

PARTNER REVEALS ARCHBALD DEALS

Had Erie Cases Before Him While
Trying to Buy Culm Bank
from the Railroad.

RULINGS FAVORED COMPANY

Charges That He Found Against
a Litigant Who Wouldn't Dis-
count \$500 Note.

IN A LAND CONCERN ALSO

Photographic Copies of Documents
Verifying Business Connections
Exhibited at Inquiry.

Special to The New York Times.

WASHINGTON, May 8.—Startling testimony was given by Edward J. Williams, a coal broker, of Dunmore, Penn., this afternoon at the opening session of the investigation being conducted by the House Judiciary Committee for the purpose of determining whether Judge Robert W. Archbald of the United States Court of Commerce shall be impeached for transactions involving the Katydid culm bank in Pennsylvania, his relation to a Venezuelan land deal, and other commercial affairs.

Williams figured in the various transactions and had an intimate knowledge of their details, but it was apparent that he was not willing to say anything detrimental to Judge Archbald, who was present throughout the hearing, accompanied by A. S. Worthing, a leader of the District of Columbia bar, as his counsel.

His testimony, however, was of the most astounding character. Almost every member of the committee participated in the examination of Williams, and, despite contradictions, testimony of the most damaging character was elicited from the witness. The character of some of the questions fired at Williams by Representative Sterling and other members of the committee indicated suspicion that the witness might have been tampered with before he took the stand.

It was developed during the hearing that Judge Archbald was interested with Williams in a transaction for the acquisition by them of a culm dump along the Erie Railroad near Moosic, Penn., from the Hillsville Coal and Iron Company, in which the Erie Railroad system is understood to have a controlling interest; that Judge Archbald was to receive half of the profits; that he put up no money in connection with the options negotiated by Williams for the acquisition of the property, and that this transaction occurred during the Summer of 1911 while Judge Archbald was a member of the United States Commerce Court.

Favorable Decision to the Erie.

Throughout to-day's examination members of the Judiciary Committee questioned Williams as to a case in which the Erie Railroad was interested, which was instituted in the Court of Commerce, of which Judge Archbald is a member, a year ago. The case involved an important order issued by the Inter-State Commerce Commission against the Erie and other roads involving the terminal lighterage problem in which they were all vitally interested in New York City. The Court of Commerce issued an injunction temporarily setting aside the order of the Inter-State Commerce Commission and the case is now pending in the United States Supreme Court on appeal.

This case is carried on the records of the Commerce Court as that of the Baltimore & Ohio and other railroads, the Brooklyn East District Terminal, John Arbuckle, and others against the United States Government, the Inter-State Commerce Commission, and the Federal Sugar Refining Company, which instituted the case before the Inter-State Commerce Commission attacking the terminal arrangements made by the Baltimore & Ohio, Erie, and other roads in favor of the Arbuckles as against the Federal Company.

The case was filed with the Commerce Court April 12, 1911, and the petition asked the Commerce Court to set aside an order of the commission affecting the lighterage charges on sugar in and near New York Harbor. On May 27, 1911, the Commerce Court, without written opinion, granted a temporary injunction in favor of the Erie and other railroads.

Photographic copies of letters signed by Judge Archbald of the various agreements, options, and other documentary evidence figuring in the Katydid culm dump deal were read into the record during the examination of Williams, who was pressed hard by the committee for every detail of the transaction. The most important of these exhibits was a paper that will figure prominently throughout the investigation as the "silent party agreement," signed by Edward J. Williams last September, and making an assignment of interest.

"Who is this silent party?" asked Chairman Clayton.

"It was Judge Archbald," replied Williams.

"Why did you give Judge Archbald a half interest in this culm bank deal?" asked Representative Norris of Nebraska, author of the resolution which called upon the President for the evidence which the Department of Justice had regarding any charges affecting Judge Archbald.

Assistance from the Judge.

"Because he was doing something for it, and he helped me to get it through," answered Williams.

"What did he do?" asked Mr. Norris.

"The Judge wrote a letter of introduction to Mr. Conn," replied the witness.

"That's what he did."

This letter of introduction was written on the official stationery of the United States Court of Commerce to Vice President Conn of the Laurel road, an electric line in Pennsylvania, to whom the witness said he and Judge Archbald tried to sell the Katydid culm pile for 27½ cents a ton. This letter, a photographic copy of which was read into the record to-day, was as follows:

R. W. Archbald, Judge of United States
Commerce Court, Washington.

Scranton, Penn., Sept. 20, 1911.

