

NAMING THE LOBBYISTS.

SOME SENATORS KNOW THE AGENTS OF SPECIAL INTERESTS.

Senator Kenyon States That Well Known Facts Justify Every Word Uttered by President Wilson — Investigating May Produce Results.

Washington, June 3.—"Social lobbying in Washington justifies every word President Wilson uttered in regard to the presence of an "insidious" lobby at the capitol, Senator Kenyon of Iowa declared on the witness stand today before the senate investigating committee. It was the first unequivocal statement in support of the president's attitude since the inquiry began.

The Iowa senator explained that he believed the most "insidious" and powerful lobbying possible was the practice of flattering senators by having them out to dinners, to theatres and on automobile rides, ingratiating the host with the distinguished guests. Pointing to the sworn testimony of Edward Hines, "a lumber king," before the Lorimer election investigation that he entertained senators at a local hotel at dinners at a time when the lumber schedule in the Payne-Aldrich bill was before the senate, Senator Kenyon declared it was his belief that senators were being entertained in this "insidious" way at present.

He also denounced ex-senators for capitalizing their privilege of the floor by using it to lobby. Referring to one ex-senator representing many railroads in Washington and often seen on the floor of the senate, he advocated the enactment of legislation to prohibit an ex-senator from being a lobbyist.

Senator Hughes of New Jersey and Senator James of Kentucky told the investigators for the first time of the trials and tribulations of majority members of the finance committee with the many persons who had flocked to Washington to present their views. Neither knew of any attempts to corrupt senators, but both declared they could have done better work if they had been bothered less. These senators, as did Senator La Follette, who followed them on the stand, suggested that legislation for registration of lobbyists would be a good thing.

Several senators let it be known today that they had received by registered mail what purported to be a reproduction of a letter from the American Cane Growers Association of the United States sent to members asking for contributions to a fund for the use of "a large committee in Washington." The copy was dated "New Orleans, April 2, 1913," and read as follows:

"Dear Sir: Your association has a large committee in Washington now using every effort possible to try to save the sugar industry.

"We have hesitated about calling on you but as we are now overdrawn in the bank, it is absolutely necessary that we have funds at once and therefore call on you to please send one-half of your subscription, say 5 cents per 1,000 pounds on the crop of 1911.

"This is very important and we would like to have remittances at once.

"Yours very truly,
(Signed) "Charles A. Farwell,"
"President."

The copy came in an envelope post-marked Washington on the back of which in ink was written the name, W. L. Bass.

Senator Ransdell, who received one of the letters, said the American Cane Growers' Association had been in existence for ten years or more; that it maintained an office in New Orleans and conducted an open campaign in behalf of the sugar producers of Louisiana. He added that for several weeks the organization had kept an office in a Washington skyscraper with its name over the door.

The letter did not appear in the lobby investigation, but it probably will.

It was reported tonight more than two score subpoenas had been issued by the committee for witnesses who it was believed might be able to throw light on the methods of the alleged sugar lobby" said to have been established here when the tariff bill was taken up. Members of the committee declined to discuss those who had been summoned, but it was acknowledged unofficially that high officers of the so-called "sugar trust" were among those summoned.

President Wilson, it was reported, had furnished a number of names which appeared on the subpoenas. Both the White House and the committee were silent on the subject.

Stone-Hodge.

Married last Thursday in Manning by the Rev. M. J. Kiser, of Paxville, Mr. Barney Rhett Hodge and Miss Dorothy Stone, both of Paxville.

DO TRUSTS OBEY COURT?

CONTEMPT OF COURT PROCEEDINGS CONSIDERED AGAINST STANDARD OIL CO.

Special Report of Attorneys Discussed By Wilson Administration—Violation of Court's Orders in Tobacco Case Receives Attention.

Washington, June 3.—Whether decrees of the United States court dismembering the Standard Oil and Tobacco "trusts" are being carried out was considered today by the Wilson administration with a view to possible institution of the most important anti-trust moves yet contemplated by the president and Attorney General McReynolds.

In the Standard Oil case the attorney general received from Charles B. Morrison and Oliver Pagan, his special assistants, a report of the results of their investigation of conditions in the oil industry and began consideration of the question whether the facts disclosed will justify the department of justice in beginning contempt of court or criminal proceedings against oil interests on charges of violations of the dissolution decree. Tonight this question was unsettled.

