

Weather.

Washington, June 16.—Forecast for North Carolina for tonight and Thursday: Generally fair tonight and Thursday.

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THE PRESIDENT SENDS MESSAGE AS TO INCOME TAX

Wants a Constitutional Amendment Submitted to the People for Adoption.

FOR INHERITANCE TAX

President Taft Sent a Special Message to the Senate Today Urging That Body to Submit Amendments to the Constitution Permitting an Income Tax to the People—Wants an Inheritance Tax and Urges Senate to Incorporate Such a Measure into the Tariff Bill—Thinks It Would be Unwise for the Senate to Adopt the Income Tax Feature Now Without Changing Constitution.

(By Leased Wire to The Times.) Washington, June 16.—The message of President Taft's on the subject of taxing incomes of corporations was received in the senate at 1:45 o'clock and read immediately. It is as follows:

"It is the constitutional duty of the president from time to time to recommend to the consideration of congress such measures as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present extraordinary session of congress, I invited attention to the necessity for a revision of the tariff at this session and stated the principles upon which I thought the revision should be effected. I referred to the then rapidly increasing deficit and pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income, and suggested that if it was not possible to do so by import duties, new kinds of laxatives must be adopted, and among them I recommend a graduated inheritance tax as correct in principle and as certain and easy of collection.

"The house of representatives has adopted the suggestion and has provided in the bill it passed for the collection of such a tax. In the senate the action of its finance committee, and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general income tax in form and substance of almost exactly the same character as which in the case of Pollock Versus Farmers' Loan and Trust Company (157 U. S. 429) was held by the supreme court to be a direct tax and therefore not within the power of the general government to impose unless apportioned among the several states according to population. This new proposal, which I did not discuss in my inaugural address or in my message at the opening of the present session, makes it appropriate for me to submit to the congress certain additional recommendations.

"The decision of the supreme court in the income tax cases deprived the national government of a power which, by reason of previous decisions of the court, it was generally supposed that government had. It is undoubtedly a power the national government ought to have. It might be indispensable to the nation's life in great crises. Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to its full extent. I therefore recommend to the congress that both houses, by a two-thirds vote, shall propose an amendment to the constitution conferring the power to levy an income tax upon the national government without apportionment among the states in proportion to population.

"This course is much to be preferred to the one proposed of re-enacting a law once judicially declared to be unconstitutional. For the congress to assume that the court will reverse itself, and to enact legislation on such an assumption, will not strengthen popular confidence in the stability of judicial construction of the constitution. It is much wiser policy to accept the decision and remedy the defect by amendment in due and regular course.

"Again, it is clear that by the enactment of the proposed law the congress will not be bringing money into the treasury to meet the present deficiency, but by putting on the statute books a law already there and never repealed, will simply be suggesting to the executive officers of the government their possible duty to

invoke litigation. If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay.

"It is said the difficulty and delay in securing the approval of three-fourths of the states will destroy all chance of adopting the amendment. Of course, no one can speak with certainty upon this point, but I have become convinced that a great majority of the people of this country are in favor of vesting the national government with power to levy an income tax, and that they will secure the adoption of the amendment in the states, if proposed to them.

"Second, the decision in the Pollock case left power in the national government to levy an excise tax which accomplished the same purpose as a corporation income tax and is free from certain objections urged to the proposed income tax measure.

"I, therefore, recommend an amendment to the tariff bill imposing upon all corporations and joint stock companies for profit, except national banks (otherwise taxed), savings banks, and building and loan associations, an excise tax measured by two per cent on the net income of such corporations. This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock. I am informed that a two per cent tax of this character would bring into the treasury of the United States not less than \$25,000,000.

"The decision of the supreme court in the case of Spreckles Sugar Refining Company against McClain (192 U. S. 297) seems clearly to establish the principle that such a tax as this is an excise tax upon property, and is within the federal power without apportionment according to population. The tax on net income is preferable to one proportioned to population.

ASSAULTS A WHITE GIRL

Unknown Negro Attempts Horrible Crime

At a Lonely Spot in the Woods Bordering Cameron Field the Crime is Attempted—Frightened Away by the Screams of the Girl and Her Companion.

This morning at 8 o'clock, at a point on the footpath running through the woods from Oberlin to Cameron's field, a negro brute assaulted a Miss Curtis, a white girl of Oberlin, with evident intent to commit rape. The negro was frightened away by the screams of the girl, who is not over sixteen years of age, and of a small boy who accompanied her. The two were on their way to the city when at a lonely spot the negro met them, seized the girl roughly and dragged her into the woods with terrible threats.

