

The Asheville Gazette News

CARTER HINTS AT PERSECUTION

Alleged Embezzler, Now in Oklahoma, Indicates That He Will Fight With Hope of Vindication.

GRAND JURY ACTION

A SURPRISE TO HIM

So He Says, but District Attorney Thinks Otherwise—Details of Accusations in Bill of Indictment.

AFTER the east and west edition of The Gazette-News was printed Saturday the federal grand jury at Greensboro returned an indictment charging John H. Carter with embezzlement from the American National bank of Asheville of approximately \$100,000.

GAZETTE-NEWS BUREAU, GREENSBORO, Dec. 9.

In the bill against Mr. Carter there are 54 separate and distinct counts, which in substance allege the misappropriation of the bank's funds, false entries upon the books of the bank to cover these misappropriations, false reports to the controller of the currency, overdrawing of his personal account to the extent of approximately \$10,000, and payment of drafts drawn by companies in which he was interested, and for which no funds were on deposit at the bank of which he was president.

It is asserted that since discovery of Mr. Carter's shortage at Asheville and his resignation as president of the bank he has paid back to its directors approximately \$40,000 of the alleged \$100,000 which he misappropriated. The indictment had been expected for some time by those familiar with the case, it being understood that a delay in the beginning of prosecution was sanctioned by the bank directors that the bank might not suffer from the public announcement of Carter's alleged misappropriation of its funds.

Bank in Good Shape

The alleged misappropriations and defalcations occurred during a period of seven months, from December 27, 1909, to the latter part of August, 1910. In September, 1910, Carter resigned the presidency of the bank and was succeeded by L. L. Jenkins of Gastonia, who is now president and under whose management it is said the bank fully recouped its losses by reason of Carter's defalcations and misappropriations. It is a matter of common knowledge that the stockholders of the bank, which was capitalized at \$300,000, were assessed 40 per cent upon their stock at the time of the discovery in order that the bank might not be forced to close its doors. It is further admitted that Carter was not immediately indicted because of a desire to save the bank and to prevent uneasiness or loss for the depositors. The bank is now declared to be absolutely safe and Carter's indictment was brought at this time because the statute of limitations would have applied in his case within a few months from this date, in some of the counts as early as December 27.

To Be Tried at Asheville.

After the indictment had been presented in open court Judge Boyd signed an order directing the removal of the case to Asheville for trial. The next regular term of the United States District court for Asheville will convene in May, 1913, and it is more than probable that Carter will be placed on trial at that time.

In substance the extended bill of indictment brought charges in 21 separate and specific counts that Carter, while president of the American National bank, deliberately, willfully and wrongfully misappropriated the funds of the bank by drawing exchange drafts on the bank in New York and Baltimore, these exchange drafts being made payable to Carter. It is charged that he put no funds in the Asheville bank to cover these drafts and that they were covered from the directors of the bank by false entries. The other counts charge false entries with a hope of covering misappropriations, false reports to the controller of the currency with regard to the bank's condition, overdrawing of his individual account, one specific instance of a \$5000 check and another of a \$2500 check being cited, whereas, it is alleged, his personal account at the time was largely overdrawn. The data upon which these counts were drawn by the district attorney was furnished by A. E. Lockart, special accountant of the government, who spent several months in investigating the affairs of the bank and in the examination of its books.

Planted Big Banks

John H. Carter might well have been described as a captain of finance, certainly so during the period of his direction of the Asheville bank. He was an organizer in every sense of the word. (Continued on page 2.)

SAYS FOES THWART MONEY TRUST HUNT

Chairman Pujo, in Statement Outlining Purpose of Committee, Alleges Attempt to Discredit It Through False Press Reports—Asks Additional Powers.

