THE LARGEST CIRCULATION OF ANY NORTH CAROLINA DAILY.

ONE OF THE VICTIMS OF THE INSURANCE SWINDLE A MERE SKELETON.

THE THIRD DAY OF THE TRIAL.

Fraud Was Proved by the Evidence Yesterday But as Yet There is No Proof of Conspiracy .- The Arch Conspirator Hassell Took Out Insurance on a Pauper and Living Skeleton --The Victim Knew Nothing of the Affair Till He Received a Notice.

Special to the News and Observer.

MOREHEAD CITY, N. C., July 31. The third day of the sensational trial for conspiracy in life insurance was devoted to proving the physical and financial condition of Charles Arthur one of the alleged victims. If the evidence for the prosecution is not rebutted, Arthur is proved to have been a pauper and almost a living skeleton. Fraud is proved by the evidence as it stands, but as yet there is no proof of conspiracy.

W. L. Arendell was put on the stand again this morning. He testified that Charles Arthur was a walking skeleton and the nearest to a dead man he ever saw alive. The justice said this did not show conspiracy and further evidence was ruled out.

Capt. Charles Springle, of the naptha launch Sadie, testified that Charles R. Hassell asked him to send Arthur over to Beaufort in his boat and to tell Arthur that it would be money in his pocket if

he came over to Beaufort. Capt. Sam E. Wade carried Arthur to Beaufort that morning. Springle brought him back that night. Springle was in a hurry and put him out at the depot wharf, leaving him to come up town as best he could. Before Arthur got up town he fell from exhaustion on the railroad track and was picked up by rail road hands just in time to prevent his being run over by the train.

J. B. Arendell, a notary public of Morehead City, said that Arthur came before him not long before his death and made affidavit, at the request of the agent of the Northwestern Insurance Company of Minneapolis, that he had never been examined for insurance; that he had never applied for or authorized any one else to apply for insurance on his life, and so far as he knew, there was no insurance on his life; furthermore that he felt he was not a fit subject for insurance and swore that if anybody had insurance on his life it

was a fraud. Dr. J. A. McIntire, a practicing physician and druggist of Morehead City, was called to the stand. He repeated in substance what Mr. Arendell had said regarding the affidavit and stated that he himself signed Arthur's affidavit in his official capacity as Mayor of Morehead City. While Arthur was here he said prescribed for Arthur, but had as a matter of charity given him medicines to alleviate his suffering.

T. D. Webb, of the firm of T. D. Webb & Bro., the largest firm in Morehead City, next testified. He stated that sometime in the year 1894, previous to Arthur's death, Arthur came to him one day with a letter from the Northwestern Life Insurance Company, of Minneapo-lis, and as Arthur could not read, he asked Webb to read it for him. The letter scared Arthur terribly because he didn't know anything about any insu rance on his life. The letter said that the first premium on Arthur's policy "for which you have given a note, is now due," and asked for an immediate remittance. Arthur stated to Webb that he had no insurance, had never applied for any, had never given them a note, had no money and that this notice was the first he had ever heard of any insurance on his life.

Webb then took him before Arendell and McIntire and had him make the affidavit referred to.

Frank Joyner testified that Arthur was a very feeble frail man, and not at all a fit subject for insurance.

John Forlaw, a notary public of Beaufort, was then called. The proofs of death in one of the Arthur cases were exhibited to him and identified. He stated that the proofs of death were made out in the handwriting of Charles R. Hassell, who issued the policy and that Hassell came to his house, took him in a buggy, and they went out together to see Mrs the widow of Charles Arthur, and asked her to swear to the proofs.

All the witnesses testified that he was very thin and emaciated and in poor health. Arendell, the notary public, stated that he weighed him about a year before his death and that his correct weight was eighty seven pounds. It is a matter of record that Arthur was a pauper and received two dollars a month from the county fund, and that he was an object of charity for the citizens of Morehead City and Beaufort.

Dr. L. W. Perkins, the last man arrested, is mayor of Newport and ex town constable of Morehead City. At the beginning of this season Perkins was in charge of the police department of the

Atlantic Hotel. Here and in Beaufort people are discussing the sensational arrests, but seem to withhold their opinions until all the evidence has been brought out. They say prominent citizens should not be emned as guilty of these dark crimes until strong proof has been offered. The prosecution claims to have this proof. The attorneys for the defence say there

INSURED A DYING MAN has been no evidence to prove conspiracy, and as yet no case has been made JOHN WILBER JENKINS.

