

# WEEKLY INDUSTRIAL RECORD.

PUBLISHED EVERY MONDAY. DEVOTED TO NAVAL STORES, LUMBER AND MANUFACTURING INTERESTS.

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## ROSINS WERE RE-MARKED AND FALSELY GRADED, TESTIFIED WITNESS IN "TRUST" CASE

### Damaging Testimony Against Defendants in Case Now on Trial in United States Court in Savannah. Government is Vigorously Pushing The Prosecution and Proving Its Charges of Fraudulent Marking and Grading.

After exhausting every effort to delay the trial, the defense in the case of the United States against the American Naval Stores Company; the National Transportation and Terminal Company of New Jersey and six officials of the first named company, all indicted for an alleged violation of the Sherman anti-trust law, has been forced to trial in Savannah and all of the past week has been taken up in examining witnesses.

The evidence brought out by the Government thus far has been most damaging, and five or six witnesses have testified that many thousands of barrels of rosins in the yards of the American Naval Stores Company at Brooklyn, and elsewhere, were re-marked and the contents sold and delivered at a higher grade of rosin than the certificates of inspection placed thereon by the State inspectors in Georgia and Florida certified the barrel to contain.

The case is being tried before the following jury: T. P. Gordon, of Ludowici county; J. H. Morgan and W. B. Lee of Brunswick; R. D. Beaty, of Tarrytown; J. H. Parker, of Johnson Station; L. L. Desbouillons, of Savannah; E. P. Noues, of Ceylon; S. P. Quarterman, of Savannah; Edward Moyle, of Savannah; D. W. Folsom, of Mt. Vernon, and E. F. Hallman, of Soperton, Montgomery county.

Assistant District Attorney Akerman, of Savannah, and Col. W. M. Toomer, of Jacksonville, special assistant attorney general, are conducting the prosecution, while Judge Samuel B. Adams, of Savannah, is the leading counsel for the defense.

#### The Government's Contentions.

The first count of the indictment on which the defendants are being tried charges that the defendants conspired to restrain trade in the naval stores industry, and the second count charges them with not only conspiring to restrain trade but with conspiring to monopolize the same trade. In his opening address Mr. Akerman made the following statement, which gives a clear idea of what the government expects, in part, to prove:

"We expect to show you that a short while prior to the date named in the indictment," said Mr. Akerman, "three of the largest naval stores exporting companies in the world, the S. P. Shotton Company, the Patterson-Downing Company and the Antwerp Company, largely predominated this business.

"They were consolidated under the name of the American Naval Stores Company, the corporation which is charged in this bill of indictment with doing the things which are objectionable to the law. This

company took over the business of the three other companies, so that it began business controlling a vast part of the naval stores business. But not satisfied with controlling most of the trade, it started out to crush out every vestige of competition by means most arbitrary and high-handed for the purpose of taking over the complete control of the industry."

Mr. Akerman stated that the prosecution would not undertake by direct testimony of witnesses who overheard the principal officers of the American Naval Stores Company enter into the alleged conspiracy, but that facts and circumstances illustrative of the charge will be relied upon.

#### Other Things.

Incorporated in the charges covered by the indictment are allegations of bribery, fraudulent grading and the diverting of naval stores from its natural port to another port.

After Mr. C. H. Barnes, John W. West, John T. Harris, H. L. Richmond and others had testified in the case relative to the size of the naval stores crop, the exports through Savannah, etc., and as to certain contracts made with the American Naval Stores Company, the government began placing witnesses on the stand to testify in regard to the re-marking, false grading, etc., of rosins, and then came out some of the testimony that tends to sustain the allegations in the indictment in regard to the methods to defraud resorted to by the defendants.

The Associated Press despatches in reporting the case daily are brief, but contain the gist of the testimony, as follows:

#### Raised the Grades.

Savannah, Ga., April 29.—Through the statements of former Foreman Walter O'Keefe of the Brooklyn yards of the National Transportation and Terminal Company on the witness stand today in the so-called "turpentine trust case" in the United States court here, the prosecution elicited the information that in fourteen months the grades of 50,000 to 60,000 barrels of rosin were raised in the yards, through the simple process of rubbing out the old grades and substituting new ones, on the barrels.

