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## SEVERE CENSURE FOR NEW HAVEN

Federal Commissioners Criticize Attempt to Create a Railroad Monopoly in New England.

MILLIONS OF MONEY MYSTERIOUSLY LOST

High Financing of Mellen Cost Enormously, They Say—Boston & Maine Merger Rapped.

By Associated Press.  
Washington, July 9.—Financial operations of the New York, New Haven & Hartford railroad, its ownership of trolley lines and control of allied New England railways, are condemned in a report of the Interstate Commerce commission in the report of its investigation made public here today. The commission's conclusions are:

That the "outside" financial management has been "wasteful in the extreme," and that the New Haven confined itself to actual railroad activities under the same conditions that prevailed in other respects "it could have paid a dividend of 8 per cent for the fiscal year 1912 and carried to surplus account \$1,744,000 instead of showing a deficit of \$320,000."

That the New Haven's agreement with the Boston & Albany is "in violation of the spirit of the statute against the restraint of competition and should be cancelled." "In our opinion," says the commission, "this line should be kept entirely free from New Haven control." That the New Haven should divest itself of its trolley lines not because the present ownership is in violation of law, but because such ownership might be used to prevent the building of competing lines in the future.

That the Boston & Maine's merger with the New Haven, if permitted to stand, will result in "an almost exclusive monopoly of transportation facilities by railroad in the greater part of New England."

Passenger Service Good.  
That passenger train service, without considering safety of operation, on the New Haven, is distinctly better than any other line entering New York, and that of the Boston & Maine equally as good. Both roads, however, are criticized adversely for lack of steel cars.

That the freight service of the Boston & Maine "is much less reliable than that of either the Pennsylvania or the Baltimore & Ohio, while that of the New Haven is slightly inferior to the Pennsylvania but about on a par with the Baltimore & Ohio."

That management of the New Haven, having been more favorable to the local traveling public than in any other portion of the United States.

That "any betterment of railroad conditions in New England must begin with the assurance that the New Haven management will act not only prudently, but, above all, within the letter and the spirit of the law."

No order was made by the commission, but in its opinion, the following principles which have national application to all railroads, lie at the foundation of adequate railroad regulation:

"Every interstate railroad should be prohibited from expending money or incurring liabilities or acquiring property not in the operation of its railroad or in the legitimate improvement, extension or development of that railroad."

"No interstate railroad should be permitted to lease or purchase any other railroad, nor to acquire the stocks or securities of any other railroads, nor to guarantee the same, directly or indirectly, without the approval of the federal government."

"No stocks or bonds should be issued by an interstate railroad for the purpose of financing the construction, reconstruction, or improvement of any other railroad, nor should any such securities be issued without the approval of the federal government."

Commissioners Clements and Marble submitted a concurring opinion in which they "agree heartily with the report," but make their position clear as to some of the issues mentioned.

## STATE CONVENTION OF BANKERS HERE

President Covington Gives Interesting Figures Showing Bank's Growth.

TWO ADDRESSES THE FEATURES OF MORNING

Dr. Knapp Talks of Better Agriculture and Hon. J. J. Britt of One-Cent Postage.

The annual session of the seventeenth annual convention of the North Carolina Bankers' association, which opened at the Battery Park hotel here last night, was featured this morning by addresses by Dr. Bradford Knapp of Washington city and Hon. James J. Britt of Asheville, third assistant postmaster general under the administration of President Taft. The entire program for this morning's session was fully carried out. About 350 bankers from all points of North Carolina were present.

Dr. Knapp spoke on "A Better Agriculture, Helped by Better Business." The speaker was well prepared to handle his subject and spoke most forcefully in the interest of the agricultural development of the state and nation. He reviewed the forward strides that have been made by the farmers of the country within the past few years by the introduction of scientific methods and outlined the plans for future development. He was especially enthusiastic over the prospects for North Carolina.

