

WAS OFFERED TAX BONDS

MORE LIGHT ON DAKOTA CASE

Message of Governor Elrod to South Dakota Legislature Reveals Facts That Go Clear to Bondholders. At least they say. The State Accepted \$50,000 of Old Repudiated Tax Bonds and Bring Suit—Give Back the Money, Says Elrod—Taxes Heels Urge Appointment of Webb on Judiciary Committee—Champ Clark Next Leader?

BY W. A. HILDEBRAND. Observer Bureau, 1417 G. Street, N. W., Washington, Jan. 11.

There were some indignant Tar heels here to-day when copies of the biennial message of Governor Samuel Elrod, of South Dakota, were handed around by Senator Klutznick. It was shown that the so-called committee of the North Carolina bond holders, whoever they may be, had not only prevailed upon South Dakota to bring suit for the Schafer bonds, on which North Carolina offered to compromise, feeling that something was due the bondholders there, but that the bondholders later tried to get South Dakota to accept \$50,000 worth of the old repudiated tax bonds and bring suit for the collection of these people a rather stinging rebuke. Regarding the suit which South Dakota has already won and this latest move has this to say:

"Morally, we have no right to one cent of this money and we ought to be brave enough and true enough to give it back. This money was clearly intended for our University. She can use it, but it is tainted money. I would send the money back to North Carolina for her University and appropriate a like sum for our splendid University. It will be no burden on our people.

THE WORK OF SCHEMERS.

"It is entirely plain that ingenious schemers are using our State for private ends. Further, let me call your attention to the following correspondence. It is plain that designing individuals would continue to use the good name of the State of South Dakota to collect the questionable securities of other States.

"New York, March 27, 1905. "Hon. Samuel H. Elrod, Governor of South Dakota.

"Dear Sir:—"The committee of North Carolina bondholders intend to donate to the State of South Dakota (\$50,000) fifty thousand dollars of the bonds of North Carolina, which with interest would amount to about (\$150,000) one hundred and fifty thousand dollars. Will you kindly inform us whether the State of New York, to accept delivery of these bonds, or whether they should be transmitted to your capital.

"Respectfully yours, (Signed) "E. L. ANDREWS," Peire, South Dakota, April 3, 1905.

"Mr. E. L. Andrews, Counsel for N. C. Bondholders, New York City.

"Dear Sir:—"I beg to acknowledge receipt of your letter of March 27, saying that you desire to donate to the State of South Dakota (\$50,000) fifty thousand dollars of the bonds of North Carolina which, with interest, would amount to about (\$150,000) one hundred and fifty thousand dollars. Your kind offer is declined for the reason that it seems to me to be against public policy and good conscience. Yours very truly, (Signed) "S. H. ELROD," Governor.

"The decision, in the case of the State of South Dakota vs. the State of North Carolina, opens up endless opportunities for States to deal in bonds and other obligations of sister States. It is not possible to exaggerate these scandals the corruption of Legislatures and State officials and the possibilities of graft which would follow if States should start to trade in the power behind the decision given them. No State ought to be endowed with the power to speculate upon unenforceable claims of individuals against other States.

"Our State has no bonded debt. Our people are contented, prosperous and happy and we ought to keep North Carolina's bonds out of her hands and not yet recovered from the terrible consequence of the civil war. Let us put ourselves in her place and then let us do as we would have her do unto us. Mr. Clark says: "For such heaped indebtedness was fixed on Southern States by those who overturned both human and divine law to obtain authority which did not exist, and who used the good name and credit of the Southern States by which to obtain money which they never meant to give back."

"I earnestly recommend the repeal of chapter 134 of the session laws of South Dakota, 1901, under which South Dakota received the North Carolina bonds and equipment by reason of which she has been sold to the States that have millions of tainted money in her treasury."

WEBB MAY GET COMMITTEE JOB

It appears likely that a North Carolina man, Mr. Webb, will receive recognition on one of the really big committees of the House: that of committee on the Judiciary. The North Carolina delegation held a meeting this afternoon and unanimously endorsed Mr. Webb for the place and Minority Leader Williams has indicated that he will approve this choice. This committee is one of the big four and of course service on the committee is much sought after by all members. Representative Little, of Arkansas, has been elected Governor of his State and this brought about the vacancy on the committee.

