

LOCATES GRAFT SYSTEM HEADS

A Lawyer, a Hotel Proprietor and a High Police Official Get Most of Blackmail.

PROSECUTOR ASKING BLANKET INDICTMENT

Six and Possibly Seven Men Will Be Charged with Murder in Grand Jury Bill.

New York, Aug. 12.—Blackmail extorted from gambling and disorderly houses in New York city is said to find its way into the pockets of three men higher up, who are the real heads of the graft syndicate that provides police protection for a price to the underworld.

Bernard Sandler, counsel for Sam Schepps, the alleged "pymaster of the murder crew," which killed Rosenthal, threw a complication into the investigation of the situation here today by hurriedly leaving for Hot Springs and warning Schepps not to return to New York until he arrived.

Sam Schepps, alleged "pymaster of the murder crew" that killed Herman Rosenthal, is to be held on his arrival here from Hot Springs, Ark., where he was arrested Saturday, as a material witness and not as one of the accomplices, it is stated by District Attorney Whitman. This form of immunity is conditional, however, upon Schepps' willingness to corroborate the stories of Jack Rose and "Bridge" Weber, charging that Police Lieutenant Becker was the instigator of the murder.

Mr. Whitman does not believe Schepps took any part in carrying out the murder plot, but he does think he had knowledge of what was going on and would be able to add links to the chain of evidence against Becker that would help materially in the police officer's conviction.

Neither Rose nor Weber has implicated Schepps in the confessions farther than to say that he acted as paymaster of the murderers and acted as "general handy man" after the murder, while Rose was in hiding. Schepps knew Becker, he said, and heard him give some of the alleged orders "to get" Rosenthal, but was not entrusted with executing them. What Schepps heard is what the district attorney would like to hear also.

The fugitive is expected in New York Thursday in the custody of Assistant District Attorney R. G. Rubin and Detectives Stewart and Thomas, whom the district attorney sent to Hot Springs to bring him back. Mr. Whitman telegraphed Acting Mayor Pettit of Hot Springs that these representatives were coming and requested that Schepps, who fears the New York police, be turned over to no other authority.

Mean while the district attorney, who returned from his week-end at Manchester, Vt., yesterday, has unearthed more interesting facts about Police Lieutenant Becker, whose attitude continues to be one of silent defiance. The latest revelation is the fact that Becker has since December rented a safe deposit vault for the deposit of securities.

The prosecutor at present has no legal right to order the vault opened, but he regarded the fact of its existence so much importance in connection with the allegations that Becker has grown rich out of gambling graft, that for several days he has had detectives on guard to see that the contents of the vault are not withdrawn. Any one attempting to open the box will be held before the prosecutor as a witness in the case and asked to explain the reason for wishing to do so.

The public prosecutor will today ask from the grand jury a blanket indictment against six and possibly seven men. They will include Becker, William Shapiro, owner of the "amusement car," and the car's alleged crew, "Gyp the Blood," and his three thrifty companions. Before the indictments are drawn, however, he expects to have before the jury as witnesses the West Side prison trio, Rose, Weber and Vallon; Richard G. Barter, the notary who witnessed the famous Rosenthal affidavit which Rose says Becker forced from him as the price of police protection from arrest; Sam Paul, the East Side gangster and alleged proprietor of disorderly houses; Max Hochstein, proprietor of a notorious hotel; and Martin Engel, a professional bondsman and tenderfoot character. The list named trio are to be questioned about police blackmail levied on disorderly houses and Becker's alleged profits.

Stevenson to Stamp for Wilson. New York, Aug. 12.—Former Vice President Stevenson has notified the national committee that he would take the stump for Wilson on September 1.

Five Killed by Explosion. Auburn, N. Y., Aug. 12.—Five workmen stored in the cellar of a house were asphyxiated this morning, killing five persons, all Italian.

CANADIAN POLICE LOWER OLD GLORY

Strip United States Flags from Wagon in Circus Procession.