HOW THEY WERE FOUND OUT.

List of the Cases of Alleged Fraud Developed in Policies Secured. A special to the New York World gives the following further particulars in re-

gard to the gang and their modus ope

"The insurance swindle has been going on for eight years, and some of the merchants in the town have been engaged in it. So remunerative had it become that the negroes went into the business on their own account, and eventually joined forces with the white men. The gang

finally became bolder, taking out larger policies of insurance, where heretofore they had been satisfied with small but quick profits, and their greed was the ultimate cause of their exposure. Policy holders of five New York and New England companies have been defrauded by It is alleged that about eight years

ago C. R. Hassell, a shrewd horse trader, went to Beaufort and soon engaged in the insurance business, and that after a while he and a physician and some merchants formed a ring to defraud the several insurance companies that employed Hassell as their agent.

Old, decrepit and dying whites and negroes of both sexes were insured, in many instances without their knowl-It was no uncommon occurrence. it is said, to see men hawking around Beaufort and its suburbs policies of life insurance, offering to place them free of cost to the assured if in ill health, and agreeing to provide the necessaries of life while alive and at death to have them recently buried, besides occasionally allowing a small sum to provide for their families' requirements. When they found a dying person they would some times take out policies without securing the consent of the insured.

It is alleged further that Levi T. Noe, Selden D. Delamar and Jacob C. Delamar, under the firm name of Noe, Delamar & Co., secured the assistance of Dr. T. B. Delamar, a relative of the junior member of the firm, together with the agency of several reputable life insur-ance companies, and began operations of a similar character.

The first company to start an investigation was the Mutual Reserve Fund Life association of New York, which had a death loss of \$1,000 upon Ella G. Rountree, a negress, insured as a white woman, who died of consumption shortly after she had been insured. The aggregate insurance placed upon her life in various companies within a few months of her decease was \$14,000.

The Massachusetts Benefit Life Association of Boston, which had been represented by Noe, Delamar & Co., less than six months, stood for policies aggregating \$50,000. Upon notification of two death losses, occurring within a period of less than two months after issuing the policies, the company detailed its inspector, W. C. Abrams, to make an investigation. He found that Sereda Williams, one his physician was Dr. F. P. Gates who of the risks, who had been insured for now resides at Manteo on Roanoke \$2,000, had been lying at the point of death for several weeks prior to the issuance of the policies, and that Ella G. Rountree, colored, who had been insured as a white woman, had been in ill health for three years before, and had been confined to her bed several months when the insurance was effected. The beneficiaries in the Rountree case figured in the policy as the father and the brother of the deceased. The "father," Stephen I. Turner, is a Baptist minister. Neither of the parties was possessed of the means to carry so heavy a line of in surance.

In the course of Inspector Abrams' in vestigation he discovered that men and women 65 to 80 years of age had been insured on the basis of ages ranging from ten to fifteen years. He discovered also that one of the insured, John Boyd, was a poor demented negro; another, Mary A. Longest, was 65 years old, but was insured as 54, while she had suffered from heart disease for several years, and died of it a few months after

the cancelling of the policy. Sereda Williams had been in ill health for several years. Her husband, Samuel Williams, who is nominated as bene ficiary, is a fisherman who is and always

has been in straightened circumstances His boon companion, Abe Wigfall, se cured \$3,000 from the Bay State Bene ficiary Association of Westfield Mass., upon the death of his brother, James Wigfall, who was insured on his deathbed, seven days before his decease. The claim had been paid without investigation upon the part of the company, as a clean set of proofs of loss had been forwarded by the conspirators, giving cause of death as malarial fever, a disease common in this section. This money, it is alleged, was divided between Abe Wigfall, David Parker, Frank Gibble and Silas Blount. It was invested by them in real estate, and the Bay State has instituted suit against each of them

to recover the amount. It is stated the inspector's life has been threatened since he began his in-

Among the many cases of alleged fraud developed in policies secured through the agency of Noe, Delamar & Co., with the aid of the company's examining physician, Dr. T. B. Delamar, are the following:
Samuel Windsor, insured as a white

man, aged 58, for \$3,000. He is a negro, knowledge that his life was insured.

