

## DRASTIC REPORT ON NEW HAVEN

One of Most Glaring Instances  
of Mal-Administration in  
American Railroad,  
Says Commission.

### FINDS MANAGEMENT CRIMINALLY NEGLIGENT

Evidence Pointing to Viola-  
tions of Law Transmitted to  
District Attorneys in  
Various States.

Washington, July 11.—"One of the most glaring instances of mal-administration revealed in all the history of American railroad," is the indictment of the New Haven railroad financial affairs reported today to the senate.

In a report of 30,000 words, probably the most drastic ever made by the commission, the New Haven's commissioners were characterized as "criminally negligent."

Evidence pointing to the violations of the law have been transmitted to district attorneys in Massachusetts, Rhode Island and elsewhere.

"A reasonable estimate of the loss to the New Haven by reason of waste and mismanagement, says the report, 'will amount to between \$60,000,000 and \$90,000,000. Directors should be made individually liable to civil and criminal laws for the manner in which they discharge their trust.'

All the commission's strictures were upon the management of the New Haven system under former President Mellen.

In justice to the present management, the commission says, it is but fair to say that Chairman Howard Elliott and Walker D. Hines, special counsel, have co-operated with the commission and rendered it substantial aid throughout the investigation.

The report cites these "significant incidents":

**Marked Features.**  
"Marked features and significant incidents in the loose, extravagant and improvident administration of the finances of the New Haven, as shown in this investigation, are the Boston and Maine despoliation; the double price paid for the Rhode Island trolleys; the recklessness in the purchase of the Connecticut and Massachusetts trolleys at prices exorbitantly in excess of their market value; the unwarranted expenditure of large amounts in 'educating public opinion'; the disposition without knowledge of the directors of hundreds of thousands of dollars for influencing public sentiment; the habitual payment of unutilized vouchers without any clear understanding of details."

"The interlarding details of the principal and its subsidiary roads and the subsequent complication of accounts; the practice of financial ledgerdom in issuing large block of New Haven stocks for notes of the New England Navigation company, and manipulating these securities back and forth; notorious sales of New Haven stock to friendly parties with the design of boosting the stock and unloading on the public at the higher 'market price'; the unlawful diversion of corporate funds to political organizations; the scattering of retainers to attorneys of five states, who rendered no itemized bills for services and who conducted no litigation to which the railroad was a party; extensive use of a paid lobby in the matters as to which the directors claim to have no control; attempting to close the mouth of the press by subsidy; the payment of money and the profligate issue of free passes to legislators and their friends; the investment of \$400 in securities to New England newspapers; the regular employment of political bosses in Rhode Island and other states, not for the purpose of having them perform any service but to prevent them, as Mr. Mellen expressed it, from 'becoming active on the other side.' The payment of the Billard company more than \$25,000,000 for a service to the New Haven company and into which Billard invested not a dollar.

**Morgan and Mellen.**  
"The inability of Oakleigh Thorne to account for \$1,032,000 of the funds of the New Haven entrusted to him in carrying out the Westchester proposition; the story of Mr. Mellen as to the distribution of \$1,200,000 for corrupt purposes in bringing about amendments of the Westchester and Fort Chester franchises; the domination of all the affairs of this railroad by Mr. Morgan and Mr. Mellen and the absolute subordination or other members of the board of directors to the will of these two; the unwarranted increase of the New Haven liabilities from \$97,000,000 in 1903 to \$417,000,000 in 1913; the increase in floating notes from nothing in 1903, to approximately \$30,000,000 in 1913; the indefensible standard of business ethics and the absence of financiers in directing the destinies of this railroad in an attempt to establish a monopoly of a transportation of New England. A combination of all these has resulted in the present deplorable situation in

## STOCKHOLDERS TO SUE MANAGEMENT

In Effort to Recover \$125,000,000 From Former New Haven Directorate.

Boston, July 13.—Whipple, Sears and Olden, attorneys representing the minority stockholders of the New York, New Haven and Hartford, have demanded that the directors join their clients in the suit to recover about \$125,000,000 alleged to have been wasted by the management.

The suit will be brought against the estate of J. P. Morgan, Louis Duss Ledyard, and others who were members of the New Haven directorate at the time the transactions that have been the subject of inquiry by the interstate commerce commission were made.

The attorneys said today: "These losses which have so plainly resulted from the neglect of judicial duty will be recovered on the ground that a corporation can recover from its directors."

## PLANNING TO IMPROVE METHODS OF LUMBERING

Matter of Conserving Supply  
And Preventing Waste  
Will be Studied.

