

# U. S. BANKERS' MONEY RULES IN NICARAGUA

Times Washington Bureau  
1322 New York Avenue

WASHINGTON, Feb. 19.—Bankers, no barefoot heroes, will decide the future of Nicaragua.

Men die beneath the palms like flies and a \$300,000 loan comes due in April, 1928. Unless Nicaragua meets this debt, control of her national railway will be sold at public auction in New York and her fifteen-year fight for independence will have come to naught.

All this according to testimony, taken by a Senate sub-committee, headed by Shipstead of Minnesota.

For weeks, while marines were being hurried southward, this committee has quietly gathered the inside story. It has attracted little attention, but it appears firmly to have solved the great mystery that underlies the Nicaraguan situation. That is, what is the "property" which the American marines,

bluejackets and battleships have been sent to protect?

The explanation begins in 1881, when Nicaragua, using her treasury surplus, began to build an inter-coastal railroad. This line, in its present form, was completed in 1904.

Clerk Gave \$500,000

And then, in 1909, there was a revolution to which Adolfo Diaz, a \$25 a week clerk in an American mining office at Bluefields, contributed \$600,000. Where Diaz got \$600,000 nobody knows. As a result, Diaz was made president in 1911, the same Diaz who, now returned to power as a result of another revolution, is supported by American troops.

Diaz did strange things in 1911. Toribio Tijerino, recent consul general from Nicaragua to the United States, told the Shipstead committee. Tijerino is now one of the

directors of the national railroad.

Diaz, issued, according to Tijerino and other witnesses, some \$28,000,000 pesos of new paper money, equivalent theoretically to about \$1,300,000. Out of this, Nicaraguans allege, he paid to himself \$600,000 for revolution expenses, and divided much of the remainder among his family and friends.

Due to this and other causes, he had to arrange a \$2,000,000 loan with New York bankers, Brown Brothers and J. W. Seligman & Co.

The bankers were allowed to purchase 51 per cent of the National railroad stock and turn the railroad into an American Company, incorporated in Maine. The railroad was valued at \$3,300,000. The bankers only paid \$1,000,000 for their 51 per cent stock.

As result of the loan, also, the bankers ultimately got 51 per cent

control of the newly organized National Bank of Nicaragua.

Nicaragua repurchased the same railroad stock in 1920, paying \$1,750,000.

While the railroad was controlled by New York bankers it was operated by the G. J. White Manufacturing Corporation.

Nicaraguans, now owning all the railroad again, decided in 1925 to operate the line themselves and to incorporate it at home instead of in Maine.

At which time a strange thing happened, according to witnesses.

Used U. S. Code

"Jeremiah Jenks," testified Tijerino, "appointed to the board of directors of the railroad by the State Department, went to Washington and was allowed to use the private code of the State Department to send cables to President Solorzano of Nicaragua, asking him not to cancel the management

contract with the White corporation. They sent the cable in code to the American minister and he transmitted it to the president."

Thus, according to Tijerino, Nicaraguans officials were led to believe that the United States wanted the White corporation left in control.

In October, 1925, the board of directors of the railroad met in New York. At this meeting, according to Tijerino, who was present, it was suggested that the contract be extended for a month. Several Nicaraguans asked why, and one of the Americans on the board, named Baillie, explained, "because many things can happen in Nicaragua in that time."

Many things did happen. A new revolution began Oct. 21, a revolution which drove President Solorzano from Nicaragua, eventually brought Adolfo Diaz back to the

Connecticut, and on its board sits Jeremiah Jenks, at \$200 a month, by State Department "appointment."

The \$300,000 loan to Diaz has exhausted the bank's capital, only \$300,000 of its \$1,000,000 stock ever having been issued.

According to Tijerino, there is little hope of Diaz getting \$300,000 by April, 1928, in war-torn Nicaragua. Tijerino told the Shipstead committee that in April, 1928, the railroad stock can go to the bank, that Americans in control of the bank can then increase the bank's outstanding stock, and purchase sufficient to get control, and that then, as when Diaz first came into control in 1911, bank and railroad can again be in American hands.

Tijerino's testimony was corroborated by Jose I. Medina, Nicaraguan president of the railroad and one of the bank's directors.

And all of this is only part of the story. How two Americans, with approval of the State Department, reorganized the Nicaraguan currency in 1911 and how an America, Col. Clifford D. Ham, with State Department aid, was placed in control of Nicaraguan customs, make chapters just as strange.

