

MANCHURIAN RULE TO BE TESTED

General Wu Also Asks \$20,000,000 for Instigating Warfare.

HSU TO KEEP OFFICE

President of China Will Help in Reorganization of Empire.

AIM TO END MILITARISM

Suggestions of Washington Conference Will Be Carried Out.

PEKIN, May 7 (Associated Press).—It is stated that Gen. Wu Pei-fu, commander of the Chi-Li forces, has demanded the dismissal of Gen. Chang Tso-lin from the Governorship of Manchuria and the payment by Chang of \$20,000,000 as compensation for instigating the warfare.

Premier Liang Shih-yi, who yesterday was dismissed from office and ordered placed under arrest, has taken refuge in the foreign concession in Tientsin. He telephoned Acting Premier Chow Tso-chi, defying arrest, saying that if efforts were made forcibly to seize him he would sail abroad. Minister of Finance Chang-Ju and Minister of Communications Yih Kung-cho, who also have been dismissed and ordered arrested, likewise are under the protection of the foreign concession in Tientsin.

The elimination of these three Ministers is regarded as ending Gen. Chang Tso-lin's influence in the Pekin Government. Acting Premier Chow Tso-chi and Dr. W. W. Yen, the Foreign Minister, conferred today with President Hsu Shih-chang regarding the relations of the Government with Gen. Wu. The assurance of Wu that he desires the President to remain in office until his term expires, in October, 1923, is accepted as an indication the Pekin Government will be recognized during his process of reorganization.

Gen. Wu's declaration that he does not intend to mix in politics, but will devote his energies to the study of militarism, as suggested by the Powers at the Washington conference, is said to have met with the President's approval, both believing that the military assistance of China hitherto has been the existence of a million soldiers, who consumed half the nation's revenue and split the country into opposing military cliques defiant of the central Government. Gen. Wu plans to disarm the present army and form a smaller unified army for defensive purposes only.

PEKIN FIGHTING ENDED IF MANCHUS RETIRE

Gen. Wu Will Not Attack Forces of Dr. Sun.

TIENSIN, May 7 (Associated Press).—Gen. Wu Pei-fu, who was in Tientsin today, said no further fighting would be necessary if Gen. Chang Tso-lin's withdrawal outside the central Government. Gen. Wu plans to disarm the present army and form a smaller unified army for defensive purposes only.

WAR IN CHINA JUST BEGUN, SAYS CANTONESE

Mr. Ma in Washington Tells of 150,000 Army.

WASHINGTON, May 7.—Civil war in China "has only just begun," Mr. Ma Soo, representative here of the Canton Government, declared today. The Cantonese troops, Mr. Soo said, have been ordered north to continue the campaign against Gen. Wu.

PATERSON BONDS OFFERED.

Lampert, Barker & Jennings, Redmond & Co. and B. J. Van Ingen & Co. are offering \$750,000 city of Paterson 4 1/2 per cent. school bonds at prices to \$105. The bonds were prepared to take part in the general movement against Wu Pei-fu. The headquarters, he said, are at Shaoquing, near the mountain pass bordering Kwangtung, Fukien and Kiangsu provinces, and Dr. Sun is in active charge, with an efficient military command.

PRESIDENT'S DECISION ON BONUS EXPECTED TO-DAY

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to finance the bonus. He so told his Senatorial callers yesterday. Their reply was that the overwhelming majority of members of the two houses was against the sales tax for any purpose.

Failing in his effort to obtain Presidential sanction for his paid up insurance certificate plan, Senator Smoot will try to have the McCumber bill amended by the Senate—if it reaches that body—by providing for the payment of cash bonuses immediately with the proceeds from a sales tax. There is not the slightest doubt that this suggestion would be beaten in the present state of the Congressional mind.

While bonus Senators generally admit the probability of an unfavorable Executive decision regarding the McCumber and Smoot certificate plans, a few of the more ardent advocates persist in clinging to the forlorn hope that the President finally will heed the cry for political help and suggest a way to win votes for them. Most of the bonus Senators, however, do not cling to this optimistic rainbow.

Just what they will do if the Presidential opinion is as expected is problematic. They will not give up the fight even though every rational and irrational bonus scheme has been fully aired and found wanting. They assert they will be able to recruit votes enough on the Democratic side to force a roll call on the bonus to show they are entitled to the support of the American Legion, to which they concede great political powers.

