

## STOCK EXCHANGE TAKES MEASURES AGAINST 'LEAKS'

Is Against Employment of  
Newspaper Men by Its  
Members.

IS DETRIMENTAL TO  
WELFARE OF 'CHANGE

"J. L. L." Mentioned Dur-  
ing Hearing Established  
as Jesse L. Livermore.

NEW YORK, Feb. 13.—Measures aimed to prevent a recurrence of the president's peace note "leak" incident were voluntarily taken today by the New York stock exchange. Resolutions were adopted at a special meeting of the board of governors condemning the employment by exchange brokerage houses of newspapermen to give them advance or confidential information.

"The direct or indirect employment of representatives of the press," the resolutions said, "by a member of the New York stock exchange, or by his firm for the purpose of obtaining advance or confidential information is an act detrimental to the interest or welfare of the exchange."

Employed Newspapermen.  
The resolutions pointed out that the investigation of the house rules committee into the "leak" brought out that certain members of the exchange employed newspapermen for that purpose. This referred to evidence adduced at Washington that E. F. Hutton and company, brokers, received advance information on the peace note from a newspaperman employed by F. A. Connelly and company, the Hutton firm's Washington correspondent, enabling them and their customers to anticipate the break in the market that resulted when the note was made public.

The "J. L. L." mentioned in testimony yesterday was definitely established today as being Jesse L. Livermore, a well known speculator. The testimony showed that "J. L. L." was carrying at the time of the "leak" a \$7,000,000 or \$8,000,000 short interest. Oliver Harriman, broker, the witness who told of this account, refused to divulge the owner's name.

No Evidence.  
Sherman L. Whipple, counsel for the committee, said there was no evidence to connect Mr. Livermore with the "leak."

Mr. Whipple today asserted that the "atmosphere has been cleared, it has been demonstrated to a nicety where the advance information on the peace note came from, and who profited by it."

The stock brokerage firm of E. F. Hutton and company, he said, and its customers were among the beneficiaries of the "leak" which he declared has been definitely fixed as coming from the two Washington newspaper correspondents.

"The question as to whether any action would be taken against F. A. Connelly, of F. A. Connelly and company, Washington correspondents of the Hutton company, for swearing that it was he alone who had sent the advance information when it was later proved to have been sent by J. Fred Essary, one of the newspaper men, would be taken up by the house committee in executive session in Washington, Mr. Whipple said.

Mr. Whipple added that the investigation has developed there is a deep feeling by the public in regard to short selling, but that it was not subject the committee will deal with in its report.

## POSTOFFICE BILL WITH DRASTIC 'DRY' PROVISION PASSED BY THE SENATE

Now Goes to House Which  
Will Ask Conference on  
Amendments.

## REAL PROHIBITION.

WASHINGTON, Feb. 16.—With its added drastic prohibition legislative provisions, the annual postoffice appropriation bill carrying \$382,000,000 was passed by the senate today after a week of vigorous debate. It was sent back to the house, which will ask for a conference on the amendments.

The senate wrote into the bill a provision making it a criminal offense to ship liquor into states which prohibit its manufacture and sale, thus nullifying the statutes of certain prohibition states permitting the importation of limited quantities of liquor for personal consumption.

Another provision would bar from the mails, letters, postal cards, circulars, newspapers and other publications containing liquor advertising in states having laws against such advertising; violation to be punishable by a fine not to exceed \$1,000 or imprisonment not to exceed six months for the first offense or more than one year for the second offense.

Determined efforts made by the postoffice committee to increase second class mail rates and to establish one cent postage on drop letters were defeated on a point of order.

## PRESIDENT AND CABINET DISCUSS EFFECT ON U. S. OF SUBMARINE CAMPAIGN

Arming of American Merchant Vessels  
and Other Steps Are Considered—  
President Has a Definite Plan Which  
Has Not Been Made Public As Yet.

WASHINGTON, Feb. 16.—The ruthless German submarine campaign and its effects upon the United States were discussed late today by President Wilson and the cabinet. The meeting lasted only an hour, and afterward it was said no new steps had been decided on.

Arming of American merchantmen and the economic effects of the partial tie-up of shipping out of American ports were the subjects on which the cabinet centered attention. Secretary McAdoo is compiling a list of vessels held in port, and Secretary Redfield is making a comprehensive analysis of the inroads submarines are making on shipping generally.

All Different Phases.  
Consideration is given by the government to all the different phases of the situation that has developed since the break in relations with Germany, including the detention of the Yarrowdale prisoners, the crisis with Austria, the plight of Americans in Turkey and Belgian relief. High officials took pains today, however, to emphasize that the great fundamental problem before the nation is the illegal submarine campaign itself. Against this campaign the United States has made the most vigorous protest possible short of war, but the administration realizes that so long as it permits American ships to be held in port for fear of attack by submarines it in effect is acquiescing in the German policy. The state of affairs, it is admitted, can not be permitted to continue indefinitely.

