

## VAST CLAFLIN DRY GOODS ENTERPRISE COLLAPSES INVOLVING MILLIONS

### OVER EXTENDED CREDITS CAUSE OF BIG FAILURE

Liabilities Placed at \$40,000,000, Assets at \$35,000,000—Plans for Reorganization Underway—Many Stores Throughout the Country Affected—Receivers Named.

NEW YORK, June 25.—The vast Claflin drygoods enterprise collapsed today with the appointment of receivers in New York for the wholesale house of the H. B. Claflin company and the announcement that nearly 20 retail stores throughout the country would be closed. The liabilities of the firm are estimated at \$35,000,000; assets at more than \$40,000,000. Over-extended credits caused the failure, the largest of its kind in the history of the country.

Though affiliated with the bankrupt firm, through stock affiliation, the United Drygoods company and the Associated Merchants company, together with their stores in New York and elsewhere were not involved in the failure. It was stated their financial position was strong.

**Receivers to Be Named**  
For the retail stores in the Claflin string, receivers will be named and they will remain closed pending an adjustment of the parent company's tangled affairs.

Two proceedings—friendly and unfriendly—threw the firm into bankruptcy and two receivers were named under bonds of \$500,000 each.

The Claflin company controls or is affiliated with some thirty retail stores throughout the United States and it was the endorsement of their paper, held by more than 3,000 banks here and in interior cities, that caused the crash.

The United Drygoods companies and the Associated Merchants' company, though affiliated with the Claflin company through stock control were in no way involved in the failure.

**Reorganization Planned**  
Unless blocked by creditors, a reorganization of the failed firm is contemplated, according to the following statement issued by John Claflin, the president:

"The unprecedented shifting of trade centers in New York has caused great loss to many interests. In the case of the H. B. Claflin company, the uptown movement of business has seriously curtailed our wholesale profits and has compelled us to rely mainly on the profits from financing retail stores throughout the country. Their rapidly expanding business has engaged large capital requirements which we have not been able to meet. A receivership has therefore been necessary, pending a re-adjustment of the affairs of the company. A plan of

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### SENATOR REYNOLDS ACCIDENTALLY SHOT BY MAYOR MITCHELL

NEW YORK, June 25.—W. H. Reynolds, a former state senator, was shot and painfully, if not seriously wounded last Saturday by the accidental discharge of Mayor Mitchell's pistol, according to a statement today by the mayor. The mayor explained that Mr. Reynolds, Mrs. Mitchell and a friend of Mrs. Mitchell and himself had returned from the Mitchell farm at Croton, where the party had been target shooting.

The mayor, in allighting, dropped his pistol on the sidewalk. It was discharged and the bullet entered Reynolds' left thigh, passing through and shattering the bone of a finger when it came out. The mayor said Mr. Reynolds had not wished anything said about the accident, fearing it would needlessly alarm his family, now abroad.

### FREEDOM FOR BUSINESS AIM OF PRESIDENT

Wilson Explains Aims of Legislation—Says His Administration is First in Years That is Real Friend to Business—Going to Prove Friendship by Clearing Away Anxiety.

WASHINGTON, June 25.—"A new constitution of freedom for business" is the object of the administration trust legislation program, President Wilson said today, addressing a party of Virginia editors at the White House. He predicted the country was on the verge of a great business revival.

The president made his remarks shortly after he had heard of the Claflin failure in New York, although no officials ventured to say he had that in mind while speaking. The president told the editors he would absolutely insist that his anti-trust program be passed at the present session of congress, and that his information was that congress and the nation are behind him. Declaring that the United States was now on the verge of a very strong business revival, the president added that a temporary business depression at present was sure to pass as soon as business realized that the anti-trust legislation is sure to be enacted.

**Real Friends of Business**  
For ten years the president said, business has been uneasy because of attacks on it. He contended that his administration was the first in years that had been the real friend of business, and he added that his administration was going to prove its friendship by clearing away all anxiety among business men, over what was to come.

The president spoke with great earnestness. Gesturing vigorously, he declared that through governmental agencies and through an extensive correspondence he believed the administration to be better able to judge business conditions than anyone else in the country. He compared the condition of business to a man about to undergo an operation and who fears that it will be a capital one. He added that it had become apparent that only minor operations were necessary and that it would be dangerous to postpone them.

**Unfair to Keep Guessing**  
Nothing would be more unfair to business, the president declared, than to keep it guessing. He said the administration was in power with a definite program of corrective legislation, and that the administration was ready and determined to go ahead with its program. During the pendency of the tariff and currency bills, he said, business shivered, but there were no serious effects. He declared there was no reason to think the result would be more serious after the anti-trust bills are passed.

"Some people think the anti-trust

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### CLAFLIN FAILURE AFFECTS SECURITIES

NEW YORK, June 25.—On unusually heavy trading today's market evinced a more pronounced reactionary tendency, due primarily to developments connected with the Claflin failure. The close was weak.