In the tobacco case practically the entire meeting of the cabinet was devoted to considering whether surface conditions in the tobacco trade warrant the attorney general in beginning an investigation similar to that just finished in the Standard Oil case, to determine whether the decree of dissolution is being violated and whether all semblance of a "tobacco trust" has disappeared. The attorney general after the meeting was noncommittal as to whether the inquiry will be undertaken.

Consideration of the workings of the decrees in the two big cases—the Standard Oil at the cabinet meeting and the tobacco at the department of justice—took place today apparently by coincidence. Around the "rule of reason" principles first enunciated by the United States supreme court in these cases, has been built practically all of the anti-trust litigation since. The opinions have been the guiding stars for the attorney general, so far as the Sherman anti-trust law is concerned.

Mr. McReynolds, who as special assistant to the attorney general originally prosecuted the "tobacco trust," has been studying the workings of the decree ever since he entered the cabinet. It is known that he disagreed with former Attorney General Wickensham as to the adequacy of the adopted plan of disintegration. It has been understood that his objections centered around the pro rata distribution among shareholders of the "trust" of stock of the 14 corporations into which the American Tobacco company was disintegrated. He was quoted at the time as saying the plan deserved "an expeditious commitment to the scrap heap."

The report made to the attorney general by Messrs. Morrison and Pagan in the oil case is the result of several months' investigation. They have studied conditions in various localities and paid particular attention to the soaring prices of oil. Their conference with the attorney general today was inconclusive and it will be continued tomorrow. The nature of their findings has not been made public.

In the preliminary report made to former Attorney General Wickensham just before he retired from office these attorneys declared that their then partial investigation raised a serious doubt as to whether the Standard Oil trust had been actually dissolved.

They found that unfair competition had been eliminated and the last few months of their investigation have been largely devoted to an effort to ascertain whether the control and management of the disintegrated parts of the "trust" and the control of the prices of oil still are directed by the same concentrated interests as previously.

GUILTY OF FORGERY.

Young Man Confesses to Charge Against Him—Was Lawyer and Detective.

Manning, June 2.—C. M. Reynolds, who came to Manning a year ago and hung out his shingle for the practice of law, in the court of general sessions today pleaded guilty to a charge of forgery. He was sentenced to spend one year in the service of the State, but the sentence was suspended during good behavior. It will be enforced if a South Carolina grand jury in the future finds a true bill against the defendant charging any offense.

Reynolds today told the court that he is only 19 years of age and has never been admitted to the practice of law in this State. He said, however, that he had been admitted to the bar of Florida.

He announced that he came to Manning as a detective.

He left Manning this afternoon in an automobile.

MACHINE POLITICIAN BRAZEN.

HITCHCOCK PROUD OF THE WAY HE MANIPULATED POST-OFFICE.

In Reply to Report of Burleson Committee Report Asserts That Statements are Gratuitous and Inaccurate—Reiterates Claim That He Made Department Self-sustaining.

Silver City, N. M., June 3.—On arriving at Silver City today from the Mogollon mountains, where he has been spending some weeks, former Postmaster General Hitchcock was shown the statement issued a few days ago by Postmaster General Burleson, attacking his administration of the postoffice department. Mr. Hitchcock issued the following statement: "A committee, composed in the main of newly appointed assistants, having less than three months' experience in postoffice business attempts in a report to the present head of the department to discredit the financial showing made by the postal service under President Taft's administration.

"After reporting alleged discrepancies that are insignificant when compared with the great sums known to have been saved by their predecessors, this committee of novitiates proceeds in its published statement to enlighten the American people as to the character of the postal service they have been receiving. Their statement is as inaccurate as it is gratuitous, for the public well knows that never was the postal service conducted more efficiently or mail handled with greater precision and dispatch than in the closing years of the Taft administration. During that administration nearly 5,000 new post-offices were established, delivery by letter carriers was provided in about 300 additional cities and over 3,000 new rural routes, aggregating about 75,000 miles, were authorized.

