

POLICIES ARE OUTLINED BY NEW MAYOR

Handley Pledges Administration to Law Enforcement—Discourages Sleeping Quarters for Firemen.

URGES CO-OPERATION

Mayor Lawrence A. Handley outlined his policies before the city council Monday night.

Fines and jail sentences, with no suspended sentences for violators of the liquor laws, will await persons convicted in police court of making and selling liquor. "I'll still have been numerous," he said, "but the people demand that the law regarding the selling of liquor be enforced."

The mayor discussed the presence of disorderly houses and gambling. "The police will be expected to clean up both," he said. "While we do not intend to enforce blue laws in this city, we do intend to make it unhealthy for criminals of all classes. The officials will stand behind the police in the discharge of their duties." The new gavel presented to the mayor by the members of Company K was dedicated officially.

Many Citizens Present. The council room was filled with citizens. When the mayor finished his address applause broke out in all parts of the room.

More drill and suitable exercise to keep the members of the fire department fit for duty was recommended by the mayor. Sleeping quarters for members of the department will be removed if his recommendation is followed.

At the present time the fire department in the city building is arranged on the platform system. Each platform is on duty 12 hours each day.

Should sleeping quarters for the firemen, at present located above the fire house proper, be removed, the space may be turned over to city offices. This was mentioned by the mayor in his address. The need for a mayor's office was also mentioned.

Planning Commission. A city planning commission to zone districts of the city, plan parks and approve new additions, also was mentioned. This will be taken up during the current month.

Need of one or more downtown comfort stations and a new market house was discussed by the mayor. He also emphasized the fact that each councilman was expected to vote in the best interests of the people as a whole, regardless of personal feelings for or against any individual.

Referring to the light plant, he said: "The new superintendent of the light plant should be a trained electrical engineer and an experienced business man. The city should be prepared to pay more salary to get this kind of man. The board of works and a committee of five citizens are giving this matter their attention."

The regular ordinance fixing the salaries of the city officials, which heretofore had carried the salary of the light plant superintendent, omitted this feature this year. City Attorney Kelley explained that this action was taken because it was impossible to tell at this time just what would be the salary of the new superintendent.

Favor Consulting Engineer.

Councilman Waldele, seconded by Councilman Waltermann, proposed that a consulting engineer for the light plant be employed at various times during the year to advise with the city regarding the purchase of light plant repairs. Councilman Benn also favored the motion, which was passed.

Joseph Waltermann introduced a resolution requesting the mayor to appoint a committee of three to investigate the light plant coal contracts. Reports that an excessive amount of coal had been purchased, and that the coal was inferior in quality were the basis of the resolution.

The resolution provided that contracts entered into by the light company, and its duly accredited agents for the past six months, should be probed.

The measure was passed. The mayor announced he would consider the matter before naming the members of such a committee.

Reid is Appointed.

Joseph Waltermann was named a member of the hospital board. The resignation of Lawrence A. Handley as a member of the board of trustees of the school city was accepted with a vote of thanks to him for the work he had done. Walter Reid was named to succeed him. Mr. Reid will fill the place until the expiration of Mr. Handley's term in August.

The appointment of J. Edward Higgs as building inspector was received from the board of works and approved. Official bonds of the police commissioners also were filed with the council. Dr. W. G. Huffman and Dr. F. P. Buche were elected city physicians by the council.

First action by a new council member was taken by Harry Strate. He said the east approach to the Doran bridge was insufficiently lighted. The matter was referred to the board of works, and the fact that a water spout has been hanging from the street for some time was also called to the attention of the board of works and the city attorney.

Informal Meeting.

An informal "open meeting" session was held at the close of the regular business of the evening, when members of the council and the mayor invited any citizen present to talk. After some urging, Michael Kelly, former county clerk, and Clem Carr, former sheriff, made short addresses, complimenting the administration on the start it had made on the year's work, and all the members of the council.

(Continued on Page Two)

1,714 DEEDS RECORDED IN WAYNE CO. IN 1921; MORE SPEED AT END

The quarterly report of Harry Fisher county recorder of deeds, just completed, shows that a total of 1,714 documents have been recorded with him during the past three months. A total of 6,632 were recorded in the year 1921.

Last year 6,730 deeds were recorded. That business in the recorder's office has picked up in the last six months of the year is indicated by the fact that at the end of December the total recorded was only 98 less than last year, while in August of 1921, the mark was 250 below the previous year's mark at that time.

