

FUNDS IMPERILED, KINSEY CHARGES

Asserts Religious Groups Try to Halt Studies—Accident Rate Tied to Unhappiness

By MURRAY HILLSON

Special to the New York Times. ST. LOUIS, May 6.—Dr. Alfred C. Kinsey charged here tonight that religious and other groups were exerting pressure on Indiana University and the Rockefeller Foundation to end their support of the studies in human sexuality. He did not identify the groups.

He made the charge in an impassioned speech at a dinner session of the American Psychiatric Association's 110th annual conference. Speaking after a sharp attack on his published studies by Dr. Karl A. Menninger, one of the country's foremost psychiatrists, Dr. Kinsey asserted that his views have been "grossly distorted" by his critics.

Dr. Menninger, who was one of a panel of six speakers voicing their views on "Psychiatric Implications of Surveys on Sexual Behavior," had accused Dr. Kinsey of "salvete in his approach" to the investigation of female sexuality as represented by the book "Sexual Behavior in the Human Female."

Dr. Menninger asserted that the book was "a shocking misrepresentation of female sexuality" and that "one does not take at face value what 5,000 talkative women tell him." He argued that Dr. Kinsey had ignored "love" as a vital aspect of human sexuality.

Dr. Kinsey, a member of Indiana University's faculty, told his listeners he was speaking as a biologist. He declared he had been in subject of "shallow criticism" and that he and his associates have had to "fight for funds and the right to do this study."

Accidents, the leading cause of death in childhood, are most apt to happen when mothers and children are unhappy. This was reported last night at the conference. The study, based on research conducted at Tulane University in New Orleans. It was found that an experimental group of children with records of two or more serious injuries was preoccupied with thoughts of death, violence, insecurity, punishment and rebellion.

SARNOFF IS HONORED

Gen. Sean Robert Murphy Also Cited by Bay State Group

Special to the New York Times. BOSTON, May 6.—Brig. Gen.

The City Sales Tax Discussion

Following is the text of the exchange of messages between Mayor Wagner and Harold W. McGraw, chairman of the Joint Conference for Better Government, representing various groups opposing extension of the city sales tax:

MCGRAW WIRE TO MAYOR

May 2, 1934. You are urged by the Joint Conference for Better Government in New York City, which is composed of thirty-seven chambers of commerce, trade associations and business groups to take immediate and definitive action in opposing the deadly 3 per cent sales tax—a tax that would drive business from the city, throw thousands out of jobs and at the same time hoarding money in the pockets of a few officials who introduced it and passed it.

Members of the organizations affiliated with the joint conference in this fight for the welfare of the city, whether they are Democrats, Republicans or Independents, have been overwhelming in their expressions against the tax and that they would hold your administration responsible for it, should it be enacted in any form. These organizations cover, in an active sense, the entire city.

As a man of great political experience, you know that the mass of citizens see the immediate causes of injuries to them, rather than puzzle about their possible background factors. For that reason we are convinced that your efforts to brush responsibility for this vicious tax to Albany is founded on wishful thinking. If you persist in its passage the voters will know that the bill was introduced by your administration, and though you said you "hated" it, that you directed that it be pushed through, even over protests by many of your own Councilmen.

We urge you to exert your leadership immediately by officially destroying this tax threat and the threats it carries to the jobs and businesses of many of your supporters.

MAYOR WAGNER'S REPLY

May 3, 1934. This is to acknowledge your communication of May 2, in which you, on behalf of the Joint Conference for Better Government, protesting the extension of the 3 per cent sales tax to business services.

You are quite correct in representing me as "hating" to impose this tax. You are incorrect in declaring that I am attempting to "brush responsibility for this vicious tax to Albany." I have explained many times, and will do so again here, that the City of New York has only

those taxing powers given to it by Albany. It has no reservoir of taxing powers of its own. I think it is a fair statement that power to tax is a special taxing power. In recent years it is intrinsically obvious. It is equally fair to state that Albany would never think of imposing these taxes itself. One comes reluctantly to the conclusion that these taxing powers for the city were sought for their obvious qualities, while the powers the city did possess, like the personal property tax, or other powers that the city has sought, and which cost the state nothing, have been denied it.

