

SENATOR SIMMONS TURNS A TRICK ON REPUBLICANS

Gets Hold of Their Analysis of Democratic Tariff Bill Before It Is Printed

FEW ERRORS POINTED OUT Lengthy Document Upon Which Senator Smoot and Expert Assistants Spent a Month Is Found to be Mostly Argument

(By the Associated Press.)
Washington, D. C., July 8.—Senator Simmons, chairman of the Finance Committee, turned a trick on Republican leaders today when he got his hands on a lengthy analysis of the Democratic tariff bill, which had been prepared under direction of Senator Smoot, pointing out what the Republicans claim are serious defects in the measure.

Senator Smoot had delayed for a month the introduction of the analysis, despite insistence of Senator Simmons that it be printed. On the last day of the case when the Democrats were through with the bill, Senator Smoot consented to send the document in for the printer. But the Democrats have not yet printed their bill and have a day or two to make corrections as taught at their opponents' inasmuch as a debate will not begin until next week.

Knowing that the Republican document might contain valuable pointers, Senator Simmons directed the Finance Sub-Committee to go over their schedules today while he poured over the Smoot analysis to check up with the sub-committee.

Had Been Watching For It.
Senator Simmons had heard some weeks ago that Republican leaders had cautioned Senator Smoot to hold back the analysis.

"Don't send it in yet," they urged. It will give us away.

When the Finance Committee chairman determined to lay in wait for the document and today he pounced on it before it went to the printing office, he found the results of Senator Smoot's careful scrutiny. It is a lengthy document, filled with statistics and arguments, which the Democrats are anxious to see printed. He said some of the analyses point out errors that could be corrected, but that much of the document was found to be argument.

The bill probably will not go to the printer until tomorrow night as the sub-committee still are checking up for corrections. Meanwhile Senator Simmons is completing the committee report on the measure.

Estimated Revenue.
Senator Simmons today received from the Commissioner of Internal Revenue an estimate of the revenue to be derived from the income tax as revised by the Democratic Senate caucus. The House estimate, on the basis of a flat exemption of \$4,000, was \$70,000,000 a year. On the basis of a \$3,000 exemption for single persons, \$4,000 for married persons, and an additional \$500 each for dependent children up to two, as the caucus amended the section, the estimate for the normal year shows very little difference, it being \$65,825,000. For this year, however, the estimate will be higher owing to the change in time the incomes are to be computed from January 1, 1913, to March 1, 1913. For this year this would leave the estimated revenue from income tax at approximately \$52,000,000.

More From Corporation Excise.
More revenue, however, will be derived from the corporation excise feature of the tax than the House estimate of \$39,000,000.

The commissioner's report shows that in the last fiscal year \$35,000,000 was collected from the corporation tax and estimated for the coming year the revenue is \$37,000,000. The general revenue estimate to be derived from income and corporation tax under the House bill was \$100,000,000 and under the bill as revised by the Senate this income is estimated at \$108,625,000.

For the first year, however, owing to the change in time the general revenue would be approximately \$95,000,000.

Senator Simmons is having worked out a general revenue put on for the whole tariff bill. This will show a considerable increase over the House.

CHARGE ABSOLUTELY FALSE, SAYS PELL

Corporation Commissioner Resents Allegation That He Was Keeping off New Train Between Sanford and Mt. Airy.

(Special to The News and Observer.)
Greensboro, July 8.—Judge G. P. Pell, of the State Corporation Commission, gave out an interview today in which he declared the circulated report charging that he was keeping off the proposed new train from Sanford to Mt. Airy was absolutely false and without foundation. He said the train was put on for the reason that the railroad company had not agreed to put on the train unless the people of Mt. Airy would withdraw their petition for better depot facilities. This the Mt. Airy people refused to do. He said he was not affected by any desire of Winston-Salem people to have the train go by Winston-Salem instead of Walnut Cove.

Judge Pell was here today to take evidence in the matter of the petition for citizens of McLeansburg for better depot facilities at this station, which is eight miles east of Greensboro.

THE DAY IN CONGRESS

SENATE.—Not in session, meets Thursday.

