORDERED BY POLICE TO END AT 2 O'CLOCK

But Patrons May Eat, Drink and View Performance Afterward.

BOLAN ISSUES RULING

Miller, Hylan and Enright Said to Have Received Complaints.

SUPPER CLUBS BLAMED

Many Reported to Have Continued Dancing Until 5 and 6 in Morning.

Habitues of cabarets, supper clubs and dance halls in the White Light district received the second greatest shock of the year early yesterday when a police sergeant went into each and told them that hereafter at exactly 2 o'clock every morning any body caught dancing would be arrested for violating some law or another.

Of course, the biggest shock was when the order against cigarette smoking by women went out from Police Headquarters and caused one sleepless night.

Many persons thought the new ruling was a mistake like the anti-cigarette order proved to be, and they laughed loudly at the police sergeant and at the cabaret managers who tried to explain that the order had been given to them direct from Inspector James S. Bolan of the Fourth Inspection district. But the order held good. Nobody danced after 2 o'clock and the managers said early this morning that everybody would stop dancing at precisely that hour.

Wonder Why Order Comes Now

The Inspector, according to the managers, called their attention to the fact that their licenses call for dancing only until 2 A. M.

Managers of several places said the ruling would not affect them, as they usually closed not later than 1. Perhaps a dozen places, however, are affected by the order. They have been staying open sometimes until dawn.

What mystifies the managers is why the present was picked to make such an order. Things had been going along on a more or less even tenor lately, they said, and, barring the few complaints, ordinary and expected, there had been no unusually strenuous objections.

Inspector Bolan explained to the managers that, while dancing would be illegal after 2 A. M., it would not be necessary either to throw everybody out or to close their places. The customers might continue eating and drinking—but not dancing.

Bolan Calls Managers to Him

It seems that Inspector Bolan asked the managers of thirty of the principal supper clubs and dance halls to his office in the West Sixty-eighth street station late Saturday. As reported by the managers, the inspector said in part: "I am going to have to ask you to see that there is no dancing in your places after 2 A. M. Please understand me correctly, these orders are official. I personally have nothing to do with them. I am simply transmitting them to you."

Borah's Defiance of Bonus Raiders Wins Support

Special Dispatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., May 7. No contribution to the bonus controversy attracted more attention than the reply of Senator Borah (Idaho) to the threats of political punishment made by an American Legion post in his State.

The Senator has received hundreds of requests for copies of his reply, in which he said: "I haven't much respect for the man who buys office, even though he pays for it with his own money. But the most slimy creature which disgraces American politics is the man who buys office by paying for it with appropriations out of the public treasury and charges his venal political obligations to the taxpayers."

CROKER, JR., FIGHTS FOR ESTATE SHARE

Blames Father's Widow for Surprising Estrangement From His Children.

CALLS MIND 'ENFEBLED'

Litigation in Florida Prelude to Bitter Legal Conflict Lasting to 'Finality.'

Richard Croker, Jr., made public a statement yesterday, the first he has made since his father died in Ireland April 29, in which he announced his determination to contest the will of the former Tammany chieftain. He explained that the litigation in the South several years ago was merely an effort of the Croker children to protect their father, but the prospective suit, the grounds for which have not been determined as yet, will be a fight to gain control of part of the estate in which he personally believes he has a right to participate.

"My attitude is this, and I have been anxious to have it clearly understood as far as my activity toward my father is concerned," Mr. Croker said, supplementing the statement. "It was only after I had found that my father had transferred all of his property to his second wife that legal steps were taken in Florida to protect him. The action brought in the South was not for the purpose of getting anything from him."

It was Mr. Croker's belief that his father's will would be made public to-day or to-morrow. He said there would not be much property mentioned in the instrument, as the bulk of the real property, was transferred to his father's second wife some time after their marriage. The parcels that will be mentioned will be few and in this city. Mr. Croker said they are of no great value.

