

SNAKE IN THE GRASS IN COTTON LEAK UNEARTHED

Government Secrets Made Foundation for Ill Golden Gain

HOLMES HAD DEALINGS WITH WALL STREET MEN

Whereby They and He Succeeded Jointly in Making Their Pile

Washington, July 8.—As the result of the investigation by secret service agents into the charges made by Richard Cheatham, of the Cotton Growers' Association, that information had been given to cotton brokers in New York by some person or persons in the bureau of statistics of the department of agriculture, Secretary Wilson today made public a statement in which he states that Edward Holmes, assistant statistician, had been guilty of "juggling" the official report. The report says it has been found that Mr. Holmes communicated advance information to L. C. VanRiper, a New York broker, and M. Haas, of New York, who, Mr. VanRiper said, acted as a go-between in conveying information from Holmes to other New York brokers, including Theodore Price. Steps have been taken by Secretary Wilson to prevent any further leakage of the department figures, and an entire reorganization of the bureau of statistics and manner of preparing monthly crop reports has been outlined by him.

Cannot Prosecute.
The papers in connection with the investigation were referred to the United States attorney for the District of Columbia, and he has reported that in his opinion a criminal prosecution will not lie against Holmes. Holmes has been dismissed from the service of the department.

According to the report, Wilson Judd, of New York, formerly in the employ of L. C. VanRiper, induced the latter to tell of his connections with Holmes and then communicated the information to Mr. Cheatham. VanRiper became the principal witness in the investigation conducted by the secret service and said he was induced to communicate the fact that advance information was being given out by Holmes because he had heard that Holmes and his associates intended to try to manipulate the June cotton report. Using this information as a foundation the secret service agents interviewed numerous persons who had been mentioned by Judd and VanRiper, as well as gathering a mass of correspondence, including many letters written by Holmes to VanRiper and others.

Furnished Information From Time to Time.
After reviewing the charges Secretary Wilson gives a summary of the testimony adduced before secret service agents. Mr. VanRiper the New York broker, under examination said he became acquainted with Holmes in New York in August, 1904, through a "mutual friend." According to this testimony Holmes told VanRiper he could get information concerning the government crop report, principally through the report of the general agent and the reports of state agents. VanRiper said Holmes furnished him with information from time to time for several months in advance of the publication of the official figures, and that the information furnished by Holmes corresponded exactly with the figures afterwards published as the official crop reports. VanRiper stated that a Mr. Haas, of New York, acted as a go-between for Holmes and himself, and he was given to understand that Haas was securing information for Theodore Price, a cotton broker of New York.

They Wanted It More Bearish.
The witness said he met Haas at the Hotel Waldorf and was told by him that the report for June, 1905, would be 25 per cent. an increase, and 15 or 12 per cent. an acreage reduction, which was as bearish as they could make it, and that he was going to see Price, with whom he would have an interview, and wanted to see VanRiper before he saw Price. Then in about an hour Haas called on him and said that at the request of Price he was going to Washington to see if he could not get the percentage a little higher and the acreage a little smaller to make the report more bearish. VanRiper testified that the official report was more bearish than the figures previously given him and that he took this to mean that the effort to influence the report had succeeded.

Olmstead Appointed.
Washington, July 8.—Victor H. Olmstead has been appointed associate statistician of the department of agriculture, to succeed Edwin S. Holmes.

Whole Deal Was a Regular Conspiracy

New York, July 8.—L. C. Van Riper, whose name was mentioned in Secretary Wilson's report as having received advance information on the cotton crop condition, made a public statement after the publication of Secretary Wilson's report today, in which he declared that he had nothing whatever to do with the plans to manipulate the cotton reports. He amplified Secretary Wilson's report and called upon the secretary to make public Mr. Van Riper's statement to him.

Mr. VanRiper's statement is as follows: "It came to my knowledge early in the year, without solicitation on my part, that plans were being laid to influence or manipulate the figures of the government reports on cotton during the summer months, beginning with June. It was planned by certain interests, including parties in responsible position in the bureau of statistics, to use influence to have Mr. Hyde sent to Europe, so that Mr. Holmes would be the acting head of the bureau of statistics, and in this position would have a free hand to furnish such reports as were wanted."

Furnished Information Before.
"I was also cognizant of the fact that the said Holmes had previously furnished advance information to certain brokers from time to time, but when their plans for changing or manipulating the cotton report figures were exposed to me I immediately consulted my attorney regarding the matter and upon his advice listened to their stories and kept back their plans, in some cases having witnesses unknown to them, until the June report on acreage and condition of cotton came out."

ANOTHER ONE FOR ASHEVILLE

American Cotton Growers Will Hold Convention at Kenilworth Inn

IS NATIONAL BODY WITH GREAT INFLUENCE

Large Cities of America Wanted Plum But Asheville Won Out

The meeting of the executive committee of the American Cotton Manufacturers Association was held at Kenilworth Inn last night, and the occasion was featured with a dinner complimentary to the visitors, tendered by Mr. E. H. Moore, of this city.

Broker Threatens To Sue for Libel

New York, July 8.—Theodore H. Price, the New York cotton broker, today declared that he has no objection with or knowledge of either L. C. VanRiper or M. Haas, from whom he is said in a report of the department of agriculture to have received information concerning the cotton crop.

Mr. Price said today that the Washington report on the leak of cotton statistics was a complete surprise to him, that he had received no information from the department in any way that his name had been brought into the matter; that he had received no information from Mr. Holmes or the department in regard to any of its reports, directly or indirectly; that the alleged statement of Secretary Wilson, so far as he has it, brought his name into the matter only through the testimony of VanRiper, whom he did not know or ever had seen, nor ever had heard of, until he was able to secure a full report on the subject he could not make his denial more explicit, and mentioning any paper mentioning his name in the matter did so at its own risk.