What the United States must do to end it, and when, are the only questions. The president is understood to have a very definite opinion as to what should be done, but he has not yet decided that the time to do it has come.

Press dispatches from Berlin announcing that the seventy-two American seamen brought in by the Yarrowdale had been released, caused the demand that the men be freed, to be withheld pending official advices on the subject. A cablegram was sent to the Spanish ambassador at Berlin asking whether the report was true. It is not doubted, as it had been assumed from the first, that Germany would not hold the men after rumors reaching there of the imprisonment of German sailors in the United States had been cleared up.

Another inquiry was sent to the Spanish ambassador to ascertain the cause of delay in the departure of the American train from Munich, which Mr. Gerard previously had reported would leave "some day this week" with eighty-six consuls and their families and an unknown number of other persons.

An earlier dispatch from the Spanish ambassador

## AMERICAN RAILROADS ARE AT THE DISPOSAL OF PRESIDENT WILSON

In Event of War Will Do All  
Possible to Aid in  
Defense.

## HARRISON CHAIRMAN.

NEW YORK, Feb. 16.—The railroads of the United States today informed President Wilson that the resources of their organization are at the disposal of the government in the event of war.

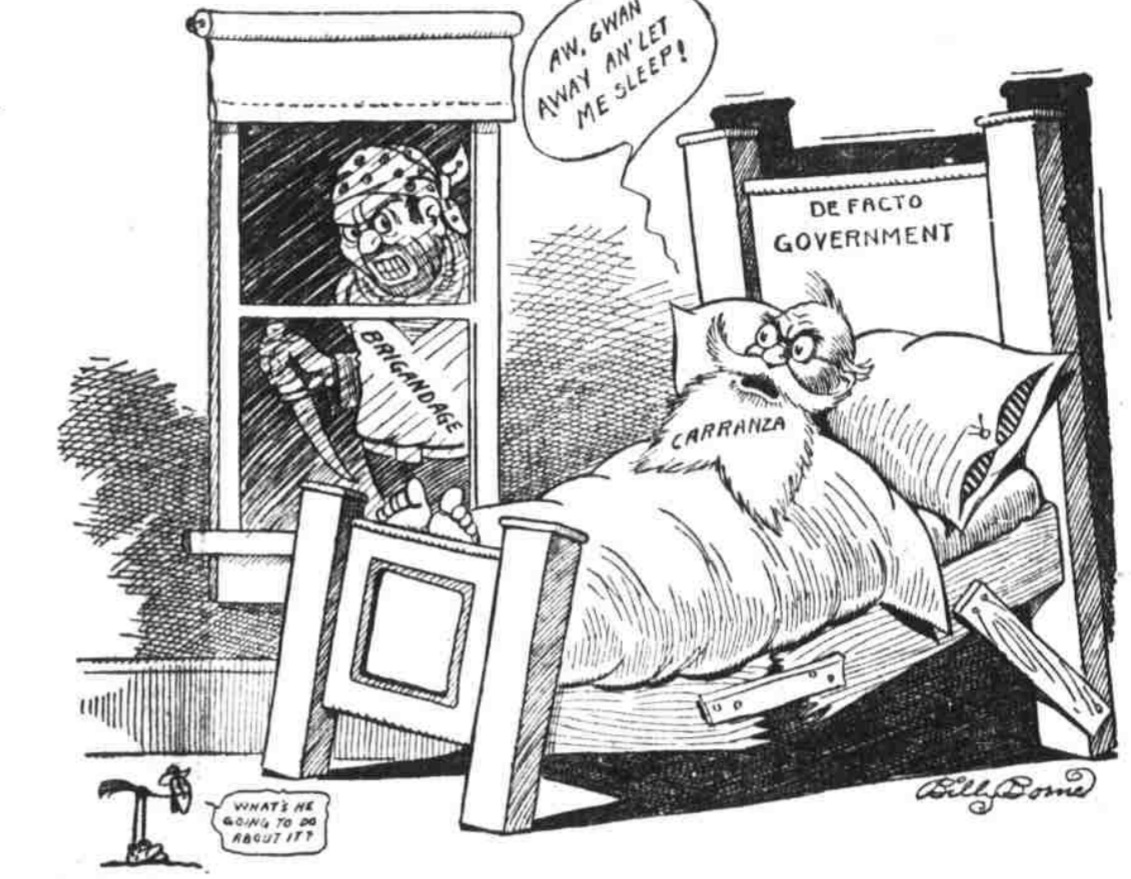
Officials of eighteen roads were appointed a special committee of national defense, President Fairfax Harrison, of the Southern Railway, being chairman. He was the chairman of the committee formed by the railroads last fall to expedite the transportation of troops to the border, which will be supplemented by the committee named today.

