

# The Watchman and Southron.

THE SUMTER WATCHMAN, Established April, 1850.

'Be Just and Fear not—Let all the ends Thou Aims't at be thy Country's, Thy God's and Tr

THE TRUE SOUTHRON, Established June, 1860

Consolidated Aug. 2, 1881.

SUMTER, S. C., SATURDAY, NOVEMBER 20, 1909.

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## The Watchman and Southron.

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## DISPENSARY CLAIMS ADJUSTED

### WIND-UP COMMISSION PUBLISHES ITS FINDINGS.

By Scaling Accounts and Elimination of Overcharges, Graft and Fraud the State Has Saved Nearly Half Billion Dollars—The Truth About Carolina Glass Company's Big Graft.

Columbia, Nov. 18.—About a half million dollars represents the saving to the State of South Carolina by scalings from dispensary claims and overjudgments against firms doing business with the old State dispensary. The work of the winding up commission was practically concluded last night at a late hour and judgments rendered in all claims before it save that of the New York and Kentucky company, which will be considered further today.

A history of the old State dispensary system and its graft is included in the commission's final report. That the whiskey firms failed to comply with the laws of the State in regard to the sale of whiskey, various devices were used to prevent competition, that the board of directors of the dispensary failed to add to the price paid by the State dispensary.

There are a few of the many charges brought by the commission's findings. The firms that fought the State in the litigation in the Federal courts are taxed costs amounting to \$21,526. The net amount of claims considered at this sitting of the commission was \$430,000, and the deductions amounted to \$226,000. This does not include the over-judgments and the decrees formerly rendered. The original fund was \$630,000.

Of considerable local interest and of much interest also throughout the State is the claim of the Carolina Glass Company, a Columbia concern. The amount claimed to be owed this firm by the State was \$23,013.75, which is completely wiped out by the commission's findings and an over-judgment rendered for \$23,419.24. The over-charges found against this concern are \$51,432.99, and it is by deducting the original claim from this amount that the over-judgment is found. The commission issues a separate decree against the Carolina Glass Company and goes into the details of what was alleged to be a monopoly of the sale of glass to the old State dispensary. The total sales of the Carolina Glass Company to the State aggregated \$514,329.90 before the year 1906.

A large amount is represented in the list of overjudgments and members of the commission and its attorneys state that the firms will be proceeded against in the courts to recover the various amounts charged against them.

Mr. Felder stated that the so-called conscience fund has already reached the \$50,000 mark. This is the money paid back by firms not represented in the list of claimants but who were charged with overcharging the State.

One of the largest claimants and one that came in for some scorching when the original commission met is the Anchor Distilling Company and Ullman & Co., two firms classed by the commission as one concern. An overjudgment of \$30,621.55 is found against this combination, including a proportionate share—\$4,500—of the costs in the case.

William Lanahan & Sons are charged up with claim against the State was only \$5,916.54. The commission went back of the dates represented by this firm's accounts in the claims against the State, as did the commission in a number of other cases. Fleischmann & Co. and Gerson Sellman Company are treated as one concern, and the \$70,000 claim is reduced to \$45,645.30. This company admitted overcharges in affidavits. Clark Bros. & Co., another large claimant, is given \$53,780.96 on a

claim of \$66,333.71.

The commission in its special report in the claim of the Carolina Glass Company finds that the officers of this concern entered into a conspiracy to defraud the State of South Carolina by defeating all competition in the sale of glassware needed.

The commission refers to a bid of the company in September, 1902, to furnish 50 cars of glass bottles at prices ranging about 10 per cent. in excess of the prices paid to Flaccus & Co., notwithstanding the fact that other bids were filed. That also the Flaccus contract, when purchased, was for the purpose of stifling competition as all moulds of the Flaccus Company were turned over to the Carolina Glass Company and the former had no facilities for filling orders.

It is also charged that at several quarterly purchases other competitive bids were suppressed and the Carolina Glass Company was awarded contracts. That after December, 1902, and until 1906, when the contract existing between the State dispensary board and this company was canceled, this firm maintained a complete monopoly of all business for glass and raised prices from time to time much above the fair market prices for the goods sold. Also that at the time of the passage of the concurrent resolution canceling the unfilled portions of the contract there were outstanding contracts at exorbitant prices for more than 200 cars of glass bottles at an approximate value of \$200,000.