Of course it is not yet known how Speaker Cannon will view the matter. CLARK TO BE NEXT LEADER? Democrats set up tonight when they saw this announcement from The Star: "After weeks of determined effort the anti-Williams Democrats of the House to-day finally secured sufficient additional pledges

HOPKINS SUPPORTS SMOOT IN ST. GEORGE'S HARBOR

FIRST SPEECH FOR DEFENSE

Illinois Senator, in Reviewing Case, Cites Precedent of Unsuccessful Effort to Impose Senator Blount, for Reasonable Correspondence With Foreign Nation More Than 100 Years Ago—Smoot Possesses All Qualifications Spoken of in Constitution—In All Relations of Citizen He is Pure Above All Others—He is a Gentleman and His Own Religion Took Him Into the Church of Jesus Christ.

Washington, Jan. 11.—The first speech in defense of the right of Reed Smoot to the Senate went in by Senator Perkins, of Illinois. Mr. Hopkins took the position and the precedent cited was the unsuccessful effort to impeach Senator Blount, of Tennessee, charged with reasonable correspondence with a foreign nation more than one hundred years ago. The conclusion then, Mr. Hopkins said, had never been reversed and therefore the Senate had no right to try the case, as Senator Blount was not an officer of the United States. Referring directly to Mr. Smoot, he continued:

"It is conceded by the chairman of the committee on privileges and elections that Senator Smoot possesses all of the qualifications spoken of in the Constitution. It is also conceded not only by the able chairman of this committee, but, I think, by all who are at all familiar with the case, that in all of the relations of citizen he is pure above all others. He then asked the question, should he be expelled from this body, disgraced and dishonored for life, a stigma placed upon his children, his own life wrecked and the happiness of his wife destroyed; he is a gentleman and his own religion took him into the Church of Jesus Christ."

Mr. Hopkins sympathized, he said, with the denunciation of polygamy made by Mr. Burrows in his recent speech. It was believed a relic of a barbaric age, and a destroyer of the ideal American home, and he had no sympathy with the practice.

"Never before in the history of the government," he declared with great emphasis, "has the previous life or career of a Senator been held in question and it is to be regretted that should remain in the Senate or not. If members of any Christian Church were to be charged with all of the crimes that have been committed in his name, there is the Christian gentleman in this body who would be safe in his seat."

THE HEPBURN-DOLLIVER BILL

House Committee on Judiciary, by Vote of 9 to 7, Decides Not to Give It Consideration.

Washington, Jan. 11.—The House committee on Judiciary decided today by a vote of 9 to 7 not to consider the Hepburn-Dolliver bill making liquor carriers in interstate commerce subject to the laws of any State it enters. The members who voted against considering the bill were Representatives Parker, of New Jersey; Alexander, of New York; Nevill, of Ohio; Sterling, of Illinois; Birdsall, of Iowa; Foster, of Vermont; Brannon, of Ohio; Brantley, of Georgia; and Jenkins, of Wisconsin. Those who supported the bill were Representatives Littlefield, of Maine; Pearre, of Maryland; Turrell, of Massachusetts; DeArmond, of Missouri; Smith, of Kentucky; Clayton, of Alabama, and Henry, of Texas.

The rivers and harbor bill probably will be reported to the House January 16. Delegations representing the various sections of the country are heard daily by the various sub-committees.

The committee on naval affairs expects to report the naval appropriation bill February 1. It is practically assured it will authorize an additional battleship, but will not authorize the building of the proposed "Dreadnaught."

The House to-day in an hour and 35 minutes passed 628 private pension bills, or an average of 7 bills per hour, which is the highest record ever made before.

The House also passed a bill to increase the limit of cost of five light-house tenders, making the total limit \$200,000 instead of \$135,000. On account of absence of quorum the House adjourned at 1:45 p. m. until Monday.

SERVICE PENSION BILL PASSES.

Three Hours of Debate Devoted to It in Senate—Amended So as to Apply Also to Survivors of the Mexican War.

Washington, Jan. 11.—After two hours' debate the Senate to-day passed Senator McCumber's service pension bill without diversion, after amending it, at Senator Carmack's instance, so as to make it apply to survivors of the Mexican war, as well as to those of the civil war, and so as to prohibit pension attorneys from receiving fees. In the bill "war of rebellion" was changed to "civil war" after some discussion as to what the war of '61 to '64 really was. Messrs. Money, Bacon and Patterson contended that it was a "war between the States," while Mr. Teller said it was either a civil war or a rebellion, and he saw no objection in the word "rebel."

The bill grants a pension of \$12 a month to survivors of the civil war. Mexican war who have reached the age of 62; \$15 to those who are 70 years of age, and \$20 to those who are 75 or over.

TIDAL WAVE CAUSES 340 DEATHS

Devastates Some of the Dutch West Indian Islands.

