

VOL XX NO 257

ASHEVILLE N. C., TUESDAY MORNING AUGUST 1, 1905

PRICE FIVE CENTS

## SUIT FILED IN NEW YORK SUPREME COURT AGAINST EQUITABLE'S DIRECTORS

The "Model  
Grade" of  
Hays & Co.  
is  
your  
Society itself, its  
Members of Co-  
are Made Defendants  
MILLIONAIRES GALORE  
MUST ANSWER SUMMONS

### "Negligent and Improper Dis- charge of Duties" are the Charges

New York, July 31.—An action was instituted today by State Attorney Mayer in the Supreme court, New York county, in the name of the people of the state of New York, against the Equitable Life Assurance Society, its officers, directors and members of the executive and finance committees, all of which are named in the complaint. The defendants are the Equitable Life Assurance Society of the United States and James W. Alexander, Louis Fitzgerald, Chauncey M. Depew, Henry C. Deming, Cornelius N. Bliss, George H. Squire, Thomas D. Jordan, Charles S. Smith, Valentine P. Snyder, Alvin W. Ketch, William Alexander, John J. McCook, James B. Morgan, C. Ledyard Blair, Bragdon Ives, Melville E. Ingalls, James H. Hyde, Alexander J. Cassatt, Jacob H. Schiff, James J. Hill, T. Jefferson Coolidge, Alfred G. Vanderbilt, John Jacob Astor, William C. Van Horne, Gage E. Tarbell, Marvin Hughitt, Charles B. Alexander, Thomas De Witt Cuyler, Marcellus Hartley Dodge, Joseph F. DeNavarro, Bradley Johnson, Joseph P. Low, John A. Stewart, Edward H. Harriman, Levi P. Morton, August Belmont, Darius G. Mills, Robert T. Lincoln, George J. Gould, John Skoane, George T. Wilson, Thomas T. Eckert, William H. McIntyre, Henry M. Alexander, Henry C. Frick, Samuel M. Inman, Henry C. Haerstick, David H. Moffatt and Henry R. Winthrop.

The complaint refers to the Frick committee report and the investigation by State Superintendent of Insurance Hendricks and is based on information and belief. The complaint asks that the defendants, except the society itself, account for their official conduct in the management and disposition of funds and property committed to their charge and that they pay the Equitable Society "any money and the value of any property any of them have acquired to themselves, or transferred to others, or lost, or wasted, by a violation of their duties;" that any of them, now a director or directors or office-holder in the Equitable Society, upon proof of misconduct, be removed and a new election held by the board of the society to supply the vacancy; that the net surplus of the society, after deducting sufficient to cover all outstanding risks, and obligations, be paid to or credited to, or applied to the benefit of the present policy holders in equitable proportions in accordance with the charter and with laws and asks any further relief, "as may be just, equitable and profitable."

The complaint charges that the individual defendants as directors, "negligently, improperly and imprudently performed such duties and have habitually and continuously done, or suffered to be done, wrongful, illegal and improper acts," causing great loss and damage to the society. The defendants are further charged with having "acquired or permitted transfer to others, of money, property, etc., of the society." Dealing with the lease of premises in New York to the Mercantile Safe Deposit company, the complaint says the rental was inadequate and unprofitable to the Equitable Society; that James H. Hyde, James Alexander and Alexander Tarbell were directors in the Mercantile Trust company, and they derived a profit, in violation of the duty to the Equitable company; that the Equitable received but a nominal rent for the premises occupied by the Mercantile Safe Deposit company; that as the time of the stock purchase, 3,419 shares out of a total of 2,000 were owned by James H. Hyde, and the remainder by others of the individual defendants, some of whom were officers in the safe deposit company and in

## TARIFF DIFFICULTIES WITH RUSSIA ARE NOW ON THE VERGE OF A SETTLEMENT

St. Petersburg, July 31.—Negotiations for the settlement of Russo-American tariff difficulties are advancing steadily. Russia is willing to withdraw the retaliatory duties on American machinery, etc., which weighed hard on Russian industries and agriculture and only seeks acknowledgment of the exceptional nature of the retaliatory duties imposed by her on sugar, American exports of which are not apt to become an important factor. Certificates of origin necessarily exacted on machinery imported from other

the Equitable. The safe deposit company then had no assets beyond the lease and the good will. Hyde and Alexander. The complaint charges that the individual defendants "wastefully, imprudently and improperly, permitted the society to make large, excessive and unwarranted loans to agents," and sets forth procedure taken to avoid decisions of insurance commissions. It is also charged that the Commercial Trust company, of Philadelphia, had on its books \$4,273,249, composed of assigned balances and debts due from agents of the Equitable, on which the defendant society paid to the trust company 3 per cent. per annum, although the sum was not taken from the trust company and the trust company had on deposit large sums of the defendant society upon which the trust company paid only 3 per cent. James H. Hyde, James Alexander, T. Dewitt Cuyler and Henry R. Winthrop being directors in both companies.