Of the 1,714 instruments recorded in the last quarter of 1921, 341 were deeds, 274 real estate mortgages, 429 chattels, 518 releases, 23 assignments, 54 mechanics' liens, three articles of incorporation, four plats, one transcript, and 52 miscellaneous articles.

FRENCH MINISTRY DENIES FRANCE-JAP SIBERIAN AGREEMENT

(By Associated Press) PARIS, Jan. 3.—The French ministry of foreign affairs today issued a formal denial of the alleged Franco-Japanese understanding regarding the occupation of Siberia. Documents purporting to show that France and Japan had entered into such an agreement were made public in Washington last Saturday by a delegation from the Far Eastern republic.

6 SLEEPERS LEAVE TRACK NEAR MACON; PASSENGERS ESCAPE

(By Associated Press) ATLANTA, Ga., Jan. 3.—Six sleepers on the Royal Palm limited of the Southern railway from Chicago to Jacksonville were derailed today near Macon, Ga., but reports said none of the passengers were injured. A wrecking crew succeeded in getting one of the sleepers back on the track and the passengers were transferred to this car and brought to Atlanta. The cause of the derailment has not been determined.

ENGLAND MAY HOLD FEBRUARY ELECTION

(By Associated Press) LONDON, Jan. 3.—Great Britain may hold a general election in February, it was asserted here today, after a week end during which the newspapers discussed the political situation rather freely. It was declared that Premier Lloyd George favored an election next month but was meeting position from an influential group headed by Lord Brienhead, which desires an appeal to the country at a later date. This group is said to want the government's plan for re-forming the House of Lords to take definite shape before an election is held. The coalition liberals will meet here in convention on January 21, and Mr. Lloyd George will on that occasion speak on the situation. Keen interest in his address is already evidenced in London.

\$1,000 FIRE DAMAGE AT ROSER RESIDENCE

A spark from the flue of L. P. R. Roser's residence, 250 North Twenty-second street, started a blaze inside the attic at 11 o'clock Monday night. The fire was put out by the city department after it had done about \$1,000 worth of damage. The department kept the flames from spreading from the roof. Some damage was done to the interior of the house by water, in addition to the loss of the roof. The Roser residence is a comparatively large two story structure.

FIRE DAMAGES NEW NO. 9 SCHOOL HOUSE

Melted tar used in putting the finishing touches on No. 9 schoolhouse south east of the city, caught fire Tuesday morning and caused some damage before it was put out. The city fire department subdued the flames with chemicals.

Number 9 school house has been in process of remodeling for some several weeks, and was nearly ready for use. It is located on the Henley road.

Mary Pickford Divorce Is Called "Worst of Kind"

(By Associated Press) CARSON CITY, Nev., Jan. 3.—Mary Pickford's divorce from Owen Moore was "the worst of its kind and should be the last of its kind," Attorney General L. B. Fowler declared in a closing brief filed in the supreme court here today in his action to have the decree set aside.

State Troopers Patrol Streets After Blast

(By Associated Press) GLEN FALLS, N. Y., Jan. 3.—State troopers have been patrolling the streets of Corinth since Saturday, when an automobile owned by an employee of the International Paper company was blown up with dynamite in a barn. The owner of the machine did not leave work with other employees last May when a strike of paper makers, which is still in effect, was declared.

SENATE TODAY IS COMPLETELY CHANGED BODY

Death of Pennsylvania Senator Marks Passing of Group of Strong Men Who Controlled by Force.

PENROSE POWERFUL

(By Associated Press) WASHINGTON, Jan. 3.—It will be said that Penrose's passing makes little difference because he had been ill and more or less out of things for two years, off and on, anyhow. But that will not be true.

What is true is that Penrose slipped out of things two years ago, that his slipping out made a very great difference, and that his death merely makes his passing complete and creates an occasion for pointing out how much it means. It is not merely that Penrose was the last of the barons, it is not merely that there is not a senator left who is also in any sense boss of his state. It is not merely that there is hardly any such thing left in American politics as a state-wide boss, in the senate or out of it. What Penrose's death signifies is that the senate is today a completely changed body, utterly different from the picture of it which the public has inherited from the past.

