

Sidney Bank Loan Bad, Says Hart

Advance of \$33,000 to Cold Storage Company Violated State Laws, According To Nebraska Official.

Hints At Prosecutions

Lincoln, Aug. 12.—(Special.)—Officers in the defunct Nebraska State bank at Sidney broke the state banking laws by lending the Sidney Artificial Ice and Cold Storage Company \$33,000, according to a statement today by J. E. Hart, secretary of the state department of trade and commerce.

The law specifies that no bank shall lend any one individual or company more than 20 per cent of its combined capital and surplus. The officers are liable to a \$500 fine for this offense. This is the maximum penalty provided by statute.

The Nebraska State bank had no surplus and its capital was \$50,000. Under the law it could lend but \$10,000 to the ice company, and not \$33,000, according to Hart.

Many Common Interests

This loan to the ice company looks especially bad, according to Hart, because in the secretary of state's office records show that John A. Simons, president and general manager of the ice company, is a director of the bank; F. D. Woolridge, secretary and treasurer of the ice company, is vice president of the bank; F. M. Woolridge, director of the ice company, is president of the bank, and Isabella D. Woolridge is a director of the ice company.

"There was another failure to comply with the state laws in the management of the failed bank," stated Hart. "This was the failure by \$3,000 of having 15 per cent of the capital and deposits in excess of loans. There is no penalty for this offense, however."

Gives Out Report. Hart today gave out the report of the condition of the bank May 23, the last report filed.

"It showed the capital to be \$50,000; deposits, \$23,000; loans, \$23,000; cash and due from bank, \$36,500; banking house furniture, fixtures and other real estate, \$31,500; bills payable, \$23,000.

There are seven directors in the bank and five of them are members of the Woolridge family. F. M. Woolridge is president; F. D. Woolridge, vice president; M. L. cashier; wife and mother; C. E., assistant cashier; H. O., assistant cashier; daughter, J. A. Simons and J. W. Harper are the two other directors.

"You may rest assured that everything will be done to prosecute anyone found responsible for the failure of the bank," Hart said.

Public Getting Peeved

"The public is getting in the mood of handling bank wrecks the same as they used to handle cattle rustlers on the plains in Nebraska.

"When we received the last report on May 23, we withheld action in closing the bank because the harvest was coming on and there was a good crop out at Sidney.

Entire Police Force Of Town Under Arrest

Duquoin, Ill., Aug. 12.—Duquoin faced the unique situation yesterday of having its entire police force arrested on different charges. Chief of Police J. E. Eastman and Motor Cop E. L. Neill were arrested on a charge in connection with the arrest of three men who were alleged to have stolen goods from an Illinois Central freight car.

Patrolmen Kelley and Cook were arrested following an altercation Tuesday night in which Attorney L. A. Cranston was badly beaten while trying to prevail upon Kelley to accept a bond for the release of a client. All of the officers were immediately released on bond and resumed their official duties.

Passengers From San Jose Reach San Diego on Destroyer

San Diego, Cal., Aug. 12.—All passengers, mail and baggage from the steamer San Jose, grounded off the coast of Lower California, were brought here last night on the destroyer Farquhar, as was also \$500,000 in gold bullion taken from the San Jose's vaults after it had struck. Among the passengers was Charles C. Phillips, 5141 Germantown avenue, Philadelphia.

Bad Tile Halts Work

Norfolk, Neb., Aug. 12.—Federal road workers have stopped the work of laying tiling on the Norfolk-Park Creek highway following an unsatisfactory report from laborers. Approximately 75 per cent of the tiling has been completed.

Free Lances Wreck Bootlegging Trade; Everybody Doing It

Hammond, Ind., Aug. 12.—Bootleggers are hard hit by the industrial depression and say that it would not be so bad if so many hadn't tried to break in the game when they lost their jobs. One said yesterday:

"It is discouraging to pick out a prospective customer; call him off to one side to make a sale and then find that the bird has a pint on his lip and was figuring on selling it to you. It seems like every fellow I tackle is a bootlegger and we can't sell to each other. I could pick up several cases of liquor at a good price, but I'm not going to tie up any more money with all these free lances running wild."

Nearly Quarter Million Paid to Stock Salesmen

Official Asks Advice As To Forcing Return of Commissions to Shareholders in Defunct Concerns.