W. W. Atterbury, vice-president of the Pennsylvania railroad, sent the telegram to President Wilson notifying him of the action of the railroads.

The committee was named today at a meeting of the American Railway Association's executive committee and will act under the direction of President Wilson's national council for defense. Daniel O. Willard, president of the Baltimore and Ohio and a citizen member of the council in charge of transportation and communication will act in an advisory capacity both for the new committee and for the council in the railroads' preparedness measures.

Geographical division was made of the country, corresponding with the four army departments, and a sub-committee of railway heads was appointed for each territory, the headquarters each to be in or near the city where the commander's headquarters are located.

## Sill Hanging Around



## FACING GRAND JURY INVESTIGATION OF THEIR BUSINESS PAPER MANUFACTURERS AGREE TO LET COMMISSION FIX PRICES

Propose That the Federal Trade Commission Shall Fix a Reasonable Price for the Output of the  
Principal Plants of the United States and Canada—Maintain That No Law Has Been  
Violated—Signal Victory for Newspaper Publishers.

WASHINGTON, Feb. 16.—Newspaper publishers, facing criminal prosecution in United States courts, for alleged combination in restraint of trade, proposed to the federal trade commission today that it fix a reasonable price for the output of the principal plants of the United States and Canada. The commission announced tonight that it had the proposal under consideration and would reply immediately. It is generally believed the answer will be an acceptance.

The action of the manufacturers gives a signal victory to American newspaper publishers, who in the face of advancing paper prices have seen nothing ahead but ruin for many of their number. If the proposal is accepted officials say it will mark an expansion of the functions of the government which in arbitrating the differences between the two industries opens a wide field of possibilities for the future.

Deny Law Violations.  
Although nothing has been said concerning the continuance of grand jury prosecutions in New York it is well understood the manufacturers' move was predicated on the assumption that there would be no criminal prosecutions. The manufacturers, in their proposal, deny that they have been in violation of the law, agree that the trade commission, if it finds it necessary, may make recommendations for such changes in the business of the paper manufacturers that the industry "may maintain its organization, management and conduct of business in accordance with the law."

The announcement came after several days of conferences between representatives of manufacturers who make enough of the continent's print paper to control the market, and attorneys for the commission headed by Francis J. Henry of San Francisco. The administration has shown the keenest interest in the proceedings and it was said today Secretary Mc-

## AMERICAN COMMISSION MAY REVIEW RETURNS

Suggestion That This Would  
Aid in Solution of Cuban  
Troubles.

WASHINGTON, Feb. 16.—A suggestion that the American commission review the returns from Cuba's presidential election, over which an armed revolution has developed, is under consideration at the state department as one possible solution of the situation. Although reports received here do not indicate that the revolting liberals have made much headway, the United States government is deeply concerned lest the movement assume a more definite form with the voting February 20 in Oriente province, where the deciding votes in the presidential contest may be cast.

The suggestion "rewrites" of a declaration by Oreste Ferrara and Raimundo Cabrera liberal representatives in New York that their party would regard such a step with satisfaction and would abide by the result. It was said there had been no indication that the conservative party might not resent that form of assistance.

The Petrel, a small American gunboat entered the harbor at Santiago today and is closely watching developments there while the repair ship Dixie does similar duty at Havana. Their commanders have discretionary authority to take any steps necessary to protect American interests. The rebels are in possession of Santiago and have closed the port to all except foreign vessels. Camaguey and several smaller towns also are in the hands of the rebels but by far the greater part of the island is controlled by the government forces and American Minister Consales reports indicate that they appear in no danger of losing that control immediately.

## MADISON COUNTY REMAINS INTACT, SENATE DECIDES

Bill to Annex Three Town-  
ships to Buncombe Is  
Defeated.

## JUDGE JONES MAKES AN ELOQUENT PLEA

Spirited Debate Brings  
Forth Scriptural Quota-  
tions and Other Remarks.

Citizen Bureau,  
Raleigh, N. C.,  
February 16.

(By W. J. Martin.)  
The senate devoted most of the session today to the Jones bill to annex three Madison county townships, including Mars Hill college, to Buncombe, discussing the measure until nearly 2 o'clock when the measure failed to pass by a vote of 11 to 34.