"Notwithstanding the great extensions of service and the heavy increase in expenditures they required, the postoffice department was placed on a self-sustaining basis and that was its condition when on the 4th of March it passed into the hands of newly appointed officers who seem thus far to have been exhausting their time and their energies in a vain attempt to detract from the record made by the devoted public servants they succeeded.

"The postal committee of the Democratic house of congress endeavored last year in a similar manner to attack the audited accounts of the postal service, but after investigation that committee was fair enough to admit that the department had become substantially self-sustaining. The returns as to surplus or deficit are made up not by the postoffice department but by the treasury department where all postal income is received and all postal accounts finally audited.

"The secretary of the treasury reported the wiping out of the postal deficit and the record thus certified to in his fiscal report is likely to stand in history."

JIM CROW LAW DISCUSSED.

Conference Between R. R. Commission and Attorney for Pullman Company.

Columbia, June 3.—G. S. Fernald, general counsel for the Pullman Company today held a conference with the members of the railroad commission of South Carolina relative to negroes riding in Pullmans. The conference follows the sending of a letter by the commission to the company complaining of a negro riding in one of the cars of the company in South Carolina. It was announced today that the commission had addressed a letter calling for the cooperation of all the States of the South in an attempt to secure legislation to prevent negroes from using the same cars as the white passengers.

COLUMBIA TO HAVE RACING.

Jockey Club of New York Proposes 30-Day Meet This Fall.

Columbia, June 4.—That a thirty-day racing meet will be held in Columbia in November or December prior to the next racing meet in Charleston was the statement carried this afternoon by the Columbia Record in a prominently displayed story. This publication gives the information that the time has not been definitely decided on, but that it will precede the next Charleston meet, and that it will be held under the auspices of the Jockey Club of New York. A thirty-day racing meet took place in Columbia in the latter part of 1911, and it will be recalled it resulted in failure. It is said that the same parties who backed that meet are behind the movement to get the thirty-day meet this fall.

The cotton crop is improving and there have been no complaints of grass.

INCOME TAX LAW INVALID.

SECTION OF TARIFF BILL RELATING TO INCOME TAX MUST BE AMENDED.

Officers of Mutual Insurance Companies Claim That They Will be Taxed Twice and Declare Measure Unjust.

Washington, June 4.—Before the senate acts on the Underwood tariff bill the income tax section will be amended to remedy a defect which, it was discovered today, would make the measure unconstitutional. When the framers of the income tax provision fixed January 1, 1913, as the date from which to compute incomes for taxation, they overlooked the fact that the constitutional amendment authorizing an income tax was not proclaimed as ratified until February 25, 1913.

This fact was brought to the attention of the senate finance subcommittee which has the income tax under consideration and an amendment probably will be drafted at once.

Aside from the constitutional defect arguments have been presented in favor of making the taxable income accrue for the first year from July 1 or later. As far as the constitutional limitation is concerned, it would be legal to compute incomes for 1913 from March 1.

Senator Williams' subcommittee still has under advisement the scores of protests filed by officials of mutual life insurance companies against their inclusion under the provisions of the income tax law and the committee still is considering an amendment which would give such mutual concerns exemption if they are able to prove, after the tax has been assessed, that they are not conducted for profit and that all of their surplus earnings are participated in by their policyholders.

Among the briefs on this subject filed with the subcommittee is one by B. Steiner, a business man of Birmingham, Ala., which includes correspondence with Representative Underwood, chairman of the house ways and means committee. In a letter to Mr. Underwood Mr. Steiner cited the objections to taxing incomes of mutual life insurance companies, maintaining that this would result in a tax on the policyholders, who would really be taxed twice. Replying to this Mr. Underwood wrote:

"You seem to overlook the fact entirely that these companies are being taxed under the present corporation tax at exactly the same amount as they will be taxed in our income tax; that we are not levying on them what they do not pay at present. An ordinary corporation is organized for the benefit of its stockholders; a mutual life insurance company is organized for the benefit of its policyholders. In one instance the individual holds the stock, in the other instances the corporation is operated to earn dividends or net profits for his benefit."

