

## STATE FUNDS JUGGLED AS BANKS KEPT SILENT, MONTHLY REPORTS SHOW

### Figures of Kephart and Depositories Are Far Apart

### LEGAL LIMIT PASSED FOR FAVORED FIRMS

### Manipulation of Balances Brought No Protests From Financial Concerns

### SMUG SILENCE IS ALTER'S REFUGE AS EXPOSE GROWS

### Discrepancy of \$300,000 is Shown in Report of One Month

By GEORGE NOX McCAIN  
Harrisburg, May 5.—The most sensational disclosure of conditions affecting the finances of the Commonwealth and conditions in the State Treasury that has been made since the EVENING PUBLIC LEDGER exposed the affairs in the office of Auditor General Snyder in the unauthorized employment of attorneys, has just been made by Auditor General Lewis.

It shows the most remarkable juggling of State deposits; that is, of State money deposited in favored banks.

The most astonishing revelation is, apparently, that some of the largest banks in the State, if not a party to the scheme, were seemingly ignorant of it and yet made no protest, or at least maintained silence.

As I have already pointed out within the last three months, other conditions as to the Commonwealth's fiscal affairs were bound to follow the investigation which Auditor General Lewis was making of the State Treasury accounts.

This audit which is in progress under the direction of Main & Co., certified accountants, who, in the examination of Auditor General Snyder's books, disclosed the now famous Beideman check for \$5000, has been only partly completed. It may be said that the disclosures to date are only partial.

It should also be noted that early this year, evidently in apprehension of what might occur, State Treasurer Snyder undertook on his own initiative an audit of the books of his predecessor, Harmon M. Kephart, who is now the Deputy State Treasurer, an easy berth which was created expressly for him by the last legislature.

Snyder Probe Not Disclosed  
What Mr. Snyder's personally conducted audit disclosed—it was completed weeks ago—has not been publicly divulged. It matters little now, however, since the result of the Auditor General's investigation has been exposed to the light of publicity.

Not only were certain depositories evidently aware of the discrepancies between the balances shown upon their books and the sworn statement of balances put out monthly by the State Treasurer, but in many instances the law was violated by some of these institutions in holding deposits in excess of the amount permitted by statute as a protection to the Commonwealth.

The revelations came as the work of Main & Co. progressed. The disclosures of their findings were given to an official letter in the form of an official report, of which the following is a copy.

Hon. S. S. Lewis, April 24, 1922.  
Auditor General, Commonwealth of Pennsylvania, Harrisburg, Pa.  
Sir—Acting under your instructions we have made an examination of the books and records of the State Treasurer, as authorized by the Act of March 30, 1911.

From time to time as the various phases of the examination are completed, we submit statements of the results of our work to you supplementing the reports thereto in the event, therefore, this report will be designated as Section No. 1.

In this section the balances of public money on deposit in certain institutions during the period from May 7, 1917, to the close of business April 30, 1922, are dealt with.

In Schedule "A," hereto attached, are presented certain significant facts noted by us with respect to said balances.

As shown in Schedule "A," the records of the State Treasurer and the published statements of bank balances are in agreement with the balances reported by the several banks in their sworn statements to the State Treasurer. Your attention is directed to the fact of July 18, 1917, P. L. 1095, which required that:

1. Limitation of deposits in non-authorized depositories to \$500,000 in the aggregate.  
2. Same not to exceed 25 per cent of the combined capital stock and surplus of such depository.  
3. Said book transfers, which are authorized by said sworn bank statements, to be made by the depository.

## Candidate for Senate



Mrs. Peter Olesen

It elected she will be the first woman Senator in the United States. Just recently a Minnesota Attorney General ruled that a wife as a candidate cannot use her husband's name in politics, so her name on the ballot must appear as Annie Dickie Olesen.

When the Attorney General first issued the ruling she called upon Harrisburg and asked his deputy to get a copy from the Auditor General.