Washington, Dec. 9.—The house money trust investigation committee got down to work today after a recess of several months. The program for the next few days includes the calling as witnesses of several New York bankers, among them Jacob H. Schiff, and some representatives of the New York stock exchange. When the committee began the hearing of the money trust investigation today Chairman Pujo made the following statement: "In resuming this inquiry the committee feels that the many unauthorized, misleading and inspired reports that have been circulated concerning its work and plans should be corrected and that the public should be warned against placing any credence in them. There has been a consistent hostile effort in certain directions to embarrass the inquiry. No statements have been or will be made or authorized on behalf of the committee at any time except such as may be officially announced at the hearing. "At no time has there ever been any friction, misunderstanding or difference either among the members or with or between counsel. The utmost harmony has prevailed from the beginning and the reports to the contrary have been sheer fabrications. Nor is there any authority for the persistent published report as to proposed amendments of legislation. The question has never been before the committee and it would be premature to consider it. The committee is not yet in possession of the facts on which to base a judgment. It has barely reached the threshold of the inquiry so that any opinion as to its action is decidedly premature to say the least. "Attention is called to the announcement made at the outset of the hearing last May and since frequently repeated that the terms of the resolution under which the committee is acting cannot be fully carried out unless or until congress shall have enacted the bill that has passed the house and is now pending in the senate, removing all existing doubt as to the power of the committee to inquire into the part, if any, that is played by the national banks in the alleged concentration and control of money and credit. "Meantime the committee will press forward with the other heads of the inquiry with the view of submitting an intermediate report accompanied by such recommendations as may be deemed wise. "The postponement over the presidential campaign was taken pursuant

GAYNOR SUIT SETTLED BY PAYMENT OF \$125,000

Relatives of Man Accused in Savannah Harbor Fraud Make Payment

Syracuse, N. Y., Dec. 9.—The suit of the United States against Colonel John F. Gaynor and other members of his family to recover about \$500,000 alleged proceeds of the Savannah harbor frauds of 1897 has been settled for \$125,000. The decree in the case was signed by U. S. Judge Ray at Norwich yesterday. Colonel Gaynor did not contribute to the settlement, and, according to government attorneys, is practically without funds. William T. Gaynor and Edward H. Gaynor, brothers of the colonel, Annie Gaynor, his sister, and Miss Katherine Gaynor, his daughter, supplied funds for the settlement, the last named paying more than three-fourths of the total amount. Marlon Erwin, special assistant to the United States attorney general, and Edward J. Johnson, an expert accountant who worked on the case from the time indictments were found against Colonel Gaynor, Benjamin Greene and Captain Oberlin M. Carter, claimed to have traced \$446,000 in securities alleged to have been taken from the government through the Savannah contracts. Of the \$446,000, all but the \$125,000 paid in settlement is declared to be the property of the defendants and is secured against further action by the government. Judge Ray's decree gives the government the right to proceed against any new assets which it may discover.

SUES HER HOSTESS

Miss Condon, Whose Biscuit 'Served as Joke' Broke Guest's Teeth—Faces Damage Action.

Paterson, N. J., Dec. 9.—There is no one who has a keener sense of humor than I, but I fail to see the joke in having a hostess serve dog biscuits to a guest. I was deeply humiliated before the other guests, to say nothing of breaking one of my teeth and dislodging the gold fillings in the two others, all of which has since cost me \$35. This is Miss Helen Weston's explanation of a suit for damages which she has just brought against Miss Harriet Condon. The latter says the whole incident was a joke, although she regrets "that Miss Weston's teeth were disturbed."

THE DEMOCRATS MAKING PLANS

M'Combs, Clark, Underwood and Democratic Senators Confer Regarding Politics and Legislation.

TARIFF HEARINGS START IN JANUARY

Majority Leader Outlines His Views as to Program to Ways and Means Committee.

Washington, Dec. 9.—Chairman McCombs of the democratic national committee put in a busy day in Washington conferring with Charles D. Hilles, secretary to the president, Speaker Clark, Democratic Leader Underwood, other democratic leaders in the house and with several democratic senators. Chairman McCombs had a private luncheon with Mr. Hilles. They discussed several questions, particularly the organization of the White House offices. Mr. Hilles has been Mr. Taft's secretary about two years and is familiar with many questions, among them those of precedent, which will be before President-elect Wilson when he enters the White House. The conference was the basis for a report that Mr. McCombs would come to Washington with the new president in an official position. Some of Mr. McCombs' friends said, however, that while he had been offered a place in the new administration he had not decided whether he would accept it.