Announcement of the Claflin receivership, of which the field received an inkling after the close of business yesterday, resulted in a weak opening. A conspicuous feature was the sale of five hundred shares of United Drygoods preferred, one of the Claflin corporations, at 70, a loss of 12 points and a total decline of 26½ points in two days. Later a small lot sold at 69½ active issues, including United States Steel, Reading and Amalgamated fell a full point, with heaviness in other speculative leaders. Trading was in large volume, the movement being accelerated by the short interest.

### RIVAL FACTIONS OF MEXICANS TO GET TOGETHER

Protocols Signed Agreeing that Diplomatic Relations Between United States and Mexico will be Restored and Troops Withdrawn New Provisional Government Succeeds.

NIAGARA FALLS, Ont., June 25.—Definite assurances were given today by the Mexican mediators that a meeting will be held in the near future between the representatives of the Huerta government and the constitutionalists with a view of bringing about a final peaceful settlement of the differences which have shaken the southern republic.

**Protocols Signed**  
This action, it is declared, will follow the completion last night of protocols agreeing that the diplomatic relations between the United States and Mexico shall be restored and all other international difficulties considered settled when a new provisional government succeeds the Huerta administration.

**To Withdraw Ships**  
When the two parties shall have adjusted the internal problems now at issue, the mediation board will

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### MILLION DOLLAR BLAZE DESTROYS SALEM FACTORIES

SALEM, Mass., June 25.—Five large factory buildings and several smaller structures were destroyed by fire this afternoon. The fire was still raging at 3:30 o'clock. Early estimates placed the loss at \$500,000.

It was reported that 25 girls failed to escape from the Korn factory, but this has not been confirmed. The fire burned over an area of 40 acres in the leather manufacturing district and at 3:45 o'clock was still spreading. The loss was then estimated at \$1,000,000. A child was believed to have been burned to death. There were no other known fatalities.

At 4 o'clock the fire was still beyond control and apparatus was being hurried here from other cities. A special train was bringing help from Boston.

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### SEEKS TO BE UNITED STATES SENATOR FROM NEW YORK



Frank J. Polk, Corporate in Council for city of New York, reported President Wilson's choice.

### RESPONSIBILITY FOR PROLONGING WAR UP TO MEXICANS

WASHINGTON, June 25.—With Villa's army triumphant at Zacatecas and the terms concluded at Niagara Falls for the settlement of differences between Huerta and the United States, officials of the Washington government today awaited the completion of arrangements for informal conferences of constitutionalists and federal agents to discuss the establishment of a provisional administration in Mexico. The task completed by the mediators placed the issue of restoring peace squarely before the warring factions. On them, it was pointed out, would devolve the responsibility for the ultimate outcome of the general peace plan.

The constitutionalists reported victory at Zacatecas, would place them, it was suggested here, in a position to demand major terms and would impel Carranza to withdraw whatever objection he might have had to sending a delegation to meet the Huerta mission. In official circles here today there was every expectation that the proposed meeting would take place. If an agreement is reached at the conference it will bring the mediation proceedings to a successful conclusion, the American and Huertista delegates having

### NAVY OFFICERS TO THROW BOOZE INTO SEA JULY 1

WASHINGTON, June 25.—Speculation as to the grace with which officers will accept Secretary Daniels' order banishing intoxicants from Uncle Sam's navy increases as the "wet" days draw to a close. The order becomes effective July 1. Thereafter no officers may have liquor on shipboard or on any naval reservation.

"All orders are to be reasonably interpreted," said Secretary Daniels today, when asked what was to be done with liquor which happened to be on board when day breaks next Wednesday. The secretary said that he did not expect his officers to feed the contraband goods to Neptune. Vessels on foreign service will be given a reasonable time to disembark their tabooed cargoes.

The much discussed order is brief to the point. It says:

"The use or introduction for drinking purposes of alcoholic liquors on board any naval vessel, or within any naval yard or station is strictly prohibited and commanding officers will be held directly responsible for the enforcement of this order.

signed conditions at Niagara Falls for the resumption of diplomatic relations between the two republics.

### TAKE NOTICE, YE ANCIENT AND HONORABLE ORDER OF KNOCKERS.



Paterson, N. J., has set an example which it would do well for the country in general to follow, the same being to stop knocking and bury the hammer deep into the soil. Paterson swore off knocking and buried the hammer in one grave with Dr. Tightwad, Chronic Knocker and Old Pessimist, while most of the prominent business men of the New Jersey city helped to pile stones on the tomb. The hammer, a facsimile of that carpenter's tool, was of giant size, more than thirty feet in length, and was borne upon a truck drawn by four horses.

### ALIENLANDLAW DISPUTE AIRED IN TWO NATIONS

Correspondence Over California Law to be Published Simultaneously in United States and Japan Tomorrow—Affair at a Deadlock—New Japanese Cabinet Desires Views.

WASHINGTON, June 25.—By mutual arrangement between Secretary Bryan and Ambassador Chinda, the correspondence between the United States and Japan over the California anti-alien land law is to be published in both countries simultaneously tomorrow morning.

