

Woman Testifies That She Paid Sutton Money for Police "Protection"

Kugel Surprised At Maloney for Calling Him Rat

(Continued from Page One.)

From September to December and yet he was unable to "get her talking to a man" until December. She insisted that she was telling the truth.

Judge Baker interrupted the proceedings by suggesting that the examination of witnesses should be confined to the charges against Maloney, rather than along lines of a general police investigation which is to follow. He and Attorney Murray, representing United Improvement clubs, mixed in several verbal melees which added to the levity.

"I believe we are over the hill on this hearing," remarked the mayor at the close of the session. Elsie Phelps and several police officers will be called next week. It is believed the Maloney hearing will be concluded Tuesday afternoon.

The charges against Detective Sutton will follow and then will come the general investigation of the police department.

Judge Westover of Rushville, Neb., sat with Mayor Dahlman. He occupies the district court bench in Dawes county and it will fall to him to hear the Chadron case unless a change of venue is granted.

Officers Inspect House.

Attorney Rine resumed examination of Mrs. Margaret Melson. She related that Sergeant Russell and Officer Anderson of morals squad went through her home at 610 South Twenty-fifth avenue on last Thursday evening.

"Who besides Sutton was at your place with Elsie Phelps?"

"A man named Jack."

Attorney Murray of United Improvement clubs:

"When was it you ran the dump on South Nineteenth street?"

"What did you call it?"

"Well, we will call it a house."

Luck Saves Her.

"You knew that Maloney was chief of detectives and that there was a morals squad? How did it happen that they didn't get you?"

"Don't know. Just luck, I suppose."

"You, as a trafficker in immorality of other women, now come up here to defame the name and character of Paul Sutton, his wife and children, do you?"

"I am here because I talked too much. I did not want to appear at this hearing."

Mrs. Melson remarked that Attorney Murray made her mad.

Attorney Rine: "How do you suppose Judge Baker knew of your knowledge of this case?"

"I suppose through Dolan and Wolf."

Locating Mrs. McCune.

Judge Baker: "This Mrs. McCune you spoke of is a daughter of Mrs.

U. S. GUNNERS LOSE FIRST U-BOAT FIGHT

Armed Tank Steamer Moreni Sunk After Running Battle With Submarine; Four of Crew Killed.

Washington, June 16.—American naval gunners have met their first defeat in open fight with a German submarine. Official dispatches today announced the destruction of the tank steamer Moreni, abandoned ablaze, June 12, by its crew and armed guard after a desperate running fight in the war zone, which cost the lives of four of its crew.

Half an hour after the tanker had been sent to the bottom, its forty-three survivors, including all of the members of the armed guard, were picked up with their life boats by a passing steamer. The German commander had set them adrift after congratulating the American skipper upon his game fight and having the wounded men treated by the submarine's surgeon.

The submarine began the action at a range of 8,000 yards, four naval miles, when it hardly was visible to the steamer without glasses. Presenting virtually no target itself, it sent 200 shells at the big tanker, making many hits, while the American gunners wasted 150 shots without harming the speck from which the deadly hail came.

The action of the submarine commander in treating his vanquished opponents with such unexpected courtesy was the subject of much comment. Germany has proclaimed its intention to treat British Armed merchant crews as pirates. In this case even the naval blue jackets and their officer, properly prisoners of war, were set free, along with the merchant crew.

Promise Report Concerning More Omaha Mail Carriers

(From a Staff Correspondent)

Washington, June 16.—(Special Telegram)—Congressman Lobeck was assured today by the Postoffice department that the matter of the delay in making a report for additional carriers badly needed at the Omaha post office would be taken up forthwith and that Superintendent "Joe" Johnson of Kansas City would be directed to see that the report be made immediately.

The question has been in abeyance for over two months and Postmaster Fanning is reported to be becoming somewhat heated because of dilatoriness in departmental action.

In conjunction with his talk at the department Mr. Lobeck today recommended three additional carriers for Florence.

England May Not Conform With U. S. Views on China

London, June 16.—Great Britain today dispatched to the United States a reply to the note addressed to the entire allied powers inviting them to associate themselves with the United States on the principles of the recent American note to China, which expressed regret at China's internal political difficulties and a hope that international peace soon would be restored.

The British answer expressed sympathy with the principles enunciated by the United States and a wish to do everything possible to conform with President Wilson's desires. But it adds that Great Britain naturally must view the situation from a slightly different standpoint than the United States and that she may not be able to do all that the president suggests.

Salazar, Villa Leader, Offers to Surrender

Juarez, Mexico, June 16.—Jose Salazar, once Villa chief of staff, appeared yesterday at Colonia Dublin, near Casas Grandes, and offered to surrender to the government commander at Casas Grandes if given amnesty. With Salazar was Manuel Gutierrez and Rodrigo Quevedo, two other Villa commanders, who also asked for amnesty. They had the remnants of their command, numbering fifty men, with them.

"During 1916 and 1917." "Isn't it a fact the first time you saw Mrs. Phelps was one night this week when you jumped on the running board of an automobile at Sixteenth and Farham streets to get a slant at her?"

"I did not. I just looked at her."

"Because, I wanted to make her speak to me. She said she did not know me."

Attorney Baker inquired of Murray whether the United Improvement clubs were defending Mrs. Phelps, whereupon Murray replied that his clients were intent, only on getting at the truth.

Murray continued: "How long have you known Steve Maloney?"

