

# NEBRASKA IN BRIEF

NEWS NOTES OF INTEREST FROM VARIOUS SECTIONS.

## ALL SUBJECTS TOUCHED UPON

Religious, Social, Agricultural, Political and Other Matters Given Due Consideration.

Western Nebraska has of late received some fine rains.

Hebron has taken steps to provide a complete sewerage system.

Arrests in Kearney have been materially lessened since the lid went on.

Weikamp's hardware store at Winstlow was broken into and about \$100 worth of knives and cutlery taken.

Charles Jacobs, who escaped from the penitentiary was captured by Marshall Goble near Prairie Home, and brought back to prison.

Henry Bucholtz, a young farmer living in the western part of Merrick county, was adjudged insane at a hearing of the the insanity board and has been taken to the asylum at Hastings.

A requisition was issued for the return of J. H. Storrs, alias J. H. McCarthy. The latter was arrested at Seattle and is charged with the embezzlement of the funds of the Horn estate.

Little Edwin Graham, of Fremont, 4 years old, was pulled out of a rain barrel just in the nick of time. While playing on the back porch at the home of B. A. Ward, the boy fell headfirst into the barrel.

Although only one-half of the average vote was polled for the proposed issue of \$100,000 bonds for the new high school building at Hastings, the proposition was defeated by a majority of 42 votes.

Butch Willard, who was being held in the county jail at Chappell on a charge of horse stealing, made his escape. He was given his liberty for a few moments, improving the opportunity to make his get-away.

Norris Brown is preparing to reopen the Senator Brown residence in Kearney. The daughters, Lucille and Jane, are at the Nebraska university, and will return to Kearney with Mrs. Brown at the close of the school year.

The case of State of Nebraska vs. Frank Tomka for violation of an injunction of the court was heard in court at Madison. Tomka admitted having violated the injunction alleged and the court adjudged him guilty and fined him \$100 and costs.

Postoffice employes are planning several interesting entertainments for the postmasters of Nebraska, who meet in Lincoln in their seventh annual convention June 8, 9 and 10. E. R. Sizer, postmaster in Lincoln, is president of the organization.

In federal court at Lincoln James Martin declared that he had been arrested and imprisoned in Nebraska City merely because he "was a nigger and had \$500 in the bank." He is suing William Liebold and Otto Jensen for damages to the extent of \$11,000.

Details have been received of a murderous assault on Dave Bailey, a former Central City boy, in Seattle, Wash. As a consequence of his being mistaken for a wealthy citizen of Seattle he was held up, robbed, choked, slugged, thrown into a lake and half drowned.

Misses Gretchen Spencer and Miss Vivian Rector, two young women of Nebraska City, who have been in Chicago for the last three years preparing themselves for the stage, have gone to New York city to accept a position with one of the leading companies, which travel out of that city.

Deputy Sheriff W. C. Condit, of Dodge county, has his left foot cut off at the ankle by a train at the Union depot in that city, while trying to save the life of Frank Kent, a young man temporarily insane, who was being taken to Lincoln for treatment. Kent also had a leg taken off and sustained other injuries which will probably prove fatal.

The recent heavy rain played havoc with the dam of the Albion electric light company, across the Beaver. The dam was put out of commission last fall and the company installed a steam plant to take its place until repairs could be made. The company last winter expended thousands of dollars and a vast amount of labor to put the dam in shape again and had just completed its work.

The sanitary conditions of the methods by handling cream in a large number of receiving stations are of such a nature as to require the attention of the State Pure Food commission, and an official notice has been sent out by Commissioner Mains that wherever conditions exist that will render cream or milk unclean or unwholesome, or where a sample of cream or milk has been taken before it has been thoroughly stirred, or where any false or unfair test has been made, the operator of such station will be subject to prosecution under the pure food law and his permit will be cancelled.

Twenty graduates will go out of the High school at Oakland.

The board of education of Grand Island has instructed a committee to investigate the cost of a manual training and domestic science department and it is expected that the same will be installed as part of the high school curriculum for next year.

At the school bond election held in Clay Center there were 149 votes for and 33 against. The proposition is for \$12,000 and the proceeds will be used to build a duplicate of the present structure, or rather to double the size under one roof.

# The Katydid Mine Swindle

By an Ex-Operative of the Secret Service

## Captain Dickson's Own Story of Unearthing a Colossal Fraud



AS A RULE the inspectors of the post-office department look after matters of fraudulent uses of the mails, said Capt. Dickson on a certain occasion when I had dropped in for a quiet smoke and a glass of sherry, but when a case develops unusual difficulties the secret-service department is called upon. This does not often happen, however, for there is a lot of rivalry between these departments and not a little jealousy. It is only as a last resort that our branch of the machinery of government is brought into requisition, and not until the post-office inspectors have failed utterly.

A case of this character occurred a few years ago in one of the larger western cities. It was a mining case—a company backed by \$50,000,000 capital stock—and, to all appearances, it was a legitimate scheme. Among its directors were four or five well-known western mining men, one I remember being an ex-United States senator. It advertised extensively in the newspapers and by circulars. Orders for stock were pouring into the company in such large quantities that it required two and three mail-wagons, sometimes, to haul a single day's mail.