This is one of the allegations in the indictment against that company, the American Naval Stores Company, and six of its officers. The witness stated that Percy Ketcham, then manager of the yards, employed him and gave him, personally, orders to raise certain grades on certain quantities of rosin. He stated his employment was confirmed by George Meade Boardman of New York, treasurer

of the American Naval Stores Company. O'Keefe said sometimes his orders to raise grades came from the New York office of the naval stores company.

#### A Regular Practice.

Savannah, Ga., April 30.—The trial of officers of the American Naval Stores Company in the United States Court here for alleged violation of the Sherman anti-trust act proceeded rapidly today.

Thomas Purse, secretary of the Savannah Board of Trade, testified as to the receipts of naval stores at Savannah. M. A. Brown, supervising naval stores inspector for Florida, was recalled and testified as to the Florida receipts. J. R. Parker, of Jacksonville, Fla., an inspector, testified as to the method of grading rosin and in response to a question from the government attorney, said it would be impossible to grade them at night. The question was thought to bear upon some point the government will bring out later in the trial.

N. Z. Graves, of Philadelphia, who is in the varnish business, gave testimony as to the business methods of the Philadelphia Branch of the American Naval Stores Company which was in effect that he was quoted a price on which supplies could be bought, but when the company found he could not get rosins anywhere else, the quoted price was materially raised. He was examined at length by the attorney for the defense regarding the ethics of the business.

W. R. Post, of Detroit, Mich., also was called to testify.

Evidence intended to show that rosin which was shipped by the American Naval Stores Company to soap and varnish manufacturers had been upgraded and that an apparatus designed to heat naval stores in the Jacksonville, Fla., yards had been experimented with, its object being to increase the volume of spirits by expansion, was offered by the prosecution. C. A. Hoyt, an electrician of Jacksonville, was asked about the apparatus and stated that he constructed such an apparatus for Carl Moller and he understood that it was experimented with in a fifty-five gallon turpentine tank. Further than this, however, the government was unable to go.

Mr. Post, who was on the stand during the morning session, stated that almost invariably the barrels of rosin which his company received from the American Naval Stores Company were remarked, that while he was not an expert at inspecting rosin, he had borrowed a set of types of rosin and did not believe that what he obtained was up to the standard of what he had ordered. However, his personal in-

spection covered by a small per cent of the entire number of barrels of rosin he received.

C. A. Sercomb, laundry soap manufacturer of Milwaukee, declared he "didn't get the grades of rosin he ordered and paid for," from the defendant company. He brought samples of the rosin he received to Savannah to be analyzed by government experts. During the session, Judge Sheppard, who is presiding, ordered Charles J. DeLoach, one of the defendants and secretary of the American Naval Stores Company to move his seat, stating that he had noticed him shaking his head or nodding it vigorously at times while Mr. Hoyt was on the stand. Mr. DeLoach stated that he must have done so unconsciously and the court at the close of the discussion the incident caused, stated that he did not intend to say Mr. DeLoach was conscious of what he was doing.

#### PEAT AS FUEL.

The Gibbs Gas Engine Co., Atlanta, Ga., referring to a recent article in the Manufacturers' Record on the Akerlund gas producer, made by the Gibbs Company, writes that this has aroused a great deal of interest in different parts of Europe, and adds:

"The Boras Mail, a newspaper published in Sweden, contained a long article which quoted extensively from the article above mentioned in your issue of March 11. We are on a deal to supply a number of producers to manufacturers in Sweden to be operated on peat, which is quite abundant in that part of Europe. This deal will probably depend upon the outcome of the experiments which we intend beginning next month with peat in our producer."

The abundance of peat in some parts of the United States makes the suggestion of using this producer with peat in Sweden of possible interest in this country. It will be remembered that the late Edward Atkinson of Massachusetts was an ardent advocate of the use of peat, which is to be had in vast quantities in that State, for fuel. Mr. Atkinson believed the time would come when Massachusetts would make itself independent of coal for steam purposes by the use of peat. Some years ago a leading engineer suggested to the Manufacturers' Record that the Dismal Swamp section of Virginia could be made to furnish a supply of peat equal to many millions of tons of coal. There are other places in the country where peat is equally as abundant as in Massachusetts and Virginia, and a study of the possibility of this gas producer in using peat in Sweden may prove to be of possible interest in this country also.