The United States Senate rejected in 1911 a treaty which would have allowed this "dollar diplomacy" following rejection, the bankers, with State Department approval, put into effect any way.

The reorganization of the currency made every one of Diaz's paper pesos unbelievably good. As Shipstead summed it up: "It meant practically that they would sell in American currency a 50-cent piece for \$1. That is practically turning the money, which ever had it, into double value."

# \$5,000 Suburban Home Destroyed by Incendiary Fire

## BULLETS FLY IN WILD AUTO RACE WITH POLICE CAR

Speeder Brought to Halt by  
Blocking Path of Speed-  
ing Car.

In a wild automobile chase that covered two miles on the west side, at times at a speed of more than fifty miles an hour, a police squad, headed by Sgt. Edward Dester, early today fired eleven shots at the tires of an auto driven by Leslie Frederick, 22, of 1108 English Ave. Several telephone calls reached police headquarters from citizens frightened from their slumber at 2 a. m. by the roaring of the speeding cars and the shots.

When captured, Frederick was charged with speeding and driving while intoxicated. None of the bullets took effect.

Dester said he gave chase to the speeding car at White River bridge and Washington St. Sounding his siren and flashing the red light he attempted to bring Frederick to a stop. At Bloomington St. Frederick raced north. From there the cars sped through alleys and around blocks. At Miley Ave. and New York St., Frederick turned toward the city. He was stopped when the police car was driven into the path of his automobile.

Mathew Gaston alias Marcus Haynes, 35, of 2359 N. Meridian St., was charged with driving an auto while intoxicated, operating a blind tiger, and driving on the left side of the street. Police who made the arrest are searching for a companion who is said to have left the scene of an accident at Fall Creek Blvd. and Delaware Sts., carrying two bottles of liquor. It is believed that he was injured. Haynes is said to have driven his auto into a car driven by J. W. Meyers, 55, of 2202 N. Alameda St. Police said they found liquor in the auto.

Mrs. Frances Greene, 26, of 2102 N. Meridian St., was severely injured Friday night when the automobile she was driving collided with another machine at the corner of Twenty-Second St. and Park Ave. Michael J. Maloney, 42, of 617 E. Twenty-Third St., who drove the car, was not injured. Mrs. Greene was taken to the Methodist Hospital.

Ambrose James, 22, of 834 Olive St., and Miss Mary Fogarty, 18, of 1138 Pleasant St., were slightly injured when the automobile driven by James collided with a S. East St. car at Prospect St.

## ASSEMBLY WOULD NET \$2,000,000

Hopeful of Bringing 1928  
Democratic Confab to  
Indianapolis.

A minimum of \$2,000,000 will flow from the coffers of Indianapolis business men, if plans to bring the 1928 Democratic national convention to Indianapolis are successful, declared Henry T. Davis, Convention Bureau manager, who is working to that end with Charles R. Greathouse, secretary of the national committee.

The estimate of the money influx is based on the average expenses of convention delegates while in Indianapolis, which is \$19.45 per day. About 20,000 delegates and visitors attend the Democratic assembly, which is scheduled to last five days or more.

Call Me

Greathouse invited the convention here after a conference with Davis, here and left Friday on a four-week vacation. A meeting of prominent local business men and Democratic leaders will be called upon Greathouse's return in March, to further discuss plans for securing the convention.

"A guarantee of thirty-five-minute service from downtown hotels to the Fairground will permit the manufacturers' building to be used for the sessions," Davis said. "A balcony arrangement could be manipulated satisfactorily to handle the crowd."

"The State teachers' convention with 16,000 attendance is comfortably handled by using downtown hotels. By using a number of outlying hotels and apartment houses, that question can be settled," Davis said.

Can Line Up

July is the "low month" for hotels, Davis said and they would be able to handle more patrons than at any other season.

"Indiana is influentially represented among the circles choosing convention places," Greathouse said.

"These men will all 'line up' upon our request. With the right organization and the correct steps taken, Indianapolis will get this assembly."

Other cities bidding for the convention: Chicago, St. Louis, Detroit, Kansas City, Omaha and Denver.

## STRAWBERRIES CONTINUE DROP

Chicken Fries Scarce on City  
Market Today.

Strawberry prices continued their

downward course at the city market today and three other commodities were selling below Thursday's marks. Strawberries sold at 75 to 80 cents a quart; green beans, 40 to 45 cents; lima beans, 80 cents a pound, and eggs, 30 to 35 cents a dozen.