Mr. W. G. Grant, who lives in Oberlin, was the first to be attracted by the cries of the girl and her companion and ran to their aid. The boy was wild with fright and couldn't tell him anything. He hurried to the scene and found that the negro had been frightened away by the screams of the girl. The girl was not injured in the slightest but was only badly frightened. The matter was reported to the police department and diligent work is being done to apprehend the criminal. While the police have nothing to give out, it is hardly thought probable that the negro will be caught as there is not the slightest clue to his identity.

ERIE TRAIN DERAILED.

Passengers Badly Shaken Up, But None Killed—Train Was Fast Express.

Elmira, N. Y., June 16.—Erie westbound passenger train No. 9, the Buffalo, Chicago and Cincinnati express, was derailed seventeen miles east at Waverly Narrows today and the passengers were badly bruised and shaken up, but none was seriously hurt. A few were brought to Arnot Ogden Hospital for treatment while others had their injuries attended to at the scene of the wreck.

UNKNOWN NEGRO LYNCHED.

Attempted Assault in Florida—Possibly Makes Quick Work.

(By Leased Wire to The Times.) Arcadia, Fla., June 16.—An unknown negro was lynched here for an attempted attack upon Mrs. P. R. Reed, wife of a prominent citizen of Arcadia.

A posse was formed as soon as the news of the attempted crime spread, and within an hour the negro was captured, a short distance from the scene of the crime and lynched.

THE INCOME TAX ADHERENTS WILL KEEP UP FIGHT

Entrance of the President Into the Fight Has Complicated Matters

MAY REDUCE SCHEDULES

The Adoption of the Taft Proposition Taxing Corporation Incomes May Mean That Many Schedules of the Tariff Bill May be Re-Cast in Conference—Progressives Hold That Revenue Desired From This Tax Will Justify Lowering Rates and Keeping Party Pledges—Senate Again Takes Up Philippine Tariff Measure—Senator Foster Opposes Free Admission of Philippine Products.

(By Leased Wire to The Times.) Washington, June 16.—Advocates of the income tax said today that they will not abandon their fight to secure the adoption of the Bailey-Cummins income tax amendment now pending in the senate, and which by a vote is to come up for consideration Friday, but will make an earnest effort to have it adopted. They admitted that President Taft's entrance into the fight for a tax on the net income of corporations by sending in a message on the subject has complicated matters. The joint resolution to be offered by Senator Aldrich to submit to the states an amendment to the constitution to authorize an income tax and which has the entire sentiment of the president, it was said today, will probably receive the unanimous vote of the senate. It is probable the debate on the amendment to tax corporation incomes will last several days.

The adoption of the Aldrich amendment, or more properly speaking, the Taft proposition, taxing corporation incomes, it was said today, means that many schedules of the tariff bill will be re-cast in conference, that is there will be a scaling downward of the duties below the Dingley rates. The progressives like Senators Dooliver, LaFollette, and Cummins, will insist that the large revenues to be derived from the corporation tax, which will probably be known hereafter as the Taft tax, justifies a reduction of duties in keeping with the party's platform pledge for a downward revision of the tariff. It is estimated by the leaders that the tax on corporations will yield a revenue of something like \$40,000,000.

The senate convened at 10 o'clock. The Philippine amendment was taken up. Senator Foster, of Louisiana, opposed the free admission of Philippine products. He said that even with the restrictions imposed by the amendment the importation of goods there would not be limited to close amounts. He argued that free trade with the Philippines would result in building up an Asiatic colony, while the closer trade relations contemplated by the amendment would enforce the permanent retention of the islands.

ALIENS CANNOT BE SENT HOME

(By Leased Wire to The Times.)

Washington, June 16.—It was announced at the office of the commissioner of immigration and naturalization today that the plan of the New York state prison authorities to deport 319 aliens convicted of crimes, and now confined in prisons in that state, cannot be realized because the immigration laws make no provision for the deportation of aliens, whether convicted of crime or not, after they have once passed inspection and been admitted to the United States.

The convict aliens now confined in New York, convicted of felonies, will therefore have to serve their sentences. Even after being discharged from the penitentiaries they cannot be deported.

Many Deaths From Plague.

(By Cable to The Times.) Amoy, June 16.—The bubonic plague is increasing here and in Chang-Chow. One hundred and thirty-two deaths have occurred in the past fortnight.

SECRETARY OLDS REPORT SHOWS GREAT PROGRESS

Automobile Highway From Atlanta to New York Under Discussion

METHODIST COLLEGE

Methodist Female College for Raleigh a Possibility—Citizens Urged to Take an Interest in the Matter of Securing the Pythian Orphanage—Building Being Done in Many Parts of the City—National Farmers' Congress Meets Here in November—Should Invite Teachers to Meet Here Next Year—Good Work of Clean-up Days.