The correspondence begins with the Japan protest of May, 1913, in advance of the enactment of the Webb law, and winds up with the last American note of yesterday's date, making answer to a communication from the Japanese government received ten months ago.

**Correspondence Voluminous**  
The correspondence is necessarily voluminous for the reason that it is largely argumentative; the Japanese government endeavoring to show that the California law is a violation of the existing treaty, while the American side of the case lays great stress on certain language of the treaty which apparently almost in terms excludes Japanese from the right to hold agricultural lands. Taken in connection with the declaration of the Webb act, that it is not intended to invalidate existing treaties, the American contention seeks to justify the president for declining to attack the constitutionality of the California law.

The last American note was an after-thought. State department officials had concluded that the Japanese note of last August has brought the negotiations to an impasse; that each side had reached a radical disagreement as to the scope of the treaty and the California law. They felt that the only way to clear away the difference would be through a legal test of the constitutionality of the California legislation and they inclined to the belief that it remained for the Japanese government to make this test through a suit instituted by a Japanese resident of California.

**New Jap Cabinet Acts**  
Meanwhile there were some cautious informal exchanges between Ambassador Guthrie and the Tokio foreign office on the subject of arbitration, but that never took form and served only to justify the suspension of the negotiations for nearly a year.

Now, however, a new cabinet has come into existence in Japan, which is commonly understood to be pledged to a more energetic foreign policy than the one it displaced and as an incident, it has felt called on to make report to the Japanese diet, now in special session, of the status of the California negotiations.

It is possible that the purpose is to secure some expression of opinion from the diet for the guidance of the Japanese foreign office in the con-

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### VILLA CAPTURES ZACATECAS IN FOUR-DAY FIGHT

Fiercest Fighting on Both Sides and Unusually Heavy Loss of Life to Both Factions—Attacking Party Led by Villa and Five of His Staff Wounded—Heaps of Dead.

ZACATECAS, Mexico, June 25.—(Delayed in transmission over military wires). The fiercest fighting on both sides and an unusually heavy loss of life to both federals and constitutionalists ended last night in the capture of Zacatecas, by General Villa's forces. It required four days of battle to take the federal stronghold of Central Mexico.

The federals under General Medina Barron defended their positions stubbornly, but they finally were overcome by the forces of Generals Villa and Nateras. The constitutionalist soldiers scattered over hill after hill and mountain after mountain, killing and wounding thousands of federals and sustaining heavy losses themselves. So far it has been impossible to secure an accurate estimate of losses on both sides.

**Testimony of Fighting**  
The heaps of dead on the mountainsides and in the city bore mute testimony of the ferocity of the fighting. General Villa was in charge of the attacking party. Five members of his staff accompanying him were wounded. The number of constitutionalist officers killed or wounded were unusually great. General Trinidad Rodriguez, one of the best of Villa's brigade commanders, was shot through the throat and is not expected to live.

The constitutionalists in many cases had to advance on hands and knees, as those below on the steep inclines passed the rifles from hand to hand.

**Under Machine Gun Fire**  
These feats were accomplished under heavy machine gun fire. Nothing seemed to lessen the determination of Villa's troops, though the federals had thrown up trenches and redoubts on all sides. Hillsides afforded no cover for the attacking troops.

The cordon of defense gradually narrowed until the last hills on the outskirts of the city fell into the hands of Villa's men.

### CARRANZA COMES TO BORDER TO AID PEACE NEGOTIATIONS

WASHINGTON, June 25.—Carranza's plan to proceed at once from Saitillo to the American border at Nuevo Laredo is with the chief purpose of being in direct telegraphic communication with his agents in the United States when they begin negotiations with the Huerta delegates. When Carranza arrives at Nuevo Laredo it is expected he will be met by Juan F. Urquidí, who left the constitutionalist agency in Washington several days ago with important communications bearing on the negotiations.

Agents of the constitutionalists here today, learning of the signing of the Niagara protocol, expressed the opinion that the conference probably would begin Monday or early next week at the latest. Where it would be held had not been yet determined. Buffalo was suggested, but it was pointed out that the Huerta delegates might object to negotiating even informally on American soil. Niagara on the lake also has been suggested.

All the constitutionalist agents were jubilant over Villa's victory at Zacatecas and predicted that the end of bloodshed in Mexico was not far distant.

### EGAN TO MEET SEATTLE PHENOM

SEATTLE, Wa., June 25.—Paul Ford, Seattle's nineteen year old golfer, landed in the semi-finals of the Pacific Northwest Amateur championship today when he defeated E. S. Armstrong of Los Angeles, former Pacific Coast champion, one up. Ford meets H. Chandler Egan of Medford, Oregon, the former national champion, in the thirty six hole match tomorrow, Egan having defeated R. V. Hayne of San Francisco, A. V. Macay of Victoria, Northwest champion, will meet Jack Neville, California champion, in the semi-final. Mason won from W. E. Burnes of Vancouver and Neville defeated G. W. Potter of Seattle 2 to 1 today.