Saskatoon, Saskatchewan, Aug. 12.—Royal mounted police, headed by a number of citizens of this city, caused a sensation in the streets here yesterday during the parade of an American circus, when they stopped the procession and ordered all stars and stripes removed from the wagons, leaving nothing but union jacks floating in the breeze.

Both boots and cheers greeted the police when they were taking down the flags.

SAYS P. O. OFFICIALS TAMPERED WITH MAIL

La Follette Accuses Them of Espionage During Department Investigation.

Washington, Aug. 12.—The senate after five hours work on the postoffice appropriation bill reached an agreement to vote on the measure at 4 o'clock this afternoon.

Discussion of the bill was continued late in the day when Senator La Follette, speaking on a house provision granting to employees of the postal service the right to organize, deliberately charged officials of the postoffice department with rifling his mail in an attempt to delve into an investigation he was making into the postal service.

The Wisconsin senator declared that his mail had been "subjected to an espionage almost Russian in character" and he showed a bundle of letters which he said had been tampered with.

"Absurd" and "ridiculous" are adjectives applied to Senator La Follette's charges by officials of the post office department. It is declared positively that if the senator's mail has been rifled the crime was committed by somebody not connected with the department.

Dr. Charles P. Granfield, first assistant, and in the temporary absence of Mr. Hitchcock, acting postmaster general said:

"We never have heard until now that Senator La Follette's mail has been tampered with. I think the senator is quite mistaken when he charges that officials of the post office department rifled his mail in an attempt to learn the result of an investigation he is making, or for any other purpose. As to the senator's statement that his mail was subject to an espionage almost Russian in character, the charge is absurd, as no one in the post office department has the slightest interest in the replies of the clerks to the senator's inquiries. All mail addressed to members of congress in Washington passes out of the hands of postoffice department when it reaches the senate and house postoffices."

DETROIT COUNCILMEN ARE ARRAIGNED TODAY

Accused of Accepting Bribes or of "Promise to Accept Bribes."

Detroit, Aug. 12.—Detroit's police court took on the characteristics of Viterbo Camorra trial when Edward Schreiter, council committee clerk, and 18 alleged grafting aldermen met today. Confession was unanimously declared by the aldermen, who filled the court room with maledictions.

Detroit, Aug. 12.—The arraignment today of 18 members of the Detroit common council, charged with having accepted bribes or with "promise to accept bribes," was expected to forecast to some extent further plans of Prosecuting Attorney Shepherd in his announced fight to break up the alleged councilmanic graft ring. All of the aldermen are charged with having Reddin in a plot to force the Wabash railroad to pay them various sums for influence in putting through the council a resolution closing a city street for the benefit of the railroad company.

MR. PEARSON MAKES SERIOUS CHARGES

Admits Their Gravity but with Full Sense of His Responsibility.

TUCKER'S AMENDMENT CHANGED AND GARBLED

To Pervert Meaning and Misrepresent Intention of Author—Proof Is Given.

Editor of The Gazette-News: I charged in your paper of yesterday that the resolution of disfranchisement alleged to have been adopted by the republican state committee received less than a majority of the lawful votes in said committee. I now charge with a genuine sense of regret and shame that the resolution, after being amended by the motion of Mr. Tucker of Columbus, was so changed and garbled as to pervert its meaning and misrepresent the intention of its author. These are grave charges and I make them deliberately with a full sense of the responsibility attached to my action. In proof of both charges I submit the following telegram from Mr. Tucker, a member of the committee and a gentleman of undisputed character and unblemished reputation in every walk of life.

"Whiteville, N. C., Aug. 12, 1912. "Richard Pearson, Asheville, N. C. "Ten members present; seven for resolution. I offered amendment which was adopted and appears in the call as last clause; but word 'National' has been inserted, entirely changing meaning.

"L. E. TUCKER. "The Tucker amendment, as adopted, was an invitation to attend the Charlotte convention on September 4, but as printed it is perverted into a requirement upon pain of excommunication that all republicans endorse the action of the Chicago convention in June, including the support of Mr. Taft—the very thing that Mr. Tucker, Mr. Hanes and Mr. Jenkins earnestly opposed.

