

SHADOW OF THE INCOME TAX IS ON THE HORIZON

President-elect Taft and His Manager Favorable to the Scheme. WOULD HIT ONLY BLOATED WEALTH. Enormous Deficit Causing the Wise Ones to Sit Up and Notice.

(BY TAY.) (Special Correspondence of The Citizen) WASHINGTON, Dec. 17.—Square against a \$114,000,000 deficit for the current fiscal year, another of \$142,000,000 for the succeeding one, and with deficits still more gigantic looming up further on—Uncle Sam's sturdy brow is knit in deep reflection.

Income tax legislation is growing in favor with the administration forces with a seven-league-boots stride. President-elect Taft favors it. So does Roosevelt. The first income tax levied in the United States was in 1861. A tax of 3 per cent. was levied on all incomes over \$500.

The financial problem of today is changed around somewhat from the one of from fifteen to twenty years ago. One of the most vexatious features of the administration of Grover Cleveland was what to do with the huge annual surplus.

A deficit of \$114,000,000 showing on the cash book for a year is not necessarily a matter for alarm in a great government like ours. The feature of the situation that really annoys, however, is the certainty of larger deficits for each succeeding year.

The increased cost of running government machinery is not peculiar of the federal government alone. The increase of disbursements over receipts is practically true of state, county and city administrations.

Secretary Cortelyou estimates \$824,408,948 is necessary to run the federal government during the fiscal year 1910. This is an increase of \$7,960,675 over the estimates submitted a year ago for the fiscal year 1909.

Into what channels does this enormous sum—the \$7,960,000 increase—go? The increase for the army is more than \$14,000,000 or about 15 per cent., and for the navy more than \$11,000,000, or about 10 per cent.

We are spending during the current fiscal year over \$200,000,000 on account of military purposes, a sum that, in proportion to the size of our army and navy, is more than double the expenditure of any other country for the same purpose.

There is an increase of about \$10,000,000, or 7 per cent., in the amount asked for pensions. Then the rivers and harbors improvement bill will carry not less than \$25,000,000 or \$30,000,000, and it will be necessary to make provisions this year for the census of 1910.

These figures, however, represent only Secretary Cortelyou's estimates as to the amounts that will be needed. The appropriations made by congress for the current fiscal year were far in excess of the estimates. If the appropriations made during the present session are as large as those of the last session, the total for the sixtieth congress will be \$1,665,258,786.

Where is the current fiscal year's shortage of \$114,000,000 to come from? And the \$142,000,000 the following year?

The government might sell enough bonds to meet the appropriations. But that wouldn't solve the problem for future years. It would add to its complexity. Besides, bond-selling is considered by many an odious policy even when absolutely necessary.

Will Make Effort. But congress will try to raise the (Continued on page four.)

CRIMINAL LIBEL CHARGE MADE BY JOHN D. JR.

Publisher of Hearst's American Arrested and Arraigned in Court. IS PAROLED IN LAWYER'S CUSTODY. Mr. Rockefeller Complains of Article About "Peonage in Stockage."

(By Associated Press.) NEW YORK, Dec. 17.—On a charge of criminal libel, made by John D. Rockefeller, Jr., S. S. Carvalho, president of the Star Publishing Company, publisher of William H. Hearst's New York American, was arrested today and arraigned in police court before Magistrate Finn.

At the solicitation of Clarence J. Shearn, attorney for the Hearst publications, and without any objection being raised on the part of Assistant District Attorney Garvin, who had charge of the prosecution, Mr. Carvalho was paroled in the custody of his lawyer until December 26, for examination.

Mr. Rockefeller, accompanied by his counsel, Lawyer Murphy, appeared in District Attorney Jerome's office early in the day and made complaint that an article published in the New York American of December 17, under a Chicago date of December 16, with the headlines "J. D. Rockefeller, Jr., originated peonage in stockage, it is said," tended to injure his good name, reputation and credit, and to make him appear ridiculous.

On the presentation of the affidavits to Magistrate Finn, he issued warrants for the arrest of Messrs. Carvalho, Bradford Merrill, treasurer, and Edward H. Clark, secretary of the Star company. Mr. Carvalho was found in his office, Merrill and Clark were not in their offices. Mr. Carvalho took his arrest good naturedly.