Lincoln, Aug. 12.—(Special.)—The defunct Nebraska Building and Investment company and Nebraska Hotel company paid salesmen \$227,267 to sell their stock, according to a report filed in the Lancaster county district court by W. E. Barkley, receiver.

Barkley tells the court that he wants advice as to what action to take, if any, in attempting to force these salesmen, numbering approximately 150 and including many well-known Nebraska citizens, to return the money to the stock owners.

Nor does this \$227,267 include all the money spent by promoters of the bankrupt companies for commissions.

In Confused State. Barkley says in his report: "It is impossible to ascertain just what any certain certificate cost to market for the reason that some of these persons drew straight salaries, some drew salaries and expenses, and some were paid, specially, such as R. B. Hendrix."

When he left the company he claimed instrumentality in disposing of large blocks of stock to stock salesmen, and that he had been insufficiently paid for same and in consequence the Nebraska Building and Investment company gave him a house and lot, the house having cost the company \$7,094.20 to build."

Barkley further explains a bad mixup in which he finds himself in the attempt to straighten out the return of commissions paid to the stockholders because, he asserted in his report, prior to July 19, 1919, sales were lawful under the laws then in effect.

Litigation Under Way. After that date, when the legislature succeeded in putting a new blue sky law into effect, sales, and according to records, of stock were secured by a permit to sell stock was given by the Nebraska Building and Investment company.

Barkley, in listing the salesmen and stating the amount of commissions they received, does not specify which part of the commissions received came from stock sales after such sales were alleged to have become unlawful under the new law.

Civil litigation is under way at the present time in an effort to return some part of the thousands of dollars derived from the sale of stocks to the purchasers. According to a statement by state officials it was agreed to withhold criminal prosecution, if any is started, until after the civil odds and ends are picked up, as it was held by officers investigating the company that the civil action before the criminal action and expense involved in the latter, together with tying up of settlements while criminal action was pending, would benefit stockholders in the companies to get more money back.

Preacher Says Priest He Killed Struck Him

Birmingham, Ala., Aug. 12.—Edwin R. Stephenson, barber and itinerant preacher, who yesterday shot and killed Rev. Rev. James Coyle, dean of North Alabama for his Catholic church and pastor of St. Paul's church, had little to say today regarding the shooting.

"I remonstrated with him for marrying my daughter, Ruth, to a man against whom we had lodged objections," said the prisoner. "I called him a dirty dog. He struck me and then I shot him."

Father Coyle was shot on the porch of St. Paul's rectory and died in a hospital without regaining consciousness. Members of the priest's family saw his assailant approach the rectory, but did not hear the conversation.

Mason City Packer Dies

Mason City, Ia., Aug. 12.—J. E. Decker, 72, founder of the J. E. Decker and Sons packing plant, died at his home here last night, following an illness of two years. One son, Jay, now head of the packing company, and two daughters, Gertrude and Mrs. E. R. Dunlop, survive their father.

Bricton Is Summoned Into Court

Stormy Hearing on Injunction Plea in U. S. Court Ends With Order for Examination.

Stock Sales \$360,000

Federal Judge Woodruff signed an order yesterday that O. A. Bricton, president of the Bricton Manufacturing company, a tire manufacturing concern incorporated for \$5,000,000, appear in federal court this morning.

He further ordered that Mr. Bricton "bring with him all books and records of every kind and description pertaining to the affairs of the company," and that he "submit himself to an examination of the affairs of the company."

The order was the outcome of a short hearing before Judge Woodruff of the petition of stockholders asking that the company be enjoined and the appointment of a receiver.

Find Doors Locked. F. A. Mulfinger, representing stockholders, declared during the hearing that "every stockholder who endeavored to gain information into the affairs of the company found the doors of the company office in the Woodmen of the World building locked."

"I can prove that \$360,000 acquired through the sale of stock in the company entered the hands of Mr. Bricton," said Mulfinger. "We don't know where a cent of the money is. A \$28,000 lot purchased to build a factory on is all there is to show for the money, and there has been no effort to start building the factory."

"Swobe is at the bottom of the whole thing," interjected Michael C. Culhane, Minneapolis attorney representing Mr. Bricton.