Democracy's Tariff Work

Democratic members of the house ways and means committee had their first general conference today to discuss plans for the tariff work to precede the extra session next spring. Chairman Underwood outlined his own views as to what should be done between now and March 4 and submitted plans for hearings and for preliminary work on the proposed tariff legislation. Hearings probably will be started early in January, if the suggestions of a majority of the democrats on the committee are followed. While interests affected by tariff changes will be given the opportunity to appear, the hearings will not be extended so as to interfere with early preparations of tariff bills.

BIBLE NOT DIVINE SAYS SUFFRAGETTE

Mrs. Laura Fike Skeptical Because All the Stellar Roles are Given the Men.

Chicago, Dec. 9.—A woman cannot be a conscientious Christian and a suffragist also because of man's monopoly of the Bible and religion, said Mrs. Laura Fike, business manager of the Working Women's home, last night, before the woman's party here. "We cannot accept the Bible as a divine inspiration because it features the male sex in everything almost to the exclusion of the female," she continued. "In the Bible that we know God is represented as a man, Christ as a man, the apostles as men, and the angels in heaven as men also. In it women are commanded to obey their husbands. Suffragists cannot accept the Bible literally as a divine inspiration. We must see that it was written by men at a time when women were their chattels. The position given women in the Bible has kept them from their rights as the equals of men. The Bible needs revision. It is not up to date."

Ginners' Report Shows Activity.

Washington, Dec. 9.—With a total of 11,844,432 bales of cotton of the growth of 1912 ginned to December 1, activity in the cotton belt during the period from November 14 to December 1, was greater this year than it was last year, when the country's greatest cotton crop was being prepared for market. This year the ginnings per working day for the period amounted to 102,955 bales, compared with 100,238 bales last year.

Mauretania Safe.

New York, Dec. 9.—No confirmation of the published rumors of an accident to the Mauretania has been obtained here or at Queenstown. On the contrary the vessel reported by wireless at a distance of 200 miles west of Brownhead at 11:30 last night and no mention was made in the despatch of an accident of any kind. The Mauretania sailed "all well" at 10:55 on Sunday morning from Queenstown.

Mexican Release U. S. Marines.

San Diego, Cal., Dec. 9.—The two marines attached to Admiral Sutherland's fleet who were arrested by the Mexican people in Tijuana, Mex., yesterday after a street fight with a Mexican police in Tijuana, Mex., yesterday, were released.

COMMISSION WINS IN SUPREME COURT

Chicago Stock Yard Business Held to Be Interstate Commerce and Under Control of Federal Body—Commerce Court's Decision Is Over-Ruled

Washington, Dec. 9.—Jurisdiction of the interstate commerce commission over the Union Stock Yards and Transit company of Chicago was today upheld by the Supreme court, which sustained the commission's right to bring suit to have the company's contract to pay \$50,000 to Pfalzger & Sons, packers, for creating a plant adjacent to its track annulled as amounting to a rebate. On the theory that Chicago stock yard business was interstate commerce, the interstate commerce commission began an action in the Commerce court to enjoin the Union Stock Yard and Transit company, the Chicago Junction Railway company, which operates the transit company, and the Chicago Junction railway and United States Stock Yard company, which holds the stock of the other two companies, from engaging in interstate commerce until they had filed tariffs with the commission. It also asked to have the contract with the firm of packers cancelled. The Commerce court held that the Chicago Junction Railway company was engaged in interstate commerce and so required it to file tariffs, but dismissed the action as to the other companies. Justice Day in announcing the Supreme court's opinion said that the Commerce court had erred in holding that the Union stock yard and Transit company had expended itself from the operation of the federal law, by leasing its property to the railway company. Instead of changing the case back to the Commerce court for further decisions the Supreme court instructed the lower court to enter a decree enjoining the carrying out of the Pfalzger contract.

REPUBLICAN SPEAKERS LEAGUE IS ORGANIZED

Early in 1913 Active Work for Rehabilitation of Party Will Begin.

BIG GUN BURSTS

No Casualties When Muzzle of 14-Inch Weapon Is Shattered at Sandy Hook.