The advertising matter of the company, which operated under the name of the Amalgamated Gold Syndicate, was cleverly written. It stated that the discoverers of the mine were two poor prospectors without kith or kin but with hearts overflowing with generosity, who, from the two millions of stock that each owned, derived a revenue greater than either could spend and, appreciating the afflictions of the poor and the scant opportunities for a man of small means to find a safe and profitable investment for his savings, they had decided to share their wealth and prosperity with their fellow men.

The company placed \$2,000,000 of stock upon the market each year, \$1,000,000 in January and \$1,000,000 in July. It advertised that no one person would be allowed to subscribe for more than \$100 of each semi-annual issue and that the subscription-books would be closed as soon as the requisite million was subscribed.

The post-office department became suspicious as soon as the advertisements began to appear, and the inspectors were immediately put upon the case. They worked for six months and found nothing that supported this suspicion in the slightest. On the other hand, they established beyond doubt that the mine had been discovered by two poor miners who had no relatives living, so far as could be determined; that they had induced capitalists to invest \$1,000,000 in cash in the venture, and had then organized and incorporated the Amalgamated Gold Syndicate with a paid up capital of \$5,000,000, selling the mine to the corporation for \$4,000,000 of stock. The mine was called "The Katydid," and it had been worked for a time by the corporation at a big profit. The two miners, poor no longer, had, after a time conceived their charitable scheme, and had put it through much against the wishes of the minority stockholders, who were powerless to prevent it.

Accordingly, the capital stock had been increased from \$5,000,000 to \$50,000,000 and the charter authorized \$2,000,000 of the increased stock to be sold each year.

The company apparently did everything that it advertised. It regularly paid its stockholders an annual dividend of 20 per cent.

Hudson, one of the miners, was president of the company, and in charge of the offices it maintained in the western city, which I have already mentioned, while Mason, the other of the discoverers, was general manager and in control at the mine. Both Hudson and Mason bore out the characters that the advertising matter of the syndicate gave to them. They dressed in rough, cheap clothing, chewed tobacco, and showed a disregard for money that is characteristic of men who have worked hard all their lives against an adverse fortune and who have suddenly come into great wealth. In everything they acted the parts of uncouth, uneducated sons of the soil.

At the Katydid mine, visitors were always welcome. They were shown over the properties with the greatest freedom, only one place, the small building where the metal was separated from the amalgam, was denied to them. Mason explained this by saying that the company possessed a secret process for refining which he had discovered and which was known only to himself, to Hudson, and to Belden, the company's chemist.

This, in brief, was the status of the case when I was put on it. It was given to me because I had been a miner and prospector and had studied geology and assaying.

After working a week on the case I was satisfied that the company was

a fraud, but I readily saw that I had no common crooks to deal with.

My figures showed that the mine was producing less than \$300 of ore a day, little more than enough to pay the expenses of operating, and certainly not enough to sustain the expensive offices in the city and pay the fabulous dividends on the stock.

I didn't take a bit of stock in Mason's claim of a secret process of refining. I knew that was a fake outright, but I wanted confirmation of it, and the only way to obtain this was to get inside the little building at the mine where Mason and Belden slept and where the separation of the gold from the amalgam was effected.

I had almost worked myself into a fever over it when, one night, I went up to my room at the little hotel of the mining camp after supper and sat down to read myself to sleep. I had bought a couple of paper-back novels at the drug-store, from its rather limited stock, and among them there was a copy of Victor Hugo's masterpiece. I had read the book before, but it was a favorite of mine and I hadn't much choice in the matter of selection. I was so wrought up over the question of getting into the refining-plant that connected reading was out of the question, so I skipped about through the book, reading a chapter here and

it was something after ten o'clock when I completed my investigation, and I decided to explore the pipe without further delay. I removed my shoes and hid them beneath a bowlder, looked to the cartridges in my revolver, a precaution I have always taken since a certain adventure down on the Rio Grande. Then I crept into the pipe. It was cool and clammy and as dark as a dungeon. I had a little pocket electric flash-light, but was afraid to use it, as the distance to the reducing-plant was less than 100 yards from the ravine.

My progress was slow and tiresome. Nevertheless, in good time, I came to a point where the pipe made an abrupt turn straight down, which convinced me that I was about at the end of my journey. I reached down the hole as far as my arm would go, but couldn't touch bottom so, after listening for a time and hearing nothing more than a distant drip, drip of water which was most lonesome, mysterious, and melancholy, I tore my pocket-handkerchief into strips and weighted it with a cartridge so that I might sound the inky depths below. I was sensible enough not to drop down into the pipe without making a reckoning, as I had learned this precaution by sad experience. To my great relief the plummet struck bot-



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tom about four feet down and I cautiously lowered myself, feet first, into the well.

