

purchases were made, they could conveniently collect the rebates. This client of mine said that the particular method which it was proposed to be pursued was as follows:

"That he should file his bid on bulk goods. (Here the plan was outlined showing how much rebate was to be given and the price to be charged.)

"Felder said that he advised his client that to enter such a combination would be an infraction of the criminal law of South Carolina.

"Later the client, Felder said, returned and said that Blease and Evans desired a conference to prove to him (Felder) that it would not be an infraction of the law to enter a combination of such nature.

Says Rebates Paid.

"My information," continued Felder, "is that after my client declined the proposition, these two honorable gentlemen applied to the wholesale house of Blumenthal & Bickert and made that arrangement with them, and that thereafter they made a visit to Atlanta, where Monroe Bickert, in accordance with the contract, paid rebates to H. H. Evans and to his counsel.

"One other incident that I may mention in passing," said Felder, "was during one of these periodical visits for the purpose of making collections, this being rather a shady transaction the collectors of the graft adopted the rule of getting their rebates in currency and not in checks. Mr. Monroe Bickert went down to the bank and brought up four \$1,000 bills and handed them over to the Hon. H. H. Evans, a gentleman that I undertook to buy (we come to that later) and with his usual quiet, dignified way said 'what will I do with these yellow backs?' there ain't a man in South Carolina that will know what these bills are."

Felder said that Monroe Bickert had told him that this transaction actually occurred.

Felder read a copy of a letter, the original of which was made to Attorney General Lyon, concerning Blease and the late State dispensary. The letter follows:

Blease Represented Lanahan?

"Atlanta, Ga., March 29, 1912.

"Mr. T. B. Felder, Atlanta, Ga.—Dear Sir: On Wednesday, the 13th inst., I visited the city of Albany, and while there met Mr. B. M. Wilson and had a long talk with him in regard to dispensary matters in the State of South Carolina. He stated to me that it came within his knowledge that Cole L. Blease, now governor of the State had represented, while a State senator, Lanahan & Co., liquor dealers, of the city of Baltimore, and had made large sales to the board of directors, consisting of H. H. Evans, L. W. Boykin and John Bell Towill; that in consequence of certain dissatisfaction arising in the matter of paying rebates to the board of directors, it was decided that instead of continuing to pay rebates through Blease to the board, that the rebates as agreed to between Blease and the board should be paid through the said B. M. Wilson and that was accordingly done.

"In further conversation with the said B. M. Wilson, Wilson stated to me that when the bill was introduced in the South Carolina legislature to abolish the dispensary and for an investigation of the system, that the said Cole L. Blease, now governor of the State of South Carolina, devised a plan to defeat all pending legislation affecting the dispensary, both as to its abolition and investigation. The plan as outlined by Blease was as follows:

"Certain liquor dealers were to raise the sum of \$25,000 and pay the same over to Blease, then a member of the State senate. This money was to be used by him with the members of the legislature to defeat all legislation affecting the dispensary. It was further understood and agreed that after the defeat of the legislation as aforesaid was compassed, that a syndicate, composed of the said Blease, Nick Block, of Macon, and others, should in consideration of the contribution that they made, control the entire liquor and beer business with the State dispensary, dividing equally the profits thereof.

"Wilson further stated that the plan formulated by Blease to compass a defeat of pending legislation miscarried, for the reason that Nick Block, of Macon, who was one of the syndicate, stated that the amount proposed to be raised was out of all reason; that the same results could be accomplished upon the expenditure of the sum of \$2,500. Yours very truly, Smith D. Pickett."

(Original mailed the Hon. J. Fraser Lyon).

Felder read the following statement as given him by "Wilson," Burns' man Bailey:

Statement of Burns' Man.

"During the time that Cole L. Blease represented Newberry county in the State senate, a gentleman by the name of W. Charleston Wright, who came from Savannah, Ga., whose

brother was division superintendent of one of the railroads, perhaps the Seaboard Air Line, with headquarters in Columbia, and who came to Columbia as private secretary of P. I. Wells, superintendent of the Southern, was transferred from that position to the position as private secretary of the general counsel of the Southern railroad.

"Mr. W. Charleston Wright was interviewed at length at the city of Columbia and he discussed conditions obtaining there during his incumbency as private secretary of the general counsel of the Southern railroad. He discussed at length the dishonesty of Senator Cole L. Blease. The most pertinent statement made by him, which is quoted literally, is as follows:

"Why, of course I know he is a crook. When I was working for Abney I handed him a check in the ante-room of the senate chamber on one occasion for \$500, as compensation for his services in defeating a pending bill affecting the interests of the railroads."