Dr. Knapp devoted his greatest attention, however, to the consideration of the financing of the farmer. He stressed the fact that the farmer's interest is the greatest that the country possesses and said that in order to conserve and advance this interest more attention must be paid to farming as a business. He urged that the farmer be considered as a business man and given the consideration accorded to men in other lines of business. He said that advancement in farming means advancement in all lines of industry, and he urged those present to lend their efforts to the betterment of financial conditions for the farmer.

Mr. Britt's speech for his subject, "One Cent Letter Postage—Is It Feasible and Desirable?" His address was long, but it never lacked interest, since the speaker had gained a knowledge of his subject as third assistant postmaster general that rendered him an authority. He went thoroughly into a consideration of the affairs of the postoffice department of the country and outlined the methods and business management.

After laying all the facts of the matter before the convention he argued, and his arguments seemed sound, that a one-cent letter postage may be established, and established in such a way that the country will not have to face a deficit on that account, thus proving its feasibility. He considered the campaign that has been conducted all over the country for such a postage and said that consideration has been accomplished by it. He believes that a one-cent letter postage would mean more to the citizens of the country than any reform that could possibly be introduced at this time by the federal government.

The convention was opened this morning with roll call and the reading of the minutes, and then a report was submitted by J. F. Blades of New Bern on the convention of the American Bankers' association, which was held recently in Detroit. This report was a most interesting one and several matters of importance were gone into by Mr. Blades, as they had been, considered at this convention.

Committee Reports.  
Reports were also heard from the committee on bills of lading; the committee on legislation; the committee on the Torrens land system; and the committee on agricultural and financial development. Reports were also heard from several special committees.

Before adjournment President Covington named L. A. Bethnell, E. C. Rea, E. O. Anderson, H. M. Cox and J. W. Walker as members of the resolution committee; and James A. Gray, Jr., J. H. Alexander and F. L. Ford as members of the auditing committee.

There will be no business session of the convention this afternoon, a drive over the Biltmore estate having been arranged for the delegates in attendance. Tonight there will be a meeting at 10 o'clock, at which time new business, the reports of other committees, motions and resolutions, and the election and installation of officers will be held. After the regular session there will be an agricultural conference of delegates from the several southern associations, and among the prominent speakers for this conference will be Senator Fletcher of Florida, Mr. Harris of Illinois, Hon. Charles Hall Davis of Virginia, and Joseph G. Brown of Raleigh. All bankers are invited to participate in this conference.

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The proposed continuation of the inquiry into the matter of increase in rates ought not to be held in advance of the posting of such rates for the information of the shippers who must (Continued on page 2)

## NATIONAL BANK ACT VIOLATED?

Evidence as to First-Second National Warrants Action by Attorney-General.

MERGER CRITICISED BY THE COMPTROLLER

Says the First National Should Have Been "Cleaned up or Closed up" Months Ago.

By Associated Press.  
Washington, July 9.—Secretary McAdoo before the close of the day expects to ask Attorney General McReynolds to investigate alleged irregularities in connection with the closing of the First-Second National bank of Pittsburgh and determine whether the national bank act has been violated.

Sufficient facts have been collected by the treasury department, it is said, to warrant immediate intervention by the department of justice.

Thomas P. Kane, acting comptroller of the currency, who returned today from Pittsburgh, where he closed the First-Second National bank, declared that the First National bank of that city should have been cleaned up or closed up at the time of its merger with the Second National bank several months ago. The merger was authorized by Lawrence O. Murray, former comptroller of the currency, who at that time, Mr. Kane declared today, the First National's capital was badly impaired, and the bank was notified last December that its impaired capital must be restored. The comptroller added that the condition of the bank had been long well known in banking circles in Pittsburgh, New York and elsewhere.

"The closing of the bank clears the banking and financial atmosphere at Pittsburgh. Outside of this institution the banking conditions there are excellent and there is no cause for any further anxiety," said he.

"The First National bank of McKeesport, which suspended a few hours after the First-Second National bank was closed, is arranging for resumption of business in a few days. The bank is in a good condition and there was no reason why it should have closed other than because of the run that started on it by reason of the Kuhn connection with the bank. The board of directors of this bank will be reorganized and the Kuhn influence eliminated before it is reopened."

