

STATE SOLONS OPEN SESSION

Democrats in Caucus Choose George W. Connor of Wilson as Speaker of House.

LEGISLATIVE PLANS OF MOST IMPORTANCE

Outline of Subjects on Which Enactment of New Laws Will Be Proposed.

Special to The Gazette News. Raleigh, Jan. 8.—With members wearing white carnations, both branches of the North Carolina general assembly convened today at noon and promptly organized for business.

The house and senate notified Governor Kitchin of their organization and informed him of their readiness to receive suggestions.

The senate was called to order by President pro tem. Pharr of Mecklenburg, Rev. M. A. Barber, rector of the Christian church by singing divine services.

With the selection in caucus of house and senate nominees an overwhelming majority of the 1913 general assembly, prepared for the business of the session which began today at noon.

George W. Connor of Wilson was unanimously nominated speaker of the house, he being nominated by H. E. Wood of Lenoir, W. E. Wetherthorpe of Scotland Neck seconded it and J. Frank Ray of Macon moved the nomination be made unanimous.

T. G. Cobb of Morriston was re-elected principal clerk without opposition, but W. W. Wilson of Wake who seemed to have the place of reading clerk clinched, was defeated by Alfred McLean of Harnett, 51 to 25.

J. H. Morning of Wake was elected sergeant-at-arms on the second ballot over George L. Kirkpatrick of Lenoir and D. H. James of Johnston. E. J. Jenkins of Granville was selected for assistant, M. D. Kinsland of Haywood was re-elected enrolling clerk.

The house was called to order for the caucus by T. C. Bowie of Ashe, J. A. Long of Albemarle acting as secretary. Upon Mr. Connor's nomination E. A. Duncanson of Alleghany, E. H. Wooten of Lenoir and J. C. Sykes of Union were appointed to escort him into the hall.

SEA TRADE SWAYED BY SHIPPING TRUST

Witnesses Inform House Committee that London Directors of Ocean Lines Can Absolutely Dominate Movement of Commerce—Ports Apportioned.

By Associated Press. Washington, Jan. 8.—Further testimony about the so-called shipping trust between the United States and South America was given today to the house merchant marine committee.

William Lowry, South American agent for the Pan-American Mail line, which it was claimed, was driven out of business by the "trust" testified how large shippers declined to use the new line for fear of losing their rebates from the European lines.

"The idea that the ocean is free is about as big a fallacy as exists in America," testified William H. Douglas of Arkell & Douglas, large exporters to South America and Europe. The steamship lines, German and British, were in combination having the ocean under stricter control than any combination ever had any trade between the states, he added.

"The men who sit in London controlling these lines can throw contracts for goods to any country they please, simply by lowering or raising rates," Mr. Douglas testified.

"We are at their mercy unless we go into the steamship business ourselves without knowing the vicissitudes of the trade, as our New Orleans friends did, to their sorrow."

Mr. Douglas believed the German, English and other foreign companies had international agreements by which they parcelled out ocean ports of the world without particular regard to the nationality of the operating company.

He said Africa and Australian trade was arranged on the same basis as South American trade. He was interested in the United States and Australian Steamship company that did not ship its goods by that line. Business was divided among various lines by a "gentleman's agreement," he said.

There were no rebates in the Australian trade, he said. Trade to India, China, Japan and other eastern nations, said Mr. Douglas, had agreements giving practically uniform rates.

MURRAY URGES BANK REFORMS

Comptroller Declares National Banking Law Is Inadequate and Inspection Methods Superficial.

TAFT AGAIN ASKED TO GIVE INFORMATION

Committee Promises to Hold in Confidence Comptroller's Disclosures of National Bank Affairs.

By Associated Press. Washington, Jan. 8.—Criminal statutes to prevent bank officers accepting "personal compensation" for loans from their banks, regulation of loans by banks to their own officers and directors, and a sterner method of national bank examination were among the monetary reforms endorsed today by Comptroller of the Currency Lawrence O. Murray before the house money trust committee.

Mr. Murray testified that the acceptance of "personal compensation" by bank officers from borrowers was a growing evil that called for imperative action. It is on the firing line now, legislation to prevent bank stockholders transferring their stock to irresponsible persons when an institution was on the verge of failure.

Mr. Murray declared the banking law "inadequate and ineffective" and that the present system of national bank examination was "superficial and ineffective."