At 6 o'clock the committee took a recess until 8.30.

Charleston Situation.

Augusta, Ga., July 12.—That the Charleston "blind tigers" contributed to the campaign fund of Blease before the second primary two years ago, that it was an arrangement between Blease and Stothart whereby the illicit whiskey dealers were assessed \$10 per month "protection" money, that Governor Blease got the "graft" and Stothart a commission for collecting it, were outstanding features of the dictagraph testimony of a man who posed as a gambler by the name of Wilson, but who in reality was Bailey, one of Burns' men, who spent four months in Charleston this year. These statements were contained in the dictagraph testimony of "Wilson" as presented by Thos. B. Felder to the investigating committee this afternoon. "Wilson" furnished Felder with the names of the alleged contributors in the election fund of the governor and also gave startling statements relative to the "graft" which has stirred Charleston during the past few weeks.

The letter from "Wilson" to Felder relative to the campaign fund follows: "Col. T. B. Felder, Atlanta, Ga.—Dear Sir: Your favor of the 21st to hand and contents noted. I am herewith enclosing list of blind tigers that contributed to Blease's campaign fund. This is not the original list but a copy. I am sending the original for the reason that it contains a few names that are not blind tigers and I thought best to send the names of the blind tigers only. The retail business league is better known in Charleston as the 'blind tiger association.' These names on the enclosed list are correct and the amount opposite each is a correct amount that each one gave towards buying votes in Charleston for Blease. Retail Business League, \$277; Santo Sottile, \$200; Jim Farnum, \$500; Clarence Halsey, \$50; E. F. Ostendorf, \$25; V. Chicco, \$25; J. J. Landers, \$25; Geo. Murphy, \$25; J. W. Hunt, \$25; P. J. Conway, \$25; O. H. Wieters, \$25; James Sottile, \$50; Gus Stuhler, \$25; H. L. Koster, \$25; F. W. Mappus, \$25." Dictagraph testimony of "Wilson" concerning Henry Hasselmeyer as given by Felder follows:

How Protection Was Secured.

"Henry Hasselmeyer, whose place of business is near the market in the city of Charleston, upon being asked how the blind tigers in the city of Charleston were getting on, his reply was:

"We elected, Cole Blease governor and we now have full protection." Asked as to the method by which protection was obtained, he stated that shortly after the governor's inauguration the chief of constabulary force was called to Columbia for conference with the governor. In this conference with the governor it was agreed as to the amount that each blind tiger in the city of Charleston should pay monthly for protection.

"On the return of the chief constable to Charleston he called upon the president of the local brewery and told him that he wished to see him in conference, that he had a proposition to make to him which was authorized by the governor, asking him when it would be satisfactory to see him. The president of the brewery told him that he could see him at any time and any place that suited. The chief of the constabulary force said that he would come to his home at once. The president of the brewery suggested that this would be an unwise move from the fact that some one might see him. To this the reply was made: "We don't care who sees us."

"He then proceeded to the home of the president of the brewery, where he delivered the message from the governor

nor to the effect that on the consideration of \$10 each per month they would extend protection from arrest to the blind tigers of Charleston. He also stated that there were in the neighborhood of 350 blind tigers in Charleston and that these were to pay \$10 each during the first week of each month. The president of the brewery asked what disposition would be made of this collection, whereupon the chief constable told him that, under his agreement with the governor, he was to be allowed a commission for collecting and the balance was to be paid over monthly to the governor.

Paid to Obstruct Probe?

"In said conversation the said Hasselmeyer stated that he personally visited the governor at Columbia and entered his protest against this arrangement, stating to the governor that this graft should not be collected, but the governor waved him aside with the statement that he was running that end of the matter.

Given through Felder, "Wilson's" dictagraph testimony is outlined as follows: "John H. Morris and B. L. Toland, of Spartanburg, S. C., have stated and will undoubtedly swear if called before your committee, that Cole L. Blease, then a senator from Newberry, who was acting upon the investigating committee to investigate the affairs of the late dispensary, was employed by Jeff Dunwoody, of Atlanta, agent for the Atlanta Brewing and Ice company, to obstruct the proceedings of the said committee.

"They will also swear that the said Blease sought a private interview with them and did everything in his power to prevent them from testifying before said committee. Jeff Dunwoody, being an citizen of Georgia cannot be compelled to corroborate this evidence, but the fact will be sufficiently established by those two witnesses.