Mary Williams, negro as 50 years old, has a son living aged 45.

Rosanna Washington, insured for \$5,000, has never been examined and had

CONTINUED ON FIFTH PAGE.

A BLOODY RACE RIOT

TWO OFFICERS AND THREE NE-GROES KILLED, IN A PITCHED BATTLE.

OVER 100 "SHOTS WERE FIRED.

An Attempt to Arrest a Discharged Driver at a Mining Camp in Alabama Results in a War Between the Whites and Blacks -- Negroes Entrench Them selves in a Ditch and Pour Forth a Murderous Fire --- Negroes Rescued After Ropes Were About Their Necks.

BIRMINGHAM, Ala., July 31.—The Sheriff's posse returned from Brookside, the scene of last night's race riot, to day, bringing with them ten negro rioters who had been arrested, two having been rescued from the enraged white miners after ropes had been placed about their necks, preparatory to hanging them. Half a dozen officers were left at Brookside to arrest other rioters and prevent further trouble.

Investigation showed that the negroes whom deputies Woods and Baxter went to arrest were entrenched in a ditch, strongly reinforced, and poured a murderous fire out from their cover, shooting down two officers at the first volley. Reinforcements came to the whites but the negroes never ceased firing until their ammunition was exhausted. Then their ammunition was exhausted. Then they fled to the woods, the whites in pursuit.

Three dead negroes are reported found and one wounded. One woman is among the rioters arrested. Half a dozen women took part in the riot. All is quiet now, but a single pistol shot would precipitate more serious trouble. All possible ammunition has been centered at Brookside in case of another attack.

The scene of the riot is a mining camp, Brookside, twenty miles from Birmingham. Yesterday Mine Boss Culverhouse, of the Sloss Iron and Steel Company, discharged a negro driver in the mines named Jim Smith. Culverhouse and Smith had a dispute and the former ordered the latter to vacate the house he occupied.

Smith refused to obey these orders and Deputy Sheriff A. T. Wood was called upon to arrest him for trespassing. Wood swore in Joel Baxter, a citizen, as a special deputy sheriff, and last night the two went to arrest Smith.

The latter had evidently been expecting them and was prepared. He had a Winchester rifle and fired at the officers as they approached. Wood was shot through the head and heart and instantly killed. Baxter received a wound which caused death soon afterward.

A number of citizens took the part of the officers and a number of negroes joined Smith. The result was a pitched battle between the races. Over 100 shots were fired with the above result. The fighting lasted over an hour.

Bitter feeling has long existed between the whites and the negro miners at Brookside and it only required such a tragedy as occurred when Deputies Woods and Baxter were killed to-night to sindle the feudal flame

The sheriff's posse reached Brookside at 1 o'clock this morning. They found that two officers and three negroes had been killed. The bodies of the latter lav in the woods, where they had fallen.

Will Albert and Charles Jenkins, colored, had just been captured by the white miners who had placed ropes about the negroes' necks and were about to string them up when the officers rescued them.

COLORED WOMEN OF AMERICA.

Ida Wells, the Lynch Law Agitator, Congratulated on Her Marriage.

Boston, Mass., July 31 .-- To day' ession of the Colored Women of Amer ica was largely attended. Mrs. Jose-phine St. Pierre Ruffin presided. Rev. Alexander Crummell, of Washington asserted that color prejudice in this country had been displaced by caste pre judice. Mrs H. R. Butler spoke on the needs of better manhood and womanhood among the colored people, and Charles Norris, of Georgia, told of the ill treat ment of colored women convicts in Georgia. The convention voted to prepare resolutions condemning the Geor gia convict system.

Resolutions were adopted congratu-lating Mrs. Ida B. Wells Barnet, the anti-lynch law agitator, on her recent

THE DURRANT MURDER TRIAL.

A Woman Calls Durrant Pet Names and Tries to Hug Him.

San Francisco, Cal., July 31.—Two additional jurors were secured to try Theodore Durrant for the murder of Blanch Lamont. The third panel of 75 names having been exhausted, an order was issued for a venire of 150 names. The additional jurors secured to-day, are: M. R. Dempster, a commission mer chant, and Nathan Crocker, a contrac Four jurors in all have so far been

As Durrant was entering the court room, a well dressed and handsome woman rushed up toward him with endearing words, and attempted to em brace him. The sheriff protected Durrant from this admirer, and refused to deliver the flowers sent to him by

Baseball at Morehead.

special to the News and Observe MOREHEAD CITY, N. C., July 31. The Beaufort baseball team to-day deteated Newbern 17 to 7. Chicago's woman team defeated Newbern 4 to 3.