Mr. Rockefeller was not present when Mr. Carvalho was arraigned, as he did not expect that the warrant would be served today. Lawyer Shearn, after pleading to have Mr. Carvalho paroled in his custody, said that Mr. Merrill had not arrived at the office when the detective called, but that he would appear in court tomorrow. Mr. Clark was in California.

When seen at his home here tonight, Mr. Rockefeller said: "I do not only have no connection whatever with the company in question but until I read the article this morning I was not aware that such a company existed. The article states that I went to Chicago a few months ago and talked of the system of peonage complained of. Now as a matter of fact I have not been in Chicago since the death of President Harper of the University of Chicago, a year ago last January."

Bradford Merrill, treasurer of The Star company, explained tonight that the article at which Mr. Rockefeller had taken offense had come from Chicago in the regular routine way; that it had not originated in Chicago and that an investigation would be started at once.

"If we find that we have wronged Mr. Rockefeller," said Mr. Merrill. "We will of course do everything in our power to atone for it."

(By Associated Press.) WASHINGTON, Dec. 17.—Postmaster General Myer today announced that he would not renew his order issued in December, 1907, permitting delivery to charitable organizations on letters addressed to "Santa Claus." Numerous complaints have been made to the postmaster general by many charitable organizations that owing to the large number of such letters taken by the various charities while the order was in force, it was not possible to investigate each case and that the presents given out fell into the hands of unworthy persons.

The practice also was objected to on the ground that it tended to make beggars of children.

knowledge he did not possess. The questions were then directed at Senator Dewey, of New York, who replied: "Don't ask me about these matters connected with New York federal patronage. I could not be expected to know, for I am only a senator."

The reply convulsed the Senate. The nomination went over.

Timely Tips



INCREASE IN DUTY ON PEANUTS ASKED BEFORE COMMITTEE. North Carolina and Old Dominion Represented at Hearing. PARTIES AGREE. (By Associated Press.) WASHINGTON, Dec. 17.—The peanut was a subject of discussion today before the house ways and means tariff hearing. Democrats and republicans joined in asking for protection for the peanut growers, and the republicans members undertook to make a request for a 1 1/2 increase in duty by the Virginia peanut growers.

Although it was claimed that eight southern states supply nearly the crop of peanuts, North Carolina and the Old Dominion were the only states represented. Representatives Maynard and Lanesier, democrats of Virginia, and Alvah Martin, republican national committeeman from Virginia, supported the contentions of the representatives of the Virginia peanut growers. J. P. Holland, and C. F. Day, of Smithfield, and Representative Clark of North Carolina, also asked for the increase in the duty.

The principal claims made by the peanut growers is that the peanut importers from Japan, Spain and other countries are a serious menace to the American industry. Mr. Martin told the committee that the growers in Virginia received 3 1/2 cents a pound for their peanuts, a price which hardly pays for the labor, he said.

The present duty on peanuts is 1/2 a cent and the delegation from Virginia asked that this be increased to 2 cents. Mr. Day said that there were many thousands bags of peanuts imported into Virginia last year from Japan.

"The duty is absolutely inadequate to meet the present conditions," said the witness. "We want a duty of 2 cents a pound." Representative Daiseil, (Rep.) Pennsylvania, asked the witness if he was a protectionist. "No," replied Mr. Day. "Do you believe that anything not raised in Virginia be protected?" "Yes, but I could not say what."

"Do you think," Mr. Daiseil queried, "that an increase of 300 per cent in the duty on peanuts is a reasonable request to make of this committee?"

(By Associated Press.) LONDON, Dec. 17.—Alarmist rumors have been in circulation in London recently with regard to the health of King Edward, but it was learned today that the condition of his majesty is not such as to cause any uneasiness to his subjects.

(By Associated Press.) WASHINGTON, Dec. 17.—Forecast for North Carolina—Generally fair Friday and Saturday; colder Saturday and in west portion Friday. Fresh south winds.