Said to Have Taken Fee as Senator.

"In this connection I desire to state that when Cole L. Blease was senator from Newberry and a bill was introduced to appropriate \$15,000, to be used by the attorney general of the State in conducting the prosecution against the grafters, that the liquor dealers employed the said Blease, then a senator, to oppose the passage of said measure and as a matter of fact, the said Blease did oppose by speech, vote and influence the passage of said resolution and that he received for his services the sum of \$250 in cash, which was paid to him at Wright's hotel in the city of Columbia, State of South Carolina.

"W. B. Roy, of the city of Louisville; Morton, a German, of the city of Cincinnati, and James S. Farnum, of the city of Charleston, are said to have knowledge of this transaction.

"After calling the election for the new county of Heyward, and after the bill passed, Fred Domnick, the law partner of the governor, was employed and paid a substantial fee to influence executive action thereon. If called upon before this committee and Fred Domnick will corroborate his verbal statements in connection with this transaction, he will state that he was employed because of his influence with the governor, that the compensation received for his services was substantial, that he obtained the desired results at the hands of the executive, and that he divided his fees with the governor of the State of South Carolina."

Blind Tiger Protection Money.

Wilson's dictagraph testimony by Felder said further: "Ben H. Stothart, chief constable, appointed by Blease, stated at the time of his appointment to the position it was understood between him and the governor that protection should be given to the blind tigers operating in the city of Charleston, provided they would pay a stipulated sum per month to him, that this sum amounted in the aggregate to between \$3,500 and \$5,000 per month, that as soon as the collections were made he deducted his commission for making the same and would personally take the balance to Columbia, S. C., and pay it over to the governor.

"He stated further that protests had been made to the governor against these collections by interested parties, but that the governor would pay no attention to them; that demand had been made upon the governor for his dismissal, but that he felt perfectly secure in his job, for the governor was a man of independence and had the power to do as he pleased about it.

"Also that the governor had issued a pardon to one Rudolph Rabens, a blind tiger man of the city of Charleston, I believe this is the name, receiving therefor the sum of \$2,000 in cash. The said Stothart stated that he had conducted the negotiations which resulted in the pardon of this man.

"This conversation occurred in the Argyle hotel, in the city of Charles-

Detective Tells Alleged Scheme to Secure Pardon

CHARGES AGREEMENT WITH SAM NICHOLS

CLAIMS TO HAVE USED THE DICTAGRAPH.

Testimony Adduced At Second Day's Session of Dispensary Commission in Augusta.

Augusta, Ga., July 13.—Allegations that Cole L. Blease, the governor of South Carolina, was to get \$5,000, Sam J. Nichols, an attorney of Spartanburg, \$5,000, and Lawyer Sims, of Spartanburg, \$5,000, under an arrangement he made with Sam Nichols to get a pardon for Gus Deford, notorious yeggman and the worst criminal in the South Carolina penitentiary, were made by E. F. Reed, one of the detectives of Wm. J. Burns, in his testimony, featured by dictagraph, on the stand here this afternoon before the South Carolina dispensary investigation committee.

Reed said that he represented to Nichols that he was a Chicago lawyer named "Henry N. Porter," and he wished to secure the pardon of Deford in order that he might settle an estate in which the latter was the principal beneficiary, but that it was necessary to have Deford pardoned before he could receive the legacy.

It was within recent weeks, testified Reed, that the scheme was hatched and only two days ago Nichols left Spartanburg to carry out his part of the agreement and get the pardon of the notorious convict.

As soon as the pardon was granted, Reed stated, Nichols was to wire "Porter," at Chicago, and the money would be immediately forthcoming. His "O. K." telegram, which was to have been sent to Chicago, was, of course, to be forwarded here to "Porter," whose real name is Reed and who, said he, "dictagraphed" Nichols in South Carolina and in Washington while he was making the trade with him.

It was the expectation that the pardon would be granted today, but the "O. K." telegram had not turned up when the hearing was adjourned.

Charged With Holding up Charter.

The charge that the governor of South Carolina held up the charter of the Piedmont and Northern railway because of being paid to do so by the Southern railway, and only approved the charter after Nichols brought his influence to bear, was the other sensational feature of Reed's testimony, which consisted of the records of the dictagraph of the alleged conferences held between "Porter" and Nichols, in Spartanburg and Washington, while perfecting the scheme.