DOGS WERE DEVOURING HIM. Mysterious Death of An Old Negro in a Field Near Winston.

Special to the News and Observer Winston, N. C., July 31.
The body of an old colored man by the name of Matthews was found in a tobacco field, near Sedge Garden, six miles northeast of Winston, yesterday afternoon. His head and one arm were off and it was supposed that he had been dead for several days. His death is a mystery. The colored man who first found him says that he was lead to the

spot by some dogs. Alexander Cooper, the eldest of the three Japanese students at Oak Ridge Institute, will leave this week for Gladi vostock, in Eastern Siberia, to settle the estate of his father. The distance to be traveled by him is eight or nine thousand miles and the trip will cost about \$350. He will return to Oak Ridge for a three years' course. His two younger brothers will remain at the Institute,

during the elder brother's absence. Sheriff Adams, of Surry county, had an unpleasant encounter yesterday with Henry H. Herring, whom he was carrying to the Morganton Insane Asylum. While on the trip Herring attacked the Sheriff and gave him a black eye. The unfortunate man lost his mind several years ago and had been in the asylum up to ten days ago, when he was released with the belief that his mind had been restored.

Considerable interest is manisested here over the small-pox scare in Patrick county, Virginia. Martinsville has quarantined against the infected district and other towns will do the same if unfavorable reports continue.

Mr. Trego, proprietor of the Randall Hotel, in Washington City, is here pros-pecting with the view of buying or leasing Hotel Phoenix. Rev. S. D. Turrentine, pastor of Cen-

tenary church, has been granted a four weeks' vacation, which he is spending with his family at Roaring Gap. His little son, who was quite sick, is reported greatly improved. A grand display of fireworks and a

balloon ascension was a decided attraction here this evening. They were given at Southside Park. The lawyers have made up the calen-

dar of civil cases for the term of court which opens here next Monday. It is hardly probable that any of them will be heard as the two murder trials and other cases on the criminal docket will doubtless take up the entire two weeks.

J. P. Penry has been bound over to the Superior Court by Mayor Gray on the charge of operating a gambling house in Winston.

MANY PERSON DROWNED.

A Freight Train Derailed and a Town Swept Away by Floods.

CRIPPLE CREEK, Col., July 31.—A freight train on the Florence and Cripple Creek Railroad was caught in a landslide and derailed near Adalaide, last night. A succession of cloud bursts occurred at the head of Eight Mile Creek, about twelve or fifteen miles north of Engineer Ben Gove and Adalaide. fireman Maurice Lyons saw the water coming down the creek. Lyons managed to escape, by climbing up the side of a mountain. Gove is supposed to have been drowned. Brakeman Dolan is known to have lost his life in the water.

The flood struck the town of Adalaide, doing great damage The hotel is said have been swept away and Mrs. Carlisle Tracy and a man named Watson were drowned. Six persons are known to have been drowned at Adalaide and two others are reported missing. The railroad for ten miles near Wilbur has been washed away.

No definite information was obtainable up to a late hour this afternoon but it is known that much damage is done in the path of the storm. It will be at least a week before the tracks can be repaired, and the damage is estimated at \$100,000. More destruction is reported at Camp

SMALL POX IN VIRGINIA.

A Farmer Killed by a Freight Train Near Morganton.

WINSTON, N. C , July 31 .-- Considerable excitement prevails among the peo-ple living near the North Carolina and Virginia line over the small pox scare in Patrick county. Three cities have quarantined against the infected disease, and several citizens are reported to be leav ing Martinsville and other places on ac count of the epidemic. Reports received to day announce eight deaths and twenty one cases.

A farmer named Zach Smith was instantly killed by a freight train last evening near Morganton. While intoxicated he sat down on the track and went to sleep. He leaves a large family.

A Lumber Yard Burned.