The bill was under favorable report from committee with a minority report against it. Senator Jones said there has been much lobbying against the bill and in urging its passage, said the measure vitally affected the democrats of Madison county. If the senate of this state should acquiesce in their protestations of gratitude to the west, he hoped they'd help the democrats of the counties concerned.

Shut off From Marshall.  
The three townships which are clamoring to leave Madison county are shut off from Marshall, their county seat, by natural barriers, want to come into Buncombe because they are trading at Asheville, and because Mars Hill college with four hundred students wants to get into Buncombe.

The townships are democratic; the rest of the county isn't. The democrats want to leave a county which they say does not give them as good government as they are entitled to. Madison will still be left as large as thirty odd counties of the state and the townships will pay their own share of the county debts. Mr. Jones appealed to the senate to aid their democratic brethren in Madison.

Mr. Brewster referred to Mr. Jones as the Buncombe Kaiser, and protested against this contemplated action in regard to the "Alamosa-Lorraine of the mountains." He said that when the three townships came into Madison they took their own resources better or far worse until death did their part. Financial obligations were so involved that no divorce should be granted. He read the story of Nathan's wish to David and the parable of the one ewe lamb, closing with Nathan's "thou art the man." He applied this by saying that Buncombe would be a widow again.

Mr. Brewster then read a statement of the opponents of the bill which set (Continued on Page Two.)

## ATTENTION OF SENATE AGAIN TURNED TOWARD INTERNATIONAL CRISIS

Chairman Stone, of Foreign  
Relations Committee, De-  
nounces Newspapers.

## BITTER STATEMENTS

WASHINGTON, Feb. 16.—The senate turned its attention to the international crisis again today, a debate on the administration bill to curtail activities of foreign agents developing many references to the situation with Germany and drawing from Chairman Stone, of the foreign relations committee, a bitter denunciation of newspapers which circulate false statements in order to create a sentiment for war.

"There is no shadow of doubt in the mind of any fair and thinking man," said Senator Stone "that there is a cabal of great newspapers in this country seeking to create a sentiment and coerce the government of the United States into an attitude of hostility with one of the belligerent powers. I believe any one who makes such false statements is a public enemy and that he should be punished."

The foreign relations chairman made this statement in discussing a section of the bill which would make it a crime to willfully or knowingly under oath make an untrue statement intended to influence the measure or conduct of a foreign government in relation to any dispute or controversy with the United States. He argued that the same punishment should apply to any persons, including editors or publishers who knowingly or willfully made such statements, not under oath.

Senator Cummins objected vigorously to the section which would authorize the president to use the army and navy to seize or detain munitions of war or ships carrying them where they are designed to be used to violate American neutrality. He proposed to amend the provision so that the armed forces could not be used "at a time or in a manner that would make it an act of war."

Senator Guthrie and Senator Fall opposed the amendment, the former declaring it "would be tying the hands of the executive" and citing many provisions of law which he said already gave authority to the army and navy to preserve neutrality without such restrictions.

DEBATE CONTINUES.  
WASHINGTON, Feb. 16.—General debate on the \$247,000,000 army appropriation bill continued in the house today. Representative Schallenger, democratic member of the military committee, attacked the war department and the general staff, declaring that if proposed plans of the staff were carried out the army would cost a billion dollars a year. He said the department had failed to provide sufficient rifles and artillery for success in case of war.

APPORTION INSPECTORS.  
WASHINGTON, Feb. 16.—An executive order directing that appointed postoffice inspectors be apportioned equitably among the states and the political parties, and that promotions be made only on a merit basis, was issued today by President Wilson on the recommendation of Postmaster-General Burleson.

AUSTRALIAN BALLOT IS  
BACK ON THE CALENDAR  
Is Shorn of Statewide Pro-  
visions, Applying Only to  
This District.

## SOUTH CAROLINA TO HAVE A BLIND CONGRESSMAN

Paul G. McCorkle, of Ches-  
ter, Is Far Ahead in Pri-  
mary Held Yesterday.

COLUMBIA, S. C., Feb. 16.—Paul G. McCorkle, of Chester, who is blind, will probably represent the Fifth South Carolina district in congress from February 21, when the election will be held, until March 4, following.

Early returns from the democratic primary today gave McCorkle 4,583 votes for the short term nomination, and his nearest opponent 419. The election will be to name a successor for the late D. E. Finley.

For the long term W. F. Stevenson, of Cheraw, and either T. B. Butler, of Gaffney, or Claude N. Sapp, of Lancaster, will run. The primary rules provide that if no candidate gets a majority the two leading candidates shall run in the general election.

Stevenson's vote, based on virtually complete returns was 2,049; Butler 1,821, and Sapp 1,734. There were five democratic candidates for this term and three for the unexpired term. No other party has offered a candidate for either term.