Several thousand of the words of the dictagraph of such alleged conferences, gathered by Reed during several weeks' investigation into the South Carolina situation, bearing on how to obtain pardons, were read by Col. Felder and kept the crowded court house keyed up to the highest pitch of excitement.

The alleged conferences between "Porter" and Sam Nichols, Reed testified, were faithfully recorded by the dictagraph and read to the public here today at the investigation.

Prominent statements in Nichols' alleged dictagraph talk with "Porter" were that he could always get pardons from Blease and that whatever he got he always divided with the governor; that "if they get anything now it will be the first time they have ever gotten proof even indirectly on the governor."

The investigating committee went into this line of the testimony, acting under the decision of the State vs. Winters, 83 South Carolina, which allows investigations into matters both before and after the time; in other words, in order to show the guilty mind.

More Testimony to Come.

Col. Felder said that he would turn over additional documents and other material to the committee. He is endeavoring to get a check alleged to have been made payable to the governor and endorsed by Blease from Iowa, alleged to be in connection with a pardon which was granted, and turn it over to the committee.

"This array of facts and figures concludes what I desire to present at the present," said Col. Felder, just before quitting the witness stand. He promises more documents on Governor Blease's public life, and it is stated that only a small part of the dicta-

tion, after the said Stothart and party had had several drinks together in the blind tigers of the city of Charleston."

graphed stuff gathered by Burns' men has come out.

The committee held a short executive session tonight, in the Albion hotel, and adjourned to meet at the call of the chairman. A list of witnesses in South Carolina to testify before the committee was furnished by Col. Felder.

Detective W. J. Burns left here this afternoon for other parts of the country, where he is engaged on other situations, but he said on the stand yesterday that his idea was that most of the dictagraphed testimony gathered on the South Carolina situation should be laid before the grand juries in this State, in order that the guilty might be brought to justice. He also stated that he expected to follow the investigation in South Carolina to the end.

E. F. Reed, Burns' man, left here tonight for Atlanta, as did Col. Felder and his attorneys.

Mayor Grace of Charleston, was present today, as a witness, and W. F. Stevenson, Esq., was here to look after the interests of the Murray commission. All of the investigating committee left tonight for their homes.

Tells of Alleged Conference.

Probably the most startling testimony by Mr. Reed was as to his alleged employment of Attorney Samuel J. Nichols, of Spartanburg, in an effort to get the governor to pardon the notorious yeggman, Gus Deford, who is serving a ten-year sentence in the State penitentiary for blowing open the safe of the Enoree Manufacturing company, of Spartanburg county, in 1902, and stealing over \$8,000, and described as the worst criminal in the South Carolina penitentiary.

Reed, posing as a lawyer from Chicago named "Henry N. Porter," and seeking the pardon of Deford in order that he might come into a certain estate which "Porter" was settling, stated that he held several conferences in Spartanburg, Washington and Baltimore, making terms with Nichols to get the governor to pardon Deford and the upshot was, he further testified, that they made an agreement whereby "Porter" was to pay Nichols \$15,000 for the pardon of Deford, \$5,000 to go to the governor.

The trap was all laid, said "Porter," and in accordance with his instructions, Nichols departed from Spartanburg two days ago to seek Governor Blease and get the pardon. Col. Felder kept in touch with Nichols' movements and said he was informed that Nichols caught the governor at Barnwell yesterday and was closeted with him for several hours and then returned to Spartanburg.

"Porter" was to receive a wire at Chicago, as soon as the pardon was granted, that everything was "O. K." and the Chicago office was to send it here to Reed, testified Felder. This had not been done up to late this afternoon, but every other part of the trap, Felder said, went through without a hitch.

It was stated that the alleged conferences between "Porter" and Nichols, in Spartanburg, Washington and Baltimore, were all faithfully recorded by the dictagraph and the reading of these alleged conversations between the two furnished the sensational testimony this afternoon.

Reed spent several weeks in South Carolina, passing as "H. N. Porter," a Chicago lawyer, while getting this dictagraph evidence and was operating in that part of the State between Columbia and the Georgia line. In the other section of the State was another of Burns' men named Bailey, the men who "dictagraphed" the Charleston testimony, Bailey posing as the "dashing Mr. Wilson, professional gambler and crook," and spending several months in Charleston, as was told in the News and Courier this morning.

While it was not stated on the stand, it is thought that possibly other detectives employed by Burns operated in South Carolina, gathering evidence, and Burns himself said this will be laid before the grand juries of the State at the proper time.