The complaint arraigns the merger of the Western National Bank of New York, in which the Equitable Society was the owner of 12,000 shares, with the National Bank of the United States, of New York, saying the Equitable could have obtained much more per share. Question of Salaries. The salaries paid during the last five years to the principal officers of the society are declared excessive and it is declared that many of the above named officers and directors and to others were given large and unwarranted sums as expenses without sufficient vouchers, etc. The defendants are alleged to have wrongfully caused the Equitable and other societies and corporations in which the Equitable was a large stockholder, and defendants, directors and stockholders, to pay large sums of money to themselves, etc., under the guise of salaries and fees. Allegation is made of the payment of "illegal and excessive pensions" and "excessive, improper and unwarranted sums" to various attorneys and counselors at law.

Of the transactions of James W. Alexander and Thomas D. Jordan with the Mercantile Trust company, the complaint says: "If defendant society became obligated to the Mercantile Trust company to pay \$50,000, said obligation was incurred for improper and illegal purposes."

Charges of Waste. "The defendants improperly, imprudently and wastefully," it is added, "procured and permitted the defendant society to loan \$250,000 to the Depew Improvement company, the property securing said loan being later bid in at foreclosure sale for about \$50,000."

The complaint says Senator Depew and others violated an agreement made with the Equitable to save that society from loss if it would refrain from recording the deed for the property and from enforcing a deficiency judgment; that the defendants permitted unnecessary and unwarranted deposits with the National Bank of Commerce, New York, and at least twenty-one other banks and trust companies with which one or more Equitable officers were stockholders, directors, etc., at inadequate interest and deceived the policyholders as to the transactions. The complaint also cites the Equitable Society's purchase of 10,536 shares of the Equitable Trust company's stock at \$500 per share, the actual value being \$383.33, to show allotments made by the defendants to their own profit. The withholding of part of the net surplus from the present policy holders is attacked.

## ELEVEN ESCAPE FROM LUMBERTON PRISON

Lumberton, N. C., July 31.—Eleven negro prisoners, under sentence to the chain gang for various terms, escaped from jail here at 5 o'clock tonight. They used a saw which they had secured by some unknown means.

### BALLOON COLLAPSES

Paris, July 31.—A balloon conveying M. Saunier, president of the Aero club, and a companion, collapsed on the roof of the grand palace in the Elysees today. The occupants were not injured.

### TWO HOUSES SUSPEND

Paris, July 31.—Owing to the failure of a big speculator to meet engagements, said to amount to \$2,000,000, two of the leading sugar houses have suspended payments.

countries, is also a burdensome formality. The minister of finance hopes to be able to arrange a readjustment and to interchange notes on the matter without having recourse to a commission; and the wish is frankly expressed that a settlement might be arrived at in time to be announced during the peace negotiations. The principal prospect of delay lies in the desire to submit the revision to M. White for his formal approval as a matter of courtesy, showing how strongly his political star is in the ascendant in Russia today.

## WILSON GETS A BIG STICK

Secretary Declares He Will  
Clean Out His Entire  
Department

### HOLDS A CONFERENCE WITH THE PRESIDENT

Four New Men are to Have  
Charge of Cotton Crop,  
Estimates in Future

Oyster Bay, N. Y., July 31.—Secretary Wilson will reorganize thoroughly the crop statistics bureau of the department of agriculture. Already he is seeking men of character, good standing and education, to do the work. Men in whom the farmers and planters of the country will have the utmost confidence, and will place the reports on a standard of excellence never before achieved. One man he has found, although he does not at this time wish to publish his name. The other three he hopes to secure in a short time. Two of them will be southern men and both will be experts in cotton and tobacco statistics.

This, in brief, is one of the ideas which Secretary Wilson elucidated to President Roosevelt today. In response to invitations, twice extended, Secretary Wilson visited the president today and after his visit he talked frankly about some phase of the work. He said he had not been asked to resign and did not intend to do so, adding: "I am going to stick to my post and go to build up that department. You will recall that when I went there I found practically nothing but roll top desks and a half dozen half starved scientists. The agricultural department today is a great department and sound as a nut. Since I took charge of it 279 people have been let out of its service for various reasons, many of them on charges. We make it a point to keep only first class men and women. The purpose of the investigations now in progress is to purge the department of all selfishness and corruption and that end will be accomplished. It is my purpose and it is the purpose of the president."