Prospecting for Advantage. Already they are prospecting around for schemes that will stand a chance of winning Executive approval or of getting by the Senate in any event. There is no question but that they will keep up the fight until the last lingering hope is dead. If consideration of the bonus should be deferred in accordance with the opinion of several Senators the fight for it will be renewed at every favorable stage, not only this session but all those to come.

Rejection of the McCumber and Smoot plans by the President will doubtless open the way for the concoction of other schemes by which it is hoped to get the bonus proposition on the statute books in any form. Once there, bonus Senators have informed officials of the American Legion, it can be amended until the benefits now withheld can be made available.

While waiting for the President's decision on the McCumber and Smoot plans several Senators are seeking information from the Treasury Department regarding the effect of the bonus on the agricultural interests of the country. At their request Treasury experts have worked out estimates to show the relative cost of the McCumber and Smoot schemes.

SEEKING NEW LIGHT ON WALL ST. BOMB

Three Officers Going to Warsaw to See if Linde Was in Plot Here.

Within the next few days Detective Sergeant Clinton W. Wood of the New York Police Department, accompanied by two operatives of the Department of Justice, will go to Warsaw, Poland, to try to find out whether Wolfe Lindfeld, also known as William Linde, really knows anything about the Wall street bomb explosion of September, 1920, or whether the "confession" he is alleged to have made when he was arrested last December was untrue.

Lindfeld, or Linde, is in jail in Poland. He has been there since his arrest in Warsaw by Silvester Cosgrove and Dr. Just Altendorf of the Department of Justice. When he was arrested he talked of the explosion and admitted that he knew how the plot to blow up Wall Street was conceived and the names of the men who planned it.

For a day or two after his arrest there were reports that in a short time the names of twenty men would be in the hands of William J. Burns, chief of the Bureau of Investigation of the Department of Justice, and that the whole mystery was about to be cleared up. But in a few days Mr. Burns said he had not heard from Cosgrove and Altendorf and that he really knew very little about the whole affair.

After that the interest of the Department of Justice in what Lindfeld might or might not know, appeared to lag somewhat. This latest move, the decision to send Sergeant Wood and the two operatives to see Lindfeld, is said to be the first step toward clearing up the mystery of the Atlantic since the man's arrest.

Detective Wood has been in charge of industrial squads for the Police Department for several years and is said to know much of the personalities and workings of the more radical labor organizations. He lives at 23 Greene Street, Brooklyn.

Lindfeld's activities in this city, where he usually was known as "Bill" Linde, were those of the industrial spy and propagandist. He was not trusted either by the Socialists or by the Communists. Leaders of both parties have referred to him as a "four flusher" and as a man who could not be trusted. It is said when he went to Europe in March, 1921, he got \$3,000 expense money and traveled as an agent of the Department of Justice.

EARL FRENCH AT GOLF GAME.

Does Not Play But Enjoys Enticing as Bowler's Guest. Field Marshal Earl French, accompanied by Col. W. T. Gosling and S. S. Lamert, his companions on his trip to this country, went to the Westchester Biltmore Country Club at Rye yesterday as the guest of John McE. Bowman.

Although he is fond of golf, Earl French was content to watch a game between Mr. Lamert and Tommy Armour, the British amateur. Armour fought with Earl French during the war, first with the Royal Scots and later with the Tank Corps. Earl French returned to the Biltmore last yesterday and said he was delighted with the day's outing.

MAN QUESTIONED IN CROWTHER REPLY

Intimates Judge Was Purposely Blind at Friday Night Class Dinner.

WHISKY SET FOR PASTOR Declares Constitution Was Decried in Face of United States Judge.

Special Dispatch to THE NEW YORK HERALD. PHILADELPHIA, May 7.—The Rev. Dr. James E. Crowther paid his respects tonight to Judge Martin T. Manton of the United States Circuit Court of Brooklyn in a "final word" to his congregation in Arch Street Methodist Episcopal Church, concerning the dinner of the Friday Night Class of the Brooklyn Riding and Driving Club, at which, according to the clergyman, whisky flowed so freely that he left without making the speech he was scheduled to deliver.

Judge Manton had said he saw no such scenes as Dr. Crowther described. "I gave the simple truth in my original statement," he said. "There is no need either to repeat or change it. The opinion of Judge Manton is of little value. He was not present when the cocktails were served, and he also arrived after the full view of the tables was obscured by the seated guests."

"I was among the first to enter the room, which was not large, nor were the tables numerous, and had a clear view of the proceedings," he said. "I saw the brown bottles against the back-ground of snowy linen and shining silver."