Not in session, meets Thursday.

David Lamar continued testimony before lobby committee.

Finance committee worked on tariff bill.

HOUSE.—Not in session, meets Wednesday.

BARRIER AGAINST THE BOLL WEEVIL

Planned by Senator Smith, of South Carolina

HIS IDEA IS TAKING Federal Government to Prevent Growing of Cotton Within a 50-Mile Belt Which Pest Won't Cross

(By the Associated Press.)
Washington, D. C., July 8.—Plans for the Federal government to raise a barrier against the boll weevil of the southwestern cotton states invading the Atlantic coast states are being drafted by Senator Smith, of South Carolina. Secretary Houston is said to have given the proposition his tentative approval.

Senator Smith's plan is for the Federal government, with state cooperation, to prohibit the growing of cotton in a belt which would separate the Atlantic coast states from the southwestern states. As the boll weevil migrates only from cotton field to cotton field, the senator believes this belt would save the states to the east of it from the pest, which has cost growers in the southwest millions of dollars annually.

According to investigation already made, the narrowest belt where a barrier might be raised would be in Alabama between the mountains near the Tennessee line and the gulf. The weevil already has swept over Texas, Oklahoma, Louisiana, Arkansas, and is said to be traveling eastward into Alabama.

Senator Smith is preparing to urge upon the Senate that this narrow belt will be a practical barrier if immediate action is taken to establish it. If effective it would protect most of Alabama and all of Georgia, Florida, South Carolina and North Carolina from the weevil.

The barrier to be effective must be fifty miles wide, it is believed. The growing of cotton in that zone would be prohibited but the farmers could raise any other crops.

Senator Smith's plan is to have the Federal government compensate the farmers in this zone for not planting cotton. He is investigating the action of the Federal government in stamping out yellow fever in Louisiana and in establishing forest reserves in order to have precedents for his plan.

Senator Smith today consulted Senator Kern, of Indiana, the Democratic leader, and won his approval to a feasible plan to accomplish the desired object.

CIRCUIT COURT OF APPEALS CONVENES

Judges Pritchard and Woods and Clerk Maloney in Attendance at Asheville This Week

(Special to The News and Observer.)
Asheville, July 8.—The United States Circuit Court of Appeals for the Fourth Circuit convened in Asheville yesterday with Circuit Judges Pritchard and Woods, the latter of South Carolina, and Henry T. Maloney, clerk of the Circuit Court of Appeals, in attendance. The session is being held, in a measure, for the purpose of completing the unfinished business of the May term recently held at Richmond. Decisions will be announced in some cases and necessary orders will be made by the court. Conferences will be held upon all matters submitted.

CAROLINA HARDWARE MEN IN RICHMOND

Address of Welcome by Governor Mann, Mayor Almick and Others—400 Members Present

(By the Associated Press.)
Richmond, Va., July 8.—With four hundred members in attendance, the annual convention of the Hardware Association of the Carolinas was opened today, although the business sessions will not begin until Thursday.

President M. Bonnoitt, of Darlington, S. C., presided.

Addresses of welcome were delivered by Governor Mann, Mayor Almick and others.

Tomorrow the delegates will go to Jamestown Island as the guests of the city of Richmond.

SHOT AT INTRUDER KILLED HIS WIFE

W. H. Hodges, of Brunswick County, in custody Pending Investigation of Affair.

(Special to The News and Observer.)
Wilmington, July 8.—Early this 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 alleged had broken into his home. His wife died soon after from the effects of the wound.

After her death, Hodges came in to Wilmington in his gasoline launch and consulted an attorney as to what course to pursue. He was advised to notify the sheriff and coroner of Brunswick county and have an inquest. This he did and was taken in to custody pending the result of an investigation. The woman had borne a bad reputation for several years.

TO SURVEY LITTLE CONTENTNEA CREEK

Small Gets Promise of Drainage Engineers From Washington to Visit Pitt County

(By W. E. YELVERTON.)
Washington, D. C., July 8.—Representative Small secured today from the bureau of engineers in the Department of Agriculture the promise to send to Pitt county within the next month an engineer to survey Little Contentnea Creek to see whether or not the territory contiguous to it can be drained at a reasonable cost. About 1,600 acres in Pitt county along the banks of the creek are affected, and if drainage is found to be practicable, a drainage district will probably be formed. The land is as rich as any in North Carolina, Pitt being noted for fine farming land.