At the meeting of the Chamber of Commerce last night the proposed automobile highway from Atlanta to New York was one of the main topics of discussion. The secretary's report was full of interest, as it usually is, and Mr. Willis G. Briggs offered an interesting paper on uniform numbering of streets, an article of interest which will be published in full later.

Secretary Olds' report was as follows:

"Your secretary, in compliance with instructions from the president, attended the very notable conference at Columbia, S. C., last Thursday, of persons interested in the automobile highway by way of Washington, Richmond, Raleigh, Columbia, etc., connecting New York and the south. The meeting formed the 'Capital Highway Association' and your secretary was made the temporary secretary of the meeting and in a talk set before it North Carolina's views on the question and the importance of selecting this route. Mr. D. Y. Cooper, of Henderson, was elected vice president for North Carolina. Other prominent and wealthy men were chosen, each to represent his state, and Mr. Leonard Tufts, of Pinehurst, who has shown so much enterprise and public spirit in organizing and pressing this movement, was made the president of the association.

"Your secretary, in accordance with instructions, has taken up most actively the matter of securing cooperation the part of county commissioners, road supervisors and associations, such as boards of trade, etc., along the proposed route from the Virginia line to the South Carolina line in this state and has received replies to letters sent. Chairman Josephus Daniels of the committee on the highway named by this body, has sent similar bodies. Your secretary also took up with the councils of administration of the New York Herald and Atlanta Journal the question of having their scout cars come northward along this capital highway, and this has been arranged, and they are now on their way in this direction, having started from Atlanta Monday. President Johnson, of the Raleigh Automobile and Garage Company has placed at our disposal free of charge any automobiles needed.

"Even if this road suggested should never become a great automobile highway, yet it would be of great importance to have made it good since it would serve both local and general purposes, but there is every reason in the world to believe that if made a fine thoroughfare, great numbers of automobilists would use it, no matter what the route selected may be, of course it is important to have this one chosen.

The Pythian Orphanage.

"Your secretary desires to again bring up the matter of securing the North Carolina Pythian Orphanage here if possible. Durham made an offer some time since and this has been followed by one by Clayton, the latter being of 100 acres of land and \$15,000 by Mr. Ashley Horn and other citizens. Your secretary took the liberty of inviting one of the prominent Pythians of the state, Mr. W. W. Wilson, to be here this evening and make a talk to the Chamber of Commerce.

"Since the last report there has been a continuance of the building development here and contracts have been let for seven additional buildings at the Central Hospital for the insane, which is within the city boundary.

"Your secretary having been invited by Mayor Wynne to present to the Board of Aldermen the matter of the proposed automobile highway, did so and that body endorsed the movement and appointed a committee composed of Mayor Wynne, At-

derman Joseph G. Brown, and Alderman William Cooper to co-operate with our organization in the movement. Your secretary also referred in his remarks to the need of better street pavements here and this matter ought to have the attention of our town organization. There are also buildings which should be condemned and removed and sidewalks which particularly need improvements. The cleaning of the city, which was begun some days ago, is a new feature and though a great deal was done much yet remains to be done.

"There is particular need of proper walkway between the city and the Agricultural and Mechanical College. Your secretary a few days ago conferred with the then rector of St. Mary's School, the then president of the A. & M. College and Col. Benjamin Cameron in regard to having such a walkway made on the north side of the street railway to the Agricultural and Mechanical College. Part of such walkway would be within the city limits. The trustees of St. Mary's School will allow the use of their property for this purpose and Col. Cameron then gave them his consent to such use of a strip of the Cameron land. This is really an important matter. The facilities which pedestrians now have of getting to West Raleigh are very poor and yet this is the most important point which joins this city and the greatest tide of travel flows. Not only at ordinary times but on the occasions of the state fair and various other events, including baseball games and various things at the college.

"Your secretary has issued a printed list of the members of this organization and placed this in the hands of each one, urging every member to bring in at least one new member by September first, when the fiscal year begins. The scope of the organization is not nearly so great as it should be owing to the cramped membership. It is relied on to be the first to move in everything which makes for Raleigh's betterment and must be in position to meet promptly every

(Continued on Page Three.)

METHODS OF TRUSTS

Sugar Trust is Not the Only Offender

Sugar Trust Has Been a Consistent Law-Breaker Ever Since Its Birth—Robbed Public and Ruined Competitors—Government Not Trying to Reach Them.

(By Leased Wire to The Times.)