Secretary Wilson said Mr. Holmes and Dr. Moore are now before the department of justice. "Dr. Moore" he added "had accomplished some fine results and if he had only made clear to the department his entire connection with the nitro culture company, I think we could have kept him on a straight course. Secretary Wilson said the present crop statistics board is a sort of makeshift affair. The new board is to consist of four men, two of whom are from the South. The other two are from other parts of the country. The secretary continued: "They will be the best men we can find in the country; men of character, standing and education, in whom the country will have absolute confidence."

## TO RETALIATE ON THE SOUTH

European Spinners Urged to  
Refrain From Buying  
American Cotton

### WOULD GUARD AGAINST HIGH PRICES IN 1906

Committee of the International  
Cotton Congress  
Takes Steps

London, July 31.—At an emergency meeting of the International Committee of the International Cotton Congress, held here today, it was decided to urge the spinners of Europe and America to refrain from buying American cotton during the next three months except for immediate wants and thus try to obviate the danger of the next cotton season commencing with raw material at the high prices at present prevailing. The committee contends there will be plenty of time when actual figures are available regarding the new crop, to consider the situation that will then arise and should the supply prove less than the demand, take such steps as may be necessary to meet the conditions. At the same time the committee feels sure that the surplus from last year's crop guarantees a full supply even in the event of the next crop proving small. The committee decided to organize a service to obtain correct information as to the actual consumption of cotton throughout the world on the lines proposed by the congress at Manchester in June last.

## EMPLOYEE ROBBED EXPRESS COMPANY

Palatka, Fla., July 31.—John T. Graves, an employee of the Southern Express company, who claimed he was gagged and tied on the morning of the 29th, about 3 o'clock and previously published, confessed this evening to having committed the theft and gave up the money which amounted to \$1,835.91. He first hid the money in an incubator in his room in the express office. Later in the day he removed it to the Union Depot, secreting it in an ice box. He was arraigned before Justice Rowland this afternoon and waived examination. His bond was placed at \$2,500, in default of which he was sent to jail to await the action of the grand jury at the next term of the circuit court.

## YELLOW FEVER IS SPREADING

Suspicious Cases Found at  
Many Points Outside of  
New Orleans

### SITUATION IN CITY IS MUCH IMPROVED

Authorities Confident of Erad-  
icating Scourge Before  
Frost

New Orleans, July 31.—By the end of the present week the authorities in charge of the yellow fever situation believe that the scourge can be eradicated before the coming of frost. Daily the system of inspection and report is becoming more perfect and in a few days no more new cases traceable to the original infection may be expected. Three deaths occurred in the emergency hospital today, the number of patients in which has been largely increased.

President Southerland received advice today that the Wilcox case at Morgan City, eighty miles west of New Orleans, had been pronounced yellow fever. Every precaution is taken to prevent a spread of this infection. It is said that when the present sickness passes New Orleans will not seek to regulate the fruit trade, which now has been diverted to Mobile, until the fruit companies are willing to submit to regulations which will make impossible the introduction of fever. The present scourge will ultimately cost many times the value of one season's fruit business. Moreover it is probable that public sentiment in Alabama and Mississippi will require the authorities to take such precautions as to fruit steamer that the fruit companies will eventually find themselves forced to submit to the equally strict regulations in all southern ports.

A dispatch today says Port Gibson, Miss., would exclude all freight from New Orleans. Other towns have taken similar action and business men are apprehensive that the quarantine infection will spread and that there will be continued contraction of territory in which New Orleans may suffer goods. A mosquito ordinance probably will be passed by the city council tomorrow. It will require landlords to screen cisterns, with a fine or imprisonment as the penalty for refusal. Few houses in New Orleans are without cisterns and 45,000 cisterns will have to be screened. Mississippi has again announced that it will accept detention camp certificates issued by the marine hospital service. Yesterday the railroads and travelers were thrown into a panic by a dispatch received by one of the railroad superintendents saying that two men with certificates had been turned back. On the other hand Alabama has taken

## SOUTHERN OFFICIALS IN A CONFERENCE HERE ON FREIGHT RATE QUESTION

Meeting Held Yesterday Morn-  
ing to Discuss Important  
Matter

### MEMBERS OF BOARD OF TRADE IN ATTENDANCE

Judge Pritchard Brings About  
Conference to Benefit  
Asheville

Tex. M. Cup of Washington, D. C., third vice-president of the Southern Railway, L. Green of Washington, D. C., freight traffic manager of the road, and E. H. Shaw, of Greensboro, division freight agent, were in Asheville yesterday for the purpose of holding a conference with the members of the board of trade in reference to an adjustment of freight rates on certain articles. The representatives of the road and the local public spirited business and professional men spent the entire morning in going over the ground and at the close of the meeting it was said that much good could be expected to come from the conference in the future. Although no promises were made by the railroad men, their coming for a conference in this city shows that they are in earnest and that they intend to remedy and inequalities that operate against the Asheville shipper.