"Where is the hidden hand that thus attempts in the dark to strike down our rights and liberties and violate the plainest canons of truth and honesty? I make bold to declare to the state committee and to the world that the genuine republicans of North Carolina feel that they are in their father's house; they refuse to be read out or let out or driven out or kicked out by a minority of a repudiated and moribund committee. When we leave we will not go as stragglers or deserters but will go forward and onward as an army with banners, marching as to war with unfaltering steps and uplifted heads, protesting to high heaven the rectitude of our course.

RICHMOND PEARSON. Asheville, Aug. 12, 1912.

FIRST SOCIALIST CHURCH IN AMERICA IS FORMED

Will Have no Creed, Sacraments or Ecclesiastical Affiliations.

Portland, Me., Aug. 12.—The first socialist church in the United States is to begin operations in Portland early next month. It is to be called "The People's Church." Yet it will have no creed, no sacraments, no ecclesiastical affiliations, no liturgy—nothing that usually comes to mind when "church" is mentioned, except prayer and preaching.

The preaching will be from a platform, not from a pulpit. The Bill will furnish an arsenal of texts, and the gospel teachings will be applied to the social conditions under which the people of today are living. It will be a singing church, only the people will not sing "Rock of Ages" and "Jesus, Lover of My Soul," but Ed. Win Markham's "Brotherhood" song, James G. Clarke's "The People's Battle Hymn" and Gerald Massey's "The People's Advent." There will be no form of church membership, no excommunication formalities and no initiation ceremonies, unless some form of baptismal service shall be used as a dedication ceremony.

Thus the leader of this novel movement states his plans. The Rev. Paul Harris Drake, formerly pastor of the Universalist church at Beverly and lately of the Second Parish Unitarian church at Saco, Me., will refer to his members not as "brethren," but as "comrades," and already he has exchanged the dignified pulpit of the Saco auditorium for a soap box in the public square of the city.

Mr. Drake pleads guilty to "the crime of being but 23 years of age." He also admits that it is hard for him to wear "any sort of collar that might be suspected of fulfilling some of the functions of a muzzle." He stands a little more than six feet, he weighs 220 pounds and he looks husky enough to be today the left tackle on the football rush line, which he was at Allegheny college a few years ago. He has decided frankly in favor of Sunday baseball.

HOLT'S SLAYER SHOT BY GUARD

Solomon Shepherd, Who Murdered Engineer in East Durham, Meets Violent Death.

CONVICT REGARDED AS DESPERATE MAN

This His Fifth Effort to Escape—Had Been Shot Twice Since His Conviction.

Gazette-News Bureau, The Hotel Raleigh, Raleigh, Aug. 12.

Solomon Shepherd, a negro who was sent up from Durham three years ago for 30 years, was shot and killed by a guard at a railroad camp near Aberdeen while attempting to escape.

Shepherd was convicted of murdering Engineer Holt of Spencer, the trainman having been shot while his engine stood at a coal chute in East Durham. Reuben Barbee, a white man, was tried for complicity, but was acquitted.

The murder of the engineer caused a sensation in the state and it was reported at the time that railroad men from Spencer would deal summarily with the negro. Shepherd was regarded as a "bad man."

The killing recalls several efforts the negro made to escape. Shortly after entering the prison he was shot and slightly wounded. He escaped from the camp and was shot in the leg. He made another attempt at Tarheel and his final effort was made today.

W. J. Andrews, chairman of the Wake county republican committee, yesterday called a county convention for August 29 and his committee pledged allegiance to President Taft and the Chicago platform. The other organization in this county will meet in convention August 24. Lester E. Butler is chairman of this committee. It is not anticipated that the Taft and Roosevelt forces will get in each other's way when the respective conventions are held.

William Harris, the negro who was arrested in Holly Springs township for breaking into two houses, is not Green McCaddo, the Guilford county negro who escaped from the state's prison last week. Warden Sale stated after taking a look at the prisoner in the state jail, McCaddo and his two partners have apparently made a clean getaway.