What has been produced here is simply the first part. Burns himself said yesterday that he proposed to follow up the South Carolina situation to the end.

Col. Felder announced on the stand that the reason the committee had recessed today was to get the "O. K." telegram referred to, which, he said, would show that Blease had granted the pardon of Deford, as arranged by "Porter" with Nichols.

Detective on Stand.

The committee took up the testimony at 4 o'clock this afternoon and the first witness sworn was E. F. Reed, who testified that he was in the em-

ploy of the Burns Detective agency and had been detailed to look into the South Carolina situation being assigned to that section of the State west of Columbia; that he posed as "Henry N. Porter," a Chicago attorney, and that he had transactions with Samuel Nichols, a Spartanburg attorney. Senator Clifton raised an objection to the introduction of this testimony unless Mr. Nichols was present but the committee, by a vote of 3 to 2 decided to proceed.

Col. Felder announced that if Mr. Nichols wished at any time to come to Augusta and deny any of the statements in the dictagraph testimony he would be very glad to meet the committee here with him and go over the matter. Reed, or "Porter," stated the same thing and his testimony then continued.

"Porter" stated that he had been instructed to pick the worst criminal in the penitentiary as his client, in order to carry out the scheme of buying a pardon from the governor, and, accordingly he sought the notorious yeggman, Gus Deford, alias James Johnson, alias Edward Howard, alias G. M. Deford, who had served a five-year sentence in the Federal prison and is now serving a ten-year sentence in the South Carolina penitentiary for dynamiting the safe of the Enoree Manufacturing company, in Spartanburg; that he carried a letter of introduction from Nichols to Capt. Sondly, of the penitentiary, and had an interview with Deford, representing to him that he wished to get him pardoned, and finally Deford consented to let him act as his attorney.

He said that following the interview with the convict he returned to Spartanburg and had a talk with Nichols, he having previously represented to Nichols that he was settling an estate in which Deford was the beneficiary, but that for the convict to get the benefit of the terms of the will he would have to have his citizenship restored. Reed said that Sam Nichols told him that he thought there would be no trouble in working it and that he could get a pardon for Deford from the governor.

"Mr. Porter" told of going to Atlanta and getting a letter of credit on the Bank of Commerce, in Spartanburg, from Col. Felder's bank in Atlanta, and said that he knew Mr. Hendricks, the assistant cashier of the Bank of Commerce, in Spartanburg. He said that he gave Nichols a check of \$500 on the Bank of Commerce, as expenses, and it was deposited to Nichols' credit there, being endorsed by Nichols. He said that he had sent him another check for \$500 and a telegram received today advised him that the check had been paid.

"Porter" testified that he had a conference with Nichols in Room 48 of the Hotel Finch, in Spartanburg, on June 22, in which a dictagraph was installed and the adjoining room occupied by a stenographer named S. Teibbaum, of Atlanta, with the transmitter of the dictagraph to his ear and the five-hour conversation between him and Nichols was duly recorded by the dictagraph.

Conversation Dictagraphed.

He said that in Washington, D. C., on June 26, at the New Willard hotel, in Room 541, he again had a conference with Nichols, which was "dictagraphed," the adjoining room being occupied by George W. Reik, the stenographer who, with the transmitter of the dictagraph to his ear, duly recorded the whole conversation. He said that at this meeting Nichols was accompanied by the county recorder of Spartanburg, Mr. Pasy, but that the latter only remained in the room five or ten minutes.

"Porter" said that Nichols, who was en route to the Baltimore convention, wanted him to come on over there and meet Senators Tillman and Smith, from South Carolina, and he went, meeting Senator Smith and the South Carolina delegation.

Several telegrams, alleged to have passed between "Porter" and Nichols about this time, were offered in evidence and concerned the progress of the effort which Nichols was alleged to be making to get a pardon for Deford. "Porter" testified that he got the original indictment of Deford from Sam Nichols in Spartanburg and they were offered in evidence.

Thomas B. Felder then took the stand to read the "dictagraphed" conversations which, it is alleged, had occurred between Nichols and "Porter" in Spartanburg, Washington and Baltimore.

Before beginning the reading Felder was questioned by the committee concerning several of the charges which Governor Blease had made against him and he denounced as "an unmitigated lie" the statement of "Hub" Evans, that he (Felder) had once met him in Newberry, or that he had ever attempted a "frame-up" with "Hub"

(CONTINUED ON PAGE 7).