Washington, July 13.—In the belief that the methods used in exploiting timber resources vitally concern the public Secretaries Redfield and Houston have completed plans for the study of the question by their departments. One of the conditions which make the inquiry of immediate importance according to announcement today, is the fact that standing timber amounting to about 300,000,000,000 feet is being reduced of its stumpage at the rate of approximately 60,000,000,000 feet annually. In the United States, lumbermen are supposed to be able to market much of the poorer grades. It is estimated that from one third to one half of the material in the trees is left in the woods or burned in lumber mills. This waste is believed to be preventable and much more, it is hoped, can be saved under improved conditions of marketing and use of wood.

The studies will seek to establish the essential facts relating to the supply and to analyze the causes of the present conditions which are declared to be unsatisfactory. The aim will be to indicate measures which should be adopted by the industry itself or by the public in relation to the industry.

## REGRETS HER BOMB DID NOT BLOW UP ST. JOHN'S

Suffragette Admits She Tried  
To Destroy Church—She  
Is Remanded.

London, July 13.—Mrs. Mary Hennysell, a suffragette, was tried today for trying yesterday to destroy the old church of St. John the Evangelist at Westminster, with a bomb. She said: "The only thing I regret is that the bomb didn't go off."

The prisoner expressed intense pride in her act. She congratulated the woman worshipper who found her lighting the fuse attached to the bomb of gunpowder and said her smartness was worthy of a better cause. She advised her to become a militant suffragette.

"I meant the bomb to go off and blow up the church," said the prisoner. She then stretched herself at full length on the seat in the prisoner's enclosure and asked the woman warden to give her a pillow and wake her when the case was concluded.

"Goodbye, you paid bully" was her farewell to the magistrate when he remanded her.

which the affairs of this railroad are involved.

**Billy Baxter Dead.**  
Chicago, July 13.—Billy Baxter, old time minstrel, who played with nearly all of the leading minstrel companies of America, and before the royalty of Europe, is dead here from cirrhosis of the liver.

## WHO WILL TAKE LURTON'S PLACE?

W. H. Taft Mentioned as Possible Successor to Deceased Associate Supreme Court Justice.

### FIRST APPOINTMENT OF PRESIDENT WILSON

The Others Suggested Are McReynolds, Lane, Garrison, Shields, Lehmann and John W. Davis.

Washington, July 13.—Discussion continued here today as to whom President Wilson would appoint to the Supreme court to succeed Associate Justice H. L. Lurton, who died at Atlantic City, yesterday. The names of those mentioned in connection with the vacancy included former President Taft, members of the cabinet and others.

In official circles no one cared to venture an opinion as to whom the president might choose. It is not believed he has yet considered any name in connection with vacancy.

As a result of Justice Lurton's death, the president will be called upon to make his first appointment to the Supreme bench.

In addition to Mr. Taft, those mentioned include Attorney General McReynolds, Secretaries Lane and Garrison, Senator Shields of Tennessee, a former justice of the supreme court of that state; Frederick W. Lehmann, former solicitor general and one of the American delegates to Mexican conference at Niagara Falls, and John W. Davis of West Virginia, the solicitor general.

Former President Taft is known to have had an ambition to round out his career as a justice of the highest court of the land. Whether he still cherishes that ambition is not known here. When it was reported last winter that Justice Lurton was about to retire it was suggested Mr. Taft might be offered the place, but it was stated at the White House that his name had not been mentioned. In official circles it was thought unlikely that the president would nominate one of his cabinet, but it was his desire to go through his term without change in his official family. Until his death the court was made up of three republicans and six democrats, but now the reduced to two—Chief Justice White and Justice Lamar. It is thought probable that the president will appoint a democrat. Furthermore, there has been an unwritten rule in the senate, which must be broken, that the nomination of a republican when the minority falls below three. This will probably be done before the senate adjourns so that the new justice may take his seat at the October term of the court.

**Heart Failure.**  
Atlantic City, N. J., July 13.—Associate Justice Horace Harmon Lurton, of the United States Supreme court died suddenly at a hotel here yesterday from heart failure superinduced by cardiac asthma. He was 70 years old.

The justice who came here July 1, was in his usual health before retiring Saturday night and had taken his customary evening outing on the board walk. Shortly after midnight he complained of feeling ill and although his physician, Dr. Ruffin, who arrived Saturday from Washington, was summoned immediately, Justice Lurton died at 5 o'clock in the morning. His wife and son, Horace H. Lurton, Jr., of Nashville, Tenn., were at the bedside. Mrs. Horace Van Deventer, a daughter, and her husband, arrived last night from Knoxville, Tenn., and other members of the family are expected today.

The body will be taken to Clarksville, Tenn., for interment, the funeral party leaving here at 3 o'clock this afternoon. It was at that city that Justice Lurton began the practice of law and lived for 20 years.

Funeral services will be held there Wednesday. Chief Justice White, and several associate justices of the Supreme court, as well as many friends from different parts of the country are expected to be present.