A. S. Brewer of Concord, who yesterday assumed his duties as statistical and loan clerk in the department of public instruction, is well qualified for the position. He is a graduate of Trinity college, class of 1912, and has had five years experience as a bookkeeper and stenographer. The young man paid his way through college largely by working the summer months, and Mr. Joyner is satisfied that he will make a good man. He succeeds Chas. H. Mebane.

A charter was issued yesterday to the Southern Christian Publishing company of Elon College, the object being to publish periodicals and do a general publication and job printing business. The authorized capital is \$100,000 with \$25,000 paid in by Rev. J. O. Atkinson and W. C. Wilder of Elon College; Chas. A. Hines of Greensboro; J. W. Johnson of Suffolk, Va., and W. T. Walters of Harrisonburg, Va.

The North Carolina State Optical society, incorporated of Raleigh, has chartered yesterday to encourage a deeper standard in the science of optometry and to diffuse optical knowledge, to safeguard the interests of the profession and to enlighten public opinion. The corporation has no capital stock. The incorporators are Francis M. Jolly, Raleigh; Nathan Rosenthal, Durham; J. W. Taylor, Greensboro, and Louis I. Alexander, Asheville.

Governor Kitchen has made the following statement: "I have just returned from the west part of the state, where I spoke in several of the largest counties on the senatorial contest to large, attentive, and enthusiastic audiences. I am highly gratified at the growth of sentiment in my favor in that section of the state. Conditions are very favorable for me throughout the state and I feel confident of victory in the November primary. I expect the tide which is now running in my favor to increase as the body of the people become interested in the campaign."

SMALLEST BABY Russell Daily, Aged Two Weeks, Weighs One Pound and Eleven Ounces.

Philadelphia, Pa., Aug. 12.—Russell Daily, the smallest baby ever born here, is making rapid strides at the hospital. Now nearly two weeks old, he has attained a weight of a pound and 11 ounces and his length is six and three-quarters inches. Doctors say his digestive apparatus is normal and that he should thrive, barring unforeseen circumstances.

SAYS THE COLONEL WILL GET ELECTORS

Col. W. S. Pearson Believes Republicans and Progressives Are Divided.

Col. W. S. Pearson returned last night from Chicago where he attended the progressive or third party convention and brought back with him the interesting news that a progressive mass convention would be held in this state for the purpose of selecting an electoral ticket for the new party, at a date and in a place to be named later, says the Charlotte Observer.

"For the present," declared Col. Pearson last night, "I am of the opinion that we will confine our efforts to taking care of Roosevelt and Johnson, but this plan may be altered when the republican party acts. There will hardly be any movement towards interfering with plans for the state and county tickets and progressives may vote on these matters as their judgment dictates. Headquarters will be opened today in Greensboro under the general supervision of National Committeeman J. N. Williamson, Jr., and with myself in charge. The progressive state committee, which consists of four members chosen at large and others elected from each district will be called together at an early date to perfect plans looking towards the general mass convention. Definite announcement will then be made as to date and place."

Col. Pearson was jubilant over the action of the progressive Chicago convention, which he said marked the birth of a new party. "We no longer call ourselves 'republicans,'" he declared, "but progressives. The scenes within the Coliseum reminded me of the old-fashioned camp meetings, with the thousands of voices singing such patriotic songs as 'America,' 'Maryland, My Maryland,' 'Dixie' and the religious hymn of powerful appeal, 'Onward, Christian Soldiers.' The delegates were vigorous and united and although the sessions lasted three days, there was not a single roll call. It was indeed a gathering of the states-general."

Returning to North Carolina and a discussion of the situation in the state, Col. Pearson added that the action of Chairman John M. Morehead and the republican executive committee forced the issue to the point that there is no longer any possibility of progressives and republicans traveling along the same road together. He would not venture to suggest either a time or a place for the mass convention, but stated that it would be called within proper time, and that it would be the occasion of a vast outpouring in behalf of the new party.