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## THIEF AT Y. W. C. A. TAKES \$1500 GEMS FROM GIRL'S BAG



Miss Eilfreda Stein, 4608 Oeage Avenue, Loses Jewelry While Rehearsing Play

Authorities at 18th and Arch St. Branch Mystified

The jewels of Miss Eilfreda Stein, seventeen years old, 4608 Oeage Avenue, were stolen from her at the Young Women's Christian Association, Eighteenth and Arch streets, where she went to attend a rehearsal of a play last night.

The jewels, valued at \$1500, were taken from her handbag which she had left in a dressing room.

Miss Stein is a member of a dress-making class at the Y. W. C. A., which is going to give a play. Last night the players were to have photographs taken in costume.

Miss Stein went to the Y. W. C. A. in street clothes, and changed to her costume in a dressing room, leaving her jewels in a small handbag and her other clothes in a suitcase.

She joined the other girls and the class posed for the photograph. A few minutes later, when she returned to her room, the jewels were gone from the bag. The collection included rings, bracelets and other items, some of which had "diamond and sapphire" settings.

Immediately upon discovery of the loss, Miss Stein spread the alarm. Amid great excitement the entire class of girls began a search, but could find no trace of the gems. The Y. W. C. A. authorities were notified and joined in the search.

Miss Stein had worn the jewels to several rehearsals and had left them in a dressing room each time. Other girls had left jewelry in the rooms in the same manner.

Y. W. C. A. authorities could furnish no clue as to what might have become of the jewels. The rooms used by the dressmaking class were for their exclusive use, and the doors were not locked when the girls went to the auditorium.

The suitcases containing her street clothes and the clothes of other members of the class were apparently undisturbed.

After a thorough search failed to reveal any trace of the missing jewelry, Miss Stein notified the police of the Fifteenth and Locust streets station.

FIGHT \$5,000,000 WILL

Relativists Oppose Huge Bequest for Home for Single Men

Newark, N. J., May 5.—A contest to deny the late Marcus L. Ward, a wealthy bachelor, was begun yesterday before Vice Chancellor Fielder by relatives of the testator, who object to the \$5,000,000 trust fund for the home for single men.

Council for the contestants interpret the will as providing a home for men who had homes at one time but who had lost them. They hold that no extensive class like this exists locally and ask the Court of Chancery to decree that the estate be held for them.

BILL FOR COAL PROBE

Measure Provides Commission to Report With Recommendations

Washington, May 5.—(By A. P.)—Favorable report was voted by the House Labor Committee today on the bill to create a coal finding commission in the coal industry.

The commission would consist of ten members, representing miners and the public and Government agencies directly concerned in the industry. Geological Survey and the Bureau of Mines and Mining. Report to Congress with recommendations would be required within two years.

The chairman announced that efforts would be made to get the bill before the House as soon as possible with the hope of its passage prior to summer adjournment.

## Noted Dancer Weds



MISS ISADORA DUNCAN

Isadora Duncan Weds Young Poet in Moscow

Famous Dancer Wore Grecian Robes on Both Street and Stage

New York, May 5.—Isadora Duncan, famous dancer, was married in Moscow Wednesday to Serge Esenin, Russian imagist poet, twenty-seven years old, according to reports here.

Isadora Duncan is the original high priestess of the barefoot dance. She took her terpsichorean motif from the old Greek frescoes more than twenty years ago and founded a new school of rhythmic expression.

Dressed in flowing, diaphanous robes, without any shoes or stockings, Miss Duncan has been a familiar figure in the boulevards of New York, London, Paris and other world capitals for nearly a quarter of a century.

In 1921, Miss Duncan's name was mentioned in an action for alienation of affections in which she was mentioned as a love pirate in her relations with a married man.

\$20,000,000 FILM SERIES PLANNED BY GRIFFITH

Producer, Back From Europe, Tells of Anti-War Scheme

New York, May 5.—David Wark Griffith got back from Europe yesterday and said he was going to start a \$20,000,000 series of motion pictures which would be a dramatic pictorial history of the world, designed to convince all spectators that war was foolish. He said he might begin work next fall.