President Taft's refusal to permit Mr. Murray to make special investigation of national banks for the committee was taken up and counsel for the committee proposed to hold confidential information which the comptroller thought it unwise to publish.

Comptroller Lawrence O. Murray was the principal witness today, Samuel Untermyer, counsel for the committee, said that without the information he desired to secure through the comptroller's office it would be impossible to conclude the investigation.

With the present comptroller in a position where he will not supply the information the committee contemplates asking the new congress which will convene March 4 to authorize a continuation of the investigation through the special session. Then the committee plans to go the new administration and ask the comptroller to furnish the desired information.

The house money trust committee in executive session last night made plans for dealing with two reluctant witnesses, William Rockefeller and George G. Henry of the firm of Solomon & Co., bankers, New York.

Wm. Rockefeller Physically Wrecked Says Physician

Must Be Silent for Remainder of His Life Because of Throat Trouble, Dr. Chappell Asserts, and Possibly Cannot Undergo Written Examination.

By Associated Press. New York, Jan. 8.—William Rockefeller never, probably, will be able to appear as a witness in the finance inquiry conducted by the Puff committee at Washington, in the opinion of Dr. Walter F. Chappell, his physician. The only way he could answer questions on the witness stand would be in writing, for speech might result in strangulation, so serious is Mr. Rockefeller's throat, according to the physicians' statement, published here today.

Passed as Girl 18 Years; Arrest Reveals Secret

Victor, Col., Jan. 8.—After masquerading as a girl for 18 years the sex of Irene Moynahan was learned yesterday. He was arrested in La Junta by the sheriff, who, because of his masculine appearance, decided he was a boy in girl's clothing. Irene was on his way to visit his father in Bisbee, Ariz.

Until the holidays Irene had been a student in the Victor High school, and all of his life had passed as a girl. Mrs. Moynahan, when told that her son had been arrested and that his sex had been discovered, stated that she had always passed him off as a girl because of her disappointment in having two sons. Not even her husband was aware of the boy's sex, she said.

This was borne out by the discovery of a letter in the boy's effects. The letter was addressed to his father in Bisbee and declared that the mother was "sending a son to him as a New Year's gift."

TARIFF ON POTTERY WON'T BE LOWERED

House Ways and Means Committee Convinced Foreign Competition Is Keen.

Washington, Jan. 8.—Democratic Leader Underwood indicated today that the house ways and means committee would stand for retaining the tariff of 55 and 60 per cent on pottery. He announced that testimony had satisfied the committee of highly competitive conditions of the industry in Europe.

William Burgess of Trenton, N. J., discussing the pottery industry before the committee, said the average profit, because principally of labor cost, was less than six per cent. He insisted that there was no combination in the industry and that pottery peculiarly needed protection. He testified that labor in American pottery plants cost 244 per cent more than in Austria.

Washington, Jan. 8.—The second lap of the tariff revision hearings before the house ways and means committee was reached today when the committee took up schedule "B"—earths, earthenware and glassware. There is no democratic bill serving as a basis for this schedule, as in the case of the chemical schedule and the arguments today were aimed directly at any changes in the present earthen and glassware schedule of the Payne-Aldrich law.

LARGE SAVING MADE POSSIBLE

To Government by Work of the Economy Commission, Says President in Message.

ASKS APPROPRIATION TO CONTINUE INQUIRY

Says Every Department and Office Should Be Submitted to Painsstaking Investigation.

By Associated Press. Washington, Jan. 8.—Congress was asked to appropriate \$250,000 for continuing the investigation of the commission on economy and efficiency into the executive departments of the government in a special message today by President Taft.

The president points out that "there is no greater service that can be rendered to the country than that of the continuance of the work of the commission until some form of organization is provided for continuously doing this kind of work under the executive."

The president expressed the opinion that the technique and procedure of every branch and office of the government should be submitted to the same painstaking examination as that given those on which reports have been made. To do this, however, the president says, that ample funds must be provided and he asks that congress make the \$250,000 appropriation by March 4 for the incoming president.