Secretary McAdoo today continued preparations to refer the question of alleged irregularities in the First-Second National bank to Attorney General McReynolds for investigation. United States Attorney Jordan of Pittsburgh already has made inquiries of Receiver Murray of the closed bank as to when he should begin an inquiry.

Details of the causes which induced the treasury department to close the bank Monday morning became known today, with the return of Comptroller Kane. He declared that information concerning the government's surveillance of the bank leaked out and one big depositor withdrew \$100,000 last Saturday. Government officials then learned that other big depositors contemplated making heavy withdrawals Monday. To prevent the large depositors from gaining the advantage of saving their deposits at the expense of small depositors, who were not aware of the circumstances, the government refused to let the bank open on Monday.

Run Continues, Is Met.  
Pittsburgh, Pa., July 9.—When the Pittsburgh Bank for Savings opened for business this morning the run that started Monday upon the closing of the doors of the First-Second National bank was resumed, but not in much volume as the two preceding days.

Police regulations continued to be maintained and all the receiving windows were thrown open for the use of those desiring to withdraw their money from the bank.

Those who came to deposit found much difficulty in being waited on quickly and complaints from these, President W. J. Jones, who was elected yesterday, said, was a demonstration of the confidence in the bank. They further announced that all tellers were at the service of those desiring to withdraw and that the little inconvenience as possible was caused. He again reiterated former declarations of the bank officials that the bank was prepared to meet the most exacting situation.

SEND INVITATION CARDS OF PURE GOLD

By Associated Press.  
St. Petersburg, July 9.—Society has been surprised here by a remarkable novelty in invitation issued for the golden wedding celebration of M. Spiridonoff, a very wealthy man of Moscow. All of the 200 invitations are on cards of pure gold, each weighing three-quarters of an ounce and the words are grafted in enamel.

## LET'S CONVICTS CONDITIONALLY

Counsel of State Furnishes Them to Trans-Continental—Two Others Must Make Bonds.

DAVIS IS ON TRIAL IN SUPERIOR COURT

Liquor and Anti-Liquor Forces in Hard Battle—Conspiracy Is Charged by Defense.

Special to The Gazette-News.  
Raleigh, July 9.—Gen. Theodore E. Davidson of Asheville pleaded with the governor and council of state today for the retention of convicts on the Transcontinental. The session began at 10 o'clock this morning.

The council of state agreed to leave convicts on the Transcontinental for the present. The Statesville Air Line must give an approved bond that it will build a road to Yadkinville and the Watauga railroad must do the same that it will build to Boone before it can continue with the use of convicts.

The penitentiary authorities are authorized to place fifty convicts on the Hickory Nut gap turnpike, Henderson county, provided they could be spared.

Governor Craig today designed W. H. Wood of Charlotte as president of the North Carolina railroad, J. P. Cook of Concord as secretary-treasurer and offered the attorneyship to P. M. Pearson of Newbern. The directors named are Wood, Cook, L. Banks Holt, Alamance; W. T. Brown, Forsyth; J. M. Allen, Franklin; C. S. Tomlin, Irregular; J. P. Young, Catawba; J. Q. Gilkey, McDowell; J. R. B. Carraway, Haywood.

That attack on Detective Green at the conclusion of the trial of James Chappell for selling liquor was a conspiracy on the part of Chappell's friends and that the warrant for and the trial of E. I. Davis, superintendent of the Anti-Saloon league, on the charge of assaulting Wiley Straughan in the position of the defense in the trial of Davis in Superior court today. A dozen witnesses will swear Davis hit Straughan, while Detective Green will swear he struck Straughan with a pair of knuckles. Liquor and anti-liquor forces are fighting the case hard in court. The case may end this afternoon, but is likely to continue until tomorrow.

## THIS GOVERNORS' DAY AT ERIE CENTENNIAL

Senators Penrose and Oliver Addressed Immense Crowds—Pyrotechnic Display.