Judge's Remarkable Blindness. "Judge Manton says: 'It is not true that there was a quart of Scotch on every table.' It is truly remarkable what the Judge could not see. Perhaps he did not see the whisky bottles within reach of his hand, nor the waiters carrying out empty bottles under his nose, nor the waiter responding to my energetic demand that he take away the glass of whisky from me."

"According to the press dispatches the Judge says: 'It is true that liquor was drunk. At least it appeared to me that at one of the tables the diners were drinking liquor, and they became a little noisy. I assumed that they were getting whatever they were drinking from a locker of a member.' The Judge may fool himself with such assumptions, but I am dealing with facts."

"The Judge is generous enough to concede that the clergyman may have seen violation of the Volstead act, but denies that there was any violation of the Constitution. 'Perhaps the officers of the club will inform us how those bottles got on the table without "sale or transportation" and how the liquor could be sold to the banqueters as part of a feast at \$7 a cover without violating the Constitution.'"

"The clergyman's remark made me relative to his concern over the violation of law. Yet it is the only remark the gentleman on my right made to me between his first arrival and my early departure. He says he 'saw nothing that seemed to justify the departure of any speaker with temperance tendencies. I believe he means what he says.'"

"Dr. Johnson said to Beeswell, 'I respect, sir, when every decent person in Lichfield got drunk every night and nobody thought the worse of them.' Which implies that he did not every night, but thirty-six inches."

"The club men, while acknowledging that drinking was going on, deny that it was a feast of Belshazzar. They probably are right in the main. The story and of their own banquet. Turn to the fifth chapter of Daniel and read the story."

WAR OPENS TO-DAY ON FAKE BANKRUPTS

Manufacturers, Cheated Out of \$2,000,000 in New York, Will Pounce.

When Morris Mermick, head of the Houston Wholesale Grocery Corporation of 21 Attorney street, appears today before Federal Judge Augustus N. Hand to plead to an indictment charging conspiracy to conceal assets from a trustee in bankruptcy there will be begun a concerted drive against retail and small wholesale grocery houses, which, it is alleged, have defrauded manufacturers out of at least \$2,000,000 in the metropolitan district in the last three or four years.

Mermick was arrested last March in the office of H. P. Coffin, referee in bankruptcy, 217 Broadway, along with Philip Olschansky, a salesman employed by him, and Louis Weisbrod, a small grocer. Olschansky and Weisbrod subsequently gained immunity by testifying before the Grand Jury.

Mermick is alleged to have sold some \$60,000 worth of goods before going into bankruptcy and with making no record of the sale. He is also charged with having made a written statement to the Corn Refining and Refinery Company last January alleging that his firm was solvent to the extent of about \$40,000 when the Government asserts, he was hopelessly insolvent.

A favorite method for a jobber or retailer contemplating bankruptcy is said to be to order an unusually big consignment of some nationally advertised staple article. His credit hitherto being good the order generally is filled. His bankruptcy follows, but meantime the unscrupulous merchant has sold, probably for several years, and is said to know much of the personalities and workings of the more radical labor organizations. He lives at 23 Greene Street, Brooklyn.

EX-SERVICE MEN SET IN SYRACUSE IN FALL

Pershing and Sims Expected to Head Parade.

William E. Deegan, State commander of the American Legion, has sent out an invitation for every former service man and woman in the State to attend a Legion in Syracuse during the American Legion convention September 21 to 24. This gathering will be the first real reunion of the State," said Commander Deegan. "We plan to have a parade led by Gen. Pershing and Admiral Sims and to have President Harding make a speech. The afternoon of the second day will be devoted to amateur athletics and all of the New York divisions will be asked to send competing teams."

Theodore Roosevelt, Assistant Secretary of the Navy, has been named chairman of the State reunion committee. George S. Wheat of 1 West Thirty-fourth street is secretary.

FINANCIAL EXPENSES REACHED \$1,600,000,000

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make up the latter part of the report the Director says: "It will be noted from the table covering gross expenditures that the estimate that the Director of the Budget, out of total estimated expenditures of \$3,922,372,030 for 1922, classifies only \$1,766,275,372 as being generally subject to Executive control in the operation of the routine business of government. These figures compare with actual expenditures under the same categories in 1921 of \$2,872,455,072.77, aggregated out of a total annual expenditure for 1921 of \$5,538,049,839.30."