The Hague, Jan. 11.—A tidal wave has devastated some of the Dutch East Indian islands, south of Achin. The loss is very great. According to a brief official dispatch 340 persons perished on the island of Tena, while 40 are known to have been drowned at the island of Simala.

Boys Attempt to Wreck School With Dynamite.

Roanoke, Va., Jan. 11.—A Wytheville special to The Times says two boys named Lawson and Hartley, to-day attempted to blow up the graded school building at Ivanhoe with dynamite, but their plans were discovered before any damage was done and they were arrested.

Curtis to Succeed Benson.

Topeka, Kas., Jan. 11.—Congressman Curtis today was nominated for United States Senator by the Republican caucus of that State.

The Submarine Boat Algerian Sank.

Chebourg, France, Jan. 11.—The submarine boat Algerian, was sunk near its moorings. No one on board at the time.

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TAIL END OF SHIP IN DISABLED CONDITION

Mr. Graham Introduces Bill to Regulate Railroads—Florida Free Passes to All Except Railway Employees, Their Families and Others Connected With the Roads—A Bill Introduced to Make Unnecessarily Slow Movement of Freight a Crime—A Large Number of Committees Are Announced—Committee of Cities Favors Creation of House Highway Commission for Buscombe.

Observer Bureau, The Holloman Building, Raleigh, Jan. 11.

The third day's session of the House was called to order by Speaker Justice. Rev. Dr. W. C. Tyree, of the Baptist church, offered prayer.

Mr. Dowd submitted the report of the committee on rules, recommending those in force at the last session with some changes, among them being that each Monday the speaker should appoint a committee of three to examine daily the journal before the hour of opening and report to the House whether it was correct; further, that the speaker take the floor at 11 o'clock every day, and that in no case he should be allowed to vote twice on the same question, that is, as a member and a speaker. That no persons except members or officers be allowed on the floor or in the lobby in rear of the speaker's desk except those specially invited by the speaker. That smoking be allowed when the House was not in session, but that the committee on congressional appointments be abolished and that there be a committee on public service corporations and one on the corporation commission in place of the price of the usual one committee.

The rules as amended were adopted.

RESOLUTIONS INTRODUCED.

Morton, of New Haven: To print the journal of the House daily. By Mr. Keell, of Cumberland: With reference to heating and ventilating the capitol.

The speaker announced the ratification of the resolution for the joint session of the General Assembly for the hearing of the Governor's message.

Speaker Justice's bill fixes the rate to be charged passengers on the Southern, Atlantic Coast Line and Seaboard roads at 2 cents per mile; 2 1/2 cents on other roads. A day's work for trainmen and railway telegraphers is fixed at 8 hours. The corporation commission is given full power over the rate of interest.

The following bills were introduced: Stevens, of Union: To amend Section 2634 of Revised, requiring common carriers to tender payment within the time specified, and if a greater amount should be recovered in action than the amount tendered, the carrier shall be liable to the penalty provided in said section.

By Gibbs, of Swain: To modify the law relating to county commissioners also as to county and levy a special tax.

By Young, to amend Section 2748 of the Revised, By Mr. Galloway, of Watauga: To promote education there.

By Gilliam, of Cherokee: To confer on the courts of Bertie power to try both civil and criminal actions.

By Midyette, of Johnston: To allow trial judges in cases of felonious assault to exclude all but court officers.

By McNeill, of Currituck: To confer and enlarge powers of the Fayetteville Banking Company.

By Harshaw: To punish simple assault.

By Bryant, of Wilkes: To repeal the incorporation of Roaring River and by Cowles to promote education in Wilkes.

By Justice, of Wayne: To allow Union county commissioners to remain in session 3 days and increase their pay.

By Laughinghouse: To require the commissioner of agriculture and in cases of agriculture to be practical farmers and actively engaged in that business, and also for the relief of prisoners awaiting trial.

By Brewer, of Wayne: To amend the time of holding courts in Craven.

By Edgerton, of Johnston: To provide strong doors for the House of Commons.

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By Doughton, of Wayne: To validate election of magistrates in Alleghany and to regulate sales of goods in bulk and prevent frauds in such sales.

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Institutions for blind, Stevens, Douglas, Hollowell, Clifford, Dilling, Carter, Eddings, Galloway, of Transylvania, Gaston, Greer, Hanks, Bryant, Rector.

Business for next day at 10:00 a. m. House of Caswell, Koonce, Barringer, Avery, Carter, Brewer, Eyr-

WITH STATE LEGISLATURE

ASSEMBLY SETTLES TO WORK

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