The commission states that according to the testimony of one of the officers of the glass company the State saved more than \$50,000 when comparison is made with prices paid for goods subsequently purchased.

It is also charged against this firm that goods were sold of the same quality, size and character as that sold the State dispensary in other States and in other parts of this State from 20 to 25 per cent. lower than the price paid by the State dispensary.

The finding in this case follows in the case of the Carolina Glass Company.

"We, therefore, find that the contracts made between the Carolina Glass Company and the board of directors of the State dispensary are contrary to the laws of the State and against public policy and for those reasons null and void, and that the Carolina Glass Company should not, as a matter of strict law, be entitled to recover any sum of money from the State of South Carolina on account of said contract, even if the State had no offsets against them whatsoever, but the commission further finds that it should determine the matter on equitable principles and fix the matter of liability on a 'quantum meruit' basis and that the prices at which the Carolina Glass Company sold to the State dispensary the glassware manufactured by it ranged throughout the entire period of their transactions with the State dispensary except for the years 1906 and 1907 at about 10 per cent. above the fair and reasonable market price for said goods. The commission finds that the total amount of sales, after making all proper corrections therein, made by the Carolina Glass Company during the entire period of the transactions with the State dispensary up to the time it was abolished was \$613,437. Of this amount the sum of \$99,108 was for goods sold during the year 1906, and the short period during 1907, during which the dispensary was conducted so that the total sales made by the Carolina Glass Company during the years preceding the year 1906 was \$514,329.90.

The commission finds that beginning early in the year 1906 as the result of a legislative investigation made by a committee appointed by the general assembly of the State of South Carolina, and the resolutions adopted by the general assembly, relating especially to the contracts with the Carolina Glass Company, hereinafter referred to, the company was forced to and did lower its bids to prices which during the year and the short period of 1907, during which the dispensary was operated, were substantially in accord with the fair and reasonable market price of the goods sold during that period; but the commission finds that during the years preceding 1906 the overcharges made in excess of the fair and reasonable market prices for the goods sold was \$51,432.99, which should be and is hereby offset against the claim in favor of the said Carolina Glass Company to wit: its claim of \$23,013.75, which being deducted from the amount of said overcharges the commission finds said Carolina Glass Company to be indebted to the State of South Carolina in the sum of \$28,419.24."

It was stated yesterday that the case would probably be appealed to the Supreme Court along with a number of other cases ruled on by the commission.

The following are the claims and the amounts to be paid the claimants:

Claimant	Claim	Judgment
Fleischmann	\$70,885.87	\$35,645.30
Schlitz B'w'g Co	24,682.23	18,813.73
Big Springs Co	25,006.78	8,515.75
Roseneck B'w'ng Co.	2,119.04	919.00
John McSmyrle	34,829.43	33,881.91
Lehman & Co.	14,626.51	12,004.01
Darley Park Brewing Co.	640.00	235.00
Moyses Bros.	9,990.00	8,176.00
E. A. Saunders & Co.	40,883.23	35,806.83
Geo. A. Dickel & Co.	2,300.00	1,700.00
Clark Bros & Co	66,333.71	53,780.96
Green River Distilling Co.	3,648.42	3,153.42
Richards & Co.	1,175.00	1,112.45
Belair Distilling Co.	6,386.41	1,423.96
Totals	\$303,555.63	\$215,178.36

In more than half the claims there were overjudgments rendered in favor of the State by the commission. As stated these may be collected through the courts. The commission states in its findings that the members have made a careful investigation of the business of the old State dispensary and also all of the evidence taken before the legislative investigating committee.

Due and formal notice, states the decree, was given to all creditors to produce before the commission their books of account and other records and correspondence disclosing the transactions between the creditors and the State dispensary, and in a few instances some of the creditors complied with this demand and produced their books and records in part at least for the inspection of the commission. The commission also heard oral testimony and received affidavits from members of whiskey concerns.