In reply Mr. Steiner epitomized the arguments of the insurance presidents and others who are working for an amendment to the sections as follows:

"When you state that the tax proposed under the income tax bill is for life insurance companies, substantially a continuation of the present corporation tax, you are in general terms correct, but not altogether so. The federal court holds, under the present corporation tax, that so-called dividends in companies operating on the mutual plan are not dividends and can be deducted by a company in making its returns. The language of the present bill clearly directs that these so-called dividends shall not be deducted, and therefore that they shall enter into the net income of a company for purposes of taxation.

"Moreover, by implication at least, under this bill, every maturing endowment and every cash surrender value amounting in any individual case of \$4,000 or over would be taxed; and if such payments, plus the other income of the recipient, amount to \$4,000, it will also be taxed. This phase of the tax would not fall on a company's net income, but will be a direct and heavy burden on individuals to whom the payments are made."

Action by the subcommittee, to be ratified by the finance committee, in putting live stock and grain on the free list, returning on the free list also meats, flour and oatmeal, it is expected, will arouse protests from farmers and farm organizations, but the committee will hold to this solution of the problem presented in the Underwood bill of equalizing agricultural raw materials and their products.

The senate finance subcommittee, which has been wrestling with the agricultural schedule and which decided yesterday upon the free listing of live stock and wheat, is reported tonight to be undecided as yet on its report regarding oats and buckwheat. Apparently there still is some disposition to recommend that a duty be retained on both. The subcommittee originally voted to put a duty on oats of six cents a bushel.

CAN'T COMPETE WITH TIGERS.

DISPENSARY AUDITOR MITCHUM THEREFORE REDUCES ROYALTY ON BEER.

Charleston Breweries Pay Less to State So That They can Meet Competition of Wholesale Blind Tigers in "City by the Sea."

Columbia, June 5.—Harvey W. Mitchum, State dispensary auditor, said yesterday that he had ordered the royalty paid by three breweries in Charleston to the dispensary board reduced from 45 cents to 25 cents on each "box" of beer because the "wholesale blind tiger dealers in beer" could sell cheaper on account of the extra amount paid by the other breweries.

Dispensary Auditor Mitchum said that the Charleston county dispensary board does business regularly with three local beer bottling establishments. According to a dispatch from Charleston received by The State the breweries are conducted by James S. Farnum, Henry Doescher and H. R. Bremer. In addition the board buys Lemps, Pabst, Budweiser beers regularly and other beers on demand, the companies having no resident managers.

"I reduced the royalty from 45 cents to 25 cents on the box because the wholesale blind tiger beer dealers could afford to sell beer cheaper to the dealers than the county dispensary," said Dispensary Auditor Mitchum, yesterday.

According to figures announced by the dispensary auditor the sales by during the past three months have the dispensaries in Charleston county been decreased by about \$25,000. He attributes the decrease to the "blind tigers."

WILL LIMIT ITS ACTIVITIES.

Tariff, Currency, Emergency Appropriation and Election Cases Only to Be Considered by Congress.

Washington, June 2.—House Democrats in caucus today restricted the legislative programme of the extra session to tariff, currency, emergency appropriation, election cases. Committee assignments as submitted by Chairman Underwood and his colleagues of the ways and means committee majority, were adopted by the caucus without change. The programme, as presented by Representative Underwood, was made binding on Democratic members of the house standing committees. The resolution by which this was accomplished provided that no standing committees—except the committees on ways and means, appropriations, banking and currency, elections, printing, accounts and rules—shall report bills or resolutions to the house or have them placed on the calendar without permission expressly granted by the Democratic caucus. The caucus chose Representative Shackelford of Missouri for chairman of the new committee on good roads and named Representative Dickinson of Missouri to succeed him as member of the ways and means committee.

While the committee list was under consideration Representatives Boeher of Missouri and Tribble of Georgia complained that Representatives Maher of New York and Hensley of Missouri had been "jumped" to make room for Representative Lewis of Maryland, as chairman of the committee on labor. Mr. Lewis was ranked by the other two members on the committee in the last congress. Representative Tribble said if organized labor was to dictate the selection of a chairman of the house committee on labor he would like to know why bankers should not dictate the chairmanship of the banking and currency committee, farmers the agriculture committee and so on.

The caucus gave Representative Lloyd of Missouri a silver loving cup in appreciation of his service as chairman of the Democratic congressional committee. Representative Palmer, presenting the cup eulogized Mr. Lloyd's management of various campaigns.