We have been given two choices by the state. One is to impose a tax of a combination of the franchise and punitive taxes assigned to us. The second is to strip ourselves of our statutory reserves and our capital assets to pay current expenses. As business men must know the unsoundness of this. As a government official, I have no alternative. I would say that the state should cry out against continual crises in finances, while using its own superior power to force these crises.

You have asked us not to impose the business service tax. We have spent the last few weeks canvassing the field of legalized substitutes. Many other suggestions have come from outside sources. I regret to say that not one of these additional suggested sources can be put into effect by the city without the calling of a special session of the Legislature. We have our own suggestions for that same special session. The Governor has chosen to regard our request as premature.

We have an obligation to keep the best interests of the city of New York in first-class running order. To do this, we need \$30,000,000 more in funds than the state allows us to retain or collect except through the imposition of taxes like the 3 per cent sales tax and others equally onerous. I regret to state that we have no alternative for that. It has yet appeared, and that being an agreement on a special session and a program for that session, its imposition is seemingly but only present course of action.

We do not want to drive business out of New York City or New York State. It will be costly to business to the city, and to the state. Your cooperation in a genuine non-partisan appeal to Albany would be of great value.

WIDER SALES TAX HELD INEVITABLE

Continued From Page 1

the proposed tax would not be called.

"The State Controller has revealed without contradiction," the spokesman said, "that the city has \$39,000,000 of idle money which can be used presently to balance its budget without new taxes of any kind. Use of even part of these funds, leaving a substantial reserve, would make it completely unnecessary to extend the sales tax to commercial services."

"If the city would carry out recommendations of the committee made by the Mayor's Committee on Management Survey, substantial tax reductions would be possible."

"The business man of New York City, who has the financial resources and is lacking at City Hall, will not be fooled by the Mayor's crude attempt to bludgeon them into diverting attention from his failure to improve city management and achieve economies."

The city's proposed 1934-35 July through mid-September budget of \$1,339,438,025, now in the hands of the City Council for a public hearing next Thursday, takes account of the \$30,000,000 revenue to be obtained from the extended sales tax. State Controller J. Raymond McGowan repeatedly contended that this sum can be provided without imposition of any new taxes if the

WEEK'S SALES DIP 1% FROM '33 LEVEL

Department Store Volume Is Off 3% for Year to Date, Reserve Board Reports

Special to the New York Times.

WASHINGTON, May 6.—Department store sales in the United States during the week ended last Saturday were 1 per cent below those of the corresponding 1933 week, the Federal Reserve Board reported today.

Figures from the board's weekly report on sales by districts follow, in terms of percentage changes from corresponding periods of 1933:

Table with columns: District, 1933, 1934, % Change. Rows include New York City, Boston, Philadelphia, etc.

Weekly Index, without seasonal adjustment (1947-100): 1933, 100; 1934, 99.

Sales Down 4% Here

Sales of New York City department stores in the week ended May 1 were 4 per cent below those of the corresponding week last year, the Federal Reserve Bank of New York reported yesterday. Specialty store sales were down by 2 per cent.

Table with columns: Department Store, 1933, 1934, % Change. Rows include New York City, Boston, Philadelphia, etc.

Shift Concern to Cut Prices

The fall wholesale price of all types of merchandise will be lowered by the Manhattan Shirt Company, it was announced yesterday by Louis Stengel, vice president in charge of sales and advertising. The reduction has been made, Mr. Stengel said, in an effort to help retailers meet the rising cost of doing business.

BUSINESS RECORDS

BANKRUPTCY PROCEEDINGS

THURSDAY, MAY 16, 1934

SOUTHERN DISTRICT

Arrangement Petition

SILVER STRIKE HOUSERY CORP., 1120 Broadway, Voluntary proceedings. Order of the Court. 1934.

CHAS. W. BROWN, Trustee. 1934.

MICHAEL COHEN, Trustee. 1934.

ALFRED E. TERWILLIGER, Trustee. 1934.

THOMAS WALTERS, Jr., Trustee. 1934.

EASTERN DISTRICT

SIDNEY H. GELMAN, Trustee. 1934.

NASSAU & SUPPLY CO. INC., Trustee. 1934.

PHILIP WEINER, Trustee. 1934.

RONNIE BAKER SHOE CO., Trustee. 1934.

Special to the New York Times.