The commission states that several of the creditors entered into a conspiracy with members of the boards of directors to cheat and defraud the State with the assistance of some of the members of the board and goods were sold at a price large in excess of the market value, the officers or agents of the concerns and members of the board making use of the funds in corruption and bribery.

It is also stated that many of the claimants did not comply with the law in that:

1. They resorted to various devices to destroy competition.
2. The law as to advertising for bids was so worded as to prevent competition instead of promoting it.
3. That bids submitted upon which awards were made were exorbitant as to prices with the knowledge and consent of the board.
4. That the claimants violated the law in maintaining agents and solicitors in the State to obtain contracts for the purchase of their goods.
5. That in many cases the bonds were furnished on awards given.
6. None of the claimants filed at the time of making bids an analysis of the liquors for sale.

The commission rules that the claimants have all violated the law, but thinks that it should deal with petitioners upon equitable principles and make such settlement as will be fair and just. It therefore finds that it should compensate each claimant for goods actually sold and delivered the State dispensary during the whole course of dealing by paying the real value of the goods after deducting from the claims of some of the claimants certain fees and expenses incurred by the commission in defending the recent suits.

It is also ruled by the commission that certain claimants who filed bills in the Federal court asking for injunction against the commission include the firms of Garrett & Co., Fleischmann & Co., Wilson Distilling Co., Gallagher & Burton, Jack Cranston Company, the Wilson Company, the Jack Cranston Company and Gallagher & Burton were consolidated into one action into which Garrett & Co. afterwards intervened, followed by the Big Springs Distilling Co., Ullman & Co., Anchor Distilling Co., Belair Distilling Co., Richard & Co., and the New York and Kentucky Company.

After reviewing the victory won by the State of South Carolina the commission calls attention to the fact that the fight carried to the United States court cost \$21,526.17 and considers the State damaged to that amount. The various companies mentioned above are assessed proportionately this amount.

The Overcharges. The following overjudgments were found by the commission:

Cook & Bern-	94.89	36,553.63
William Lanahan & Sons.	5,916.54	23,563.46
H. & H. W. Catherwood	4,227.95	24,070.00
Acme Bwng Co.	674.80	14,965.20
Gallagher & Burton	4,845.06	18,041.26
Strauss, Pritz & Co.	7,980.56	12,419.44
Wiedemann Bwng Co.	487.50	4,016.50
W. W. Johnson Co.	1,945.99	1,091.64
Savannah Brewing Co.	409.50	160.00
Ullman & Co. (Anchor Co.)	36,926.78	30,621.55
Jack Cranston Co.	5,951.50	1,064.42
Rheinstrom Bros	296.08	103.92
Barbee & Co.	109.58	409.44
Garrett & Co.	1,757.39	21,397.20
Wilson Dist. Co.	2,874.73	347.17
King & Co.	6,395.84	
Total	\$80,594.69	\$189,365.81

## MITCHELL NOT SUBDUED.

### STIRS TORONTO CONVENTION WITH RINGING SPEECH.

Declares for Right to Bestow Patronage Where He Prefers—Asserts Pride in His Country.

Toronto, Ont., Nov. 17.—Indorsing a report of the committee on boycott, John Mitchell, one of the three officers of the American Federation of Labor, who are under sentence for contempt of court, made a dramatic speech to the convention of that organization at today's session. He declared that as far as he was concerned, regardless of consequences, he intended while at liberty to declare for the rights guaranteed him by the organic laws of his country. The report which drew forth Mitchell's speech, and which was adopted by the convention, among other things declared:

