

Brokers' Dupes Lose Millions by Secret Books

One Bankrupt Firm Short More Than a Million for Six Months in 1921, Banton's Inquiry Discloses

Insolvency Always Plain Prosecutor Uses Revelation as Argument in Support of Supervision by State

Examination of the books of one of the failed stock brokerage concerns whose affairs have come up for criminal investigation has brought to light some figures on short sales that led District Attorney Joab H. Banton to issue a statement yesterday renewing his advocacy of a state inspection system for stock brokers similar to that prevailing for banks.

The books, according to the statement, show that the concern in question was short from \$1,125,000 to nearly \$3,000,000 worth of stocks each month from July to December, 1921, inclusive. If the records had been open to inspection, as are the books of banks, it would have been discovered in any month from July onward that the house was short of stock to the value indicated, its dealings would have been suspended at once and the subsequent losses due to short trading alone prevented.

Saving of \$1,331,000 Possible If the books had been examined in July, 1921, and the assets liquidated, \$1,331,000 would have been saved to the investors in this particular instance, the statement points out.

No mention is made of the contrast of results obtained in the case, assuming it to be the Dier matter, and that of E. M. Fuller & Co. The receiver for E. M. Fuller & Co. obtained possession of the firm's books immediately after the failure, and without reservations. Subsequently he signed a paper guaranteeing to Dier and his partners full protection of their constitutional rights not to be subjected to any form of inspection in the books to be used as testimony against them.

In the Fuller case a stipulation was signed before the books were surrendered, and although the District Attorney has brought another suit, it is believed the Supreme Court will have to reverse previous constitutional opinions if he is to get them. Therefore, it is doubtful, bankruptcy lawyers say, if any existing evidence of the kind contained in Mr. Banton's statement may be obtained in the Fuller inquiry.

One Firm Has 1,000 Books The statement says that examination of the documents of brokerage houses is a long process, as none of the records can be overlooked when searching for evidence. One house had about 1,600 books, another 500 and another 150, Mr. Banton says, and then continues:

"Some interesting facts are being revealed in the examination of the books now held by the District Attorney. The books of one firm, following falling starting condition of the firm's business six months before it failed. The months are for 1921, the first figures are the number of shares the firm was short, and the total following is the value of the shares:

July, 62,850, \$1,572,460; August, 72,340, \$1,792,395; September, 79,700, \$1,850,333; October, 97,640, \$2,476,299; November, 127,939, \$2,471,603; December, 173,570, \$2,902,956.

Had there been supervision of the books of this firm of brokers by any state department in July of last year a slight investigation would have revealed that this firm was short of accounts 62,850 shares of the value of \$1,572,460.

"The result would have been that if the supervising agent had been the State Banking Superintendent the affairs of the firm would have been taken over in July, 1921, by the State Banking Superintendent and liquidated for the benefit of the customers. This would have been a saving to the investing public of the difference between the July shortage and the December shortage, or, in dollars, approximately \$1,331,000.

Insolvency Revealed by Figures "As a matter of fact, the books of this firm show that the firm was insolvent long before July, 1921, and an investigation by a supervising agent of the state would have revealed that fact long before that month and would have saved a much larger sum to the investing public.

"Had a brokerage concern been a private banking concern the deposits of its customers would have been saved and the larceny of their money would not have occurred. Is there any reason why we should make a difference between bankers and brokers and permit brokers to run wild with their customers' money?"

"This startling revelation in the particular books above mentioned is that these brokers went short on a United States certificate of deposit. In the simple language of the uneducated investor in Wall Street that means that, although customers gave the order and paid for United States certificates of deposit, this brokerage house failed to execute the order. The only explanation for the brokers' conduct is that they would have figured that United States certificates would decline in value and they could take a chance in bucketing the order. Bucketing orders means stealing customers' money."