New York, June 16.—Samuel Untermyer, who was counsel for Adolph Segal in the recent suit against the sugar trust, called with Mrs. Untermyer on the steamship Kron Prinzessin Cecilie for Europe. When asked, before he sailed, his views as to a criminal prosecution of the trust and whether his client had decided to press such prosecution or take any active part in aiding it, he said: "What would be the use? The sugar company has been a consistent lawbreaker ever since its birth. Its activities in congress have been one of the scandals of the country for many years. It has robbed the public and ruined its would-be competitors. But it is no worse than many of the others in its criminal methods, and not quite so bad as some.

"This suddenly aroused virtuous abhorrence of its methods is amusing. It accidentally happens at the moment to be the scapegoat, but as the government has waited until after the principal offenders are dead it doesn't much matter. Whenever the government really wants to bring the criminal rich, who are managing these conspiracies that are notoriously violating the criminal laws within the penalties of that law, it will not be difficult. There never has been an honest, intelligent effort to enforce the ample provisions of the law against any of the monster monopolies.

"We all know that the anti-trust law is being openly flouted and violated every day by some of the most powerful men in the land. There are numberless secret, unlawful pools to control prices and restrict production operating in this city today, many of them under written agreements that are criminal conspiracies on their face.

"We are told by a certain section of the press (and some gentlemen around Wall street are regarding their smug confidence in that belief) that there has been a reaction in the public mind against what they are pleased to call 'attacks' on these criminal conspiracies.

"For the sake of the country let us hope the gentlemen are mistaken for if they are right we shall have an upheaval in this country as compared to which the mild and harmless experiments of the last administration will seem like midsummer zephyrs alongside a cyclone."

MORE TESTIMONY THAT MRS. GOULD LOVED THE CUP

Servants Continue to Tell of Seeing Her Under the Influence of Liquor

MRS. GOULD MAKES NOTE

Mrs. Gould Still Wears Same Gown—Came Into Court With Her Counsel—Sat With Her Lawyers at Table and Made Notes of Evidence—Didn't Notice Howard Gould When He Came in—Young Gould Indifferent to the Attention He Attracted—Florist Tells of Seeing Mrs. Gould Drunk Several Times—Reeled Up Against the Wall and Talked Foolishly.

(By Leased Wire to The Times.) New York, June 16.—More testimony of former servants tending to show that Mrs. Viola Katherine Clemmons Gould was addicted to the use of intoxicants was furnished today before Justice Dowling, in Howard Gould's effort to justify his abandonment of his wife in answer to her suit for separation and \$125,000 alimony.

Garbed in the black Empire gown and the heavily draped black veil, the wife of the millionaire came into the court room with Clarence J. Shearn, her counsel. Delancey Nicoll in charge of the case for Howard Gould was there ahead of her.

She sat at the counsel table within a few feet of Nicoll who had subjected her to a grueling cross-examination. A few minutes later her husband arrived.

If Mrs. Gould noted his arrival she gave no sign, but went on making notes of the testimony. Howard Gould, respondent in a well fitting light checked suit, and wearing a neatly bowed brown tie, appeared indifferently to the attention he attracted.

Court officers with difficulty prevented the crowd from forcing its way into the small room.

Justice Dowling was late in getting to court and as the result the case was held up for half an hour. Lawyers Shearn and Nicoll conferred with the judge after the session was opened.

Harry Turner, in charge of the Gould green houses at Castle Gould was called to the stand when the conference ended.

"I saw Mrs. Gould at Castle Gould in April, 1906," said Turner in answer to Attorney Nicoll. "She was under the influence of liquor on one occasion in July or August, 1906."

"Late one afternoon," continued the witness, "I met Mrs. Gould under an arch. She was certainly under the influence of liquor. Although she had seen me but an hour before decorating the table, she asked me if I was the coachman."

"She reeled up against the wall of the arch as she spoke to me."

"On November 6 she was also under the influence of liquor. Mrs. Gould drove up to the estate office and talked to Molloy and others who were there. She said, 'I am Mrs. Howard Gould,' repeating that many times. Then she crossed the office and reeled against the wall."

"Did you ever see her intoxicated on other occasions?"

"I did not."

"What did she talk of?"

"Talked in a general way to the men. She was certainly under the influence of liquor."

Taken in hand by Mr. Shearn, the florist was put through a severe cross-examination.

"Did you ever see Mrs. Gould take a drink?"

"I did not," admitted Turner.

Mrs. Gould looked intently at the witness. She sat within a few feet of the stand and with her veil thrown back stared Turner into a state of uneasiness.

She continually prompted her attorney and made notes as points were scored for her side.

Shearn went carefully into the manner in which the various affidavits of servants were produced. He was unable to show that an attorney from Mr. Nicoll's office secured the different signatures at the estate office at Castle Gould.

"I stood within a few feet of Mrs. Gould and heard what she said to Molloy," Turner testified in regard to one of the occasions of her alleged drinking.