His statement follows in part: "After my mother's death in 1914 my father lived with his children in the family residence in this city. There existed between him and them at that time the utmost affection and esteem. My father was happy and contented and was largely occupied in making plans for the future of his children. In less than two months after my mother's death my father, who was then a man over 70 years of age, married his present wife. He had known her for only a few weeks at the time of his marriage. In that brief period it had not been possible for him to acquaint himself fully with respect to her character or her past life. He accepted her representations of herself as regards her age, her life and her aspirations. When, some years later, the real facts with regard to these representations were made known to him, he was so shocked and enfeebled to comprehend them, and so far removed from his mind, that he could not then change his position."

"Nothing unpleasant or in any way disagreeable occurred between my father and his children until about two years after his remarriage. At that time he gave to his present wife control of all his affairs. His attitude toward his children had undergone a radical change. Instead of the affection he formerly had for them and the confidence he had placed in them, he now became filled with suspicion and hostility toward them. This change had arisen without any reason therefor in the conduct of his children."

"The estrangement between him and them was wholly without foundation and came as a complete surprise to his children and his friends. Only one person had anything to do with this estrangement. The result of it was that in a brief period of time my father conveyed all his property to his second wife, apparently believing that in so doing he was protecting himself against his children. It was only after the children learned of this transfer, which resulted in stripping their father of all his property, that it was decided to bring action in Florida, in order to protect him from himself. At that time it became manifest that the feeling of affection and esteem formerly felt for me by my father had become one of the utmost bitterness. The reason for arousing his animosity in him was clear. I had handled many of my father's affairs in this country for years during his absence. Without destroying his confidence in me it would have been impossible to strip him of his property in the manner in which this was finally accomplished."

"Regardless of the terms of any will that my father may have made I should refuse absolutely to acquiesce in the situation now existing with respect to his property. Whatever rights I have in the premises I shall enforce and an attempt to frustrate the questions involved to a finality."

HARDING'S DECISION ON BONUS SCHEMES IS EXPECTED TO-DAY

Any Other Reply Than Firm Rejection Would Cause Great Surprise.

HIS LEADERSHIP TEST

Smoot to Fight McCumber Plan With Sales Tax Amendment.

BIG BURDEN ON FARMERS

Raid Would Put Tax Obligation of \$316 on Every Farmer in United States.

Special Dispatch to THE NEW YORK HERALD.

The promoters and opponents of the bonus raid on the finances of the country agree on at least one point in the controversy—that in the bonus the President is confronted with the supreme test of his administrative and party leadership.

Opponents of the measure believe the President will reject the latest proposals for commercializing patriotic services; will ignore the supplications of log rolling politicians concerned only with their individual political ambitions and thereby win popular approval for broad-gauged statesmanship.

Every surface indication appears to justify the hopes of the opponents of the project and fears of the advocates that the President will adhere to his previous declarations that the country cannot now stand the stupendous financial drain involved in the undertaking.

Temporizing Would Be Surprise

There would be in fact the greatest surprise if the reply which he is to make to the plea that he approve the McCumber bill submitted to him yesterday is other than a firm declaration that it does not merit executive endorsement on several grounds.

The failure of Mr. McCumber and his associates to provide a practical source of revenue, the proposed drain on the banks through the operation of the certificate loan plan and the effect on the business and taxpayers are some of the objections which the President enumerated in his conference with Senators McCumber, Lodge, Watson and Curtis at the White House yesterday.

Smoot's Proposal Not Drafted

Senator Smoot said this afternoon he had not reduced his paid-up insurance certificate scheme to legislative form. He does not think he will present it to the Finance Committee, but will reserve it for submission to the Senate as a substitute for the McCumber measure when it comes before that body.

Senator Smoot's scheme, while supported by a number of his Republican colleagues on the Finance Committee and in the main body, is not regarded with favor by the officials of the American Legion and other bonus propagandists because it does not contemplate the payment of money down as provided in the McCumber bill.

The Utah Senator has no definite engagement with the President. He said he would await the President's coming and take with him to the White House figures prepared by Treasury and other experts to prove the feasibility of the paid-up insurance method.