Gets No Satisfaction. "With reference to Swobe," shouted Mulfinger, "I'll say on my reputation as a man and an attorney that he had nothing to do with the matter. This is an action brought by stockholders."

"I want to tell the court of a personal experience in dealing with the matter," exclaimed Robert J. Webb, also representing stockholders. "When the matter was first brought to my attention I called the Bricton office. A girl answered and I got no satisfaction."

"I then went up to the office. The door was locked. I walked to the end of the corridor and turned in to see a man insert a key in the door and enter. I went back and again failed to get in."

"Hell Be Here." "It seems that the 1,200 stockholders in the company trying to get information have found nothing but a locked door," observed Judge Woodruff. "This seems to be a situation (Turn to Page Three, Column Five.)"

Police Battle Crowd Who Defy Train Crew; 50 Men Are Captured

El Paso, Tex., Aug. 12.—Police, deputy sheriffs and prosecutors battled with a crowd of 75 illegal train riders about five miles from here this morning, after the train had refused to get off the track which was pulling into the city.

Conductor Aragon Binkley attempted to make the men leave the train. They refused after making threats, according to reports received at police headquarters.

The conductor dropped off the train at Lanark, N. M., a station not far from here and warned the chief dispatcher. All available officers in El Paso went to meet the train. Just before it pulled into the city limits, the illegal train riders saw the officers approaching, fled from the train and hid under a trestle and in the hills, some of them firing at the officers as they approached.

Seeking cover, the officers took up the fire. Fifty men were captured. Among them were two alleged army deserters.

Woman Charged Denver Man Is Her "Love Mate"

Denver, Aug. 12.—Miss Nellie Phillips, 25, made a formal complaint to a probation officer today against George Stoffel, garage owner, charging that she was his "love mate," that she had borne him two children and that he took them and turned them over to his legal wife who had no children.

Miss Phillips charges, according to court authorities, that Stoffel has maintained two residences for four years, one for her and one for his wife. The young woman avers that by mutual agreement between herself and Stoffel's wife, she and his wife have shared Stoffel's time half and half.

Petrified Man Found In Tennessee Ear Equipped With

Knoxville, Tenn., Aug. 12.—The information as to the petrified body of gigantic proportions found near Helenwood, in Scott county, Tennessee, has been received here.

Cruise Sexton of Helenwood, found the "devil," as he calls it, July 20, last, while prospecting for coal. The formation was five feet under ground. It weighs something like 500 pounds and has a horned head of abnormal size. Its mouth is of unusual size, with 24 prominent front teeth. Long wings of brownish color reach from the shoulders almost to the ankles.

Upper Silesian Tangle Left To League of Nations

France and Great Britain Decide to Refer Question of Boundary From Supreme Council.

Paris, Aug. 12.—(By The Associated Press.)—France and Great Britain have decided to refer the upper Silesian question to the league of nations it was announced here today. This question which involves drawing a frontier between Poland and Germany in Upper Silesia, threatened yesterday to bring about a break in the meeting of the supreme allied council.

Colonel George Harvey, American ambassador to Great Britain told the council this morning that the United States government had thought from the beginning that the Upper Silesian question was purely a European one, and as it now was to be referred to the league of nations on which the United States was not represented, he thought he would be interpreting the view of his government by not participating in the decision to refer the question to the league.

To Send Reinforcements. On the question of additional allied troops for upper Silesia the supreme council adopted in principle a plan for sending reinforcements from the league of nations which had handed down its decision on the Silesian question, Great Britain, Italy and France each to send its share. Meanwhile, the supreme council is sending warning to the German and Polish governments that order must be maintained in the disputed territory.

The decision to refer the whole Silesian problem to the league of nations was unanimously approved later at a meeting of the council. This decision was considered here today to have solved the crisis that arose between France and England.

It was announced that "certain insurmountable difficulties which had arisen between Italy, Japan and England on one hand and France on the other" had given rise to the solution decided upon.

Suggested by Lloyd George. The suggestion that the matter be referred to the league of nations was made by Mr. Lloyd George, and M. Briand concurred immediately.