MENOMINEE, Mich., July 31.-A lumber yard fire is raging here and has al-ready destroyed property scattered over thirty acres of ground owned by A. Spies, the Gerard Lumber Company, Bayshore Lumber Company and others Some of the buildings of the match factory are burning. Two lives have been lost. The loss is \$800,000 to \$1,000,000.

Forest Fires in Michigan

MANISTQUE, Mich., July 31.- Reports have just reached here from White Dale and Gulliver, two small towns about 15 miles east of here on the Sault St. Marie Railroad, that those two places are in great danger of destruction by forest fires, which are raging in all sections of the country. Help was wired for and 35 men were at once sent there on a

HURST FOR GOVERNOR

MARYLAND DEMOCRATS NOMI-NATE THE RICH DRY GOODS MERCHANT.

SENATOR GORMAN NAMED THE MAN

Hayes Claims That He Had Been Assured of Gorman's Support for the Governorship From the Outset -- State Senator Crothers Nominated for Attorney General -- The Platform of 1892 Re-Affirmed and Mr. Cleveland Indorsed -- Gov. Brown Complimented.

BALTIMORE, Md., July 31.—When the news was definitely flashed through Democratic headquarters this morning that Senator Gorman had announced his preference for the rich dry goods merchant, John E. Hurst, of this city, for Gubernatorial honors, and State Senator Crothers for the Attorney-Generalship in place of Gen. Kyd Douglas, who, up to to-day, had been conceded the nomination, surprise was manifested in many quarters, especially among the country delegates where the desire for reassessment is strong and where the friends of this measure had supported the candidacy of Thomas G. Hayes, aleading exponent of re-assessment. Several of his supporters were so embittered that they declared their intention of voting for Judge Fisher, the avowed opponent of Gorman. Senator Hayes, who asserted that he had from the outset been assured of Gorman's sup-port, emphatically declared he would remain in the fight and openly charged

treachery.
It was 12:25 when Hattersley Talbott,
Chairman of the State Convention Committee, called the convention to order. Senator Talbott made a lively address. During it one enthusiast proposed a cheer for John E. Hurst. The cheers and the hisses, however, were almost equally divided. A cheer for Senator Gorman met with better success.

Mr. Talbott predicted a big Demo-cratic success this year. He closed by introducing Mr. Bernard Carter as temporary chairman. Mr. Carter said he felt confident that the party, when aroused, would this year, as it had in the past, go forward with united front to a great victory. He called attention to the fact that this year in Maryland the Republican party was active, aggressive and was striving to secure, not only the Governorship, but the Senatorship and the local offices. He warned his hearers that harmony was necessary in the Democratic ranks. Joseph W. Cham-berlain, of Hardford, and Thos. J. Keating, Jr., of Queen Anne, were elected

temporary secretaries.

The temporary officers were made permanent, and Col. L. V. Boughman, of Frederick county, Chairman of the Committee on Resolutions, read the report of his committee which was adopted unanimously. The resolutions approved the Democratic platform of 1892 and the able and patriotic administration of Cleveland. against the free coinage of silver and approve the Wilson tariff law which was characterized as the best the country has known for thirty-five years.

The administration of Governor Brown was highly complimented. Re-assess ment was regarded by the committee as being demanded by the people who would exact of the representatives to carry out their wishes for a fair and equitable assessment.

No mention was made to the record of any of Maryland's representatives in

The convention then proceeded to ballot for Governor and John E. Hurst was nominated on the first ballot, receiving 86 votes to 31 for Fisher. The nomina tion was made unanimous and then Charles S. Crothers, of Cecil county, was nominated for Attorney-General and Marion Dekalb Smith of Kent county, for Comptroller.

The convention then adjourned.

A COAL MINE ON FIRE.

Lives of Miners Saved By the Heroism of a Young Man.

SCRANTON, Pa., July 31 .-- Fire was discovered early to-night in the Sturges mine of the New York, Ontario and Western Railroad colliery at Peckville. The flames first appeared in the pump

house and spread to the barn there were seventeen mules. All but three of the animals were burned to But for the heroism of Edward Williams, aged 22 who had charge of the

pump, a terrible catastrophe would probably have occurred. He ran through the mines, warning his fellow workmen of their danger. They immediately sought the air shaft, and escaped through dense volumes of smoke. Williams was They immediately overcome by the smoke and was brought to the surface in a stupified condition. The damage will not exceed \$2,500.