The conference yesterday morning was held in the office of Judge J. C. Pritchard who was but recently appointed chairman of the committee on manufacturers of the Board of Trade and was attended by President Powell of the Board of Trade, Secretary Randolph, and T. W. Weaver of the committee on manufacturers in addition to the representatives of the Southern. It was represented to the officials that the freight rates on some quantities of goods are, in the opinion of the Asheville men, very high, and it was pointed out to them wherein the change would be of benefit to all persons concerned. It is understood that the officials will take the matter under advisement and that further communication upon the subject will take place in the near future.

Judge Pritchard lost no time after his appointment as chairman of the committee on manufacturers of the Board of Trade in getting to work on the matter of freight reduction which is considered essential to the successful operation of large wood working and other plants in this city. He communicated with General Manager Spencer of the Southern and through that gentleman arranged for the conference which was held yesterday. To a representative of The Citizen Judge Pritchard said yesterday afternoon that he was well pleased with the work done at the morning meeting and felt that it would not be long until better freight rates would be obtained. The rates on some classes of goods, he said, are satisfactory at present and only those rates that are regarded as unusually high will be considered. Judge Pritchard said that both the rates from Asheville to other points in and out of the state and from those points to Asheville are being considered with the idea that changes shall be made in both incoming and outgoing rates.

## WILL FIGHT YELLOW FEVER IN VIRGINIA

Norfolk, Va., July 31.—At the call of the Norfolk health board tonight the health commissioners of Portsmouth, Berkeley and Norfolk county will act in concert to protect this section from yellow fever. Crude petroleum will be used in all cisterns and mosquito breeding places, with screens and other precautions.

## YELLOW JACK FOUND AT ANOTHER POINT

New Orleans, July 31.—The Pleasure's Lumberton, Miss., correspondent says: Drs. Warden and Donald declared a case of yellow fever here last Friday evening. The patient, who is an Italian, is doing well, and will soon be up. There are no other cases, not even a suspicious one. Fortunately the infected house is naturally isolated and only five others were with the sick man or in any way exposed. Today some of the Italians proved refractory and had to be subjected to a little rough treatment by the guards. No injury was done and they now seem very docile.

## THREE RAWLINGS MEN MUST HANG

Sentence of Death Is Passed  
Upon Trio That Murdered  
the Carter Children

Vadosta, Ga., July 31.—Sentences of death were passed upon J. G. Rawlings, Milton Rawlings and Jesse Rawlings to night. The date of execution is the fifteenth of September. Frank Turner, the negro preacher, charged with accessory before the fact was found guilty with a recommendation of mercy. A motion for a new trial in the case the Rawlings was filed and the ninth of September was the date fixed for the hearing. Alf Moore, also condemned to die will be sentenced tomorrow.

## TWO KILLED IN WRECK ON THE COAST LINE

Macon, Ga., July 31.—A special to The Telegraph from Bainbridge says, a wreck occurred today on the Atlantic Coast Line at that point. An extra train of forty cars and a switch engine with five cars of lumber collided. Engineer Jack Jones and a negro fireman of the extra were killed, the latter burned to death.

## SCALE APPEARS

Norfolk, Va., July 31.—The San Jose scale has made its first appearance in this section and fruit trees are suffering. Peach and plum trees are particularly affected and in some instances the fruit on these trees is not falling off but the trees themselves are dying.

## "LIFE IS TOO SACRED TO BE TAKEN UPON EVIDENCE OF BAD WOMAN," SAYS GLENN

(Special to The Citizen)  
Raleigh, July 31.—Governor Glenn today commuted the sentence of Charles Stein, of Madison county, convicted of criminal assault and sentenced to hang September 3, to life imprisonment in the penitentiary. In announcing this action he said: "Charles Stein was sentenced to be hanged May 12. On appeal to the Supreme court, the judgment was affirmed and the prisoner was sentenced to be hanged on September 2nd. At the trial the prosecutor said she was living with Anderson Collins her husband at the time of the outrage, and was a true and virtuous woman. Since the trial has developed that she was never married to Collins, but was liv-  
ing in adultery with him; and also that she was a notoriously bad woman destitute of virtue or truth. So while she was corroborated, in some respects by other witnesses, still life is too sacred to be taken upon the most uncorroborated evidence of such a woman. The trial judge and solicitor write that this evidence, also her character, were unknown at the time of the trial and now both recommendations of clemency. "All court officers, the trial jury and many leading citizens of Madison county say it would be unsafe to let this woman's evidence forfeit the prisoner's life, so the sentence is commuted to life imprisonment in the state prison, and sheriff of Madison county is directed to convey the prisoner here."



Peace: "That's an awful warlike place to hold a peace conference!"