ASHVILLE HOST TO 250 BANKERS

Annual Meeting of State Association Begins

FINE SESSION PROMISED Judge P. C. Cocke and L. L. Jenkins Deliver Addresses of Welcome—Response by Joseph B. Ramsey

(Special to The News and Observer.)
Asheville, July 8.—With more than 250 bankers, representing financial institutions in various parts of the State, in attendance, and delegates to the seventeenth annual meeting of the North Carolina Bankers' Association arriving on every train, the annual gathering had a most successful opening tonight and the indications are that the Asheville meeting will be the best in the history of the organization.

The first session was held in the ball room of the Battery Park hotel, the evening session being called to order by Leake A. Covington, of Rockingham, the president of the organization.

The invocation was delivered by Bishop Julius M. Horner, of this city, and the State's bankers were welcomed to Asheville by Judge P. C. Cocke, representing Mayor J. E. Rankin. Speaking for the bankers of the city, L. L. Jenkins, the president of the American National Bank, bade the visitors make themselves at home while in Asheville. Both speakers were received with applause and were heard with attention in the large hall.

The response to the addresses of welcome was delivered by Joseph B. Ramsey, the president of the First National Bank of Rocky Mount, also thanking the speakers for their cordiality and hospitality and stating that the bankers of the State have been looking forward to the Asheville meeting for many months past.

Following the business meeting, the bankers, their wives and the members of their families were the guests of the city at a very delightful reception and dance which was largely attended and thoroughly enjoyed.

The features of tomorrow's meeting will be addressed by Dr. Bradford Knapp, of Washington, D. C., who will discuss "A Banker's Campaign in 1913," and J. B. Russell, and James J. Britt, of this city, former Third Assistant Postmaster General, who will speak on "One-Cent Letter Postage, Is It Feasible and Desirable?"

Many representatives of other State associations are here, including four of the officers of the Virginia Bankers Association.

Secretary Hunt tonight read his annual report.

Secretary Hunt's Report.
The report of Secretary and Treasurer W. A. Hunt, of Henderson, showed that during the year which is just closing the Bankers Association has done very efficient work and rapid strides have been made towards placing the North Carolina organization among the highest ranks of the Bankers' Associations of the country.

Twenty-two new members have been secured since the last annual meeting at Morehead City. Secretary Hunt predicted that it will be only a short time until the bankers who are not members will realize that they need the association more than the association needs them.

The report of the secretary was to the effect that the executive committee has been called upon to hold only one meeting since the last annual gathering. That meeting was held at Raleigh and was well attended.

The legislative committee, Secretary Davis stated, has had a very active year.

Mr. Hunt called the attention of the bankers to the group features of the last General Assembly and urged that it be employed by the North Carolina association. The membership is increasing to such an extent, he stated, that this feature will undoubtedly be of great benefit to the members.

He suggested that the negotiable instrument law be republished in book form, and expressed regret that the last General Assembly failed to enact a model banking law, as approved by the association. He pleaded that the work of the bankers for the enactment of such a law be continued and predicted that within a short time the State in general will realize the value of the proposed law and insist that it be enacted.

The report showed that the association is in good condition financially and in an amended account of the expenditures during the past year was submitted by Mr. Hunt.

(President Covington's address will be found in another column—News Editor.)

TAR HEELS AT THE NATIONAL CAPITAL

By W. E. YELVERTON.

Washington, D. C., July 8.—North Carolinians here today to T. R. Hood, of Smithfield; F. J. Weatherley, of New Bern, and W. A. Darden, of Wilson.

Charles Paul, the Asheville boy who landed "broke" in Washington, was not brought into court today as expected. He is still in the house of detention.

SMALL BOYS IN JAIL

Ages 5 to 12, Three of Them Got 15 Days for Store-Breaking.