The first picture, he estimates, will take more than two years to complete and it will require from seven to ten years to complete the series. The film history of the world would be completed, he said, from the last remaining stone to be found, and each episode would be a love story, as nearly perfect in historical background as experts could make it.

"The series will not be undertaken as a commercial venture," said Griffith last night. "If it eventually pays for itself, the underwriters will be satisfied, but what we are trying to do is to produce a picture of educational value rather than a commercial success."

CAVE "LOVE NEST" IS CLUE IN BRUTAL MURDER OF GIRL

Abode in Mountains Furnished With Rugs and Blankets

New York, May 5.—The discovery of a cave on the side of Cheesecake Mountain, near Haverstraw, N. Y., about 100 feet from where the skeleton of Lillian Walden was found April 9, has provided a clue which may lead to the arrest of her slayer and the solution of one of the most brutal murders ever committed in Rockland County.

The identification of the slain girl as an escaped inmate of the Letchworth Valley Home for Feeble-Minded Girls followed the reconstruction of her skull by former Police Captain William J. Mason.

The cave, built of stone, was found by a deputy sheriff three days after the discovery of the skeleton. The interior was furnished with rugs and blankets.

The police think the tenant of the cave was the man who entered Lillian to the mountain top and killed her with a sledge hammer, crushing her skull in three places. They believe this man was the girl's sweetheart.

Attendees at the Letchworth Valley home admitted that Lillian had been punished for writing love letters and that she disappeared on the following day, September 16, 1921. Detectives have concluded that the girl went straight to the cave on the mountain and remained with a man until he tired of her.

THREE YEARS FOR THIEF

Man Sentenced for Breaking Into Parochial School

James Wallace, fifty-four years old, today was sentenced by Judge Finletter to three years in the County Prison for entering and stealing from the parochial school of the Immaculate Conception, Front and Allen streets, April 28.

## MRS. MCGORMICK MAY WED YOUNG SWISS SECRETARY



Rockefeller's Daughter Fails to Deny She Will Be Bride of Krenn

HE SAYS NEWSPAPER REPORTERS ARE BOLD

Chicago, May 5.—Reports were current here yesterday that Mrs. Edith Rockefeller McCormick, who obtained a divorce last December on grounds of desertion, is to be the bride of Edward Krenn, a Swiss, whom she has employed for several years as her personal adviser at her Lake Forest estate.

It was reported the day before that her former husband, Harold F. McCormick, president of the International Harvester Company, would marry Ganna Walska, the Polish prima donna, as soon as she obtains her divorce from Alexander Smith Cochran.

Mrs. McCormick, daughter of John D. Rockefeller, refused to be interviewed regarding the rumors of her marriage. She sent a statement to the newspapermen through the butler at her home. "Tell them to say anything they please," she directed.

Mr. Krenn, twenty years younger than Mrs. McCormick, met her in Switzerland a number of years ago when she was studying psychology there. When she returned to the United States she brought Krenn with her as a secretary.

Edward Krenn, Swiss architect and adviser to Mrs. McCormick, appeared unmoved and then slightly annoyed when asked last evening about the rumor. "Well, now, that's a rather bold statement," he said.

Continued on Page Two, Column One

## AMBUSH IRISH TROOPS

Rebels, Unaware of Truce, Attack Free Staters

Belfast, May 5.—(By A. P.)—Staff Captain O'Doherty said today that after the bank raid yesterday at Duncrana, County Donegal, a message was sent to I. R. A. headquarters at Drumboe Castle for reinforcements.

Several carloads of troops started and while passing through Newtown Cumbria, they ran into an ambush extending 100 yards along the road. Irregulars lying behind the walls opened heavy fire. The regulars, unable to find cover, ran straight through, with the result that they were killed and wounded. One of the irregulars was killed and three were wounded.

The irregulars, Captain O'Doherty charged, used explosive bullets. The ambush occurred, he said, after the truce was to have taken effect, but that the combatants were not aware of its having been signed.

The men arrested yesterday at Mullinger in connection with the burning of the barracks were released as a result of the truce having been signed.