My Dear Mr. Conn: This will introduce Edward Williams, who is interested with me in the circular dump, about which I spoke to you the other day. We have options on it both from the Hillside Coal Company and from Mr. Robertson, representing Robertson & Law, these options covering the whole interest in the dump. This dump was produced in the operations of the Katydid Colliery by Robertson & Law, and extends to the whole of the dump so produced. I have not seen it myself, but as I understand it, this dump consists of two dumps a little separate from each other, but all making up the general culm ore refuse pile made at that colliery. Mr. Williams will explain further with regard to it if there is anything which you want to know. Yours very truly,

R. W. ARCHBALD.

The disclosures obtained from Williams respecting the Katydid culm pile followed a long preliminary examination of the witness as to a promissory note for \$500

which Williams took from Judge Archbald to one Christy G. Boland of Scranton, Penn., in connection with an option on a large tract of Venezuelan land in which Williams said that he, Judge Archbald, and one John Henry Jones were interested.

After this transaction had been thoroughly covered and developed the statement from Williams that Boland refused to discount the Archbald note, Chairman Clayton, without ceremony, plunged into the Katydid culm bank transactions. Soon every member of the committee, by turns, was pressing Williams hard for more details. Wrisley Brown, the Assistant Attorney General, who was the special agent of the Department of Justice making the investigation of the charges against Judge Archbald, was invited to a seat beside Chairman Clayton and was frequently consulted by the Chairman during the hearing.

"Did you negotiate an option on the Katydid culm bank?" is the way Chairman Clayton plunged into that action.

How Option Was Acquired.

"Yes," replied Williams, "that culm bank, or pile of refuse coal from the mine, was located on the Erie Railroad, near Moosic, Penn. It was owned in two parts, one half by the Erie Railroad, the other half by John M. Robertson."

"How did you acquire the option on that culm bank?"

"I went to John M. Robertson and got an option on his half for \$3,500. Then I went to the Erie with a letter from Judge Archbald recommending me favorably to Capt. W. A. May, manager of the culm bank. I produced the letter and got the Erie part of the culm pile, but May charged me double for it. When he had offered it before to the Du Pont Powder people he asked \$2,000, but he charged me \$4,500, and it is the poorest dump in the valley."

Williams said that the bank contained 150,000 tons of culm, worth 27½ cents a ton, but said the Erie Road's engineers estimated that there were only 42,000 tons in the bank. Williams thought his own estimate was more accurate.

"When did you conclude to buy that bank?" asked Judge Clayton.

"One day when I was talking with Boland a year ago last April."

"Then you went to Judge Archbald and made a statement about it?"

"Yes, last May, after I had got the other part. I told Judge Archbald I would consider it a favor if he would give me a letter to Capt. May, manager of the coal department of the Erie Railroad. He gave me such a letter."

"Have you that letter?" asked Judge Clayton.

"No," exclaimed Williams, "you have it there among those papers."

Chairman Clayton was unable to find the letter among the papers transmitted by the President to the committee.

"The Judge recommended me to Capt. May," continued Williams. "The Judge was to have a half interest in the culm bank."

Visit to Erie's Vice President.

Williams said that when he went to Capt. May with this letter May refused to agree to let him have the culm bank.

"When did he agree to let you have the option on the culm bank?" asked Judge Clayton.

"About two weeks later."

"Who furnished the money?"

"Nobody. It was an option. No money was required."

"What did Judge Archbald say when you went back and told him about Capt. May's refusal?"

"The Judge said he would see about it."

"Did he say he would see Vice President Brownell of the Erie?"

"Yes," said Williams, who told the committee of a trip which Judge Archbald made to New York. Williams said that upon Judge Archbald's return from New York to Scranton, he, the Judge, told him that during that visit the Judge had talked with Vice President Brownell.

Williams said that after Judge Archbald had seen Capt. May and Vice President Brownell, Capt. May had told "the Judge to tell me to come around and he would give me the deed to the culm bank."

"When was that?" asked Judge Clayton.

"I think it was last September," answered Williams, who fixed it by a letter he had received from Capt. May. This letter, a photographic copy of which fell into the hands of the Department of Justice, was then read in the record by Judge Clayton. It follows:

Pennsylvania Coal Company,
Hillsdale Coal and Iron Company,
New York, Susq. & Western Coal Company,
Bloomsburg Coal Company,
Office of the General Manager,
Scranton, Penn., Aug. 30, 1911.
E. J. Williams, 626 South Blakely Street,
Dunmore, Penn.