(Special to The News and Observer.)
Waynesboro, July 8.—Three little boys of Canton, Due Everhard, Clarence and Lorence Sengler, aged from 7 to 12, were charged with store-breaking at Canton. Judge Ferguson gave the three youngsters a sound and touching lecture which brought tears to the eyes of officers and others.

The reformatories being full, he sent them to jail for ten days, then for twelve months to report to the mayor of Canton from time to time, as how good behavior.

THROUGH LAMAR'S SPECTACLES WALL STREET IS SEEN

Dapper Operator Takes Lobby Committee Completely Into His Confidence

BACK TO SUGAR LOBBYING Three Hours Spent Inquiring Into Ways of Alleged Sugar Trust and Its Influence in Cuba and Elsewhere—Brief Excursion Into Wool

(By the Associated Press.)
Washington, D. C., July 8.—The Senate lobby investigating committee took a look at Wall street today through the spectacles of David Lamar. The dapper operator on the bear side, who admits that he handed about in the market place the names of men high in Congress, took the committee completely into his confidence. For all their animations he contrived, there were after all, he swore, but two reasons. He wished to cause an "explosion" which would bring the Wall street men whom he felt were antagonistic to him "into the open" and he wished to insure the employment of Edward Lauterbach, his lawyer friend who had fallen into disfavor with the might of the street.

Although the committee tried to develop that very sensitive and somewhat other consideration involved, Lamar denied such an allegation as often as it was made. He was on the stand for several hours and although five senators wielded the scalpel of various times they uncovered nothing that Lamar did not wish to reveal. Time after time he seemed to be on the verge of some admission, to which patient questioning had brought him, but he veered away at the very moment when a lawyer-like threatening could bring him back again.

He was only playing Wall street's game, he said, when he made such frequent use of the telephone and was doing it with full knowledge that Washington through prominent members of Congress. It was the game he had known most of the twenty-five years he had been in the street, he said, but he was not playing it now. He was sorry for the publicity that had been given to the representatives or influences, but except for that he thought that the end justified the means. The explosion had occurred, he added, and his enemies had drawn in their horns. He intended to prove charges circulated for many years in the financial district against himself and Lauterbach. He summed up his whole story in a few words, when he said:

"I am the only villain in Wall Street. All the others are actuated by the highest motives and possess the highest ideals."

Lamar's examination was finished today and both he and Lauterbach were allowed to go, with the understanding that if wanted, they should appear again.

Sugar Lobbying Again.
With their departure the committee took up sugar lobbying again for three hours, with a short excursion into the land of the wool lobby.

Charles D. Westcott, a Washington attorney who lives in Cuba, took up the sugar story again. He told of an unsuccessful effort he made to get Cuban planters to put up \$25,000 for the expenses of a free sugar campaign in Washington to offset the efforts of the anti-free sugar. He declared that his anti-free effort had been defeated successfully launched and gave it as his opinion that the "sugar trust" had been responsible. He said the "trust" accomplished this end by its influence with Cuban banks which could force the growers to do what they wished by refusing to extend them necessary credit. He added that the Agrarian League, to which every Cuban grower feels obliged to belong, was dominated by the "trust" and he was acting in compliance with the "combine's" wishes. It had opposed a free sugar campaign.

Searching Cross-Examination.
Westcott was put through a searching cross-examination by Senator Cummins about these statements. He finally said that he personally did not know anything about trust domination in Cuba, but his statements were made on information given by growers.

He read to the committee a letter from R. E. Hawley, president of the Cuban-American Sugar Company, of New York, which he said was allied with the "trust," in which Hawley opposed free sugar, arguing that Cuba benefited more by the preferential now enjoyed under reciprocity than she would with free sugar.

Senator Nelson caused much amusement when he questioned Westcott about a letter he wrote to Secretary the President Tumulty in the winter urging that Mr. Wilson keep up the fight for free sugar. The witness said that shortly after he wrote the letter the lines of the free sugar advocates in the Ways and Means committee of the House were "stiffened."

"Your letter stiffened up the free sugar firing line," said Senator Nelson.

"Well, it stiffened shortly after I wrote it."

"Are you sure the President ever read it?"