Will Enable Big Saving. "In my opinion," says the president, "this is not a matter in which the congress should assume that public money will be wisely spent. At a total cost of about \$220,000 during the 21 months covered by the work of the commission, facts have been developed and recommendations have been made that if followed up will result in savings of millions of dollars each year. This has been done under the handicap of inadequate funds and uncertainty of continuation which interfered with the making of plans which could not be completely executed within a few months. It would be very much to the advantage of the administration if the president were authorized to spend whatever amount he may deem to be necessary within the next two years, the only condition attached being that he render an account of expenditures."

Referring to the fact that it has not been possible for the commission to make final detailed reports on more than a few of the hundreds of offices in Washington, the president says the reports submitted will serve to illustrate the character of results which may follow an extensive investigation of office technique and procedure.

Cost of New York Offices. "It is further to be noted," continued the president, "that the offices which have been reported on are those which have been frequently under scrutiny. From what is known of the offices outside of Washington it is thought that it is in this field that the largest opportunity for economy will be found.

"As illustrating the relative importance of service outside of Washington, it is of interest to note that the cost of clerk hire at the New York post-office alone is more than that incurred in the department of war, navy, state, justice and commerce and labor at Washington; that in the custom house at New York the cost of clerk hire is greater than in any department at Washington."

Pinchot Sees New Battle Ahead for Conservation

By Associated Press. Washington, Jan. 8.—"One of the great battles in the fight for conservation is just ahead," declared Gifford Pinchot at the annual meeting here today of the American Forestry association. He referred to a movement which he said was on foot to wipe out the old dividing line between state and national action in conserving natural resources and to turn the national forests over to the states.

"Behind the striking horse of states' right," said Mr. Pinchot, "there is preparing a most dangerous attack on the whole policy of conservation. It is an attack in which the high principles are fighting side by side with men whose principles live in their pockets and for that reason it is doubly to be feared."

"From the beginning it was upon the forest service that the burden of defending the conservation policy chiefly lay," said Mr. Pinchot. "The conclusion is on the firing line now. Its defeat would mean the defeat of the whole policy of conservation."

The association concluded its convention with the election of officers. The house money trust committee in executive session last night made plans for dealing with two reluctant witnesses, William Rockefeller and George G. Henry of the firm of Solomon & Co., bankers, New York.

Chairman Puff announced that the committee decided to procure the services of a competent specialist in throat diseases to examine Mr. Rockefeller and verify the certificates of illness filed with the committee from Dr. Walter F. Chappell, Mr. Rockefeller's personal physician, and Dr. Samuel W. Lamont.

In the case of Mr. Henry, the committee prepared forms to be submitted the full committee, charging him with contempt. Mr. Henry refused on the stand yesterday to reveal the names of national banks and national bank officers who had a share in the syndicate flotation of the California Petroleum company. The bank officers made a profit of \$5,000 and the banks a like amount, Mr. Henry said, without putting up any money or even taking possession of the stock allotted to them.

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COUNSEL ARGUING IN PAQUIN CASE

Cast of State Rests on Evidence of D. S. Reed—Dr. Paquin on Stand.

The trial of Dr. Paul Paquin on the charge of writing a prescription for whiskey illegally began in Police court this morning and several hours were taken up in the hearing of evidence, the arguments in the case beginning shortly before 1 o'clock. A recess was taken and arguments resumed at 3 o'clock.

The case of the state is based primarily on the testimony given by Daniel S. Reed, to whom the prescription was given, and this testimony was to the effect that he represented to Dr. Paquin on December 6 that he had a cold, had used a mixture of whiskey and glycerine for a cough, from which he said he was suffering, in the past and the prescription was then given him. The prescription in the original was displayed and was that it was to be taken with glycerine.

The only other evidence offered by the state was after the case for the defense had been rested and then Sergeant F. L. Conder was sworn and the records taken from the Langren drug store and Grant's pharmacy since June 1, 1912, were introduced to show the number of whiskey prescriptions written by Dr. Paquin during this period. This showed a total of 289, and the total number written by all the physicians of Asheville during this same period was estimated at about 5550.

The case for the defense was based on Dr. Paquin's testimony and the testimony of a number of reputable physicians of the city. One of the main points emphasized was as to when a man becomes the patient of a physician, all the testimony given being to the effect that he is a patient when he applies for aid. The other main point was as to whether a whiskey prescription is a reasonable one for a man suffering with a cold and this was the general opinion of those examined.