Dear Sir: As I stated to you to-day verbally, I shall recommend the sale of whatever interest the Hillsdale Coal and Iron Company has in what is known as the Katydid culm dump, made by Messrs. Robertson & Law in the operation of the Katydid breaker, for \$4,500.

In order that it may not be lost sight of, I will mention that any coal above the size of pea coal will be subject to a royalty to the owners of Lot 46, upon the surface of which the bank is located.

It is also understood that the bank will not be conveyed to any one else without the consent of the Hillsdale Coal and Iron Company, and that if the offer is accepted, articles of agreement will be drawn to cover the transaction. Very truly yours,
W. A. MAY, General Manager.

"Just before the letter was written Judge Archbald met Capt. May in the streets of Scranton," said Williams. "The next day I went up to Capt. May and got the letter."

Lighterage Cases Discussed.

"Was there any conference between you, the Judge and Capt. May regarding the so-called New York lighterage case?" asked Judge Clayton.

"No, sir," said Williams. "Judge Archbald said he had cases for them in the court at that time. I did not understand what the lighterage case was."

"Now what did the Judge say on that point?" asked Judge Clayton.

"That's all," said Williams. "He told me he had some cases. They were for the Erie Company. The lighterage case was one of them."

"Did Judge Archbald say anything about preparing a brief for the Erie Company?" asked Judge Clayton.

"I didn't say he was preparing the briefs," exclaimed Williams when part of his testimony in the Department of Justice investigation of the case was read. "I said there were briefs, the briefs on the Judge's desk. I did not look at them. I asked the Judge what a lighter was and found they were tug boats that

carry railroad cars across the Hudson River."

Chairman Clayton then read into the record from the photographic copy of the option agreement with John M. Robertson for the acquisition of the Robertson & Law half of the Katydid culm pile. This read as follows:

This agreement, made and concluded this 4th day of September, A. D. 1911, by and between John M. Robertson of Moosic, Penn., of the first part, and Edward J. Williams of Scranton, Penn., of the other part, witnesseth:

Whereas, The said party of the first part is the owner of certain culm in the vicinity of Moosic made in the operation by the firm of Robertson & Law of the so-called Katydid Mine or colliery, and, whereas, the said party of the second part is desirous of purchasing the same.

Now, this agreement witnesseth that for and in consideration of \$1 to him in hand paid, the receipt of which is hereby acknowledged, the said party of the first part hereby grants and conveys unto the said party of the second part, his heirs, executors, administrators, and assigns the right or option to purchase his interest in and to the said culm dump for the price or sum of \$3,500, which said option is to be exercised within sixty days from this date, the terms to be cash within five days after the exercise of said option. It is understood that this option is intended to cover and include all the interest of the said party of the first part, and of the late firm of Robertson & Law. In witness whereof the parties hereto have set their hands and seal the day and year aforesaid.

JOHN M. ROBERTSON,
EDWARD J. WILLIAMS.

Witness: R. W. ARCHBALD.

This agreement is on file in Lackawanna County, Penn.

"Did Judge Archbald draw up that agreement?" asked Chairman Clayton.

"I think he did," replied Williams.

"The original is on file in the office of the County Recorder."

"Now," said Mr. Clayton, coming to the "silent partner" agreement, "after the execution of the option did you make this assignment of Sept. 5, 1911, to W. P. Boland and to a silent partner for services rendered and to be rendered?"

Silent Partner Agreement.

Before the witness answered the question Judge Clayton read, from photographic copy, the silent partner agreement, as follows:

Agreement made this 5th day of September, A. D. 1911, by Edward J. Williams of the Borough of Dunmore, County of Lackawanna, State of Pennsylvania, party of the first part, and a silent partner, both of the City of Scranton, County and State above mentioned, parties of the second part.

For services rendered or to be rendered in the future by William P. Boland and silent partner, whose name for the present is only known to Edward J. Williams, William P. Boland, John M. Robertson, and Capt. W. A. May, it is agreed by said Edward J. Williams, who is the owner of two options covering a culm bank known as the Katydid, situate in the vicinity of Moosic, Penn., that he hereby assigns two-thirds of any profits arising from the sale of the above-mentioned property over and above the amounts to be paid John M. Robertson and the Hillsdale Coal and Iron Company, \$3,500 and \$4,500, respectively, to be divided equally between William P. Boland and silent partner mentioned above, their heirs, assigns, and this shall be their voucher for same.

E. J. WILLIAMS,
W. L. PRYOR.

Williams told the committee that this assignment was agreed upon before he "got the culm" but "when I went to get it I found that I could not touch it if Boland was in it."