GOOD TIMES IN MEXICO.

Cotton Mills Running Over Time to Supply Domestic Demands.

CITY OF MEXICO, July 31.- Notwith-standing the fact that the largest cotton and print mills in the country are running over time to supply the domestic demands, the importation of cotton textiles from Eugland during the first half the present year increased over 700,000 yards.

The increased prosperity of the country and the prospects a large crop this year is causing a reat augmentation of the demand in this line.

VIGILANT BEATEN AGAIN.

Now Admitted that the Defender is by Far the Superior Boat.

Newport, R. I., July 31.—The Defender beat the Vigilant to day in the run of 42 miles from New London to this point, and beat her so badly that the latter's friends must now admit that the new boat is better than the old. How much better cannot be stated, as no reasonable comparison of the champion of 1893, and the Vigilant of 1895, can be made, only by the handful of people who know about what the Defender will give to the Vigilant in the mat-ter of time allowances. Concerning this matter, an Associated Press reporter was told to day by a yachtsman who is in a position to know, that the Defender should allow the Vigilant four minutes or thereabouts on a forty mile race, such as that of to day. If this is true, the Defender did all that could have been asked of her, beating the Vigilant by at least eight minutes.

Just at the start Vigilant's mainsail was split, but the accident had no appreciable effect on the result of the race. The tear was low down, near the foot of the sail, and the yacht was going with freedom. The wind was abeam and gave the two men who were sent out on the boom to make the necessary patches no difficulty at all. They had no trouble in stopping the hole, sewing on new can-vass, and the entire incident cannot, it is said by experts, militate against the Vigilant by more than fifty seconds, at the outside, and probably not over twenty seconds.

If the advancement continues at the ratio displayed between the sail of vesterday and that of to-day the Vigilant will be nowhere to-morrow. It was almost a run with spinnakers to-day, and yet the Defender gained at every The finish showed the new boat to be twelve minutes and two seconds to the good on actual time.

The following is the time at start and

Defender,	START. 11:20:32	FINISH. 3:26:42
Vigilant,	11:21:50	3:40.02

BASEBALL YESTERDAY.

At Washington:
Washington,
New York,
Batteries: Anderse
and Farrell.
At Louisville: At Pittsburs:

CORBETT-FITZSIMMONS MILL.

The Contract Let for Building an Immense Amphitheater.

Dallas, Tex., July 31.—The contract for building the Corbett-Fitzsimmons amphitheater was let yesterday. The plans and specifications call for a seating capacity of 52,800. It will be a permanent structure, built by a joint stock company, made up of business men of

this city.

The Florida Athletic Club will not erect a building, as first announced. This is to avoid injunction proceedings.

COMPANY'S TERMS ACCEPTED. The Strike at an End at the American Wire Works.

CLEVELAND, O., July 31 .-- A crisis eemed imminent at the American Wire Works this morning, where 2,500 men are on a strike. Fifteen hundred men were gathered around the works to-day, and as the strikers had avowed their intention of preventing any men from going to work, trouble seemed probable.

The day passed, however, without any, and late in the afternoon the companp's terms were accepted. The strike was declared off and the men will all return to work between now and next Monday. By the terms of the agreement, the laborers will get an increase to \$1.37 1 2 a day to take effect at once. The fine wire drawers get the ten per cent advance they asked for but in installments, 5 per cent on August 1, and 5 per cent on No-The coarse wire drawers vember 1. also get the twenty per cent advance demanded, in installments of 5 per cent on the first of August, October, November and January.

Eleven hundred men are affected by the advance, and it is claimed that the settlement will also decide the strike at

The Tailors' Strike.

New York, July 31-The principal feature to day in the tailors' strike situa-tion was the issuing of bonded agreements to contractors. Of these 110 representing over 80 shops furnished the required security and it is expected 2,000 coat makers will resume work to-morrow. The strlke, though somewhat abated, is still on and the strikers declare that they will fight until the contractors have all fallen in line and acknowledged their

defeat by signing the new agreement. Dixie Plow Works.

RICHMOND, Va., July 31.- Starke's Dixie Plow Works here were damaged by fire this morning to the extent of \$5,000.

Dixon Won on a Foul.

Boston, Mass., July 31 .-- The Dixon-Connelly contest was awarded to Dixon in the fourth round on a foul.