Wanted Immediate Cash

Mr. McCumber and the other bonus Senators on the Finance Committee rejected the Smoot proposal out of hand the other day because of the positive declaration of the American Legion officials that they would not sanction any bonus legislation which did not provide for immediate cash to ex-service men entitled to less than fifty dollars.

Mr. McCumber frankly admitted that his bill was framed to comply with every demand of the American Legion. Political leaders and members of Congress who have their eyes glued on the White House believe the President will inform Senator Smoot that while his paid up insurance scheme will presumably involve less hardship to the country than the McCumber plan, it does not meet the obligations repeatedly made known at the White House to all bonus suggestions offered to date.

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TCHITCHERIN REVEALS REAL INTENTIONS AND POLICIES OF SOVIETS

Plans Needed for Reconstruction of Industries, Agriculture and Railroads; Hope Still Placed on America's Help; New Government Conforms to Demands on Hughes's Note, Are Some Replies to Questions From New York "Herald."

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD.

GENOA, May 7.—Three days ago THE NEW YORK HERALD submitted to M. George Tchitcherine, the Russian Minister of Foreign Affairs, ten fundamental questions concerning Russia and her intentions, in an effort to dissipate some of the fog in which the whole Russian question has been enveloped during the conference. M. Tchitcherine has now replied to these questions, and here follow THE HERALD's interrogations and the Russian Foreign Minister's responses to them:

FIRST QUESTION. Just what does Russia propose to do with the financial assistance she is asking from the rest of the world, and how will it change the living and business conditions in Russia?

ANSWER. The billions of dollars spent on intervention in Russia, and which kept Russia in a state of civil war for four years, caused enormous damage to Russia's economic machinery. Russia asks for loans exclusively for purposes of reconstruction; for the restoration of her industries, her transportation systems, her agriculture.

SECOND QUESTION. Does the central Soviet Government in Moscow support the Chita Soviet Government in its attitude toward Japan, and what relation does the central Soviet Government at Moscow consider that it bears to Chita and the other Soviet republics in Siberia or elsewhere?

ANSWER. The Far Eastern Republic, of which the capital is Chita, is not a Soviet republic, but a State with a parliamentary system of government. The interests of the republic, as regards its foreign policy, coincide completely with those of the Russian Government, which is prepared to go any length in protecting the Near Eastern democracy against the attempts of the Japanese imperialists to turn it into another Corea. Unless Japan abandons this idea she will have to look forward to serious complications with Russia in the near future.

THIRD QUESTION. How do you reconcile Russia's course in seeking financial aid from capitalist countries with the original principles of the Soviet Government, which included a general war against capitalism; and has Russia's course at the Genoa conference been consistent with these principles?

ANSWER. We are still acting upon our original principles. On the very first day the Soviet Government was called to power by the Congress of Soviets it launched an appeal for general peace to all the nations and governments of the world. Our policy has been patiently and consistently pacific. But since Russia became an industrial country it has been largely dependent, always, upon the investment of foreign capital. We do not ask for free gifts but for investments and credits upon a commercial basis.

FOURTH QUESTION. Despite the fact that America is not participating in the Genoa arrangements, will Russia be disposed to offer any special encouragement to American investors?

ANSWER. We hold the opinion that American capital is capable of fully availing itself of the great opportunities which are being opened up by the resources of Russia open to foreign enterprise.

FIFTH QUESTION. How is the continued refusal of the American Government to recognize the Soviet Government regarded in Russia, and do you consider that the terms that are now being offered to the Russian delegation at Genoa meet the conditions laid down by Secretary Hughes sufficiently to warrant American recognition?

ANSWER. Irrespective of any action which was taken by our delegation, we believe that the Russian delegation at Genoa meets the conditions laid down by Secretary Hughes sufficiently to warrant American recognition.

Russia Ready to Resist Japanese Aggression in Far East Republic

From these replies made by M. Tchitcherine it will be seen that in spite of the fact that the United States is not represented at Genoa, Russia is not represented at Genoa, Russian hopes are still based upon American coming to the aid of the Soviet Republic. Only American capital, the Soviets believe, will be able to bring Russia back into the ranks of the prosperous nations by availing itself of the tremendous opportunities their country offers to foreign enterprise.

