

Federal Report Says Co-ops Control Only 35 per Cent

SAYS OFFICIALS PROFITED BY RE-DRYING THE TOBACCO

Large Tobacco Companies Declared Innocent of Any Boycott Methods—Bad Management by Association Heads is Cited.

Washington, Jan. 8.—The American Tobacco company and the Imperial Tobacco company of Great Britain were declared not responsible for the "difficulties and impediments" of the organized tobacco growers in Virginia, North Carolina and South Carolina in a report submitted to the senate today by the federal trade commission.

The report, which was compiled by direction of a resolution introduced last February by Senator Ernst, republican, Kentucky, inquiring whether the two companies had any interest in or were fighting the co-operative marketing associations, declared no evidence had been found of "illegal agreements, combinations or conspiracies" between them in the buying and selling of tobacco.

Boomerang

On the other hand, criticism was directed at some of the methods of the Tri-State Tobacco Growers Association, an organization of Virginia, North Carolina and South Carolina growers of certain types of tobacco with headquarters at Richmond, Va., which the report stated, had largely brought about the senate request for an investigation.

The Burley Tobacco Growers Cooperative association, of Lexington, Ky., and the Dark Tobacco Growers Cooperative association, of Hopkinsville, Ky., it is said, were not so much interested in the investigation. Their apparent success, it is added, "would indicate that cooperative marketing of leaf tobacco is generally successful."

Often Competitors

With reference to the American and Imperial companies, the report said there was no evidence of their violation of the supreme court decree of 1911 prohibiting their employing common agents in the purchase of leaf tobacco in the United States, in fact, they are often competitors in buying.

Nor was the charges substantiated. It was said, that the two companies had paid discriminatory prices for divided or split crop lots of leaf tobacco. Further it was added, "the charge that the Imperial Tobacco company has circumvented tobacco culture in Georgia was found to be entirely without foundation in fact."

Individual Benefit

Taking up the Tri-State association methods the report said there was a "policy of excluding exporters and dealers as purchasers of green tobacco, resulting in larger shipments to redrying plants," which "manifestly benefitted a number of the co-operatives' officials, including the majority of its sales staff and several directors through their financial interests in redrying plants."

"At least 27 officials," it was added, "were financially interested in and were deriving profits in addition to their salaries from a number of plants engaged in redrying association tobacco. Eighteen concerns in which these officials were interested redried about 118 millions of pounds of tobacco for the association during the three years investigated."

Continuing the report said in part:

Violate Contract

"The tendency of members in the Tri-State Tobacco Growers Cooperative association to violate their contracts and to divert in one way or the other the market tobacco pledged to the pool increased steadily during the three years. It is significant, however, to note that this association which was launched on the basis of a minimum delivery of at least 50 per cent of the total crop, the first year received only 35 per cent of the total crop. Widespread dissatisfaction and alienation in the membership of this cooperative was manifested the first year. We find a pamphlet issued by the association in July, 1925, this statement:

"The fact that the members were receiving only 40 per cent of the market value when they had ex-

pected to receive from 55 per cent to 60 per cent was responsible for the impression in the minds of many members that they could not afford to deliver their tobacco to the association."

Causes of Non Delivery

"There is considerable evidence to indicate that among the important causes of non-delivery of tobacco to the association were the long wait for full cash returns and the general belief among members that leaf tobacco marketed over the auction floors brought higher returns to the growers than that which was delivered to the pool.

"The principal opposition to the association has come from private auction warehousemen, certain tobacco boards of trade, and other affiliated interests. In various effective ways these antagonistic interests have opposed the pool. Such, in the main have been the result of natural rivalry being the two competing systems of marketing tobacco and cannot be connected directly with the two manufacturing companies. The only evidence the commission ascertained of any significance tending to relate the two companies indirectly to this auction market resistance was with respect to the activities of the Wilson board of trade at Wilson, N. C. This organization of tobacco manufacturers, dealers and auction warehousemen in 1922 collected a special assessment from its regular members including the American and Imperial Tobacco companies, for the purpose of engaging in exceptional activities designed to promote the welfare of the auction market in opposition to the new cooperative. The two companies paid this special assessment, as did the other large manufacturing companies, apparently knowing the purpose for which it was made.