Reed admitted on cross-examination that he really had a cold when he went to Dr. Paquin for the prescription and is still suffering with it. He did not deny that he coughed while in the presence of Dr. Paquin, although he said he did not undergo a physical examination. He also admitted that Dr. Paquin asked him what his reasons were for wanting whiskey, and was assured that he had used the remedy to advantage before.

FLOOD CONDITIONS ALONG THE OHIO

Stage at Pittsburgh the Highest Since 1907—Many Families are Homeless.

By Associated Press. Pittsburgh, Jan. 8.—The Monongahela and Allegheny rivers rose so rapidly last night that they were at flood height this morning and it was expected that when the crest of the rise reached here tomorrow afternoon there would be 32 feet of water in the Ohio river, the most serious flood since 1907.

Scores of families already have been compelled to leave their homes and many men are temporarily out of employment because of the flooding of mills.

Cold Stays on in Texas. Dallas, Texas, Jan. 8.—All Texas is still unusually cold today. At El Paso the government thermometer at Fort Bliss registered four degrees below zero, the coldest in 26 years.

Chicago Storm Almost Isolates Chicago. Chicago, Jan. 8.—Telegraph wires between New York and Chicago were prostrate today because of the sleet and wind storm last night. Conditions were reported the worst in years.

"JAPANESE PERIL" IN GOLDEN STATE

Democratic Legislators Are Now Considering Enactment of Alien Law.

By Associated Press. Sacramento, Cal., Jan. 8.—Democratic members of the legislature will decide in caucus the question of attempting to enact at this session an alien law designed to prevent Japan from acquiring land in California.

After a conference lasting until a late hour last night, adjournment was taken without a settlement of the question of property raised by officials of the Panama Pacific Exposition in San Francisco. It was decided to resume the question of attempting to enact at this session an alien law designed to prevent Japan from acquiring land in California.

President C. C. Moore, of the exposition offered a proposal to the effect that the alien land law question be put to a vote in any single legislative district in the state, both its proponents and opponents to abide by the decision of the voters. He asserted that "the Japanese menace" had been exaggerated and that less than 10,000 acres of land in California was owned by subjects of the island empire.

It is understood that nearly a score of bills relating to Japanese immigration and regulation are in course of preparation by many legislators.

Woman's Suffrage Amendment Favored. Albany, N. Y., Jan. 8.—The woman suffrage hearing before the legislature which has been an annual feature in Albany for years probably will be abandoned this year. Both the senate and assembly judiciary committees have reported favorably on the Wagner-Goldberg woman's suffrage constitutional amendment and the leaders plan to make the measure a vote in either committee and the measure is expected to pass with little or no opposition.

WILSON AND SENATORS CONFER ON SITUATION

By Associated Press. Trenton, N. J., Jan. 8.—Senator Hoke Smith of Georgia and Senator Thomas P. Gore of Oklahoma conferred with President-elect Wilson at the state house today on a variety of subjects affecting the new administration. The chief subject before the three was the situation in the senate with regard to the re-organization of committees and the status of the contests in Maine, New Hampshire, Illinois and South Dakota where the election of democrats to the United States senate is considered a possibility.

The local weather bureau this afternoon received a telegram from the weather bureau in Washington forecasting a cold wave and saying that the temperature will fall 39 or 40 degrees within the next 24 hours. The temperature was at that time about 54 and above zero, and people are therefore warned that the mercury may drop to 19 or even to 10 by morning.

COLD WAVE

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Langren drug store to get whiskey without a prescription and was told that he could not get it and was referred to Dr. Paquin or Dr. Keenan by T. W. Grimes and S. O. Bradley. Following this he said that C. L. Lusk instructed him to go to Dr. Paquin and try and get a prescription for whiskey.

Dr. Paquin himself then went on the stand. He admitted that he wrote the prescription. He said that a Mr. Fabens who has been here in the interest of the Shasharins had given him the name of Reed as a prospective member and applicant for the trial.

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RESERVE BANK SYSTEM FAVORED BY COMMITTEE

Leslie M. Shaw Testifies before House Body Working on Currency.

By Associated Press. Washington, Jan. 8.—More expert advice on how to remodel the monetary system of the United States to provide an elastic currency and strong centralized reserves was heard today by the Glass committee of the house. The principal witnesses called were Leslie M. Shaw, former secretary of the treasury, and Prof. Lawrence Laughlin of Chicago.