MISS KNOX GETS 20 YEARS FOR EASTLAKE SLAYING

Jury Reaches Verdict in Hour and 25 Minutes

Special Dispatch to Evening Public Ledger

Montross Va., May 5.—Sarah Euphonia Knox, Baltimore nurse, was found guilty of murder in the first degree here last night in the killing of Mrs. Margaret E. Eastlake, former Philadelphia woman, after the jury had deliberated one hour and twenty-five minutes. She was sentenced to twenty years' imprisonment.

The punishment was the least severe possible under the Virginia law.

Man, 65, Struck by Auto

Louis Singer, sixty-five years old, 2263 Arizona street, was struck and injured seriously last night by a motorcar at Twenty-ninth and Dauphin streets. He is in the Women's Homeopathic Hospital. Police say the machine was driven by William C. Person, 6319 Lincoln Pike. Person was released to appear when wanted.

## LAST-MINUTE NEWS

ESTHONIAN COMMUNIST LEADER PUT TO DEATH

LONDON, May 5.—A Reuter dispatch from Reval says M. Kingiseff, Esthonian Communist leader, had been executed after conviction upon charges of espionage and treason. The Russian Soviet legation there half-masted its flag as a mark of mourning.

WOOD CABLES PLEA FOR PHILIPPINE BILL

MANILA, May 5.—Major General Wood, Governor of the Philippines, today cabled to Washington urging officials there to expedite passage of a bill now pending in Congress authorizing the Philippine Government to increase its bonded indebtedness to 10 per cent of the assets valuation of the Philippines. This would allow a total bonded indebtedness of approximately \$75,000,000.

WOMAN SUGGESTED TEN TEXANS PERISH FOR BIG FAIR POST IN TORNADO'S WAKE

Mrs. J. Willis Martin Urged as Assistant Director by John Frederick Lewis

PLAN BEING DISCUSSED AUSTIN ALMOST ENIRCLED

By the Associated Press

Austin, Tex., May 5.—Ten dead, about forty injured, two probably fatally, and property damage estimated at \$400,000 was the toll of death and destruction in the wake of a tornado which late yesterday swept through the west side of Austin, eight miles south of the city.

Reports indicated that the storm almost encircled Austin. South Austin felt the force greatly, limbs of trees being torn loose and hurled high in the air.

It was reported that waters of the Colorado River, swollen from heavy rains, were hurled into the air as the typhoon-like winds moved southward.

Some were carried through the air for short distances. At St. Edward's College, the deaf, dumb and blind institute for Negroes, near Ponderfield, two students were injured. The storm partly demolished the dormitory.

The chief property damage was done to the plant of the Woodward Manufacturing Company at Pennfield, St. Edward's college and residence and buildings in the southwest part of Austin. The central portion of Austin was unharmed.

The storm approached Austin from the northwest and hundreds of persons on the downtown streets watched the whirling cloud pass over the west section of the city.

OTHERS IN BRUNEN CASE SOON TO FEEL NET TIGHTEN

Evidence All in Hand and Persons Located, It is Said

Detective Ellis Parker is believed to be ready to "close the net" on certain persons believed connected with the murder of John Brunen, Riverside, N. J. circus man. He knows where these people are and has his evidence all collected, it is said.

Positive identification of the shotgun which Powell says he used in the slaying was made yesterday by William Berkowitz, a sawbroker, of 115 North Ninth street, Philadelphia.

Berkowitz told Detective Parker that on December 23, 1921, he sold the gun and the bullet to a man who he recognized as midwinter and the actions of the two men, he said, made him suspicious, and he accordingly made peculiar marks on the stock of the barrel of the weapon, which he later located yesterday.

## U. S. INSISTS RIGHTS IN RUSSIA

Washington Backs Foreign Stand on Foreign Property Seized by Soviet

BRITISH PLAN RECOGNIZES DEGREE OF CONFISCATION

Opportunity for Monopolists Seen in Leasing of Commandeered Holdings

By CLINTON W. GILBERT

Staff Correspondent Evening Public Ledger

Washington, May 5.—It is learned here on good authority that Secretary Hughes strongly inclines toward the Belgian and French view of the question of restoring or compensating property of foreigners in Russia confiscated by the Soviet Government.