Preacher's Trick Fails To Fool Hungry Robins

Special Dispatch to The Tribune PITTSBURGH, July 23.—The Rev. William J. Ferne, pastor of St. John's Evangelical Lutheran Church, Perryville, admits that he has met defeat in matching wits with the robins to determine who should have the cherries in his orchard. To save his fruit from the ravages of the birds he fastened in the center of each tree a long pole from the top of which streamed ribbons of various hues. The wind flung these ribbons about in a fashion calculated, the minister assured himself, to strike terror to a robin's heart.

To-day the clergyman discovered that the robins, scorning the streamers with which he had laboriously fitted the trees, were gorging themselves on cherries. He also found in a peach tree a quarter of a mile distant a robin's nest in process of building from which fell the ends of several of the ribbons.

Profiteers Trying To Control Markets, Hylan Tells O'Malley

Condole Commissioner in Letter Declaring Move Is on Foot to Stop Street Sales and Gain Monopoly

Mayor Hylan wrote to Edwin J. O'Malley, Commissioner of Public Markets, yesterday to condole with him over the alleged attempts of food profiteers in Brooklyn to run the public markets for their own private profit. "The conduct of these profiteers," wrote the Mayor, "will not seem so surprising when it is remembered that by the establishment of open air pushcart markets under municipal supervision the city has been enabled to reduce considerably the cost of produce to consumers and at the same time protect the profiteers to lower their prices proportionately. Thousands of dollars which would otherwise have gone into the pockets of the profiteers have been saved for the purses of the poor. It is very plain that if these profiteers can succeed in closing up the municipally established markets they will gain secure the monopoly they enjoyed heretofore and will resume their old practice of robbing the public through extortionate prices for farm products."

"The annoyance to which you have been subjected is all a part of the profiteers' program to accomplish their purpose. Do not be surprised at any move they may make. I understand that they have raised a large sum of money and have already employed two lawyers, and that it is their determination to use every possible means to close up the street markets and regain their previously enjoyed monopoly.

"Do not be discouraged by the maneuverings of the food profiteers. An election is coming on in the fall and you may expect the air to be thick with the schemes and plots and charges of disappointed interests. You recall the disgraceful action of the Admiralty grand jury and the equally shameful proceedings of the Meyer investigating committee.

"Now we are to face some more atrocious and some of these same manipulators and their friends, who are conspiring behind the curtain with politicians and others in Brooklyn to discredit and embarrass the city administration and to close up the municipally established open-air markets which have saved thousands of dollars for the poor, so that the same old profiteering combination can again get a monopoly and extort tremendous profits from the people of Brooklyn."

Stained Glass Windows Becoming Popular Again

British Public Buildings, Restaurants and Offices Using Color Designs

LONDON, July 6 (By Mail).—A revival of the stained glass window art is reported in an interview in "The Daily News."

"Color is coming into its own again in all directions, and the revival of the demand for stained-glass windows in decorative design is a phase of the general movement for more artistic coloring in everyday life."

This view was expressed by Mr. Reginald Bell (of the firm of Clayton & Bell, glass painters to the King), designed the dome of the British Pavilion for the forthcoming exhibition at Rio de Janeiro.

"Formerly the average man associated stained-glass windows with churches and cathedrals. To-day he can, if he chooses, find them in many kinds of public buildings, clubs, restaurants, offices of big firms, some shops, and in a progressively large number of private residences. Stained glass in architectural design has, in fact, regained the position it held in the Middle Ages."

The art of stained-glass making and window designing is to-day almost exclusively British.

"There is no secret of the art of the Middle Ages that is not known to-day. If anything, modern work is better than the medieval. The work of the Middle Ages developed his artistic trial and error; he knew nothing of the modern chemistry of the business."

Ryan's Affairs To Be Aired at Meeting To-day

Attorney Caffey, Receiver in Bankruptcy Case, to Call Conference of Bankers and Other Creditors

Value of Operator's Interest in His Firm, Listed as Asset, Not Yet Determined

The affairs of Allan A. Ryan slept yesterday over a quiet midsummer Sunday, the one or two persons connected officially with the colored bankruptcy of \$32,438,000, which came, paradoxically, after a successful market corner, one that left a trail of trouble, stating that they had exhausted their scant funds of information available for publication on Friday and Saturday.