By Associated Press.  
Erie, Pa., July 9.—This was governor's day at the Erie centennial celebration of Perry's victory at Put-in-Bay. Governor Tener of Pennsylvania, inspected the encampment of the second brigade, N. G. P., as it paraded through the gaily decorated streets. The governor and Senators Penrose and Oliver addressed the immense crowd assembled in Perry Square. For the crowd of visitors a pyrotechnic display has been arranged for this evening with the battle of Lake Erie in living fire as the principal feature.

Man Kills Wife Near Wilmington.  
Special to The Gazette-News.  
Wilmington, July 9.—Yesterday morning W. H. Hodges, a carpenter, who lives at Leland, six miles from this city, shot his wife as he was pursuing another man whom he alleges he found at his home. His wife died soon after from the effects of the wound.

After her death Hodges came to Wilmington in his gasoline launch and consulted an attorney as to what course to pursue. He was advised to notify the sheriff and the coroner of Brunswick county and have an inquest. This he did and was taken into custody pending the result of an investigation.

\$10,000 to \$12,000 Fire Damage at Mt. Olive.  
Special to The Gazette-News.  
Mount Olive, July 9.—Monday morning about 2 o'clock fire was discovered in the store building occupied by the Mount Olive Clothing and Furnishing company, one of the leading dry goods concerns here, and before it had been extinguished practically the entire stock of goods had been rendered worthless. The damage is estimated at \$10,000 or \$12,000. Origin of the fire is unknown.

## WAS KIDNAPED BOY DECLARES

"Toy" McCarron Returns, and Says He Was Detained, Beaten, Forced to Work by One Edwards.

BODY SHOWS MARKS OF LASH, FATHER SAYS

Boy Disappeared Two Months Ago, and His Parents Feared He Might Have Been Drowned.

Telling a sensational tale of being kidnaped and cruelly treated by a man named Edwards, who lives on Little Ivy, after more than one month's absence from his home at Sulphur Springs, "Toy" McCarron, a 15-year-old boy, whose parents feared that he had been drowned, returned to his home last night, having made his escape from the place where he says he has been held. He told his parents that Edwards had caught him here in Asheville, had taken him to his home on Ivy, made him work in the fields, kept him locked in at night and punished him severely when he undertook to escape. The father said that the boy's body showed marks of beating; and the matter has been laid before Sheriff Williams, who is investigating the case.

Young McCarron had been missing for more than a month. Several days ago his father came to The Gazette-News office and said that he had heard that some clothing had been found on the banks of the Asheville school lake near his home; that his son had been gone for some time; that he feared that the clothing might belong to his son and that he had been drowned in the lake. Investigation proved that the clothing did not belong to his son. Accounts of the disappearance of the boy were published, and a day or two ago Sheriff Williams received a postal card from Ivy saying that there was a McCarron boy in that community and that he might be the one in question. The card was signed "A Friend."

This morning Mr. McCarron came to the office of the sheriff and told him that his son had returned home and related the story that the boy told. Young McCarron told his father that he had met Edwards here; that the man forced him to get into his wagon and took him to his home on Ivy, and there made him work; that he had tried to escape two or three times and that each time he was captured and beaten. Monday night he succeeded in getting away and yesterday walked about 25 miles to his home.

Another Story  
Sheriff Williams said this afternoon that according to later information he learned that young McCarron has told that Edwards did not force him to go with him but agreed to pay him four dollars a week; but that Edwards did not pay him and would not let him leave until he saw the boy's absence was creating some comment; then he let McCarron go. Sheriff Williams says the boy has not a strong mind, and but for the card he received, he would not know whether to place much credence in his story. Young McCarron will be sent before the grand jury tomorrow.

It was Sam Edwards that is said to have taken the boy away.

## McCOMBS UNDER KNIFE; APPENDICITIS ATTACK

Democratic Chairman, in Paris Hospital, Reported as Dying Well.

By Associated Press.  
Paris, July 9.—The condition today of William F. McCombs, chairman of the democratic national committee, is declared most satisfactory by the surgeons in attendance. His progress toward recovery from the operation for appendicitis he underwent here yesterday is said to be perfectly normal, but in view of his delicate constitution it was stated that he will require several weeks of complete rest before he is able to get about.