## WESTINGHOUSE STRIKE IS FORMALLY ENDED

Pittsburgh, Pa., July 13.—Strike in the Westinghouse factories was formally ended today when approximately 6000 men and women returned to the shops. All plants were placed on full time and all strikers were taken back with the exception of two or three hundred whose places were filled by imported workmen during the strike. Half a dozen deputy sheriffs were on guard at the works.

**Post Rodenburg Dies.**  
Berlin, July 11.—Prof. Julius Rodenburg, German poet and author, died here today in his eighty-fourth year.

## POLITICAL POT BOILING AGAIN

Commotion Begins When R. R. Reynolds Is Sued for Delegation Board Bill by Waynesville Hotel.

### GUDGER BEHIND SUIT, CHARGED BY REYNOLDS

G. S. Reynolds Makes Statement Labeling Action As Hold-Up Game and Dirty Politics.

The following dispatch from Waynesville to the Charlotte Observer last Saturday, July 11, tells of a suit instituted by the Suyeta Park hotel in the Haywood Superior court against R. R. Reynolds, candidate for congress against J. M. Gudger, Jr., for the collection of a delegation board bill alleged to have been contracted by Mr. Reynolds during the Waynesville convention several weeks ago.

"For the first time in the history of the Tenth Congressional district a suit was started this week in the Haywood county Superior court for the collection of a delegation bill alleged to have been made while the democratic convention was in session in this city last June. Robert R. Reynolds of Asheville, one of the candidates for congress, is the defendant, and Mrs. L. K. Cameron, proprietress of the Suyeta Park hotel, is the plaintiff.

The complaint was filed following a disagreement between a friend of Mr. Reynolds and the management of the hotel in regard to the hotel bill. The total bill claimed by the hotel is \$1,621.50, minus a payment of \$500, leaving a balance of \$1,121.50. Mr. Reynolds claims, that according to his friend's statement, there is a balance of only \$350 due the hotel, which is according to the understanding of his friend with the clerk at the hotel. The case will not be tried until the September term of Haywood county Superior court. The attorneys for Mr. Reynolds are now preparing an answer to the complaint.

When asked about the suit here today, G. S. Reynolds, a brother of the defendant in the suit and his campaign manager who looked after the hotel arrangements in Waynesville, made the following statement to The Gazette-News:

"When the Reynolds delegates went to Waynesville to attend the Tenth District congressional convention, more registered at the Suyeta Park hotel than could be accommodated there and immediately left and went to the Gordon. They registered at the latter hotel and remained there during the entire convention, although they failed to register off at the Suyeta Park. Their bills at the Gordon have been paid in full.

"Mr. Schaefer, the clerk at the Suyeta Park, came to Asheville a short time ago and went over the list of registrations with me and agreed to the amount still due the hotel. I offered to pay this amount and now stand ready to pay it. He went back to Waynesville and the proprietress of the hotel repudiated the agreement and refused to accept anything but the original amount claimed. The amount offered by us in settlement has been offered to the plaintiff in the suit through our attorneys.

"The clerk of the Suyeta Park admitted to Ronald B. Wilson of Waynesville the amount tendered by us in settlement was all the plaintiff is entitled to. Further than that Congressman Gudger was in Waynesville the day the complaint was drawn and it is generally rumored that he was in the office of the attorneys who instituted the suit and dictated the complaint.

"We are still ready to pay the amount of the bill as agreed upon. We consider the proceedings a hold-up game and a piece of dirty politics. I have the affidavits in my possession from parties for whose board bills we are being sued that while they registered at the Suyeta Park they could not procure quarters there but later went to the Gordon hotel, where they stopped and were entertained, the board bill for which has been paid.

"We not paid board bills for our own delegates but we paid the board bills for a number of Gudger delegates, but refused to pay bills for some Gudger delegates which were presented."

## REPORT OF FALL OF GUAYAMAS DENIED

Saltillo, Mexico, July 13.—(Via Laredo, Texas, July 11.)—News that the port of Guayamas has been evacuated by the federals are untrue according to reports today from General Alvarado who reports he has moved his forces so as to surround Guayamas completely on the land side.

## GREAT MEETING OF ORANGEMEN

Their Celebration of Anniversary of the Battle of Boine Carried Out With Much Enthusiasm.

### MARCHERS CAREFUL TO CREATE NO TROUBLE

Demonstration at Londonderry However Causes Catholics Some Concern; Organize For Defense.

Belfast, July 13.—The insistent demand of the Protestant portion of the province of Ulster for exclusion from operations of the Irish home rule bill lent added impetus to today's celebration of the anniversary of the Battle of Boine. The ceremonies were carried out here with great enthusiasm. Sir Edward Carson, the Ulster unionist leader, rode at the head of 5000 Orangemen, accompanied by the usual file and drum corps and included a sprinkling of brethren from the United States.