Two important points connected with Mr. Ryan's voluntary petition in bankruptcy, which Judge Augustus N. Hand received late Friday afternoon, and upon which he appointed former United States Attorney Francis G. Caffey receiver, authoritative information in advance of an investigation, it was said, could not possibly be obtained.

These points are, first, what valuation can be placed upon the collateral forming the security for the bank loans, some of which was lower than the amount of the loan even at the time the transaction took place, and, second, what the 80 per cent interest held by Mr. Ryan in Allan A. Ryan & Co. really represents.

Miller's Information Scanty David Hunter Miller, attorney for the receiver, said yesterday that his knowledge of these matters just then was negligible. Mr. Miller said that while Mr. Ryan's petition was a personal one and did not bring in the value of the 80 per cent interest in Allan A. Ryan & Co. as an asset in favor of the creditors would depend upon the situation existing between the bankrupt and the company at the time of the failure.

In this connection the securities delivered by Mr. Ryan to the firm and then rehypothecated might play an important part.

There are many angles of the bankruptcy petition to be considered, Mr. Miller said, and until the receiver has gone over the ground and has become familiar with it it is difficult to explain the intricacies of the \$32,000,000 failure.

Colonel Caffey had arranged to leave town Friday night to be gone until to-day. Mr. Miller said, and had been unable to get to the office when notified of his appointment as receiver. Hence he had had no time to examine the bankruptcy, except most superficially.

Conference May Be To-day There is to be a conference, probably to-day, of the various interests concerned in the Ryan case. Colonel Caffey had fixed neither time nor place and had not issued the invitations, but that he knew it was the receiver's desire to hold such a conference at the earliest possible moment and to go over the situation before proceeding further with his duties.

Besides Mr. Miller, the only other person who responded to the telephone yesterday was George L. Lewis, Mr. Ryan's attorney. Mr. Lewis when reached late in the afternoon said he had not been playing golf all day and had not been asked to join in a conference up to that time.

"Neither Mr. Ryan nor myself expect to make any statements," Mr. Lewis said, "unless something important happens that I don't know about just now. I have not been invited by Colonel Caffey to go to any conference up to the present, but if I should be asked, I shall in all probability go."

Thought Ryan Had Balance When the Guaranty Trust Company and Alvin Untermyer, acting for various banks, executed a trust deed with Samuel Untermyer, attorney for Mr. Ryan, on December 15, 1920, it was said that in the course of time liquidation of Mr. Ryan's assets undoubtedly would net him a substantial margin. This statement was made after Stutz stock had dropped from \$560 a share on the New York Stock Exchange to a place on the curb. The properties behind Mr. Ryan's assets then were said to be worth much more than the amount of the loans.

John Skilton Williams, then Comptroller of the Currency, said in a statement issued at Washington, that Mr. Ryan seemed to have no loans with national banks that "do not appear to be sufficiently covered by collateral."

This statement was made after Mr. Ryan had gone to see Mr. Williams and, as reported at the time, to seek the comptroller's assistance in a fight against the banks that had moved toward the trusteeship.

Police Mourn End of Feline Benny Leonard

Police Headquarters will have to find another cat right quick or the old place won't look the same when Mr. Enright gets back.

The sole claimant to the sleeping concession in Headquarters corridors for the last year is dead. He tried once too often to cross in front of a speeding Center Street taxi. That happened Saturday afternoon, and it seemed doubtful last night if a proper successor could be found. Not in the immediate vicinity, anyhow.

When Benny Leonard—the cat's name—arrived he drove all the other cats and most of the dogs from the neighborhood, licking everything in sight save the two grim stone lions at the front door.

Fight and Hold-Up Sunday Gayeties In Hell's Kitchen

Loiterer Raps Policeman on Jaw and Four Thieves Raid Saloon; All Five of Celebrants Are Captured

Hell's Kitchen simmered for a while yesterday afternoon with something like its old-time Sunday style, when one of the "boys" gave battle to a patrolman and four men held up John Dillon in his saloon, at the corner of North Avenue and Thirty-ninth Street. All the offenders were captured.