M. Briand wore a satisfied air upon learning that the Italian and confirmed reports that a settlement had been reached.

It was said that previous to the council session, Colonel Harvey's opinion was not asked and was not proffered. It was learned that Premier Briand proposed to Mr. Lloyd George this morning that the United States be asked to arbitrate the Silesian controversy, but this

Planning New Highway In Western Nebraska

Oshkosh, Neb., Aug. 12.—(Special.)—A big delegation attended the highway meeting at Broadwater last evening. The plan is to promote a new highway through the state connecting at the state line north of Julesburg, Colo., with the Gulf Plains-Canadian highway, running thence direct north to Oshkosh, on the North Platte river valley to Lisco, Broadwater, then north to Alliance and Chadron, then to the South Dakota line.

The line is marked through Colorado and a good portion of the road is being constructed and at an early date the work will commence on the Nebraska portion. This highway is the first north and south road of any proposition to cross the western part of Nebraska and will meet a heavy demand for connecting route with the different east and west highways.

Hastings Business Men Organize New Lions Club

Hastings, Neb., Aug. 12.—(Special Telegram.)—The Hastings Lions club, as a part of the International Association of Lions clubs, was organized last night, with C. G. Lane, president of the Exchange National bank, as president. The vice president is C. C. Vanden C. B. Trimble and Harry Proffitt and secretary G. N. R. Browne. Meetings will be held each Tuesday.

Indemnity Payment to Be Made on Time, Says Vorwaerts

Berlin, Aug. 12.—The Vorwaerts announced that the payment of 1,000,000,000 gold marks to the negroes will be made August 30 according to schedule. This newspaper also states that the dissolution of the German self-protection troops in upper Silesia would take place soon.

Harvard Sits In Again--As An Observer

"Come on, let me deal you a hand. You needn't bet if you don't want to."



Washington, Aug. 12.—President Harding today announced the selection of Secretary of State Hughes to head the delegation to represent the United States in the Washington conference on limitation of armaments and Pacific and far eastern issues which menace international tranquility.

The president further announced that he passed on to his secretary of state all responsibility for the conference henceforth except, of course, the naming of the other members of the American delegation.

The president believes, according to his advisers, that he has done his full duty in bringing about the world conference, which already begins to assume an importance as vital to the nations as the Versailles peace conference. The president does not believe that he, as the president of the United States should push himself into the conclave further. He will, of course, in his capacity as president of the nation which invited the conference, address the delegates when they convene November 11, but after that his relation to it will be an advisory one.

Confidence in Hughes. Having implicit confidence in his secretary of state, the president, in striking contrast to the course of President Wilson in the Versailles peace negotiations at Paris, has informed Mr. Hughes that he is relying upon him for direction of American efforts in endeavoring to bring about a settlement of world problems which will permit reduction of armaments. Negotiations with the powers over the scope of the conference, the details of the agenda and the controversies that may arise in this connection with Japan or others of the participating powers, will be in the hands of Mr. Hughes.

This does not mean that the president will not be in constant touch with developments and consult frequently with the secretary of state, but it does mean that President Harding, having brought the allied and associated powers and China together for discussion of the vital problems outlined in his invitation, is going to retire from the limelight and entrust the work of the conference to the men he will choose to represent the United States.

Valera Answer Raises Questions For Negotiation

Dublin, Aug. 12.—(By The Associated Press.)—The letter from Eamon De Valera, Irish republican leader, delivered to Premier Lloyd George yesterday, is neither an acceptance nor a rejection of the Irish peace proposals, it was learned here today.

The letter raises various questions to which an answer is necessary. The answer may serve to facilitate future dealings, it was said, and is not expected to lead to a break in negotiations.

There was no excitement in Dublin today over Mr. Lloyd George's return from Paris, as it was said that no unexpected development had occurred in the Irish discussions. When Mr. De Valera left London it was recalled today by Irish leaders, the statement was given out that a basis had not been found for further conferences, and it was stated in Irish circles that the time since Mr. De Valera's conversations with the British prime minister merely had been spent in trying to find this basis. It has not yet been found, it was added.

Hungary May Negotiate For Peace, U. S. Note Says

Budapest, Aug. 12.—(By The Associated Press.)—The Hungarian government has received a note from the United States government communicating the text of the resolution passed by the American congress early in July regarding peace with Austria and Hungary. The note adds that if Hungary adheres to the principles expressed in the resolution negotiations for peace can be commenced immediately.

Masked Men Whip Negroes; Marshal Told to Resign

Orlando, Fla., Aug. 12.—Two negroes were whipped and the town marshal of Longwood, a small town near here, was requested to resign last night by 16 masked men, according to word received here.