"No, sir."

"Well, it acted as a sort of starch on those wavering members of the committee," continued Senator Nelson, while the chairman rapped for order and stopped the laughter.

"Oh, no," the witness said with a show of embarrassment.

The committee room was filled all day long with members of the Senate and House.

Wm. Whitman, of Boston, one of the men interested in wool, under subpoena, will take the stand tomorrow morning before the Senate committee.

"UNWISE AND DANGEROUS" DECLARES PRISON BOARD

Believes State's Policy of Hiring Convicts to Railroads Has No Hope of Return and is Great Cost to State. Nearly \$400,000 Tied up in Worthless Stock.

SUPERINTENDENT MANN'S REPORT STRONGLY BACKED

Objections Made Also on Ground of Unconstitutionality. Expert Accountants Find Few Discrepancies. State Called Upon to Discontinue Its Convict Policy—Losing \$358 Daily It is Said. Report of Accountants.

That North Carolina's policy of leasing convicts to railroads is unwise, dangerous and even unconstitutional, is the opinion of the State Prison Board, which made its report to Governor Craig yesterday.

In its findings, the board heartily commends the report of Superintendent J. S. Mann, who gives a detailed account of his visits to the several systems built much by State convicts. He speaks openly against the policy. He tells how it takes the ready cash from the prison account, creates the false impression that the institution is a money-maker and places an additional heavy expense upon the State by reason of the necessity for issuing monthly vouchers to pay for guarding, feeding and clothing the prisoners.

The board has no confidence in the investments. It may not say this of all the roads built at popular expense, for it thinks that the Elkin and Alleghany Railroad is being developed in the interest of the people. But it finds that money in five or six of these enterprises has been thrown away and says so.

"We have got in the State treasury \$378,785 in stock in these roads," it says, "and we are doing it with our eyes open. We are doing it with full knowledge that our State is in debt, that our credit is being ruined and that our people are being deceived by the reports of our own agents."

"We are losing on account of giving away convict labor, \$104,700 every year. That means \$358 a day. And we are doing it with our eyes open. We are doing it with full knowledge that our State is in debt, that our credit is being ruined and that our people are being deceived by the reports of our own agents."

The superintendent's report on the Atlantic and Transcontinental approaches the sensational. He calls the work a "sham and a pretense, and while crediting the promoters with pure motives, he calls upon the State to discontinue the work or require an increased amount of labor. Of the Statesville Air Line he says that road ought to be a great adjunct to the Southern Railway "without cost to it for construction, equipment or maintenance."

This stinging report will help, government say, in the railroad rate fight. It will show how the State has done such splendid things for the roads, some of which are engaged in the great work of holding up the State, they say. Mr. Mann's report reads finely and tells the story of the State's Prison.

"Gentlemen—Entering upon my duties as Superintendent of the Prison under your direction on April 7th, I found the institution in a state of chaos. I have since then endeavored to bring it into a state of order and to put it on a business basis. I have succeeded in doing this, and I am proud to say that the institution is now in a position to meet any emergency that may arise. I have also succeeded in bringing the institution into a state of order and to put it on a business basis. I have succeeded in doing this, and I am proud to say that the institution is now in a position to meet any emergency that may arise."

(Continued on Page Four.)

STATEMENT MADE BY MCDODD BRINGS ABOUT OPTIMISM

McReynolds to Be Asked to Probe Into Alleged Irregularities in Conduct of First-Second National Bank--Loss Five and Half Millions

(By the Associated Press.)
Pittsburg, Pa., July 8.—To the delicate statement of Secretary of the Treasury McAdoo, issued last night, is attributed the restoration of almost normal conditions in financial Pittsburg tonight, despite the closing yesterday of the doors of the First-Second National Bank, an institution which had been accredited one of the strongest in the country. While the situation was tense in the financial world yesterday and little information as to possible developments was obtainable, the flat statement of facts of the Secretary served to develop an overnight optimism that grew as the day advanced.