"We say that when your cause is just and every other remedy has been

Claims Paid.	Amount of Claim.	Amount Allowed.	Amount saved State
The following were paid by the commission on March 6, 1908:	\$21,176.63	\$14,927.88	\$ 6,248.75
Firms.	19,551.00	9,504.09	10,047.00
Paul Jones & Co.	1,615.00	1,211.25	403.75
Anheuser-Busch Brewing Co.	1,135.94	1,049.69	86.25
Augusta Brewing Co.	29,922.22	26,190.82	1,781.40
Frank G. Tullege Co.	18,204.24	16,648.76	1,555.48
Live Oak Distilling Co.	3,662.83	3,208.33	454.50
J. A. Magnus & Co.	2,774.70	2,561.22	163.48
Old "78" Distilling Co.	40,008.33	38,004.17	2,004.16
J. F. Bickman	4,509.51	4,238.94	270.57
Belroy Distilling Co.	9,228.30	8,674.60	553.70
H. A. Thehrman	9,021.33	8,480.05	541.28
D. Eacks & Son.	15,847.44	15,500.34	347.10
Marin, Hart & Co.	4,524.11	3,619.29	904.82
H. Rosenthal & Son			
Total	\$179,181.67	\$153,825.43	25,356.24

## The Summary.

The following is a summary showing the amounts saved to the State: Overcharges in list of firms to whom money is to be paid by State... \$88,377.17 Overjudgments... 189,364.81 Claims which come to the State along with the overjudgments... 80,594.69 The 1908 overcharges... 25,356.24 "Conscience" money... 50,000.00

Total saved to the State and to be recovered... \$433,692.91 The settlement of the fees of the attorneys interested in the case will be brought up today.

It should be understood that in the case of overjudgments the original claim thus comes to the State also. In general the charges against the firms against whom overjudgments were found are that these firms overcharged the State and paid rebates to members of the board and their agents. The comments of the commission on the King & Co. claim are interesting. The commission states that this firm failed and refused to comply with the mandate to produce records, etc., and the total claim is wiped out—amounting to \$6,395.84, but no overjudgment is found in the case of this firm.

In the closing paragraph of the decree Chairman Murray of the commission is directed to pay the accounts as set out in the findings of the commission. The members of the commission are: Chairman, W. J. Murray, of Columbia; Avery Patton, Greenville; John McSwen, Timmonsville; J. Steele Brice, York; A. N. Wood, Gaffney.

Four claimants escaped the scaling of the claims. The commission states in regard to these that these "parties have no part in any of the fraudulent transactions connected with the conduct of the business with the State dispensary and the chairman of the commission is authorized under proper warrant to pay the claims."

The four claimants are: C. P. Fishburn, \$79.50; S. S. Pierce & Co., \$622.13; Acker Merrell & Condit Co., \$645.82; E. LaMontague & Sons, \$457.50.

## LIPTON WILL CHALLENGE.

### English Sportsman Will Again Try to Lift America's Cup.

New York, Nov. 17.—Sir Thomas Lipton will challenge for a race for the America's cup to be sailed in 1911. Sir Thomas made this statement just before sailing for Europe today on the steamer Lusitania.

Sir Thomas has been here for several weeks to learn the attitude of members of the New York Yacht Club on the question of modification of the rules governing the America's cup. What assurances, if any, he received is not known.

Beaufort is to have a new telephone company.

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employed without result, boycott; we say that when the employer has determined to exploit not only adult male labor, but our women and children, and our reasoning and appeal to his fairness and his conscience will not sway him, boycott; we say that when labor has been oppressed, browbeaten and tyrannized, boycott; we say that social and political conditions become so bad that ordinary remedial measures are fruitless, boycott, and finally we say, we have a right to boycott and we propose to exercise that right. In the application of this right of boycott, to paraphrase the president (Gompers) we propose to strive on and on."

The convention broke into loud cheering for Mitchell as he concluded and there were cries for "Mitchell." The secretary did not respond. President Gompers was absent.

Mr. Mitchell said he realized that every statement made by those on the convention floor, and especially by those who on next Monday will have to deliver themselves to the courts, is being closely scrutinized.

"I want the people of the United States to know my position," he said. "I shall not speak defiantly; but will the consequences what they will, I shall not surrender any right guaranteed to me by the constitution of our country. I am not sure how much mental and physical suffering will be necessary to make me submit, but if I know myself, not any amount of suffering will persuade me that I have not the right to spend my money where I please or that I have not the right to write and speak as I please, being responsible under the law for my acts.

"Whether the boycott be a benefit or a detriment, each man must decide where he will bestow his patronage. I maintain that my patronage is my own and no merchant has a proprietary right to it.