Asked as to the outcome in North Carolina as between President Taft and former President Roosevelt, Col. Pearson declared emphatically that the republican strength in the state nationally was a negligible quantity. "I do not believe," said he, "that President Taft will receive 5000 votes in the entire state. There are whole districts where he will hardly 'black the board' and as to carrying anything of consequence the idea is preposterous. I have it on the best authority that he will not get more than five votes in Cabarrus, two in Stanley, 10 in Wilkes and not a single one in Mitchell. That Roosevelt and Johnson will receive an overwhelming vote in North Carolina—a staggering one to the hopes of the Taft supporters—is not to be questioned for a moment."

Col. Pearson will leave this morning for Greensboro and will make his home there until after the November convention, save for weekend trips that he will make to Charlotte to visit his family. Col. Pearson was largely instrumental in the management of the Roosevelt campaign in this state prior to the first Chicago convention, a campaign that was characterized by thoroughness and, insofar as the state was concerned, complete success. He is regarded as one of the best posted politicians in North Carolina.

DEMOCRATS OF TEXAS IN STATE CONVENTION

Meet in San Antonio to Approve Ticket and Adopt Platform.

San Antonio, Aug. 12.—A fight is promised at the opening of the state democratic convention here today to elect an executive committee, approve the primary ticket and adopt a platform.

Governor Colquhoun wants the saloons closed early, and a law enabling cities to outlaw saloons, compulsory arbitration of labor disputes, civil service for state employees, a law prohibiting corporations contributing to campaign funds, prison reforms, bonded cotton warehouse, and a general endorsement of the Wilson five-cent tax for Confederate veterans' pension.

Canal Excavation Pushed.

Washington, Aug. 12.—Within one year water will be flowing where great steam shovels are now working on the Panama canal, if excavation continues at the pace set in July, when 2,493,457 cubic yards of rock and earth were removed, compared with 2,219,770 in June.

WILL HOLD UP NOMINATIONS

NO BAN ON JOINING SECRET SOCIETIES

Amendment Intended to Prevent Possible Postal Strike Is Lost.

Washington, Aug. 12.—An attempt to amend the postoffice appropriation bill to prohibit postal employees from joining secret organizations outside of the department was defeated in the senate today, 31 to 29 after a sharp fight, in which the possibility of a strike against the government was freely discussed.

La Follette refused to go further with his charge that his mail had been rifled by the postoffice officials who wanted to know about his investigation of service conditions. Officials declare the charges are absurd.

NOT A TRACE IS FOUND OF THAT DYNAMITER

Girl Says She Would Have Opened Package if It Had Borne Her Name.

High Point, Aug. 12.—Officials are bending every effort to arrest Edward McIntyre, charged with sending an infernal machine to Miss Ollie Hoover, but no trace of him has been found. The girl said today she would have received the package, but that it was addressed "Charlie" instead of Ollie, and she refused it.

It developed today that two expressmen probably owe their lives to failure of the stick of dynamite to explode.

FEDERAL EMPLOYEES NEAR IMPEACHMENT

Hays and Wright's Activities in North Carolina and Florida Are Severely Condemned.

Washington, Aug. 12.—Operations of Assistant Secretary Hays of the department of agriculture in North Carolina with J. O. Wright, a former department employee, are criticized in a report of the Mess committee which investigated the Florida everglades and other similar affairs. A report made public today hints that impeachment proceedings were narrowly escaped.

Secretary Wilson is not condemned for the everglades affair.

GERMANS SKEPTICAL

Do Not Believe Wadley Is Arranging to Finance Cotton Crop at 15 Cents.

Berlin, Aug. 12.—A report that George D. Wadley, president of the Southern States Cotton corporation, was about to come to Germany to negotiate with bankers here concerning financing the cotton crop of the southern states on the basis of 15 cents a pound, is received skeptically by leading German bankers.

They declare they know nothing about the matter, while financial papers believe the report a mere attempt to influence the market.

PARLOR CONVENTION

Small Hotel Room Accommodates National Gathering of Remnants of the Populist Party.

St. Louis, Aug. 12.—A small hotel parlor was the scene today of a populist convention which four years ago required a theater to accommodate the delegates. A platform plank declares for woman's suffrage. A majority of the delegates say neither Roosevelt nor Wilson will be endorsed.