It was rather close quarters, but I managed to feel about me in every direction, and to my dismay found that at this point the pipe divided into half a dozen smaller ones, none of them over six inches in diameter. This was a sad blow to my hopes and I felt almost defeated, so great was my chagrin. There was nothing to do but clamber back to the straight stretch of the pipe, where I paused a moment to think.

It was so dark that I couldn't see my hand before me, so I thought it safe to take out my pocket-lamp and examine my surroundings. Flashing it overhead, I was overjoyed to see that the bend in the pipe was arranged with a circular door which was held down by a spring catch which fastened beneath a flange. I released this, and was rejoiced to feel the door move upward when I pushed against it.

It was an opening large enough to permit a man's body to pass through it, and I suppose it must have been arranged so that the pipe could be cleaned out if it should become clogged with leaves or trash. At any rate it offered the much sought entrance to the building, for when I pushed the top upwards a few inches and peered out beneath it I could see the faint rays of the perfect moon re-

flected upon the bare brick walls of the building. With great caution I raised the lid upright and crawled out of the opening.

I was indeed within the mysterious building. In my excitement at this discovery I released my hold of the upright lid and it fell to with a metallic report that sounded, to my tense senses, like the boom of a coast-defense gun.

The next instant I heard a voice, which I recognized as Mason's, excitedly following:

"Who's that," he demanded. "Hey, Belden," he continued, "something's broke loose."

I didn't know what to do, so great was my surprise at my own rash act and its consequences.

I could hear Belden sleepily call back something that I could not make out and Mason reply. Then there was a creaking of springs and two dull thuds as the men sprang from their beds. It was a ticklish situation, and I certainly thought the jig was up. Luckily, neither of the men had a match and I could hear them swearing luridly over this fact, the rattle of a tin lantern punctuating their profanity. This gave me an opportunity to take a hasty survey of my surroundings. I sprang from my perch astride the big pipe to the concrete floor six feet below and scrambled beneath a long table that stood at one side of the room. There was just enough moonlight sifting through the dirty, iron barred windows to give me a bare idea of my situation.

The building was 30 or 40 feet in length and I was near the farther end from the room where I could hear the men stumbling about in the darkness and swearing like troopers. On every hand were tables and boxes and machinery and washing-troughs. Not a second too soon had I concealed myself, for scarcely had I reached the

table, my stocking feet making no noise upon the concrete floor, and warily approached the unconscious Belden. I could just make out his bulk, where he stood in a dark portion of the building, and I could hear the rustling of his clothing. He scratched a match and I held my breath. Fortune favored me. He was lighting a corn-cob pipe, his back fairly to me. Like a shadow I glided toward him and with a quick, sure stroke brought my heavy revolver down upon the back of his neck with a sickening, crunching impact.

He fell without a groan and lay like one dead. Nevertheless, I took the precaution to slip a pair of handcuffs upon his wrists, and then I sprang towards the door through which I could see the light of Mason's lantern advancing. I was not a second too soon. As Mason crossed the threshold I struck him a heavy blow upon the head and he went down like an ox in the shambles. I handcuffed him and picked up his lantern.

Next, I packed the unconscious men into the room where they slept and deposited them upon the bed, after which I set about restoring them to consciousness. This room opened into the office where was situated the vault. After some little time Mason groaned and sat upright.

"Well, pardner," was his crestfallen greeting, when he had looked me over carefully, "I guess you hold the trump cards. What do you mean to do next?"

He showed no resentment and seemed, at first, to think that I was a bandit. I showed him my badge which had an electrical effect upon him.

In my brief acquaintance with him I marked him as a man who would confess everything and endeavor to escape punishment by implicating his confederates, so I explained to him as much of my suspicions as seemed expedient and made several guesses. This quite overpowered him, and after it he was as pliant as wax in my hands. He confessed everything and opened the big vault for me and showed me the books of the company. I had expected to have some difficulty with him and to have to do more bluffing than proved necessary, but he did everything in his power to help me.

He said that he, Belden, and Hudson had turned the trick without assistance. They had conceived the gigantic fraud when the mine began to fail, and had experienced little difficulty in putting it into effect. On the fine showing the mine had made at first, they succeeded in getting \$1,000,000 invested in it, after which they had incorporated and begun to sell stock. They took the money they received for stock and converted it into gold coin, which they shipped to the mine, where it was melted down, run into bars, shipped back to the city, and sold as bullion, a part of it going to pay dividends.

I had suspected this when I had the quantitative analysis of one of their bars of gold made, for it had showed the percentage of amalgam that is used in gold coins. The last shipment of gold coin was in the time-lock safe, which wouldn't open until eight o'clock next morning, so I made a hasty examination of the books and then trussed my two prisoners up like turkeys while I went to rouse the marshal. He was an intelligent Irishman, who had knocked about the world a good deal, and it didn't take long to explain the situation to him. He accompanied me back to the mine, after I had wired instructions for Hudson's arrest, and relieved me of my charges.

I spent the night going over the books and examining the records in the vault, and by morning I had everything I wanted to lay bare one of the most colossal swindles ever attempted.

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