LA GUARDIA REJECTS RELIEF DEAL OFFER

KELIEF DEAL OFFER

Turns Down Dunnigan Plan to Block State Inquiry if the Aldermen Get More Funds.

Suggests It Would Be Better

HINTS AT HARM TO LEHMAN

to Cooperate Fully With the Governor and Roosevelt.

Mayor La Guardia has rejected

flatly the offer of State Senate Leader John J. Dunnigan to drop the proposed legislative investigation of relief in the State in return for a pledge by the Mayor to provide additional funds for carrying on the current relief inquiry being conducted by the Aldermanic committee.

The Mayor's refusal of Senator Dunnigan's proposal was contained in a letter written April 9 and

made public yesterday, in the Mayor's absence, at City Hall. It was in reply to a letter written a week ago by the Senator suggesting the plan.

In his reply the Mayor said plainly that he would not approve the appropriation of any additional funds for the Aldermanic commit-

tee, to say nothing of the \$50,000

the Senator suggested. Furthermore, the Mayor wrote, he could see no connection between the proposed State inquiry and the investi-

gation now being carried on by the Aldermen.

The Mayor pointed out that the city relief organization is directly under the supervision of the State

Temporary Emergency Relief Ad-

ministration and of the Federal Emergency Relief Administration,

organizations which are under the control, respectively, of Governor Lehman and President Roosevelt. The Mayor's letter left the clear implication that a State relief inquiry would merely harm the Governor and the President, the leaders of Senator Dunnigan's own political party. The Mayor's Letter. "I have your letter of April 6, 1935," the Mayor wrote. "I cannot advise you as to your resolution in the Senate calling for a legislative investigation of the relief situation throughout the State. That is some-

thing you will have to decide for yourself. Of course, such an investigation would have to include the

manner in which welfare activities are conducted in New York City.

"A committee appointed by me has just completed a survey and has just completed a very helpful and constructive report. In addition to that, a commission appointed by the Governor is making an investigation and survey of relief administration throughout the State. This commission has been in contact with the city administration. All of our records and data are at the

information which they require from any department of the city is cheerfully and promptly furnished. This commission also is making a thorough survey, and I am informed that the report will be submitted

disposal of this commission and any

direct to the Governor as soon as it is completed.
"You ask me to assure you that an additional appropriation sufficient to continue the Aldermanic in-

vestigation will be provided, and not less than \$50,000, and state that in that event you would not move your resolution for a State-wide investigation. I fail to see the con-

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MAYOR REJECTS RELIEF DEAL OFFER

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nection between the two. However, I will gladly answer your inquiry and state that I do not believe any additional city funds should be appropriated for the Aldermanic investigation to which you refer. I want to state that in order to avoid any misapprehension on your part in the matter of your own resolution to which you refer.

"I am sure you know that the administration of relief in the City of New York is under the direct supervision of the Temporary Emergency Relief Administration, consisting of members appointed by His Excellency the Governor of the State. In addition to that we are in constant contact with the Federal relief authorities in Washington. Every project is approved by the State TERA and all expenditures are audited by their representatives as well as the State Controller.

"A great deal of criticism is inspired and directed against relief as such, and not against the method and manner of administration. Naturally, with an undertaking as gigantic as we have in New York City, there are always individual cases, out of hundreds of thousands, that can be picked up for criticism. The Federal Administration and President Roosevelt are entitled to our fullest and unhampered cooperation."

Deutsch Assails Inquiry Critics.

Aldermanic President Bernard S. Deutsch, chairman of the investigating committee, took issue yesterday with a resolution adopted by the United Neighborhood Houses, which condemned the inquiry, and its counsel, Lloyd P. Stryker, charging the investigators with presenting a distorted picture and blackening reputations of "able and fine people."

The Neighborhood Houses do not have first-hand knowledge of relief administration and therefore cannot judge "success and failure," Mr. Deutsch said. They have no idea of what happens between the time the \$240,000,000 a year spent here for relief leaves the Treasury and reaches the precinct stations,

he contended, adding:

"They do not know the inefficiency, waste and incompetence in the administration system, due to the fact that the key positions are held by people many of whom are competent neither by training nor

ability for those positions."

Mr. Deutsch termed "ridiculous" statements by the group that the present Relief Administration was being handled efficiently, humanely and economically. The trouble with defenses of the Relief Administration, he observed, was that they "are largely emotional or based upon personal relationships and loyalty."

"It would be a great service to the city," he continued, "if the United Neighborhood Houses or any other group would attempt to inform themselves as to the truth about relief. They see a part of the picture. They have interest in it from one angle and their opinions are biased by these approaches. It is our duty to inform ourselves upon the whole picture and to consider the problem from all angles.

Oswald W. Knauth, city relief director, said yesterday that friction between his organization and the

Aldermanic committee because of subpoenaing of his aides had been eased as a result of having all subpoenas cleared through his office. So far, he said, the plan had

worked out agreeably.

He also said he would confer this week with experts on the subject of the willingness of home relief recipients to work. He added that was being made smoothing out differences between the local organization TERA.

The board of directors of the Greater New York Federation of Churches aligned itself yesterday, in a letter to Mayor La Guardia, with the defenders of the city relief administration. The letter condemned "carping political criticism" of relief heads, especially Welfare Commissioner Hodson.

"Mindful of the fact which Mr. Hodson would be the first to admit -that there are still serious shortcomings—we greatly resent the fact that he has been subjected to a carping political criticism that has evidenced no purpose in helping to construct a proper relief program and has sought to discredit by distortion and false emphasis," the letter said.

Mr. Stryker, in a radio speech last night over station WMCA, defended the Aldermanic committee and listed its findings to date, including the relief salary rises, since rescinded, and the discovery of such activities as "boon-doggling."

Takes Issue With Smith.

The committee counsel took issue with former Governor Alfred E. Smith's stand on the building of a new Central Park Zoo, especially with his statement that "I don't care what it costs."

"Governor Smith expressed high praise of the Central Park Zoo." Mr. Stryker said. "I do not doubt! at all that the Governor is correct and that these buildings have delighted thousands of children who

have come to visit them.

"I am not, however, debating whether it was a wise course to use the money of the hard-pressed taxpayers for this particular purpose. I do, however, find myself in the strictest possible disagreement with Governor Smith when he says 'I don't care what it costs.' I do care what it costs. Everyone should care. If we adopt the view that we don't care how much a public project costs, then we must forfeit any right to call a halt to profligate and extravagant expenditure."

Home relief families have received \$5,500,000 in cash obtained through adjusted life insurance policies since the Life Insurance Adjustment Service was set up here in 1931, Edward Corsi, director of Home Relief, was informed yesterday. This includes \$500,000 paid

over last month.

As a result of this service, Mr. Corsi pointed out, nearly 10,000 persons or families have been aided in getting off the relief rolls, at least temporarily, with a saving to taxpayers of \$5,500,000.