WILL ORDER ELECTION.

Supervisor Receives Petitions for Vote on Dispensary.

Florence, June 3.—The petitions for an election on doing away with the dispensary have been handed to the county supervisor. He says that as far as he has knowledge they are strictly in accordance with the requirements of law, and he will order the election to be held in August. The prohibitionists have an excellent organization, with committees largely of experienced prohibition fighters. The other side is unorganized as yet, but will probably get in line soon for a fight to retain the institution. Both sides seem confident of success.

Florence has voted wet in the elections held previously, by a small majority. The sentiment at Lake City is a new element in the county, and both sides seem to count that section with them in the fight.

JAPAN RETURNS ANSWER.

AMBASSADOR CHINDA PRESENTS NOTE FROM JAPAN TO SECRETARY BRYAN.

Statement is Mild in Terms and Invites Further Discussion of Controverted Points—Why the Webb Act is Discriminatory and Violates Treaty.

Washington, June 4.—Japan's rejoinder to the United States reply to her protest against the California anti-alien land law, delivered personally by Ambassador Chinda to Secretary Bryan late today, sets out why the Tokyo government continues to regard the Webb law as discriminatory against Japan in derogation of the equality of treatment prescribed by international law and a violation of the treaty of 1910.

Nothing in the nature of an ultimatum is contained in the note. Its general tone is to invite further discussion of the controverted points, and it contains nothing tending to make up a final issue. Secretary Bryan and the ambassador agreed that no details should be made public.

Ambassador Chinda went to the state department by appointment just before 4 o'clock. Merely acknowledging receipts of the note and promising to consider, Secretary Bryan requested the ambassador to wait while he had finished there was an informal discussion.

Secretary Bryan was deeply interested in the points made in the Japanese rejoinder, which are believed to have been directed to the end of demonstrating that the action of the California legislature, taken in connection with the recent action of the Arizona legislature and the projected legislation in other Western States tended to impair the equality of treatment to which Japanese were entitled under the general principles of international law, more than to the charge that the Webb act constituted a technical violation of the treaty of 1910 between Japan and the United States.

The Japanese ambassador was at the department for an hour and a half. He returned to the embassy to prepare a reply to his government indicating the nature of the reception of its communication by the state department.

Secretary Bryan went directly to the White House, where he left the Japanese note for the perusal and consideration of President Wilson. It is expected that when Counsellor Moore returns to Washington tomorrow he will be called into conference by the president and Secretary Bryan to consider the outline of a response.

The Japanese note was very long and of its nature entirely argumentative. Secretary Bryan and Ambassador Chinda were in accord that no good purpose could be served at this time by a public discussion of the delicate question, and therefore both officials gave notice that any attempt to publish what might purport to be even the substance of the three communications which now have passed between the two governments must be based entirely upon speculation. It is known, however, that the whole tone of the rejoinder today is that of a dignified and orderly presentation of Japan's view of the case, concluding with an invitation to further negotiations.

SPARTANS UNDER BLUE LAWS.

Social Clubs Only Places to Slake Thirst on Sundays.

Spartanburg, June 4.—The lid was down tight in Spartanburg Sunday—that is, so far as the sale of soda water, ice cream, cigars and cigarettes was concerned. For the first time in years the ordinance forbidding the sale of anything but medicine on Sunday was enforced to the letter. It was one of the hottest days of the year, too, but neither money nor tearful entreaties were able to procure cold soda with which one might cool his parched and burning throat.

It is true one drug store took out a lunch stand license and sold butter-milk and soda crackers, but this was the only place where one could slake his thirst legally and respectably.

The social clubs at which lager beer is dispensed are reported to have done the largest day's business in many a month. The club proprietors wore pleased smiles and said they were not in the least opposed to the enforcement of the "blue laws." The Baraca classes endorsed the "blue laws," also. So it seems as though everybody ought to have been satisfied.

People from the Oswego and St. Charles sections report a very severe thunder storm out that way Wednesday afternoon, accompanied by an extremely heavy fall of rain.

The rain Wednesday evening was sufficient to cool off the atmosphere for a while and lay the dust, improving weather conditions over Wednesday.