'NIGHT RIDER' JURY CHOSEN ON SECOND DAY. Not Single Resident of Reelfoot Lake Region is Selected. FATHER OF NIGHT RIDER WAS JUROR. Admits Relationship After State's Charge and is Excused. (By Associated Press.) UNION CITY, Tenn., Dec. 17.—Two unexpected surprises sprung by the state on the second day of the trial of the eight alleged night riders, indicted for the murder of Captain Quentin Rankin, resulted in the completion of the jury this afternoon and will shorten the time of the trial. The state caused consternation as soon as the court opened by filing an affidavit signed by all the attorneys for the prosecution, charging that J. H. Russell, the first of the two jurors chosen yesterday, was the father of a night rider, and had been sworn into the outlaw band by one of the defendants now on trial. The son is Charles E. Russell, and Attorney General Caldwell declared that this son had participated in several of the midnight rides of the band and would be used as a witness at the trial. He told the court that this knowledge of the relationship came to him after he had accepted the juror.

Juror Russell admitted his relationship to Charles Russell, and was excused by the court, over the protests of the defense. Challenges. When the next taxman was announced and examined, the defense attempted to challenge him peremptorily. The state raised the point that as the defense, having used 26 peremptory challenges, had exhausted its legal number and two more. Attorney General Caldwell admitted that each defendant was entitled to 240 challenges, but said that when on a joint trial the defense did not specify on behalf of which defendant it made the challenge it was presumed to have made each challenge on behalf of each defendant.

After a long and bitter argument, the court promptly ruled with the state and ordered the case to proceed. The work of selecting the jury then proceeded rapidly to a conclusion. Just half of the jurors are citizens of Union county, the others being residents in towns in the vicinity. Not a single resident of the Reelfoot Lake region was selected.

(By Associated Press.) WASHINGTON, Dec. 17.—The department of agriculture is not opposed to the proposed increase in the duty on lemons. The fact is developed in correspondence that has just passed between A. G. Kendall, secretary of the Citrus Protective League, of California and Secretary Wilson.

(By Associated Press.) GOLDSBORO, N. C., Dec. 17.—News reached here today from Dudley in this county that Ira Hatch, a prominent resident of that place had been shot and killed by Badger J. Bowden, Mayor of Dudley. Bowden is in bed from wounds received immediately after the shooting, from a shotgun in the hands of the dead man's son.

About 1 o'clock this morning, some one passed Hatch's house and shot his dog. Hatch and his son took shot guns and went out to reconnoiter and some distance on the street, met Bowden whom the older Hatch immediately accused of shooting his dog. Hot words ensued and Bowden shot Hatch through the heart with a pistol and thereupon the younger Hatch shot Bowden with his gun, but inflicted only flesh wounds.

(By Associated Press.) DANVILLE, Va., Dec. 17.—After the commonwealth had rested its case today in the trial of W. Belt Samuels for the murder of Sheriff William V. Flannagan, the defense called the prisoner himself as their first witness. At this juncture a unique point in law was raised, Commonwealth Attorney Thomas Hamlin, contending that owing to the fact that Samuels had previously been convicted in the United States court, here of perjury he was disqualified as a witness and could not testify even in his own behalf.

Court adjourned deciding this question which will be threshed over tomorrow.

The feature of the trial today was the introduction by the prosecution of witnesses to show that Samuels was sober upon the day he killed Flannagan.

PRESIDENT IS ASKED TO SUPPLY "SECRET SERVICE" EVIDENCE. House by Unanimous Vote Requests Him to Justify Statement. SPECIAL BODY. (By Associated Press.) WASHINGTON, Dec. 17.—The house of representatives today by unanimous vote adopted a resolution requesting the president to supply it with any evidence that may be in his possession that will justify the statement in his last annual message in relation to the attitude of the members of congress in regard to appropriations for the secret service of the government.

Mr. Perkins, of New York, chairman of the special committee, charged to investigate the allegations made in the president's message and John Sharp Williams, of Mississippi, both stated on the floor that it was the desire of the special committee to be just toward the committee in allowing him to submit any evidence he may have and both declared that the committee would give it full and impartial consideration. Mr. Perkins said the committee would continue in session during the Christmas holidays so that it might receive such evidence from the president promptly and proceed to consider it.