"Well, I saw his picture in the paper and then somebody broke into my home and I met him."

"With your splendid faculty for remembering names and faces tell us with whom you spoke regarding this case."

"Several. There was Mrs. McCune, a friend of mine."

"Why were you selling beer to officers for 25 cents a bottle when you were getting \$1 from others?"

"Because I was afraid of them."

Luck Saves Her.

"You knew that Maloney was chief of detectives and that there was a morals squad? How did it happen that they didn't get you?"

"Don't know. Just luck, I suppose."

"You, as a trafficker in immorality of other women, now come up here to defame the name and character of Paul Sutton, his wife and children, do you?"

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GERMANY NOW FACES BIG CROP SHORTAGE

Heavy Drought Reported Discouraging Most Optimistic; Food Rations Are Again Reduced.

(Via London), June 16.—Official admission of food difficulties in Germany, resulting from a shortage of potatoes and the inadequacy of grain stocks to afford a supplementary bread ration, is made in an announcement of the food control department.

The announcement states that the five-pound potato ration, which has long been the only official ration, will henceforth be abandoned, and that an attempt will be made to supply bread in the place of potatoes, for quantity must be reduced.

The Berliner Tageblatt reports, after having made inquiries, that two or at highest three pounds of potatoes weekly is all that can be supplied until new potatoes are available in mid July, and that instead of 140 grammes of bread hitherto supplied as a substitute for each failing pound of potatoes, only seventy grammes, or less than two and one-half ounces can be furnished hereafter.

The Tageblatt's statements regarding possible potato rations are interpretable as erring, if anything, on the optimistic side.

Drought is Threatening.

Prospect for the grain crop are becoming dark owing to the long continued drought. A few showers fell the first of this month, but the amount of rain fall is quite inadequate and for a fortnight the German weather reports from all parts of the empire have reported naught but cloudless or slightly cloudy skies.

There has been no precipitation at most only an occasional and isolated millimeter of rainfall and high summer temperatures prevail. These conditions on the light sandy soil in a large part of Germany are conditions most dreaded by the farmers. With such a season the crop experts, who a fortnight ago were saying that with plenty of rain an average crop could be expected, have of late discontinued discussion of an apparently unpleasant topic.

Sterling Would Know About Army Contracts

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Kirsanov Proclaimed Autonomous Republic

Petrograd (Via London), June 16.—The town of Kirsanov, in the province of Tambov, in Central Russia, has proclaimed itself an autonomous republic.

A fight between partisans of opposing parties there followed the proclamation and eight persons were killed and many wounded.

Uruguay Will Treat U. S. Ships as Nonbelligerents

Montevideo, Uruguay, June 15.—The Senate decided today that if American warships visit Uruguayan ports they will be treated as nonbelligerents. Warships rated as belligerents would be permitted to remain in port only twenty-four hours and would be limited as to the supplies which they might take on.

Huge Amount of Minnesota Guard Property Missing

St. Paul, Minn., June 16.—Disclosure that government military property valued at between \$40,000 and \$50,000, and issued to the Minnesota National Guard is unaccounted for in the 1916 records in the office of Adjutant General Fred B. Wood.

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Jones, who was indicted with Mrs. Phelps, and there has been an enmity between Mrs. McCune and Mrs. Phelps. Is that correct?"

"I understand so."

When Attorney Murray thanked Judge Baker for certain information the judge replied: "I don't think it would soak in on you anyway." Occasional polemics between Baker and Murray furnished the comedy element of the session.

Met at Riverside.

Attorney Elmer Thomas quizzed Mrs. Melson regarding her personal history and why she conducted a disorderly house when she had a husband who was supporting her. The witness reiterated that she first met Mrs. Phelps at the Riverside.

"I object to Mr. Kugel being called by the Improvement clubs. I have no objection if he appears of his own volition," said Judge Baker when a request was made by Attorney Murray for the United Improvement clubs.

"My thought is this: If this is a general investigation, all right, but this is an investigation of Maloney and we should not be made the goat," added Kugel.

"I understand," said Attorney Thomas, "that Mr. Murray wants to ask Kugel questions regarding Maloney. I can't see the objection."

Kugel Takes the Stand.

Baker withdrew his objection, Kugel took the stand and Attorney Murray examined him:

"You are superintendent of police department?"

"I think so."

"You know Hanney Wolf?"

"Yes."

"Ever see Officer Unger and Harry together?"

"Yes, at a meeting at Thirteenth and William streets last winter. Spoke to them and in five minutes Unger disappeared. I thought it was strange. Later I was told Unger was traveling with Wolf a great deal. Later was told four officers were playing cards at Fourteenth and Howard streets at midnight and Unger was one of them. I called Chief Dunn in and gave him the information and told him to investigate. Later I asked him what he learned. He said Sergeant Dillon, investigated, but found nothing."

Wolf Makes Raids.

"A man on telephone said the four were Unger, Barta, Walker and Wolf. A saloon man told me Wolf was making raids with our men; that they were raiding some places and letting some alone. I called the station and gave orders that Unger should travel

Mrs. Melson said her nickname was "Tode," and her baptismal name "Margaret."

"Mrs. Melson is sick and wants to be excused," announced the mayor. She will be recalled on Monday.

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saloons that were selling liquor after 8?"

"Only from the records."

"You had reports of saloons open after 8 o'clock?"

"Lots of them."

"Follow them up?"