Brands It False.
The Associated Press has received the following letter from Mr. Price: "Dear Sir: My attention has just been called to a bulletin of the Associated Press to the effect that Mr. Holmes, who has been dismissed from the department of agriculture, communicated advance information to New York brokers, including myself. "Permit me to say that such a statement is entirely untrue. I am, of course, Continued on page 3"

TAKE ISLAND OF SAKHALIN

Peace Preparing for Possible War

GARRISON OF ISLAND TOO WEAK TO OBJECT

Russian Commander Burns His Bridges and Begins to Retreat

St. Petersburg, July 8.—The landing of Japanese troops on the island of Sakhalin was officially reported tonight and started military circles in St. Petersburg, though it had been widely known that the Japanese were also to take possession of the island as soon as they thought fit. The strength of the landing force cannot be ascertained, but the garrison of the island is too weak to offer an effective defense.

The Japanese fleet covering the landing of the troops on the island consisted of two battleships, seven cruisers, three gunboats, 26 torpedo boats and 16 transports loaded with troops. The Japanese landed at the village of Mores, between Chirpivan and Kurokavok. The commander of the Russian detachment of troops at Kurokavok ordered the coast defenses to be blown up and all the government buildings burned before retreating. Though the Japanese seem unwilling to risk a grand battle with Gen. Linvitch pending the peace meeting at Washington, the landing of troops on Sakhalin is considered to express Japan's decision regarding the formal conclusion of a general armistice, namely, that in the interval before the meeting it is necessary to occupy the island whose possession is an important card in Japan's diplomatic contest at Washington.

PLENIPOTENTIARIES OFF FOR AMERICA

Yokohama, July 8.—The steamer Minosawa of the Great Northern line, having on board the Japanese plenipotentiaries, sailed from this port for Seattle today. The plenipotentiaries are the Marquis Ito, Premier Katsura, other members of the cabinet, Mr. Guseom, the American minister, and the staff of the legation were among those who accompanied Baron Komura and his party to the Minosawa.

DEWEY FOUND GUILTY: GETS 6 YEAR SENTENCE

Raleigh, N. C., July 8.—Thomas W. Dewey, the defaulting cashier of the Farmers and Merchants' bank of Newbern, was found guilty today, after the jury had been out two days and nights. He was sentenced to six years in the penitentiary. The defendant's attorneys at once served notice of an appeal to the Supreme court, which convenes in Raleigh in September. A bond of \$40,000 was furnished.

ALDERMAN BURNETTE MUST LEAVE HIS CHURCH

For Adherence to Views He is Told to Resign Deaconship

MR. BURNETTE CALLED TO CHURCH STUDY

Unusual Situation Arises from Exercise of Official Duties. Expression of Sympathy

Because he had the courage to vote his views on the Sunday soda question in the aldermanic chamber Friday night, Alderman B. Burnette was yesterday afternoon requested to call at Dr. Campbell's study and explain his action. After the inquisition was over it was learned that the ecclesiastical rod had been instrumental in bringing about the resignation of Alderman Burnette as a deacon of the First Presbyterian church and his withdrawal as a member of that religious body.

It was shortly after 3 o'clock when Alderman Burnette was called to the church study for consultation. The alderman's interview with his pastor was an earnest one, and the layman was told that the best course for him to pursue was to resign, as it was more than likely that the church session would ask such a course. The resignation was thus practically a forced one, and a reputable church member severing his connection with an ecclesiastical institution because his views as a city official are not in harmony with his brother officers on the church board.

The streets were full of the rumor of Alderman Burnette's visit to the Presbyterian study and a representative of The Citizen called up Dr. Campbell and Alderman Burnette to obtain definite facts. Mr. Burnette said he felt deeply in the matter, and that while his departure from the church occasions him pain, he nevertheless felt that he had done his duty to the people who had confidence in him and believed that he would not shrink a public duty. Mr. Burnette did not think that the attitude of the church authorities was exactly a Christian one.

WATERY GRAVE IN A LITERAL SENSE

Richmond, Va., July 8.—Mrs. Estelle Smith of Manchester, Va., charged with beating to death her five-year-old son, Ralph, was today found guilty of voluntary manslaughter. The jury fixed the penalty at five years in the penitentiary. An appeal will be taken.

MOTHER SENTENCED FOR KILLING CHILD

The case was submitted without argument because of the indisposition of Commonwealth's Attorney Page.

NATIONAL LEAGUE

| | P. | W. | L. | Pc. |
|--------------|----|----|----|------|
| New York | 73 | 53 | 21 | .712 |
| Pittsburg | 74 | 48 | 26 | .682 |
| Philadelphia | 71 | 48 | 23 | .604 |
| Chicago | 74 | 42 | 31 | .561 |
| St. Louis | 72 | 37 | 35 | .513 |
| Brooklyn | 73 | 27 | 46 | .361 |
| Boston | 72 | 21 | 51 | .292 |

AMERICAN GIRL IS NOW ALL AROUND CHAMPION

London, July 8.—Miss May Sutton of Pasadena, Cal., today beat the British champion, Miss K. Douglass, by 2-0, thus becoming British as well as American lady tennis champion. The scores were 6-3; 6-4.

Will Carry Case Farther

Macon, Ga., July 8.—Judge Speer, in the United States Circuit court, today granted superadeas to the defendant railroads in the case brought by the Georgia Sawmill association, which recently secured an injunction against the increased lumber rate. Edward Baxter, senior counsel for the railroads, said he would carry the case to the United States Circuit Court of Appeals. The superadeas was granted to the railroads in bond of \$500,000.



AN UNCOMFORTABLE BUT POPULAR PLACE FOR SMOKING.