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Table with columns: Commodity, Price per unit. Rows include Rubber, Cotton, Sugar, etc.

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Advertising and Ma

The average American family had \$5,173 to spend last year after all income taxes were paid. This figure was \$66 more than in 1932. It was a new high record.

The figures were reported yesterday by Sales Management Magazine on the basis of a survey of consumer income and buying trends in the forty-eight states. In some states the average family income was well above the national figure.

Connecticut with \$750, was at the top, and Mississippi with \$3,154, was the lowest. New York's Westchester County had an average of \$7,804.

In the line-up by states, following Connecticut, the District of Columbia was second with \$6,544, New Jersey was third with \$6,065, Wyoming was fourth with \$5,878 and Illinois fifth with \$5,662.

Trends: Up

National advertising volume is turning upward, reflecting intensified selling effort by advertisers to hold their own and make gains in a sharpened competition. The latest figures, reported yesterday by Printers' Ink, indicate an advance of 13 per cent in the general index for the first quarter over 1933. February was up 2 per cent and March was ahead by 5 per cent, so that the rate of gain is increasing. Part of this is due to the fact that Easter was later this year than in 1933, which tends to throw off the calendar comparisons. Every division made gains except network radio, which was off 3 per cent in the quarter. Network television was up 46 per cent, newspapers up 4 per cent and total magazines the same.

Cigarettes

Still another cigarette designed for the health-conscious smoker is being marketed by the United States Tobacco Company's Filter Tip King. It is being introduced in this market with heavy advertising in newspapers. A few weeks ago the cigarette, a revised version of the regular-size demoticized smoke with a cork tip added, made its appearance in Washington. Then came Baltimore and Philadelphia. In a few days distribution will spread to New England, with Boston scheduled for an advertising push in June. The product sells for about 30 cents in most

COMMODITY INDEX UP 0.4 POINT WEDNESDAY

The daily index of wholesale commodity prices of the Bureau of Labor Statistics increased to 92.7 of Wednesday from 92.3 on Tuesday. The figure for May 15, 1933, was 88.2. The table below gives the figures for the index and its components for the dates listed, on a 100 for the period

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Now if Submarines I An Advertising Bid

A snorkeled submarine as a breathing device submarine. Nowadays it's a trade name for a top pen manufactured by the Sheaffer Pen Company of Madison, Iowa. A year Sheaffer ran a spot sur what the word meant? Cigarettes. It found 27 per thought of "submarine" day a per cent though "submarine pen" Others know?

Sheaffer set to work in television in national sales, full pages in four papers and newspapers, using in Sunday supplement eight cities. It's a back-to-school drive in part in dealer advertising in cities. Then, it was reported yesterday by Don Reed, the advertising manager, the company took another turn the same Chicago area result. Only 17 per cent failed a snorkeled as a sub 47 per cent called it a fo

New Business

Hamilton Shoe Comp. Louis to Frederick Cline party for its Delmanette Fashion magazines on the Laird & Co. Schoenly to Doyle Dane Bernbach to Duff Baking Mix Corp. Newark, N. J., to Doherty, Greer & Shenfield, to Lortge Company, maker of girls' sportswear, health-Hoffman Advertis

People

Robert Wulhorst, with Kenyon & Eckha Dancer-Fitzgerald-Sample as a media buyer in New York office. Henry A. Lin Jr. elected a vice president of Harold Cabot & Co. in Boston. Bernard Gilwit

Sixth Lord and Taylor PHILADELPHIA, Pa

Lord & Taylor broke ground for its sixth store, a 600 structure at city Belmont Avenue in Lower Merion township, which will contain square feet of floor space on a nine-acre plot, a twenty-five-acre tract developed as the new Bal shopping center. Archibald the store, which is scheduled in operation by early 1935. Fordyce & Hamby, New with Thalheimer & Weitz adelphia as associate an

Joining American M

Edward L. Cushman appointed director of relations of the American Corporation, it was yesterday by George Rom, executive vice president. Cushman is director of the Industrial Relations and of public administration Wayne University.

Silk Deliveries So

Deliveries of raw silk amounted to 4,314 bales the highest figure since 1912, it was reported yesterday by the American Silk Inc. Deliveries in March totalled 8,451 bales a bales were delivered in Ap