New York, July 9.—William F. McCombs, chairman of the democratic national committee, who is regarded as the probable new ambassador to France, according to advices received here.

Mr. McCombs went to Paris lately, believing that he was suffering from appendicitis but hopeful that a rest abroad would eliminate the necessity for an operation.

Mr. McCombs declined the ambassadorship to France when it was first offered to him on the ground that he could not afford to give up his law practice. President Wilson then expressed regret that the provision made by this country for its ambassadors was inadequate. Since Mr. McCombs' refusal President Wilson has nominated no one else for the post and it is said that the administration hopes to overcome Mr. McCombs' objection and to prevail on him to accept the appointment.

## FARMERS UNION HEADS TESTIFY

E.W. GROVE SAYS HE IS SATISFIED

With the Splendid Stone Structure Which Opens for Guests Saturday Night.

With hundreds of men and women employed night and day, both Mr. Seely and Mr. Kenney, feel very sure that the Grove Park inn will suggest a satisfactory degree of preparedness for the opening banquet Saturday night, when Secretary of State Bryan, Governor Craig, Senator Luke Lea and other notables will be present. Mr. Grove has arrived from St. Louis, and is watching with great interest the work of the good sized army, mobilized under the direction of Mr. Seely, and moving under high pressure for the home stretch. Mr. Grove assured a representative of The Gazette-News that the splendid stone structure held for him no disappointment, and that the future looked equally as promising. Heretofore Mr. Seely has said that the inn would ultimately be enlarged; and in the conversation alluded to, Mr. Grove made the statement that he would favor a plan for building an additional hundred rooms, rather than the seventy room addition which hitherto has been under consideration. Visitation took place, included Messrs. Philip S. Henry and A. J. Lyman. The former is frequently alluded to among his intimates as a confirmed globe trotter. Anyway, Mr. Henry, who has traveled extensively, was exceedingly complimentary in his references to the new inn. He told Mr. Grove that it was a marvel in unique architecture, the antithesis of most American hotels of the better class, and superior in most every respect, where a dissimilarity is suggested. Mr. Henry said that in one place in Switzerland something of the kind had been attempted—a structure in rough, native stone—but that the Switzerland house was relatively very small.

The inn will be ready for guests, following the opening Saturday.

Records of Attendance  
ALL ARE BEING BROKEN

In Black Mountain Vicinity—Plan to Traverse Region with Trolley Lines.

Special to The Gazette-News.  
Black Mountain, July 9.—The Black Mountain Telephone corporation, which was recently awarded a contract to install an electric light plant and furnish power for this section for the next 20 years, will submit a franchise for a street car line at the next regular meeting of the board of aldermen. This proposed line will extend from Black Mountain station to Montreat on the north, Ridgecrest on the east and the Blue Ridge association on the south, and will be extended to the new Methodist colony later.

Owing to the rapid growth and development of this great religious section a trolley line to these different colonies from the railroad station is almost an absolute necessity. With the opening of the annual conference at Montreat, Ridgecrest and the Blue Ridge association crowds have arrived to attend these meetings that have far surpassed any previous year in the history of these associations and way behind the expectations of the men at the head of the different colonies. It is predicted by men in a position to know that Black Mountain is destined to become the great religious center in the world, that already over 4,500,000 Presbyterians, Baptists, Methodists, Y. M. C. A. and Y. W. C. A. workers are interested in this section. There is a movement on foot now for the establishing of a Catholic colony a mile south of town on the estate of the late Gustavens.

COMMISSIONERS' SESSION  
Former Chairman to Receive Pay to Date of Resignation—Important Road Matters.

The commissioners are still in session, and it is said that some important road matters are to be decided this afternoon. An order has been entered by which former Chairman E. W. Patton is to receive his pay until the date of his resignation. For several months Mr. Patton was ill and did not draw his salary as it came due.