The closing of the First-Second was naturally followed by suspension of its affiliated bank, the First National of McKeesport, and the appointment of receivership for the banking house of J. S. and W. S. Kuhn, Inc., whose principals were the majority stockholders of both institutions, and a like action with the American Water Works and Guarantee Company, an enterprise favored by the Kuhn interest.

A Small Run Made.
Another Kuhn interest which was affected, the Pittsburg Bank for Savings, suffered somewhat from the complication, a run being started on it yesterday chiefly by small depositors. This continued somewhat increased early today, but it appeared to abate as the day wore on. Depositors assembled about the bank building and the sidewalk about the building was roped off with mounted policemen prancing their horses within the lines on the sidewalk. The people were outside the ropes into the middle of the street. The crowds were made up mostly of curious spectators. The small groups of depositors that entered the bank were promptly paid \$50 upon demand, as yesterday, and required to give the legal notice of their stay or ninety days notice to withdraw other amounts above stated figures. Yesterday \$57,000 was withdrawn from the bank while the deposits were \$37,000. Today's figures in this relation were not obtainable, but it is assumed the withdrawals today were under yesterday's figures.

There were reports that a million dollars had been shipped to the Pittsburg Bank for Savings today from Philadelphia, but this was not verified and was discredited by clearing-house members who verified the statement of the bank manager yesterday, that this bank has \$5,000,000 in cash and \$4,000,000 in quick assets, enabling it to meet any stress or emergency.

New Officers Announced.
About noon the announcement was made that J. S. Kuhn, the president, and W. S. Kuhn, the vice-president, had resigned and that W. J. Jones, the former secretary and treasurer of the bank, had been made president with A. N. Voegltl, former assistant to Mr. Jones, as secretary and treasurer, while L. M. Plummer, a director, was made vice-president. From the time of this announcement during the rest of the day the crowd on the streets noticeably abated and the crowd disappeared, until at closing time the streets near the bank differed from no other business thoroughfares.

MCREYNOLDS TAKES A HAND.

Department of Justice Called Upon to Investigate Pittsburg Affair.

Washington, D. C., July 8.—Secretary McAdoo will ask Attorney General McReynolds within a few days to investigate alleged irregularities in the conduct of the First-Second National Bank of Pittsburg, which closed its doors yesterday. The Secretary today definitely decided to refer the situation to the Department of Justice, and is now engaged in the collection of all the facts connected with the management of the big bank to prepare the Attorney General for an inquiry.

Fully Mismanned.
John Shelton Williams, Assistant Secretary of the Treasury, today returned from Pittsburg where he superintended the closing of the bank and reported that the institution had been "freely mismanned," necessitating a reference of the conditions to the Department of Justice.

Thomas P. Kane, acting comptroller of the currency, by long distance, telephoned late today advised Secretary McAdoo that the receivership was progressing satisfactorily and reiterated that the general banking conditions in Pittsburg were sound.

Treasury officials continued no real confidence that there would be no more trouble, but emphasized the belief that the closing of the First-Second actually had improved conditions in Pittsburg by removing a doubtful element from the financial system.

Loss Over Five Millions.
The latest reports to the Treasury Department indicate that the loss of the First-Second may reach \$5,500,000, because the entire capital and surplus of the bank now seem to have been wiped out. These figures were accompanied by assurances from officers of the bank that the depositors whose statements total about \$23,000,000, probably would be paid in full or nearly in full through realization on the bank's assets.

AT THE MERCY OF THE RAILROADS.

Rockingham Knows How the Railroads Increase Prices With Freight Rate Discrimination.

Rockingham suffers from the unjust freight rates imposed by the railroads.

The Everett Hardware Company, of Rockingham, tells of an instance of this. A letter from that firm reads:

"We notice in a recent issue of the News & Observer the freight discrimination in the matter of the shipment of Gypsum Plaster from Saltville, Va., to Sanford, where they have to pay a freight rate of \$3.00 per ton. You state that freight for Atlanta shipment originating at the same place in Virginia carries the rate of \$2.00 per ton.

"In this connection we wish to advise that we get plaster from Plasterco, Va., the rate to Rockingham being \$4.00 per ton. We presume the rate from Plasterco would be the same as from Saltville. These shipments would pass by Rockingham."