Article VI of the note of the Allies to Russia, which Belgium and France has refused to sign, apparently provides that the Russian Government may allow to a foreign owner a mere leasehold or concession to the use of property which the property is not to be held or transferred to a foreigner.

If this interpretation is put on it, then Russia may substitute for its own form of property holding a leasehold or concession to the use of property which the property is not to be held or transferred to a foreigner.

This is recognizing a degree of confiscation, which the United States property held by foreigners. This would be to deny her a right with respect to foreign-owned property which she has with respect to the property of her own citizens and to give to alien property owners a sanctity which domestic property does not enjoy.

Must Give Compensation

In this country the right of the United States or of the various States to some property by what is called eminent domain is firmly established. And this right applies just as much to the property of aliens as to that of citizens, and for property thus seized just compensation must be paid.

To concede that a Government may take the property of foreigners and then return him a concession to operate it for a term of years is to concede a degree of confiscation, the substitution of a lease for a great title.

Mr. Hughes views the Soviet nationalization of foreign owned property as set forth in his statement of June 9, 1921, in regard to the relations of the Government and Mexico. In that statement he said:

"The fundamental question which confronts the Government of the United States is regarding relations with Mexico in safeguarding property rights against confiscation. Mexico is proposing to adopt any policy she chooses with respect to public lands, but she is not to destroy without compensation titles which have been obtained by American citizens. Mexico is also proposing a confiscatory policy strikes hard at the interest of particular individuals but at the foundations of international intercourse."

Chance for Monopolists

Article VI, as it is interpreted here by the alternatives in the way of compensation which it presents, opens the way for the creation of a vast monopoly formerly held by foreigners in Russia and for the creation of just the sort of monopolies against which Mr. Hughes protested in his note declining the invitation to Grant and his cabinet to recognize Mexico's oil claims.

Oil, of course, is one of the big questions in Russia. The French, the Belgians and the American and various other foreign interests had certain oil properties there before the Soviet revolution. Under Article VI it would be possible to treat the British oil landholders, for example, in one way and the American oil landholders in another. The British could receive a concession of their former holdings. The French, Belgians and Americans could receive compensation for theirs.

From the American point of view, the former American, French and Belgian properties.

In this way the oil lands could be consolidated and a vast monopoly of oil by British interests created. This is precisely what must happen if the reported exclusive grant of oil lands to British interests is carried out.

Lloyd George Accused

In Belgium and French circles Lloyd George is accused of having Article VI drawn as it has been just for the purpose of opening the way to such a monopoly in oil as it said to have been granted to British interests.

Mr. Hughes is strongly opposed to any such monopolistic concessions. And he is strongly opposed to any concession with Russia which facilitates the creation of them. Also, as already pointed out, the permission to substitute a lease for a great title would be an outright title violation and would weaken the international position against confiscation of property lawfully acquired.

The early recognition of Russia by this Government is involved in the settlement of this question satisfactory to the American position. As already said in this correspondence, if the conference results in an agreement to recognize Russia, the disposition here is to do as Europe does.

If the nations of Europe divide on this issue and only England and Italy of the greater Powers recognize Russia, England will receive a great oil monopoly as the price of her recognition. This country will probably be slow to give its approval to the Soviet Government by re-establishing relations with her.

MRS. GOULD LOSES

Court Order for \$5000 to Help Fight Divorce Reversed

New York, May 5.—(By A. P.)—The order of Supreme Court Justice Guy, which would have granted Kelly Gould \$5000 to reopen her divorce suit, was reversed today by the appellate division of the court.

The Justices unanimously denied her application for an allowance to reopen her case for such a reason. Mr. Gould obtained a divorce from her in France in 1919.

Why Mrs. Gould's case was reopened is not clear.