Important Factor

"An important factor responsible to some extent for non-delivery of contracted tobacco has been the member's local creditor. This is conceded by the special investigation committee of Virginia, North and South Carolina agricultural officials in whose recent report on the affairs of the association appears this statement:

"The committee finds that the principal cause of non-delivery of tobacco in the beginning was opposition from interests to whom these members were indebted. In certain sections a large number of growers owed warehousemen, time merchants, and others, for the money with which they made the 1922 crop. Often the people whom these members owed not only forced them to break their contracts and sell their tobacco on the auction floor, but also tried to dissatisfy them with their association."

"The American Tobacco company has purchased some tobacco from the Tri-State association, although, compared with its total requirements such purchases have been small. The Imperial Tobacco company, which requires generally 20 per cent or more of the total crop of bright southern tobacco, has made no purchases of this type from the association and only small quantities of the other types handled. With from 65 per cent to 77 per cent of the total production marketed over the auction floors these companies have been able, during the past three years, to secure their supply from that source and the fact that they have purchased substantially all of their requirements on the open market indicates that they prefer that system.

Evidence Lacking

"No evidence was secured indicating that the fact that the American Tobacco company and the Imperial Tobacco company have purchased so little tobacco from the association, is the result of an agreement or understanding between the two companies. There has been considerable discussion of the attitude of the two companies toward the pool and obviously the fact that they have not patronized it to any great extent has tended to dishearten the membership and encourage the auction warehousemen and other interests which have from the beginning actively opposed the new marketing organization.

"Another important cause, however, of this co-operative's difficulties, manifestly lies in its merchandising and operating methods.

Tri-State Types

"The annual leaf tobacco requirements of tobacco manufacturers, other

than the American Tobacco company and the Imperial Tobacco company, and of exporters and dealers, are of the types handled by the Tri-State association, approximately 200,000,000 pounds, or three times the total 1924 receipts of this cooperative. However, to these groups, not including the American and Imperial companies, this association sold in the green state only 19 per cent of its total 1924 deliveries, as compared with 65 per cent in 1923. Exporters and dealers who purchased in the green state over 56,000,000 pounds of the association's 1923 crop and 28,000,000 pounds of its 1924 crop, in 1924 bought only a little more than 2,000,000 pounds, or about 2 per cent of its total receipts of that year.

Act of Exclusion

This failure to sell in the green state a larger proportion of its 1924 deliveries to exporters and dealers was obviously designed by the association management to exclude such customers and purchasers of its green tobacco. Instead of holding or increasing its large clientele of buyers who purchased in the green state more than half of this association's first year deliveries, its officers began an arbitrary policy of restraint and exclusion which reached its climax in 1924. Exporters and dealers were in 1924 in effect actually prohibited from purchasing association tobacco in the form in which they preferred and were equipped to buy it. The association explains that this policy was not adopted with the intent to exclude dealers, but as a means of preventing resales on the auction markets.

Open to Question

"The bonafides of the charges of boycotting against the American Tobacco company as made by officials of the (Tri-State) Tobacco Growers Cooperative association is certainly open to question, when it is seen that these officials arbitrarily excluded several exporters and dealers whose individual requirements each year of bright southern tobacco exceeded those of the American Tobacco company, and when it is noted that the aggregate potential demands of this class of buyers practically equals the combined annual purchases of the American and Imperial companies.

Percentage of Redrying

"Of its total receipts of tobacco the association the first year redried only 31 per cent; of its 1923 crop it redried 4 per cent and of its 1924 deliveries 75 per cent was sent to redriers.