"Which Boland?"

"Bill Boland, W. P. Boland. Robertson told me that if Boland was in this deal I could not touch it."

"By whom were you forbidden to have dealings with Boland?"

"By John M. Robertson, on April 4, 1911."

When Williams's attention was called to the fact that the date of the assignment of Sept. 5 was subsequent to that of the date of the agreement with Robertson, Williams explained that somebody had "changed the date" on the assignment document. Williams said Boland had prepared this assignment and had asked him to sign it. "I signed this assignment," said Williams, "before I acquired the option."

Archbald Drew Up the Papers.

"What were the services to be rendered by this silent partner?" asked Judge Clayton.

"He was to attend to the law business," said Williams.

"And who was this silent partner?" insisted Judge Clayton.

"It was Judge Archbald," testified Williams. Judge Archbald and his lawyer were facing Williams, and not three feet distant throughout his testimony.

"What was Judge Archbald to do?"

"He drew up the papers."

"This assignment says for services rendered and to be rendered. What is meant by services to be rendered?" asked the Chairman.

"I don't know," said Williams.

"What interest was Judge Archbald to have?"

"A half interest."

"What was he to pay in?"

"Eight thousand dollars."

"Did he put up any money?"

"No; it was an option."

"What was the Katydid culm pile worth?"

"The Erie road offered to sell its half to the du Pont Powder Company for \$2,000. It charged us \$4,500. I think there was more culm there than the Erie engineers made out. They said there was only 42,000 tons. I said 140,000 tons. As we could sell it for 27½ cents a ton, we could get \$30,000 for it. Capt. May spoiled that deal. After that I was offered \$20,000 for it. The profit would have been \$12,000."

"Who was to share in that profit?" asked the Chairman.

"The Judge," said Williams. "He was to get \$6,000 and I and the others \$6,000."

"Did you and the Judge negotiate with anybody else for its sale?"

"Yes."

"Who negotiated that sale?"

"The Judge."

"Who with?"

"With Mr. Conn, Vice President of the Laurel Line. The Judge gave me a letter of introduction to Mr. Conn. I took this letter and agreed to sell the culm to Conn for 27½ cents a ton."

"And why was that deal not consummated?"

"Because Capt. May hurt the deal," replied Williams. "He tried to make the title appear doubtful. But for that it would have gone through for 27½ cents a ton."

Representative Carlin wanted to know why "Judge Archbald became your partner?" Williams replied: "Because after I got the letter of recommendation from him I told him he could have an interest." He said that Boland knew "that

Judge" was in the deal and that "the Judge knew that Boland knew this."

Calls Boland a Bad Man.

Various members of the committee pilled Williams with questions as to how the photographic letters exhibited to-day as part of the Department of Justice case were obtained. Williams said he did not know. But it was developed that Williams showed certain of these documents to W. P. Boland, and that Boland took several of these letters into an adjoining room in his office at Scranton.

"Do you think these photographs were taken as part of a plot to trap you and the Judge?" asked Representative Sterling of Illinois.

"I don't know."

"Well, what is your conclusion now?" asked Sterling.

"I conclude that Boland is a bad man," rejoined the witness.

"Why," asked Representative Norris, "did you refer to Judge Archbald as the silent party in this assignment to Boland? Why was not Judge Archbald referred to by name?"

Before Williams could answer Judge Clayton asked: "In other words, why was it kept secret? What purpose was in view in withholding the Judge's name?"

"I thought that maybe it wasn't lawful to use the Judge's name," replied Williams.

"What made you think so?" asked Representative Norris.

Williams dodged this question, but said: "After that I was convinced that it was not wrong."

"What convinced you?"

"My idea first was that it wasn't lawful for a Judge to be participating in such a deal."

"Did you talk with the Judge about that?"

"I don't know."

"Who wrote this paper referring to the Judge as the silent partner?"

"Bill Boland wrote it."

"And who is Pryor?"

"Pryor worked in Boland's office."

The Venezuelan transaction concerned a promissory note which Williams testified he took from Judge Archbald, who signed it, to one of the Boland brothers to be discounted.

"That note," said Williams, "was signed by Judge Archbald. It was in the name of John Henry Jones for a deal outside of this country. I took it to Christy G. Boland for discount. It was for a deal between Jones and me in Venezuela."

That \$500 Note Transaction.

"Judge Archbald had nothing to do with the beginning of that deal. The papers were there three months before the Judge put any money into it. It was some time last year. I don't recall the month, but think it was in the Summer. This note was for \$500, payable to Jones."