Atlantic City, N. J., Dec. 9.—A new 14-inch gun burst today while being tested at the Sandy Hook proving grounds. The muzzle of the gun was blown 100 yards. No one was hurt. Attached to the proving grounds declined to discuss the explosion pending an official investigation. It was considered remarkable that no one was hurt, for there were more than a dozen men near the great gun when it burst.

CONTRACTOR KILLED

J. L. Hunnicutt of Chattanooga Run Down by Freight Train at Greenville, S. C.

Greenville, S. C., Dec. 9.—J. L. Hunnicutt of Chattanooga, Tenn., senior member of the railroad contracting firm of the same name, was instantly killed by a freight train of the Southern railway here today. The accident occurred in an under pass being built by the Piedmont and Northern Interurban road one mile outside the city.

STILL SEIZED

Revenue Men Have Captured 10 Since Saturday in This State and Virginia.

The men under Internal Revenue Agent R. B. Sams have been doing some rather good work during the past few days, reports of the seizure of 10 illicit distilleries throughout the district having been received since Saturday. The raids lately have not usually resulted in getting a large number of plants at one time, but the reports of single seizures have been coming in regularly almost every day and the record for the month promises to be a big one.

Shot by Girl Relative.

Ashburn, Va., Dec. 9.—Tan Blehorn, who was a close friend of Miss Minnie Marchant, the young woman who died at her home here recently after having been in convulsions for four days, was shot and wounded on the street here last night.

Recommends Change.

San Francisco, Dec. 9.—United States Senator George E. Chamberlain of Oregon, a member of the senate special committee which has been investigating the national soldiers' home at Sawtelle, said here yesterday that he would recommend that the control of the institution be taken from the federal government and placed in the hands of the war department. Senator Chamberlain is en route to his home in Oregon.

Brothers Asphyxiated.

Fall River, Mass., Dec. 9.—Two brother, Louis and Peter Pazo, both middle aged bachelors were asphyxiated in their apartments here last night when a gas fixture became loose. Peter had planned to leave today for a long trip abroad.

WANT TO SAVE JOBS IN SOUTH

Democrats to Oppose Confirmation of Taft's Judicial and Postoffice Appointments in Dixie.

WON'T MAKE FIGHT IN NORTHERN STATES

Where Republicans Control, Judiciary Committee Don't Purpose Interference.

BATTLESHIPS COST MORE UNDER EIGHTHOUR LAW

Naval Constructors Estimate Is Advance of \$38 a Ton—Progress Rapid.

WARDAMAN'S COMMENT ON BLEASE'S SPEECH

Says Thousands Harbor a Feeling Close Akin to that Expressed by South Carolinian.

STATE FARMERS' UNION TO CONVENE TOMORROW

Eight Hundred to 1000 Delegates and Visitors Are Expected in Raleigh for the Event

AGLES CAPTURED

Oklahoma Farmers Think They Carried Away Infant—Lamb and Pigs Killed.

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SEVERE STORM HITS THE EASTERN COAST

Norfolk, Va., Dec. 9.—A severe northwest storm struck the coast here today. The wind reached a maximum at Capt Henry of 53 miles an hour and 48 miles an hour in Hampton Roads, where a number of vessels dragged anchor, but none was damaged.

Arbach Guilty of Murder.

Baldwin, Mich., Dec. 9.—A jury in the circuit court yesterday declared O. M. Arbach guilty of first degree murder for the shooting of his partner, Harry Fisher, a Chicago business man. Fisher was killed in the woods near here last September while the two men were on a hunting trip. Fisher's life was insured for about \$50,000, the policy being made payable to his wife. It was the theory of the prosecution that friendship between Arbach and Mrs. Fisher was the motive.

Robbed of \$50,000.

Chicago, Dec. 9.—Joseph Merochnick, a diamond importer of 73 Nassau street, New York, was robbed of \$50,000 worth of unset diamonds and \$7,000 in currency here last night by two negroes, according to a report he made to the police. Mr. Merochnick was beaten over the head and one of his hands was slashed with a knife. His car was in which he wore a diamond pin was cut off.

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