"The reduction in the ordinary expenditures for the operation of the routine business of government, generally subject to Executive control in 1922 as compared with 1921 will be therefore in the neighborhood of \$1,907,500,000. As against the enormous total reduction the estimate of economies and savings incident to the new imposition of Executive control over governmental expenditures in 1922 is estimated by the Director of the Budget in this report at the lesser sum of \$250,134,825.03. He feels reasonably assured that this estimate of economies and savings attributable to the new system is an underestimate, but that if an error has been made in this regard the savings and economies are still so large as to vindicate it, and will at the same time substantially offset the policy of the Budget Bureau to have its estimates conformable to the principles of business conservatism."

Indefinite General Savings. "In these figures the Director of the Budget has found it impossible to make any reliable estimate of some indefinite general savings, such as those incident to the corrected system of purchasing which has been established, but which, by the competition between departments and the overlapping and acquiring of unnecessary surplus has been avoided. On the basis of the original estimates of the Director of the Budget, and establishments there have been eliminated, after due consideration of the facts involved, in the neighborhood of \$150,000,000 claimed economies."

"The budget estimates made last fall for ordinary expenditures for the operation of the routine business of government, generally subject to Executive control, were \$1,732,608,215. As compared with this, the present estimate of approximately \$1,766,275,372 in the latter figure there are included new appropriations of \$5,000,000 for payment under the treaty with Colombia, \$1,000,000 to provide for the Brazil Expedition and \$1,500,000 for seed loans, aggregating \$7,500,000, which are not expenditures subject to Executive control in business operations and which should be deducted, leaving the more proper figure for comparison \$1,732,608,215, which is an excess over the budget estimates of last fall of only \$25,747,457, or about 1 1/2 per cent. The excess is less than the figure of actual expenditures under like categories in 1921."

"The grand total of all estimated expenditures for 1922, as shown in the report for 1922 is \$3,922,372,030, a reduction of \$45,550,336 from the budget estimates made last fall and reported to Congress in December, and a reduction of \$1,815,825,230.30 from the actual expenditures for 1921."

System of Reserves. "This statement is the outstanding feature of the report. From the more general subject the Director turns to the system of reserves against appropriations, which he required each department to set up, and as to this he says: "The operations in this reserve fund, both through additional appropriations and through the demonstration of the effectiveness of the new system of Executive control. The original savings reserve first set up was in the amount of \$113,512,832. The addition to this reserve secured through Executive control, after subtracting all reductions authorized by the Executive, amounts to \$30,569,138.31, and had not Congress in the month of March, 1922, authorized the expenditure of \$7,228,841.82 of this reserve as first set up by the navy for other purposes than those originally appropriated for, the savings reserve would now stand at the sum of \$143,171,816.63. As it is, the savings reserve stands at the sum of \$135,942,975.01, a net increase of \$28,430,846.69 over its original amount."

Recalling some of the phrases in the Byrns resolution and the fact that Congress has already transferred about \$200,000 of the reserve, the Director says he would not recommend any transfers to avoid deficiencies in other appropriations and as to the whole of the apparent saving of \$7,228,841.82 that while some of this may be considered real savings there is a portion that are simply "postponed expenditures."

The Director takes up the relation of supplemental and deficiency appropriations to the previous budget estimates. For the fiscal year of 1922 the total of such appropriations, as shown in the report, is \$135,469,467. Of this \$110,857,318 were included in previous estimates, he asserts, more than \$40,000,000 representing nothing more than bookkeeping transactions in the Navy Department "leaving the maximum possible increase in expenditures due to the appropriations herewith requested at \$25,512,222."

Deficiency Estimates. "The supplemental and deficiency appropriations," he says, "do not indicate any material divergence from the estimates of total expenditures for the fiscal year 1922, as shown in the budget figures transmitted to Congress by the President in December."

It is on this same subject that he concludes the written part of his report, thus: "The total deficiency estimates submitted by the Bureau of the Budget, amounting to \$507,764,452.78, contain a number of reimbursements; that is, items which, having been submitted in one estimate and not provided for by appropriations, were again submitted in a later estimate. These reimbursements amount to \$15,955,000.77, which reduces the net amount of the estimates submitted by the Bureau of the Budget to \$491,809,451.91. The appropriations made by Congress during the session total \$274,691,040.00, of which however, \$6,842,431.14 are payable from the postal revenues, and consequently do not represent withdrawal of money from the Treasury. This reduces the total expenditures from the Treasury authorized by Congress in deficiency appropriations during this period to \$367,848,609.38."

The expenditures so authorized by Congress are:

MOTORS KILL FIVE; MARY BADLY HURT

Recent Bride, Walking With Husband in Jersey City, Killed by Taxicab.

THREE BOYS ARE VICTIMS ASBURY PARK MAN LOSES LIFE

When Car Driven by His Daughter Upsets.