"A contrast in redrying policies is seen in a comparison of this association with the Burley Tobacco Growers Cooperative association. The latter owns its redrying and storage plants, which it reports, have already paid for themselves in the actual cost of redrying and storage, as compared with what it cost the redrying and storing outside redriers and warehouses. In 1922, 1923 and 1924, the Burley association redried in its 12 plants a total of 240,789,355 pounds of green leaf tobacco at a cost of \$1,713,681. For the same period it cost the Tri-State association \$3,870,220 to redry 218,866,812 pounds in private plants, or an average cost of \$1.75 per hundred pounds as compared with 71 cents per hundred pounds in the burley association."

Judge Bynum is Dead, Aged 64

Greensboro, Jan. 7.—Judge William P. Bynum, noted lawyer, died at his home here tonight at 6:25 o'clock. Heart failure was the cause of death. He had been in ill health for about a month and critically ill for a few days. He was 64 years of age.

Judge Bynum was born in McDowell county, the son of Benjamin F. and Charity Bynum, of English and Welsh blood. He was related to the Martins of Stokes county, the Prestons and Hamptons, coming from a line of statesmen, lawyers, generals and ministers, a family of political though of the constitutional types.

Reared on a farm in Stokes county, he was educated at Kernersville high school, Dalton Institute in Stokes and graduated at Trinity College. He read law in school here under Dillard & Dick and was admitted to the bar in Charlotte in 1884. He began practicing there with an uncle of the same name and married Miss Mary Fleming Walker, of that city. Their one son died in infancy. She survives him.

He came here in 1887 to practice law and was associated with Bartlett Shipp, later with John Gray Bynum, and in 1918 the law firm of Bynum, Hobgood and Alderman was formed.

NEGRO ADMITS CRIME JUST PRIOR TO DEATH

Dawkins Confesses He Killed Vaughn and Relieves Strain on Prison Officials

Raleigh, Jan. 8.—John Wesley Dawkins simulated innocence until 15 minutes only stood between him and death this morning; then he caved in and confessed the murder of Joseph W. Vaughn, Winston-Salem merchant. The Forsyth black man, baptized last evening in a bath tub, failed of complete remission of sins, for he stood out until he had every prison official in agony over him. He fooled his several preachers and while the execution waited he told fantastic stories of his debts to conjurers who had worked spells off him. He had fixed the way for a newspaper interview just ten minutes before he died, and while the scribes were getting ready to hear his story, he was converted. He shouted joy when he came through and then he had only the trifle of dying to make his day's work perfect.

He died in first rate manner. He was a little obstinate about it, a small ginger-cake black giving the dynamo the heaviest pull it ever had. With a 2,300 capacity he made it work 2,300 on him and then he wouldn't die. He took 120 seconds of burning current and then his heart would not stop. It came back 56 more and Dawkins was dead.

He implicated Ernest Key, who is serving a life time sentence. The dead man accepted entire responsibility for the shot which put out the life of the small merchant. The confession lifted much from the heart of Pardon Commissioner Hoyle Sink, Governor McLean, Warden Joe Norman and Superintendent George P. Chaplain Shacklette was most relieved of them all.

For the black boy had halfway convinced the minister. The stage work was perfect. It was getting on the parson's nerves. He had seen several dying with denials. This one had the best alibi of them all. And when the old dynamo struck up its final song, the boy came through.

He had a royal array of clerics. He sat down with a little crucifix about his neck, but it seemed to have no significance to him beyond his savage affection for trinkets. When he took the chair Chaplain Shacklette instructed him to say his psalm. He repeated the 23rd, exactly as a six-year-old child would have done. Then he prayed for forgiveness. He muttered through the leather slits while the fastening went on.