"I understand that cognizance is being taken at Washington at the utterance of men on the floor of the convention and I want clearly to state my position. I propose in the future, as I have in the past, to exercise the rights secured to me by the fathers of my country; and I propose if I am sent to jail to declare again when I come out that I shall not for myself purchase any product of the Buck's Stove and Range Company.

"I repeat that so far as I am concerned, and let the consequences be what they may, I intend while at liberty to declare for the rights guaranteed to me by the organic laws of my country. I am proud of being an American.

Mr. Mitchell said he had grown up as an American—with a stepmother so poor that she could not buy bread, and related how he had crept out of bed at night to get his father's soldier coat to keep him warm.

"But I want to see the word American stand for all the sentiment that is symbolized by the flag of our country," he continued. "I want real

liberty. I don't believe in the liberty enunciated by some of our courts that men and women should have the right to work themselves to death. I don't believe in the liberty enunciated by Judge Tutthill, of Chicago who declared unconstitutional the ten-hour law for women, and by that act compelled them to work 14 hours a day."

Mr. Mitchell said he believed the present proceedings would bring home to the people the necessity of working in concert. "Is the time going to come on our continent when the badge of faithfulness to labor must be the brand of imprisonment?" he said in conclusion. "Surely I hope not. I hope that the government may be so conducted that no citizen may feel that he has not been given justice and an equal right with every other citizen."

The revocation of the charter of the Ohio State Federation by the executive council for admitting to its membership seceding locals of the electrical workers was approved today. The convention then adopted the report of its committee on laws that the appeal of the Ohio body be dismissed. The executive council was directed to attempt to unify the trade unions of Ohio in the new State Federation.

The plan adopted of settling the disagreement among the electrical workers was recommended to the convention by its committee on laws. It called for the appointment of a committee of three trade unionists to call the proposed convention of the electrical workers.

## THANKSGIVING PROCLAMATION.

### Annual Proclamation Is Issued by Gov. Ansel.

Columbia, Nov. 18.—Gov. Ansel yesterday, in accordance with the usual custom, issued his Thanksgiving proclamation, naming Thursday, November 25, as a day of general thanksgiving. He gives many reasons why the people of South Carolina should give thanks. The State has had an unusually prosperous year and in all lines there are indications of many new enterprises and of older corporations enlarging their plants and output. Therefore the proclamation will be read with interest by the people of the State. It is as follows:

"Another year has rolled around and another milestone in the computation of time has been reached and we come once again to the harvest time and the day of thanksgiving. In conformity therefore, to the long established and beautiful custom of observing this one day as a day of thankfulness and joy, I, M. F. Ansel, governor of the State of South Carolina, do hereby designate and appoint Thursday the 25th day of November, A. D. 1909, as a day of general thanksgiving.

"The people of South Carolina have many things to be thankful for. The fields have yielded their fruits in good measure; we have been spared from pestilence and famine; we have had no epidemics of sickness; we have had peace with all nations and a fair return for all our labors. We should be thankful also for the full measure of religious liberty that we enjoy and that we can 'worship God under our own vine and fig tree with none to molest or make us afraid.'

"Let all the people, therefore, put aside for the day their usual work, assemble in their churches, as well as in their homes, and give thanks to God for his many tokens of love and kindness to us as a people and as a State. Let us not forget the poor and needy and the various orphanages within the State, where the fatherless and motherless are cared for, but let us remember them in our prayers as well as our means and thereby bring a little sunshine into their lives. Let us also pray for a continuance of God's grace and goodness to us in the coming years.

"Given under my hand and the great seal of the State of South Carolina at the capitol in the city of Columbia this, the 15th day of November, A. D. 1909, and of the independence of the United States of America the 134th.

"M. F. Ansel,  
Governor.  
"By the governor:  
"R. M. McCown,  
"Secretary of State."

The new \$10,000 armory of the Georgetown Rifle Guards was dedicated Wednesday. Gov. Ansel and a number of prominent public men were present.

The Spartanburg Broom Works and seven cottages adjacent were burned Wednesday. Estimated loss \$20,000.