M. Tchitcherine brings this out very clearly and he reveals, too, the Russian belief that in reshaping its legislation Russia has complied with the demands laid down by Secretary Hughes and has therefore afforded the guarantees required for American de jure recognition.

But M. Tchitcherine insists upon separate negotiations between the United States and Russia, so far as American private property rights in Russia are concerned, before such rights can be recognized by the Soviet Government or placed upon an equal footing.

NEGRO REVOLT REPORT EXCITES TEXAS TOWN

Kirvin Quiet After Rumors of Mob Avengers' Raid.

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FRANCE WILL LEAVE GENOA IF RUSSIA'S ANSWER IS EVASIVE

Must Be Straight Reply to Terms of the Allies, Declares Barthou.

AGAINST ANY DELAY

Vice-Premier Says Refusal to Accept May Unite Us Again.

BELGIAN VIEW CHANGING

Rapallo Treaty Referred to in Defense of French Sincerity at Conference.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD.

GENOA, May 7.—The life of the Genoa conference hangs this week on the seriousness of the Franco-Russian sparring. Louis Barthou, head of the French delegation, told Anglo-American correspondents to-day that Russia must answer "Yes" or "No" without delay, but accompanied the statement with optimistic allusions to France's and his own desire for the success of the conference.

The Belgians are reported already to be swinging around to a more favorable turn, but the Russians show every disposition to couple their grudging acceptance of the Allies' terms with a demand for a loan so large that no Government and much less no international corporation or any other corporation can grant it. On the surface it would appear that only a full Russian acceptance can avert disaster. This would appear improbable.

Unity Among Powers

While some observers are tempted to put a pessimistic interpretation on M. Barthou's demands for unequivocality from the Russians, his strong reiteration of friendship for Great Britain more than offsets his brusque tone toward the Russians. Speaking in the French Journalists, he said:

"I must tell you that unity has been complete and despite appearances cordial among the inviting Powers. I have just told the Anglo-American journalists of divergencies among the inviting Powers and I must tell you that those divergencies have not affected our fundamental relations."

"There may have been differences of viewpoint between France, Belgium and Italy, but I must state here that if France's duty was not to choose between two principles she would not have faced the painful necessity of choosing between her friends and allies."

Break Is Up to Soviet

"I tell you that, my friends, in order that you may not forget it. How is the conference going? What will be its issue? I would be a bad journalist and a worse Minister if I shared my feelings with you in that respect. I have a feeling that just at this moment the conference is approaching the end, but that end does not depend upon the inviting Powers or those who have rallied to their sides. It depends upon those to whom we have addressed a memorandum; it is now up to the Soviet delegation to say 'Yes' or 'No,' with no shadows between the two answers. What we want is something definite."

"So, my dear colleagues, it is not the French delegation that will fix the date for our departure. That date will be fixed by the Soviet delegation."

The important feature of M. Barthou's speech was that he implied France would seek to end the conference if the Russian reply was equivocal. Though France is not a signatory to the memorandum to which the Russians must reply. Also it must not be overlooked that the Russians still cling to the nationalization of property, while France and Belgium insist on restitution.

Hence the life of the conference depends on whether M. Barthou and M. Tchitcherine are merely shadow boxing or will hurt one another in the coming week. The Russians now are expected to reply Tuesday.

GENOA, May 7 (Associated Press).—If the Russians do not give a categorical affirmative answer to the memorandum that has been submitted to them, France will not go on with the negotiations, and if no arrangement is made with the Russians the non-aggression pact becomes impossible, said M. Barthou, head of the French delegation to the economic conference and Vice-Premier in the French Cabinet, to the American and English newspaper correspondents to-day.

M. Barthou was speaking of the future of the conference when he made this statement. His exact words were: "If you ask what is coming, I must say I do not know. It is possible, even probable, that Russia by refusing to agree to the memorandum will unite us again."

"It is necessary for the Russians to reply clearly 'Yes' or 'No.' The terms presented to them are precise and clear. If their reply is not categorical, if it is dilatory, if it means

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