SPENT ONLY \$27,500

Representatives Lloyd Testifies of Democratic Congressional Committee Work in 1908.

Washington, Aug. 12.—Representative Lloyd of Missouri, chairman of the democratic congressional committee of 1908 today told the senate investigating committee, that he had no absolute record of the committee's receipts and expenditures that year, but was certain the receipts were \$27,500 and the expenditures were \$160 less.

No More Southern Federal Appointments Will Be Confirmed Until After Election.

WILSON SURE WINNER

SAY THE DEMOCRATS And They Don't Purpose to Permit Taft Men to the Pie Counter for Awhile.

Gazette-News Bureau, Wyatt Building, Washington, Aug. 12.

Dorcas C. Newberry, whom President Taft recently nominated for collector of customs for district of Alabam, will not be confirmed by the senate during the present session of congress or even next congress if Governor Wilson wins in November. Nor will Collector Small, a negro, be confirmed for the position which he now holds at Beaufort, S. C. A like course will be pursued in regard to all nominations now before the senate, or which the president may send to the body between now and adjournment or any recess appointments he may make during the interval between adjournment and convening of congress in December. At least this course will be followed in regard to all federal positions in the south which are regarded as of any great consequence.

This action was decided upon by a number of leading democrats in the senate at a conference held a few days ago. They take the position that as Governor Wilson is practically sure to be elected, it would be unwise and unfair to give republican officeholders another four years lease on their jobs on the eve of election. If Governor Wilson is elected next November the appointments will be allowed to hang fire in the senate until after Governor Wilson takes his seat in the White House, when democrats will be appointed in their places. On the other hand should the democrats lose these appointments would be disposed of immediately after congress meets December 3.

Representative Doughton returned to Washington yesterday from a visit to his district. He said he found everything in good shape, politically speaking, and that the crops were fine and cattle getting fat. He expects the republicans to nominate some one against him when the republican district convention is held, but whom they expect to sacrifice he does not know.

Congress Session Until October?

Congress may not adjourn for another month, possibly not before the first of October. This was made plain when President Taft told Representative Fitzgerald that he would veto the legislative bill unless it was so amended as to make a provision for the Commerce court. Mr. Fitzgerald told Mr. Taft the present congress would not send such a bill to the White House and Mr. Taft very frankly said then it was up to congress.

An effort will be made to pass the bill over the president's veto. This may be accomplished in the house but in the senate it is not so easy to get a two-thirds vote and small hope is held out for the passage of the bill through the upper body of congress.

Sheriff Menley of McDowell is here in connection with the recent sale of land to the government for the Appalachian park reserve.

Col. W. S. Osborne of Greensboro spent several hours in Washington yesterday.

Senator Simmons made a speech in the senate yesterday in behalf of an increased compensation for the rural letter carriers of the country. He was assisted in his fight by Senator Brewster of Kansas. Senator Simmons has been appointed minority conferee on the part of the senate on the canal bill. Senator Simmons is making a hard fight to have his amendment retained in the bill providing for free American ships and also for the provision prohibiting railroad-owned vessels from using the big ditch.

TAKES WOMEN CAPTIVE

Gen. Salazar Saves Their Lives by Hiding Them During Slaughter of Train.

Mexico City, Aug. 12.—When Ambassador Salazar withdrew with his band of Zapatistas after the slaughter of soldiers and train passengers near Tlucman, he took two young women, whose lives he saved, according to the story of passengers who escaped during the attack by hiding in the underbrush. One woman carried in her arms a dead baby, struck by a bullet during the attack. A column of federalists is in pursuit.

Johnson to Meet Jeanette.

Chicago, Aug. 12.—Jack Johnson, the champion pugilist, said he expected to sign papers today or tomorrow for a 10-rounds fight with Jeanette in New York. Johnson weighs 247, three pounds less than when he started to train for Flynn.

Refined Sugar Lower.

New York, Aug. 12.—All grades of refined sugar were reduced ten cents per hundred pounds today.