"Did you take it to W. P. Boland for discount?" asked Judge Clayton.

"No; I took it to C. G. Boland for discount."

"At whose instance?"

"At my own," said Williams. "Nobody told me to take it to Boland. The option that Jones and I had was for a million acres of land in Venezuela."

"How," asked Judge Clayton, "did Judge Archbald become interested in that transaction?"

"The Judge asked me if I would show him the paper that came from Venezuela. We took the paper to him at his office in the Federal Building at Scranton. He said: 'I will put some money in there if you will let me.' He made out that note for \$500."

"Did the Judge tell you to whom to go to discount the note?"

"No, Sir," said Williams emphatically. "The Judge made no such suggestions."

"Why did you go to Boland?"

"Because we were well acquainted. The Bolands owed me some money; they owe it to-day. I thought I might get it if I went to them. C. G. Boland is President of a bank in Buffalo."

"Now, did Judge Archbald tell you to take the note to Boland for discount?"

"No," Williams insisted.

Chairman Clayton asked whether Williams had not given sworn testimony before Wrisley Brown, special agent of the Department of Justice in Scranton, March 23, 1912, that he, Williams, had suggested to Judge Archbald that the note might have been taken to Boland for discount. Williams admitted he may have made such a suggestion.

"But Judge Archbald did not urge me to go," said Williams. "He told me I could take the note where I liked."

Williams said he and Jones were both present when the Judge made the note. The Judge handed the note to Jones; Jones handed it to Williams. He added that only he, Judge Archbald, and Jones were owners of the Venezuelan land. "We each put in \$500," said Williams, "to get that Venezuelan option. Jones visited Venezuela. I have never been there."

Boland Case Before Judge.

"Did you know that either or both of the Bolands were parties in a case that was pending before Judge Archbald?" asked Judge Clayton.

"I did know that," Williams admitted.

"But I never thought of that. I did not think that had anything to do with it."

"What did Boland say when you presented Judge Archbald's note to him?"

"He told me he couldn't handle that note."

"Did you take the note back to Judge Archbald and tell him what Boland had said?"

"I did not."

At this juncture Chairman Clayton read from sworn testimony given by Williams two months ago in which he was recorded as having said he took the note back to Archbald.

"That's a mistake," exclaimed Williams, repudiating the record of his former sworn testimony. "I never took the note back. I took the note to the Merchants and Mechanics' Bank of Scranton and asked them to discount it."

Williams was asked whether he had told Boland that things might have gone different if he had discounted Judge Archbald's note; whether he had told Boland it might have saved him (Boland) the costs, amounting to \$3,300, imposed in the case of John W. Peale against the Marlon Coal Company, which came before Judge Archbald when he was Judge of the Middle District of Pennsylvania; whether he had told Boland last July: "Bill, you made a mistake in not discounting the Judge's note. You would have avoided further trouble and saved the costs in your suit."

Williams said he made no such statement. Excerpts from the evidence taken before Attorney General Wickersham were read to show that in Williams's presence Boland had made such statements as to what Williams had said. Williams repudiated this testimony. Judge Clayton exhibited to the witness a photographic copy of a statement signed by Williams July 31, 1911, in which he is recorded as admitting he told Boland he made a mistake in not discounting the Judge's note. This statement read:

Scranton, Penn., July 31, 1911.
To whom it may concern:
This is to certify that I, Edward Williams, called on William P. Boland about Dec. 15, 1910, with a note of R. W. Archbald, Judge of the United States Commerce Court, for \$500, to have said note discounted. I did not tell Boland at the time that the Judge knew that I was going to call on him to discount the above-mentioned note. I only informed him about July 25, 1911, he made a mistake in not discounting said Archbald note, as he was interested in the case of John W. Peale vs. Marlon Coal Company, which was then before the United States Court, and he would have saved all of the costs had he discounted the note.

E. J. WILLIAMS.

Williams admitted he had signed the statement, and then exclaimed: "I can swear before God this minute those words never came from me."

This statement was shown to Williams several months ago by Attorney General Wickersham and was not then repudiated by Williams.

When the committee was on the verge of adjourning Chairman Clayton asked Williams whether he knew anything of a transaction between one Mr. Dainty, Judge Archbald, and the Lehigh Valley Railroad in regard to the sale and purchase of property at Hillsdale, Penn. Williams replied in the affirmative. This new line of inquiry was not pursued, but postponed until Friday, when Williams will resume the trial.