Five persons were killed and several injured in automobile accidents in New York and vicinity yesterday and last night. Frank Jaycox, aged 25, and his wife, Mabel, 20, who recently were married, were out walking in West Side Park, Jersey City, last night when a taxicab, driven by William Lynch of 142 Broad street, New York, ran over them and knocked them down. Mrs. Jaycox died in the City Hospital of a fractured skull and her husband is there suffering from a broken right leg. Lynch was arrested on a charge of manslaughter. The Jaycox home is at 322 Varick street, Jersey City.

Alexander W. Farrell, aged 11, a schoolboy of 502 West Forty-eighth street, had been struck by an automobile in front of his home, Patrolman Blackhall of the West Forty-seventh street station, who had taken him to Roosevelt Hospital, reported to his parents that he was dead. Two hours later they were informed by the same policeman that the boy was still alive, but that he was expected to die. The conflicting messages resulted from an error, but the boy died later.

Farrell was playing ball in the street and in trying to catch a fly ball stepped into the path of an automobile driven by Frank Aigell, Jr., of 662 Eleventh avenue. Aigell was arrested.

Killed Getting Off Car.

Alfred Carleo, aged 12, of 564 Boulevard, Astoria, was run down by a motor car as he alighted from a trolley car at Pierce and Varian avenues in Long Island City, and died in St. John's Hospital, William Zeyn of 42 Graham avenue, Long Island City, was the driver of the automobile.

Jerry Grosso, 6, of 2500 Hughe street, The Bronx, who had been stealing a ride on the rear of a motor car that was speeding east on Fordham road, The Bronx, was struck by another car when he alighted in its path near Crotona avenue. Joseph Bachells of 904 Union street, The Bronx, the driver of the car, drove to Fordham Hospital, but the boy was dead when he was recalled.

The automobiles of Fred Langart of 882 Intervale avenue, The Bronx, and Rudolph Heller of 496 East 164th street were in collision yesterday at Westchester avenue and Tiffany street. The Bronx, and three persons were injured. Heller sustained lacerations of the face. Gertrude Silverman, aged 36, of 846 Manhattan street, The Bronx, who had fractured left leg, and Jessie Whitstein, 33, of 916 Stebbins avenue, received lacerations of the left arm and back. The two women were crossing the street at the time and were knocked down.

Loses Life in Upset.

John Vuell, aged 69, of 408 Third avenue, Astoria, was killed when a taxicab, driven by his daughter, Elsie, aged 24, overturned on a road near Cold Indian Springs. Miss Vuell escaped injury.

Gustav Schauf, 45, of 128 Beach street, Jersey City, sustained a fracture of the skull and internal injuries when he struck by an automobile at Beach street and Hudson Boulevard, Jersey City.

John Lopez, aged 9, of 12 Ivy place, Jersey City, was seriously injured last night when run down by a motor car at Grand street and Summit avenue, Jersey City. The car was driven by a negro, who did not stop after the accident. The police are looking for him.

A woman who gave her name as Mary Beyers, but who became unconscious before she could tell her address, was knocked down and seriously hurt last night at Broadway and Fifty-seventh street by an automobile owned by James Harden, 41, a handicraft manufacturer of 41 Broadway, Jersey City, and driven by his nineteen-year-old wife, Mrs. Alvina Harden. Both Harden and Mrs. Harden were arrested by Patrolman Patrick Collins and charged with simple assault because Mrs. Harden had no license to drive the automobile. Mrs. Beyers was taken to Roosevelt Hospital, where physicians said that her skull was fractured and that she was internally hurt. She is not expected to recover.

Congress do not, however, represent a corresponding increase in the expenditures as estimated by the Bureau of the Budget in the December budget, since of the amount so authorized \$24,633,739.90 was included by the Bureau of the Budget in the estimate of expenditures for the fiscal year 1922, as shown in the report. This leaves a total of authorized expenditures from the Treasury in excess of those estimated in the budget of \$109,214,812.61.

"Of this amount, \$60,000,000 of the \$80,000,000 provided in the highway act of November 9, 1921, is expected to remain unexpended at the beginning of the next fiscal year, according to statements made by the Department of Agriculture in excess of those estimated in the budget of \$109,214,812.61, which represents the possible amount by which supplemental and deficiency appropriations granted by Congress during this period may increase the expenditures from the general fund of the Treasury during the fiscal year 1922 over the December budget estimate of \$3,947,922,266, an amount more than offset by reductions in expenditures under other appropriations."

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