

RECEIVERSHIP FOR ANTIOCH POTASH PLANT

AMERICAN TO CEASE OPERATING FOR THE PRESENT

Cancellation of Manufacturing Contracts Left No Other Course, Pres. W. E. Sharp Says

United States Judge T. C. Munger has appointed Samuel C. Waugh as receiver for the American Potash company of Delaware, and the bond of the receiver is fixed at \$10,000. Mr. Waugh is an officer of the First Trust company, an affiliated corporation of the First National Bank, according to Wednesday's State Journal.

Receiver Waugh is authorized under the federal order to operate the plant at Antioch for a period not to exceed

two or three days, or until the present stock of coal and oil has been used up. The receiver must not incur any indebtedness which the cash on hand will not pay. He is authorized to take charge of all the property of the American Potash company of every description and kind, pay the laborers employed by him whatever may be found due under the order permitting the operation of the plant and to collect any outstanding accounts unpaid and to employ watchmen to guard the plant after it has been closed.

The Nebraska Buick company, S. A. Foster Lumber company and Arthur Dobson petitioned the United States district court to appoint a receiver for the American Potash company of Delaware, a corporation doing business at Antioch, Sherman county. The petitioners are creditors of the company. The Foster company filed a claim for \$12,000, the Buick company for \$5,000 and Dobson for \$3,000. They alleged that the American had committed an act of bankruptcy.

The petition states that the American Potash company has liabilities amounting to about \$375,000. That its

assets consist of outstanding accounts, merchandise, cash on hand, a large plant for the mining and manufacture of potash, which plant consists of engines, machinery and other equipment, fifty miles of pipe line and numerous pumping stations.

It is alleged that it is absolutely necessary for the preservation of the property that a receiver be named. The petition sets out that the company has on hand orders for 250 tons of potash and that it has sufficient coal, oil and other materials in stock to fill these orders but that the company has no credit to obtain the necessary funds for the operation of the plant, the payment of wages to workmen and unless such contracts are immediately performed a possible profit will be lost and there will be left on hand a large quantity of coal, oil and other materials for which there is no market.

The petitioners allege that the company has a number of outstanding accounts which demand immediate attention by a custodian appointed by the court, and that the officers of the company have given their consent to the appointment of a receiver without requiring him to give a bond.

It is set up in the petition that on December 4, 1920, the company committed an act of bankruptcy in that on said date it did admit in writing under the authority of its board of directors, to these petitioners that the corporation was unable to pay its debts and was willing to be adjudged bankrupt on that account.

The claim of Dobson & Co., is \$3,000, that of the Foster company \$12,000 and that of the Buick company \$5,000, all represented by past due notes.

The company has headquarters in Lincoln and has been operating two potash reduction plants at the town of Antioch, in Sheridan county. The capital stock of the corporation is in excess of \$2,000,000 and practically all of the stock is held by Lincoln men. The total indebtedness is estimated by W. E. Sharp, president, as between \$375,000 and \$400,000. The company's plants and lakes and leases on potash lakes, Mr. Sharp says, represent a value of \$2,500,000.

The cancellation of contracts for 12,000 tons of potash for future delivery by the American Agricultural Chemical company of New York was the primary cause of this action being taken, said Mr. Sharp. This potash had been contracted for at a rate that gave the American a reasonable profit, and when the company refused to take any more potash and would not agree at what future time it would do so, the company was faced with the alternative of stopping manufacture or going ahead on borrowed money. As the money market is tight and borrowing on potash that had not been sold would be a difficult proposition, said Mr. Sharp, the directors decided that the protection of creditors demanded that the company be placed in a receiver's hand. This will protect it from raids by nervous creditors.

"Financial conditions are the sole cause," said Mr. Sharp. "After the chemical company had ordered its contracts cancelled, I went down to New York. They showed me the books. They sell fertilizer, of which potash is a part, in the spring to cotton planters and southern farmers, taking notes due in the fall. The company had \$33,000.00 of notes coming due to it in October and November, and on these it had collected only 15 per cent. To continue making fertilizer means that they would have to grind it now and store it till spring and then sell again on time. They wouldn't do it, and so cancelled. Our contract with them is good, and litigation may follow."

"With no place to ship to, we, to save ourselves and our creditors, had to consent to have a receiver appointed. He will take charge and hold the property until business can be resumed. Several names have been suggested, but no one has been agreed upon. The court will attend to that. The company's property is worth a great deal in excess of the debts."

The American Potash company of Delaware is a combination of the old American, which had a prosperous career in the war times when potash prices were out of sight and big profits the rule, and the Western, which got into action just as the war quit. The American was first owned by Omaha parties, but was later bought by W. E. Sharp and combined with the Western, a total of several million dollars going into the combined properties.

The company was in much worse financial shape a year and a half ago. At that time its debts totaled \$1,400,000. It had a large amount of manufactured potash in storage that the fertilizer trust wouldn't buy because it hoped for German shipments to be resumed. It was finally sold. Since then the company has been manufacturing potash steadily and had reduced its indebtedness over a million.

And now a news report says stockings are coming down. (We know this is a bum joke, but it's not intended that way.—it's told as a matter of news.—McRae (Ga.) Enterprise.

And now is the time to take down your screens and let the flies out of the house where the poor things have been cooped up all summer.—Boonville (Mo.) Republican.

The frost is on the pumpkin now, a sight to make men weep; it's pretty and poetic, but—a frosted punk won't keep!—Oneida (N. Y.) Democratic Union.

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