Adoption. Both the resolution and all of the preamble except that part of the latter interpreting the meaning of the president's message in relation to the service were adopted unanimously by a viva voce vote. Mr. Williams insisted that this could not be done and the vote being taken 270 members voted aye, and 14 no, on this part of the preamble.

Following is the resolution: "Resolved—That the president be requested to transmit to the house any effect upon which he based his statements that the chief argument in favor of the provision was that the congressmen did not themselves wish to be investigated by secret service men," and also to transmit to the house any evidence connecting any member of the house of representatives of the 60th congress with any corrupt action in his official capacity and to inform the house whether he has instituted proceedings for the punishment of any such individual by the courts, or has reported any such alleged delinquents to the house of representatives."

(By Associated Press.) WASHINGTON, Dec. 17.—The Southern Surgical and Gynecological Association decided on Hot Springs, Ark., as the place of its next annual meeting in 1909.

DR. STUART MCGUIRE OF RICHMOND, Va., was elected president; Dr. John Young Brown of St. Louis, first vice-president; Dr. R. S. Cathart of Charleston, S. C. second vice-president; Dr. W. M. Goldsmith, Atlanta, Ga., treasurer; Dr. W. A. Haggart of Nashville, Tenn., secretary.

(By Associated Press.) WASHINGTON, Dec. 17.—By unanimous vote the house of representatives today adopted a resolution presented by the special committee of five calling on the president for proof of his charge that members were fearful of an investigation by the secret service agents.

(By Associated Press.) ST. LOUIS, Dec. 17.—The committee submitted its report and recommended immediately after the house convened.

The remainder of the day was given over to the consideration of bills on the private calendar, a large number of which were passed. At 4:50 p. m. the house adjourned.

TESTIMONY IN MURDER TRIAL AGAINST HAINS

Defendant Inquired Whereabouts of Annis, Declares Storm. "VICTIM'S BOAT WAS POINTED OUT" Birchfield Says Hains Drove Him Back With Drawn Revolver.

(By Associated Press.) FLUSHING, N. Y., Dec. 17.—Fredrick A. Storm, a real estate dealer testified today in the trial of Thornton J. Hains, as a principal, with his brother, Captain Peter C. Hains, in the killing of William E. Annis that the defendant had inquired as to the whereabouts of Annis shortly before the latter sailed up to the dock, where he was shot.

"Thornton Hains stopped talking about real estate and asked me where Annis was," said the witness. "I pointed out Annis' boat then sailing toward the float." The shooting of Annis followed: It is upon this statement of Storm that the prosecution hinges its contention that the Hains brothers hunted up Annis for the purpose of killing him and that the real estate inquiry at the yacht club was a blind.

Other important testimony was given by Charles Birchfield, a friend of Annis, who declared that Thornton Hains drove him back with a drawn revolver when he sought to stop the shooting. Thornton Hains also drove Mrs. Annis from the float with his revolver, according to Birchfield.

Mrs. William E. Annis, the widow of the victim of the yacht club tragedy, gave brief testimony, describing the death of her husband. She will take the witness stand again. Dr. Bloodgood Testifies. Dr. Joseph Bloodgood, of Flushing, testified that he attended Annis at the hospital. Annis was etherized, the physician said, and examination disclosed about twenty gunshot wounds from entrances and exits of the bullets. Annis died from shock and hemorrhage, the physician testified. One bullet made six wounds, the witness said.

The prosecutor called Mrs. William E. Annis to the stand. She said: "I am the wife of William E. Annis. My name is Ellen Annis. I was present at his death. Dr. Schmook was there." "Did you see your husband die?" "Yes." "That is all," said the district attorney.

Mrs. Annis then left the stand for the time being. Charles A. Birchfield, a member of the Bayside Yacht Club, testified that Thornton J. Hains engaged him in conversation about real estate just before the shooting. Said the witness: "He asked me about the boats around there, and I said they were the one-design class. He asked me if Annis had a one-design boat. I said he had one, and he wanted to know which one it was. I pointed out Annis' boat coming down the bay. Annis' boat had No. 7 on the sail. He asked me if Annis had to come in before the race and I said that he did."