Slowly she summed up the twisted

dream which began when the famous Chaplin entertained her as a child of seven in a Hollywood

camp village, where fate mocked at marriage ceremonies and lawyers wrangled in bitter discourse.

Throughout the interview Mrs. Chaplin made it plain that she would fight to the last to prevent her children from being separated.

Forget to Pay for  
Cemetery Lot; Sued

By United Press

HUNTINGTON, Ind., Feb. 19.—Two suits demanding \$60 for a burial lot in the I. O. O. F. cemetery at Roanoke, near here, and \$172 for undertaker services, have been filed in circuit court here by the Odd Fellows Lodge and William M. Koonz, son, also of Roanoke, against the J. E. Hunt and Sons, grading the J. E. Hunt and Sons, grading sub-contractors, building State Rd. 29.

Two workmen, killed by dynamite during the road construction we

buried in the lot, both being un-

claimed by relatives.

Memorial Meeting

Societies to Commemorate Birth of  
Washington Monday.

Members of Indiana societies of the Sons of the Revolution and the Sons of American Revolution will hold a dinner at 6:30 p. m. Monday at the Marott Hotel to commemorate the capture of Ft. Sackville, Vincennes, by Gen. George Rogers Clark, and the birth of George Washington.

The Rev. William A. Shullenberg, pastor of Central Christian Church, will be the principal speaker.

Benefit Bridge

A benefit bridge party will be given Tuesday afternoon at the Lincoln by freshman girls at Butler who are members of the University Club.

Decorations and talles will be carried out in George Washington style, and a triole, composed of Addie Axline, flute; Lois Axline, violin, and Dorothy Moyer, piano, will play. Gertrude Moyer and Alice Thorn will dance the minuet in costume.

President L. H. Lewis named a committee to be in charge. Frank E. Gates is chairman; H. T. Hotel, vice chairman; Walter T. White, Harry G. Templeton, Joseph J. Argus, M. M. Miller, F. L. Moore, Thomas F. Carson, Henry L. Richard.

Two

Memorial Meeting

Forget to Pay for  
Cemetery Lot; Sued

By United Press

NEWPORT, Ky., Feb. 19.—Ken-

othy and Miss Charlotte Simms, granddaughters of the late Commodore F. W. Peck, Chicago pioneer, already had been married when plans for their society wed-

ding in Dayton, Ohio, were inter-

rupted by action against the bride-

groom-to-be in a divorce suit filed

by another woman.

Court records here today showed

that Stoddard, who claims to be a

son of Countess Aleene Byron Har-

ington and Huntley Stoddard of

London, and Miss Simms, a Day-

ton debutante, were married in

Newport Oct. 24. The ceremony

was performed by Magistrate

Thomas Hanley.

A fashionable wedding for Stod-

dard and Miss Simms was to have

been a feature of the social season

in Dayton this week. The plans

were suddenly interrupted when

Stoddard was served with a notice

of divorce action filed in Portland,

Maine, by Edith Widing, who al-

leged she became his wife in April,

1912. The action charged that he

was then known as Herman Al-

ter Yaffee.

Miss Simms, accompanied by her

mother, left hurriedly for Florida.

Stoddard was reported to have

gone to Philadelphia.

HOW'S YOUR STOMACH?  
MINE'S FINE, THANK YOU!

I can eat anything I want to now. I have a real appetite, feel fine, and enjoy life. But wasn't always so. I know how miserable stomach trouble can make you feel. That is why I want you to know how easily Dyspepsia, Indigestion, Catarrh of Stomach, Belching, Heart Fluttering, Sour Stomach, Nervousness, Constipation, Headache, Bad Breath, Torpid Liver, etc., can disappear when the right treatment is given.

You can eat exactly as I did.

Don't send one cent. I am so sure

this treatment will do for you what it did for me that I will send it, all charges prepaid, by mail.

After it has proven itself the means of getting rid of your stomach troubles you may send me one dollar. How is that for confidence and fairness?

A postal card with your name and address will bring this treatment immediately.

Write today to

THEODORE H. JACKSON

131C Stratford Bldg., Syracuse, N. Y.

—Advertisement.

## WED ACTOR, NOT A MAN, WAILS LITA

Wife Says Chaplin Wanted  
to Get Rich in U. S., but  
Live in England.

By United Press