Postoffice Inspector D. P. Dawson, who is doing government work hereabouts, came out to see the execution. He had seen the gallows which was first used on Charles Giteau, pass recently for the electric chair and he desired to appraise the chair and the scaffold. He was not entirely convinced about the chair. It took a long time to kill the boy. But it was a clean job. Then C. P. Barringer, president of the State Federation of Labor and law student at Wake Forest, gave the ceremony a look-over. He is still strong for the death penalty.

Things being ready Deputy Warden J. E. Thomas, of Louisburg, slammed the switch and 2,300 volts went thru a little body. The first shock of two minutes failed to complete the legal requirements and 56 seconds more ended the life.

Announcement was made that two weeks from date Arthur Montague will be put to death. It had been the hope of Dawkins that he and Montague might go together.

Proposes \$187,083,000 For New Postoffices

Washington, Jan. 9.—Appropriation of \$187,083,000 for the construction of more than 300 postoffice buildings in various parts of the country was proposed in a bill Friday by Representative Bushy, of Mississippi, a Democrat on the house buildings committee.

Mr. Bushy asserted that nearly all projects provided for in his bill had the approval of the postoffice department.

Among the projects, off of which have been approved by the postoffice department were:

North Carolina: Asheville, \$700,000; Greensboro \$600,000; Edenton \$85,000; Lenoir \$90,000; Lumberton \$115,000; Mount Airy \$75,000; Mount Airy \$100,000; Rockingham \$75,000; Rutherfordton \$85,000; Wadesboro \$70,000; Wilson \$250,000.

A. W. George, Elkin Banker, Seeks Pardon From Governor

APPEALS FILED ASKING MERCY FOR EX-BANKERS

Former Student of Professor George Writes in His Behalf From State of Ohio

Raleigh, Jan. 7.—A multitude of petitioners asking mercy for Prof. A. W. George, of Elkin, and Judge Henry A. Grady, writing in behalf of Thomas E. Cooper, of Wilmington have placed before Governor McLean clemency applications for two former bank presidents. The cases are being handled separately, of course.

George was convicted of irregularities in connection with the failure of the Farmers and Merchants Bank of Elkin and sentenced to from five to seven years in State prison. He began his term a year ago last December.

Cooper faces an eight year road sentence for violations of the state banking laws while he was president of the Liberty Savings' Bank of Wilmington. He is now in Atlanta prison for violating federal banking laws.

Will Get Attention

George's application which was formerly presented to Pardon Commissioner Hoyle Sink by John H. Folger, of Mt. Airy, is expected to get the attention of Governor McLean within a few days.

To a letter from Judge Grady in behalf of Cooper, Commissioner Sink replied for the governor that the case would receive consideration in due course. The judge's letter, which came today, "earnestly recommends" the parole of the former Wilmington banker from the road sentence upon the condition that he pay \$30,000 to the New Hanover clerk of court for distribution among depositors of the Liberty Bank and that he refrain from engaging in the banking business in the future. Judge Grady let it be known sometime ago that he had agreed to make a recommendation.

As earnest a group of petitioners as ever appeared in a pardon case have appealed to the governor in behalf of Professor George. Among the great mass of letters on file in the case are many particularly urgent appeals from men who were students under him at some time during the quarter of a century or more he taught school before entering the banking business.

One letter in Commissioner Sink's file came from Louis K. Birinyi, now a successful attorney of Cleveland, O., but 20 years ago a Hungarian farmer boy just arrived in America, who wrote emotionally in behalf of the Elkin banker, whom he knew in his early years as his teacher.

George was the leading professor in the old Crescent Academy and Business college, at Crescent, when Birinyi, a youth of 20, entered it. Memories of those days led him to write of his old school master to this effect:

Appeal for George

"Immediately upon my entrance he took an especially deep interest in me. He gave me a reader and a copy of Allen's grammar of the English language, and for months thereafter, every afternoon and evening, he came to my room and in a most encouraging and helpful manner guided me through difficulties of the English language. The value of the services that Professor George rendered to me in the most difficult period of my student career can be appreciated only by those who have gone through a similar experience.