UNIQUE POINT IN MURDER TRIAL. Samuels Was Convicted of Perjury. Can He Be Witness at Trial? (By Associated Press.) DANVILLE, Va., Dec. 17.—After the commonwealth had rested its case today in the trial of W. Belt Samuels for the murder of Sheriff William V. Flannagan, the defense called the prisoner himself as their first witness. At this juncture a unique point in law was raised, Commonwealth Attorney Thomas Hamlin, contending that owing to the fact that Samuels had previously been convicted in the United States court, here of perjury he was disqualified as a witness and could not testify even in his own behalf.

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TURKEY GETS A PARLIAMENT FROM SULTAN

With Elaborate Ceremony, Ruler Himself Opens New Session. ADDRESS FROM THRONE CHEERED. All Creeds and Races of Empire Send Elected Representatives.

(By Associated Press.) CONSTANTINOPLE, Dec. 17.—After an interval of thirty-two years Turkey today entered upon a second attempt at constitutional government with the inauguration in Constantinople of the new parliament elected under the constitution promulgated by the sultan in July of this year. The sultan opened parliament in person, with elaborate ceremony, fashioned after the customs of older similar assemblies. The new legislature met in the same chamber where the short-lived parliament of 1876 assembled. All the creeds and races of the Turkish Empire sent their duly elected representatives. Albanian, Syrians and Arabs were among the representatives, while Greeks, Armenians, and Bulgarians, represented the Christian branches. Members from Jerusalem and Mecca, rubbed shoulders with Kurds and Arabs.

So far as can be judged from surface indications the new parliament has entered upon its duties with a united determination to carry out successfully the aims of the bloodless revolution which made possible the inauguration of a constitutional regime in Turkey.

The sultan left Yildiz palace in a state coach. He was accompanied by the first secretary of the imperial chancellery, Ali Elveday Bey, and a large number of aides and attendants. The entire line of march of the imperial party, distance of five miles, had been swept and spread with fresh sand for the passage of his majesty.

Triumphal Arches. Every regiment in Constantinople was out under arms and lined up along the route of the procession to guard the progress of the sultan. Triumphal arches spanned the streets, and as the occasion had been made a public holiday the city was crowded.

The foreign diplomats in Constantinople assembled at the British embassy and proceeded to the hall in a body. They were all clad in their full official uniforms.

The address from the throne follows in part: "When I first proclaimed a constitution thirty-two years ago there were many difficulties in the way of its execution and I was advised to suspend it momentarily. In the interval great efforts were made toward popular education and for the establishment of institutions of a nature calculated to elevate the public enlightenment. I am now happy to know that the people are more able to understand the benefits of a constitution and I was heartily glad to restore it notwithstanding influential advice to the contrary.

"My will is unalterable and henceforth the constitution will regulate the affairs of the Empire."

"The cabinet which Kemal Pasha has formed will fulfill our decision. I regret to be compelled to announce to the representatives of the nation that the Prince of Bulgaria and the governor general of Eastern Roumelia have deviated from the path of loyalty and proclaimed the independence of those provinces. I also regret to announce that Austria-Hungary has made the illegal move of proclaiming the annexation of Bosnia and Herzegovina, which temporarily are occupied by her, contrary to international good faith and treaty stipulations. My ministers are occupying themselves with these grave questions and I hope they will receive the assistance of parliament."

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CHAUNCEY DEPEW ANSWERS THAT HE IS "ONLY A SENATOR"

(By Associated Press.) WASHINGTON, Dec. 17.—The nomination of Samuel B. Donnelly to be public printer was called up in executive session today by Senator Elkins. Several senators asked Senator Elkins for information as to Mr. Donnelly's qualifications, which information the West Virginia senator acknowledged he did not possess. The questions were then directed at Senator Dewey, of New York, who replied: "Don't ask me about these matters connected with New York federal patronage. I could not be expected to know, for I am only a senator."