The marshal's activities in attempting to enforce the state laws prompted the request for his resignation, it was said.

The marshal was placed in an automobile and taken into a woods where the negroes were being detained. The marshal then witnessed the thrashing of the negroes. They were whipped for blocking the roadway in their vehicles, it was stated.

Hughes To Preside At Conference

Harding Passes Full Responsibility for Disarmament Parleys to Secretary of State.

May Name One Woman

Chicago Tribune-Omaha Bee Special Wire. Washington, Aug. 12.—President Harding today announced the selection of Secretary of State Hughes to head the delegation to represent the United States in the Washington conference on limitation of armaments and Pacific and far eastern issues which menace international tranquility.

The president further announced that he passed on to his secretary of state all responsibility for the conference henceforth except, of course, the naming of the other members of the American delegation.

The president believes, according to his advisers, that he has done his full duty in bringing about the world conference, which already begins to assume an importance as vital to the nations as the Versailles peace conference. The president does not believe that he, as the president of the United States should push himself into the conclave further. He will, of course, in his capacity as president of the nation which invited the conference, address the delegates when they convene November 11, but after that his relation to it will be an advisory one.

Confidence in Hughes. Having implicit confidence in his secretary of state, the president, in striking contrast to the course of President Wilson in the Versailles peace negotiations at Paris, has informed Mr. Hughes that he is relying upon him for direction of American efforts in endeavoring to bring about a settlement of world problems which will permit reduction of armaments. Negotiations with the powers over the scope of the conference, the details of the agenda and the controversies that may arise in this connection with Japan or others of the participating powers, will be in the hands of Mr. Hughes.

This does not mean that the president will not be in constant touch with developments and consult frequently with the secretary of state, but it does mean that President Harding, having brought the allied and associated powers and China together for discussion of the vital problems outlined in his invitation, is going to retire from the limelight and entrust the work of the conference to the men he will choose to represent the United States.

Hughes to Preside. As head of the American delegation, Secretary Hughes will undoubtedly be chosen to preside over the conference when it is organized and in this capacity he will be elevated to a post of world prominence that will rank with the eminence of Clemenceau at Versailles.

Who will be Mr. Hughes' colleagues on the delegation is yet undetermined. The president will not name them until negotiations have been concluded with the powers as to the size of the personnel for each. There will be no hard and fast line drawn, however. Inasmuch as all delegations will act as units it will not be necessary to insist upon an equal number of representatives from each country. The wishes of the respective governments in the matter will be respected.

Great Britain, it is understood, will be represented by members from the dominions, vitally interested in far eastern questions, as well as the representatives of the home government. This being so, the British delegation may number as many as seven or eight. Other powers may send only three or four.

May Name One Woman

The president, it is believed, hopes to appoint at least five to the American delegation and possibly six. Whether a woman will be one of them has not been decided, but agitation for such appointment continues.

An administration official today, discussing the importance of the conference and its possibilities, declared that this government fully realized the difficulties of the undertaking and that the representatives of the United States would enter the conference determined to hold their ground in the discussion of eastern issues, "which have been" and "are" matters of international concern.

The conference, he said, will be a practical, hard-headed one. The representatives of the powers represented must go there to look each other straight in the eye. They must keep their feet on the ground and, above all things, "stop seeing visions."

Pure Live Stock Boosters Complete 1,400-Mile Trip

Hastings, Neb., Aug. 12.—(Special Telegram.)—The Nebraska Hereford boosters completed today a 1,400-mile trip by auto when they arrived in Hastings. There were 50 persons in the train and 30 towns had been visited this month. They were given a cordial reception everywhere and in many places fully 500 or more were on hand to greet them. They report the manifestation of great interest in the breeding of pure live stock.

Sunday Bee Features

"A Daughter of Pan" Blue Ribbon Short Story
By STEPHEN M'KENNA

Woman's Section Comprehensive Society News
GABBY

Kids A Full Page of Features
for the Children.

Roto AUTO-CAMPING at ELMWOOD
And First of New Series "OMAMANS ABROAD"

Sports News and Features
Bright and Breezy

"How France's Crown Jewels Are Guarded"
By STERLING HEILIG.

Sunday Bee Features