"I am not familiar with the facts of the case, nor do I know in what degree my good benefactor has violated the law of the state of North Carolina. I am told the violation was merely technical, but I do know that if the law was violated in this instance, it was the result of unfamiliarity with the business in which my good friend was engaged, rather than of criminal intent. A. W. George, the man who gave me the first start in the English language, the man who devoted his time and expended his energies to start me aright in my quest for an American education, the man who first instilled into my youthful soul the most beautiful of American Christian ideals and principles, this good and great-hearted man cannot be a criminal in the most acceptable meaning of the word. He may have made a mistake;

but permit me to believe, he could not and did not commit a crime."

"I still remember the awful discouragement with which I sat down at the side of the good professor; and governor, I still see the encouraging smile and hear the encouraging words of the good professor. And governor—excuse me—I can still feel the thrill that I experienced when my first battle was won against these three nouns, adjectives and adverbs. Try what I may, the only thing I can see at this time is the tall lean figure of Professor George and his encouraging smile."

DOG DOES MUCH DAMAGE

Citizens of Yadkin Township File Bills Against County Amounting To \$550.00.

Danbury Reporter.

Two weeks since a Yadkin township dog suffering with rabies played havoc with sheep and dogs in that township, according to statements of citizens who were here from that section Monday.

Under the North Carolina dog law the following claims were filed against the county commissioners at the session of the board here Monday of this week.

C. H. Lunsford had seven sheep killed by the dog and asks the Board to pay him \$150.00.

T. W. Stuart lost nine dogs as a result of being bitten and wants \$100.00 damage.

W. S. Denny wants \$50.00 for the loss of two pigs and two dogs.

Clyde Smith lost three dogs and asks for \$75.00 damage.

J. W. Tuttle, one bird dog, damage \$75.00.

Jas. Boyles, two dogs, damage \$50.00.

Mickey Nance, one dog, damage \$25.00.

C. M. Tuttle, one dog, damage \$15.00.

Roscoe Nance, three dogs, damage \$30.00.

Eoy Venable, one dog, damage \$10.00.

The county commissioners appointed a jury composed of the following named men: V. T. Hartgrove, P. P. Johnson and Henry Sizemore. They were instructed to make thorough investigation of the matter and report their findings to the board at its next meeting on the first Monday in February.

CONVICT COUPLE OF POISONING MAN

Judge Schenck Imposes 15-To-20-Year Sentence Upon Mr. and Mrs. Holmes

Rockingham, Jan. 8.—A minimum of 15 years and a maximum of 20 years at hard labor was the sentence today imposed by Judge Michael Schenck upon J. A. Holmes and his wife, Sarah Solomon Holmes, for the killing of Jim Solomon here last June by poison. The jury returned a verdict of second degree murder this morning at 9:30 after having deliberated over the matter for 19 hours. The case was probably the longest, barring the Cole trial, that has ever been tried in the criminal records of Richmond county, three days being required. The evidence was purely circumstantial, the State contending that Mrs. Solomon administered paris green to her husband, to whom she had been married for 29 years in order to make away with him and marry Holmes, who is said to be a hollow exhorter. All the parties are white, and about 50 years old. Mrs. Holmes has a kindly face and it is hard to reconcile the alleged deed with her appearance. Solomon died on June 23rd, having been seized with acute pains two days previous following the eating of fish, cucumbers and milk, later his body was exhumed. His widow in the meantime having married Holmes, and the stomach sent to the State chemist for analysis. The report showed sufficient copper and arsenic in the stomach to have caused death. Then followed the arrest of the couple and now their trial and conviction this week. It is said the jury stood four for first degree to eight for second, on the first ballot, with the four finally being brought to the lighter verdict. Bynum and Henry, attorneys for the prisoners, gave notice of appeal, bond was named at \$10,000 each, but neither could raise a hundred dollar bond, much less one 50 times that size.