They marched through the city to Drumbragh where a great open air meeting was held, addresses being made by Sir Edward and other. The marchers were careful not to create any disturbance and the whole march was effected without attack. Sir Edward was marshal of the day. Buttons bearing his portrait were worn by nearly every man in the procession, while great canvases, spread across the streets in the unionist section, bore his likeness. It is regarded as significant that in recent interviews, Sir Edward is quoted as saying the only condition of peace is the exclusion of Ulster "for the present," while the more remote action of the unionists must, in his own opinion depend upon the way the Dublin parliament treats Protestants in the province of Ireland. Throughout the province of Ulster and in Londonderry extensive precautions were taken by officials against clashes between the organized force of Protestants and the Catholics.

### CRITICAL SITUATION.

Londonderry, Eng., July 13.—Orangemen here began the celebration of the anniversary of the battle of the Boine with a cannon through which they projected their explosives so that they burst over the residences of the Catholic settlements. Catholics, believing the cannonade was the prelude to a demonstration on the part of the Orangemen, organized for defense, but up to noon no collision between the two parties had taken place.

While the Orangemen were attending church Sunday and the police were busy guarding their processions, the nationalist volunteers succeeded in bringing into the city two automobile loads of rifles.

## FORMS NEW THEORY OF MURDER OF MRS. BAILEY

Prosecutor Smith Does Not Think Shot Was Fired at Dr. Carmen.

Freeport, N. Y., July 13.—Investigation of the murder on July 3 of Mrs. Louise Bailey in the office of Dr. Edward Carmen, has caused District Attorney Smith to form a new theory directly in contradiction to that offered by Dr. Carmen, that the murdered sought to kill him and not his patient. The attorney has made a chart showing the positions of the physician and the woman, showing that the barest part of the physician's shoulder could be seen through the window, while an unobstructed view of the woman could be had.

"The attorney said he was satisfied" the person who fired the shot knew every inch of the room.

The grand jury will continue to sit this week, but if an indictment is voted charging Mrs. Carmen with the crime she will be tried almost immediately.

## KENTISH GUARDS WISH TO ATTEND UNVEILING

Raleigh, July 11.—Governor Craig has received a letter from Edward A. Graves, lieutenant-colonel of the Kentish guards of East Greenwich, R. I., in which organization General Nathaniel Greene the revolutionary war leader was a charter member, asking that the guards would like to attend the unveiling of the equestrian statue of General Greene at Guilford court house in a body.

**Mrs. Pankhurst Released.**  
London, July 11.—Mrs. Emmeline Pankhurst again was released from Holloway jail today.

## EARLY PEACE IN MEXICO LIKELY

### NO CONFLICT WITH SENATE, HE SAYS

President Says He Has Assurance Mr. Jones Will Be Confirmed.

Washington, July 13.—President Wilson today denied that there was conflict between him and the senate over the nominations of Paul M. Warburg and Thomas D. Jones, as members of the federal reserve board. In talks with callers he declared he was working in complete harmony with the democratic majority in the senate with but one or two exceptions.

Mr. Wilson said he had definite assurances that Mr. Jones would be confirmed. He did not discuss the case of Mr. Warburg except to say he thought the senate as a whole would be perfectly fair.

W. P. G. Harding of Birmingham, Ala., who recently was confirmed as a member of the reserve board, today advised Secretary McAdoo, in person, that he is ready to assume his new duties. Afterward Mr. Harding said he did not know exactly when he would take office. After provisions of the new banking law, however, Mr. Harding and C. S. Hamlin and Adolph C. Miller, confirmed with him, must be sworn in not later than July 21.

Senator Hitchcock, acting chairman of the banking and currency committee said he probably would submit the unfavorable recommendation of Mr. Jones to an executive session of the senate late today. Consideration of the report is expected to go over for a day.

"I am beginning to receive many letters and telegrams from people in the west and middle west supporting me in my stand against the confirmation of Mr. Jones," said Senator Hitchcock. "The Harvester trust was the most obnoxious of all to these western people and they do not like any one who has had anything to do with it."

The senator reiterated that the committee would do nothing further with the Warburg nomination unless Mr. Warburg would change his mind and appear for examination.

## HIGH WATERS AROUND SCRANTON SUBSIDING

Five Deaths in Pennsylvania As Result of Storm There Last Night.

Scranton, Pa., July 11.—High water caused by Friday's storm, during which a man and a boy were drowned and another man killed by lightning, had completely subsided today. Several railroads were tied up for hours last night by washouts, but practically normal schedules in several coal mines were flooded but no serious damage was done.

Five deaths due to the storm occurred in various parts of the state.

## FREE COUPON IDEAL ART PATTERN OUTFIT TO-DAY'S MAGAZINE

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