It was ordered that Jacob Mazer be paid the balance on the contract for improving the acoustics of the court house.

Two hundred dollars was appropriated for the Haw creek road. Andy Lance was named as overseer of the road in Black Mountain township. The chairman was instructed to divide the livery orders among the liverymen of the town.

Many routine matters were disposed of.

Cotton States Men Tell of Their Efforts in Behalf of the Agricultural Interests.

USED BY "INTERESTS" THEY TELL SENATORS

Suspect Their Influence Was Enlisted by Designing Sugar Men—The Wool Lobby.

By Associated Press.  
Washington, July 9.—A. D. Baldwin, an attorney of Cleveland, was the first witness today before the senate lobby investigating committee. He said he was interested in Hawaiian sugar stock and had spent some time in Washington talking to senators and members of the house about the sugar tariff. He had nothing to do with the literature sent out by the Hawaiian sugar men. In Washington, he said, he represented Alexander & Baldwin of New York at \$50 a day while here.

"Can't you tell all you did do here?" asked Chairman Overman.

"I called on senators and representatives. I shouldn't suppose I called on more than 20 senators. I sent written arguments to senators, but made no arguments before the subcommittee in charge of sugar."

"I had a common cause with the cane and beet men and consulted with them frequently about the general campaign."

"What do you mean by the campaign?" asked Senator Overman.

"There was an effort to convince senators and representatives and a publicity campaign."

Baldwin said he was a stockholder in three concerns interested in Hawaiian sugar.

"Do you feel you have been earning your \$30 a day here?" asked Senator Walsh.

"I very much doubt it."

Farmers' Union's "Advent Witness."  
A. S. Smith of Tennille, Ga., president of the state branch of the Farmers' union, was the next witness.

"I'm a farmer," he told the committee.

He was questioned about a meeting of a committee of the National Farmers' union at New Orleans last spring at which a scheme to increase the consumption of cotton was to be discussed.

"Was any action taken in regard to the sugar at that meeting?" asked Senator Overman.

"I don't think so. There were some letters written to senators. I wrote to Senators Bacon and Smith."

Smith testified that his expenses at the New Orleans meeting were paid by I. D. Bowen, president of the Texas branch of the union, and that President Barrett of the national organization was not present.

Smith said he heard many arguments at the meeting about the had effect free sugar would have on the cotton industry.

"I thought I was in the wrong place," said Smith.

"It was more of a manufacturers' meeting than a farmers' suggested Overman."

"Yes, sir; so much so that I made a speech about it," said Smith.

Smith explained later that he telegraphed Senator Bacon not to go into the democratic caucus until it was assured that a duty would be put on meats and other farm products.

Smith said when he got back to Georgia he found he had been "mixed up with a bad crowd." He then learned, he said, that the meeting was really called to work against free sugar.

His letters to Bacon and Smith were requests that the farmers' interests be looked after.

President Mobley Testifies.  
H. H. Mobley of Prairie Grove, Ark., president of the state farmers' union, said he was at the New Orleans meeting. Bowen, who called the meeting, he said, had been named chairman of a "committee on the greater consumption of cotton" named by the national union at its last annual meeting. He did not go to New Orleans until the meeting was over, he said, but he was told it had been interesting.

He got a general idea that "some quick work was to be done in tariff matters" to boost cotton prices. He signed a telegram to the Arkansas senators at Bowen's dictation asking for a hearing for Arkansas cotton interests.

"There is a suspicion in my mind that things were not just what they ought to have been, but I don't know much about it," said Mobley.

"I'm slow to make accusations," said Mobley. "But I have come to know that at all our meetings, state and national, we are surrounded by men who want us to do something for their interests."

"I feel like Mr. Smith, that there was something wrong at New Orleans."

"You saw no suggestion that indicated had faith on the part of Bowen?" asked Cummins.

"No sir."

Mobley said he thought Bowen paid the expenses of the meeting and that he would be reimbursed by the National Farmers' union.

William Whitman of Boston, former president of the National Association of Wool Growers, was the last witness.

(Continued on page 2)