The first fight started when Patrolman Henry Bangerberg, of the West Thirtieth Street police station, was called upon to break up a group of men gathered in front of 365 West Thirty-eighth Street. One of them, who later described himself as Thomas Sullivan, thirty-nine years old, of 346 West Thirtieth Street, declined to be dispersed and swung his good right hand at Bangerberg's jaw. The others piled on.

Bangerberg managed to blow his whistle and to hold on to Sullivan until Patrolman George Kisanne arrived. No sooner had this disturbance been quelled, however, than four men entered Dillon's saloon. Dillon and his friend John Fitzpatrick, were leaning on opposite sides of the bar, drinking near beer and discussing generally.

Two of the four men stepped behind the bar and pinioned Dillon. The other two dropped their hands into their coat pockets and looked like men contemplating gun play. Fitzpatrick ran out and blew his police whistle.

One of the thugs took \$25 from the register. On the way out they paused to panic Fitzpatrick for making music on Sunday. They had split his lip and bruised his face when an automobile full of cruising detectives drew up and halted the disorder.

The men were taken to the West Thirtieth Street police station, where they described themselves as Edward Quigley, twenty-seven years old, of 527 West Thirty-ninth Street; John Taigue, of 527 West Thirty-ninth Street; James McCloskey, twenty-six years old, of 527 West Thirty-ninth Street; and Michael Egan, twenty-nine, of 534 West Thirty-ninth Street.

Sunday Surf Toll Is Three Dead and 2 Reported Missing

One Victim Has Cramps, Second Falls From Boat; Third Steps Off Ledge; Police Drag for Two Boys

Three were drowned and two are missing as the toll of Sunday's beach misadventures.

Lorenzo La Point, sixteen years old, of 232 South Main Street, Waterbury, Conn., drowned when he was seized with cramps 100 feet off shore in the surf at College Point. Help was hurried from shore, but the waves were heard, but he sank before rescuers could reach him. His body was recovered.

Frank Zita, thirty, fishing in the North River off 24th Street yesterday, fell overboard from a boat and was drowned in spite of efforts made by his father, who accompanied him. The body is missing.

London Parley On Berlin Debt Set for August

French-British Conference May Include Belgium and Italy, and It Will Be Held Early in the Month

Poincare to Attend Premier Will Retain Full Freedom of Action, but a Crisis Is Recognized

PARIS, July 23 (By The Associated Press).—A conference between David Lloyd George, the British Prime Minister, and Raymond Poincare, the French Premier, to discuss the question of a moratorium for Germany has been arranged for early in August. It is expected that the conference will assure the proposition of a meeting of the Supreme Council, as it is generally understood here that Belgium is sure to be represented and if the Italian Cabinet crisis is solved in time that Italy also will have delegates present.

Realization that the reparation question has reached a decisive crisis is held responsible in French circles for Premier Poincare overcoming his expressed aversion to supreme councils and his decision to have the matter of a German moratorium discussed before the first Supreme Council he has agreed to attend, since he was called to the Premiership.

Decide Fate at London The fact that M. Poincare will be accompanied to London by Minister of Finance de Lasteyrie and Count Peretti de Rocca, Director of Political Affairs at the Foreign Office, as well as several technical experts from both the Foreign Affairs and Finance ministries, and the Premier's acceptance of the invitation to meet David Lloyd George without awaiting the decision of the reparation Commission on the moratorium question are regarded here as significant that the fate of the German moratorium is more likely to be decided at London than Paris.

That M. Poincare reserves full freedom of action for himself at London is explained in a semi-official note issued at the Foreign Office to-day, saying that the Premier's letter to M. Dubois, head of the Reparation Commission, on July 19 has been erroneously interpreted in some quarters as containing the instructions of the French Premier on the moratorium question to the French representative on the Reparation Commission. The note says in part:

"It is true that M. Poincare addressed a letter to M. Dubois on that date, but the document only expressed partially the ideas of the President of the Cabinet, who at the time he wrote it was not even in possession of the report of the committee on guarantees.

Note Not Final Opinion "Under those conditions the note could not represent the final opinion of the chief of the French government, which will only be made up after the government has taken cognizance of all written and verbal reports submitted by the committee."

The report of the guarantees committee is not yet ready, but M. Maulevert, chief of the committee, showed M. Poincare a draft of the report last night. It was after reading it that he wired Premier Lloyd George he would be ready to meet him August 1. The report will be handed to the Reparation Commission the middle of the end of this week, and the decision of the commission is not expected before the first of August, or fourth of August, when, according to the present plan, M. Poincare will be in London.

To-day's semi-official note does not mention what further suggestion the French intend making at London, but it is learned the French viewpoint now is that before a long-term moratorium is granted to Germany supplementary reforms and additional guarantees should be demanded. Such reforms might be adopted and guarantees given with but a very short delay, necessitating the suspension of one or two monthly cash payments only.

The effect of reforms and guarantees, added to the results expected from new finance control to be installed in Germany by the guarantees commission, the French hold, would insure the financing and placing of a German foreign loan. Such a loan, providing important resources for the restoration of the devastated regions would then permit of the granting to Germany of a prolonged cash moratorium.

Other angles of the reparation question are to be discussed in London. The French are reported to favor, first, cancellation of inter-Allied war debts without subordinating cancellation to a similar decision by the United States; second, an agreement by which reparation payments should be assigned especially to restoring the devastated regions, and, third, assurance that German foreign loans, the proceeds of which are destined for reparations, shall be issued with the briefest possible delay.

Perjurer Hangs Self in Prison; Tried to Wed 13-Year-Old Girl

MONTPELIER, Vt., July 23.—Glen Hayford, forty-one years old, sentenced yesterday to state prison for five to eight years for perjury, committed suicide last night in the Washington County jail by hanging himself with a rope used by the prisoners for a clothesline.

The charge of perjury on which Hayford was found guilty and sentenced came as a result of statements made by him in trying to obtain a marriage license to marry Lillian Lee, of Walcott, Vt., a thirteen-year-old girl. Hayford gave his age as thirty and the girl's as eighteen. Hayford had a wife in New Hampshire.

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Saks & Company at 34th Street. Specially Arranged to Begin This Morning. An Extraordinary Mid-Summer Sale of 24,000 Men's SILK CRAVATS. Of Fine Imported and American Silks. —made to sell at 75c to 1.50 each— Special at 55c. Featuring a remarkable purchase of superb quality cravats, together with neckwear from our own higher priced stocks.



Sloans Liniment. To Begin Today, Monday. Men's Tropical Worsted and Gabardine Suits. (COAT and TROUSERS) Special at 25.00. REMARKABLE values in two-piece suits of tropical worsted and gabardine—fabrics skeletonized to frigid airiness but with enough "body" to respond splendidly to the skilled tailoring which we applied to them. Consequently, suits with a permanency of shape and fit, unusual in Summer-weight clothes. In all the cool shades, many attractively striped.

THE TRUTH "is also found in frank confession of error" The Tribune will be glad to receive and publish corrections of inaccuracies in its columns.

From The Tribune's Washington Bureau WASHINGTON, July 23.—Nearly every postoffice in the country has a "tabby" or "tom," according to a Postoffice Department statement to-day. While there is no specific appropriation for her or his maintenance, it is not an uncommon occurrence for a government voucher to be OK'd by officials for the purchase of milk, salmon or cat meat.

Propriations. Years ago, however, the cats were forced to meet the deprivations of rats and mice by the purchase of traps and poison. The next step was the employment in isolated cases of ferrets to rid a particular building of rodents.

House 18,100 Feet Up Used by Tibet Outpost Hovel Claimed To Be Highest Inhabited Structure in World LONDON, July 6 (By Mail).—A claim for the highest inhabited house in the world, according to "The Daily News," is made by W. Harcourt-Bath, writing in the "Nature Magazine. The highest known of is near the summit of the Denkhia Pass, in the north of Sikkim (Tibet).

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