Six months ago the state of Pennsylvania was represented in the senate by two men who, whatever you might think of their policies, were among the strongest men of their generation. Today, and until Penrose's successor is appointed, Pennsylvania is represented in the senate by one man whose name the public does not know.

Neither this successor of Knox or the successor of Penrose can possibly fill their shoes, even if Pennsylvania should take pains to send good men, and even under the most favorable circumstances, otherwise until they have had several years of experience and enough time to reach, under the seniority rules of the senate, positions of power and responsibility.

This case of Pennsylvania is extreme, but it merely happens to be conspicuous at the moment. Much the same sort of change has come to the other states gradually, without the public noticing it.

There are a few strong individuals in the senate, but there is no group of strong men who act together, who have a sense of collective responsibility for running the country, or actually do run it.

The phrase that Cox made a slogan of in the last presidential campaign, "The Senate Oligarchy"—is a joke. There is no such thing. There is no senator or group of senators who, either through strength or personality, or by virtue of official authority, are able to crack the party whip or otherwise enforce discipline and achieve collective action. The senate today has little more discipline than a town meeting.

Three Groups. The big Republican majority is divided roughly into three groups: The farm bloc, composed of men like Kenyon and Capper; the remnant of the old guard, like Lodge and Curtis, and middle-ground men, like McMeekin and Lusk. What the senate happens to do about any particular matter is determined by the loose shifting attachments of men at the outer edges of these groups. Specifically, Penrose's death will bring an important change in the chairmanship of the important finance committee.

(Continued on Page Three)

CONGRESS ADJOURNS TO RESPECT PENROSE

(By Associated Press) WASHINGTON, Jan. 3.—The death of Boies Penrose, senior senator from Pennsylvania, was formally announced in the senate today by Senator Lodge, of Massachusetts, the Republican leader, and in the house by Rep. Butler, dean of the Pennsylvania delegation.

Both houses, after adopting resolutions of sorrow and regret, adjourned out of respect. Mr. Lodge, making the announcement with a "personal sorrow," declared that the death of the Pennsylvania senator the country had lost a great statesman, whose power and influence had meant much in guiding the destinies of the nation safely through menacing currents and turbulent channels. The influence, Mr. Lodge predicted, long would continue to exert itself upon governmental life and affairs.

WHEAT OFF 4 CENTS; BANK TROUBLE CAUSE

(By Associated Press) CHICAGO, Jan. 3.—Troubles of the Fort Dearborn National bank had an unsettling effect on the grain market today and with liquidation on the part of eastern interests, wheat dropped four cents a bushel by noon. Mid-day quotations were \$1.11, May and 1 1/4, July as compared with \$1.15 to \$1.15 1/2, May and \$1.03 1/2 and \$1.04 July at the close on Saturday.

3 Los Angeles Bandits Make Haul of \$10,000

(By Associated Press) LOS ANGELES, Jan. 3.—Three bandits, armed with sawed-off shotguns, held up three collectors for a drug company in a store on the busiest street in the downtown quarter today and escaped in an automobile with a sum estimated by the concern at about \$10,000.

CITY HEALTH BOARD PROGRAM DEFINITE FOR COMING YEAR

Tentative plans for the work of the city health board for the coming year will be discussed by members of the board in the council room at the city hall at 8 o'clock Wednesday evening. The board will be organized into its various departments.

Although there was no public statement forthcoming Tuesday regarding the future policies of the board, a very definite program is in view for the coming year.

"In assuming the duties of the health officer of the city, I am cognizant of the importance attaching to the responsibilities devolving upon the board of health," said Dr. C. E. Duffin, secretary of the board. Dr. S. G. Smelser and Miss Ruth James are the other members of the board.

"While I realize that health conditions here are, and have been, up to standard, there always is a chance for improvement. The policy of the board of health will be courtesy, efficiency and economy."

The various departments of the health board to be organized Wednesday evening are the ash and garbage collecting agencies, the dairy, meat, and sanitary inspection systems.

WOULD MAKE FRANCE PAY HER U. S. DEBTS BECAUSE OF ATTITUDE

(By Associated Press) WASHINGTON, Jan. 3.—The administration would be directed on a resolution introduced today by Representative Reavis, Republican, Nebraska, to demand repayment by France of money loaned to her by the United States during the war. Mr. Reavis in a statement said prompt payment of the debt should be insisted upon because France has indicated her intention of expending "large sums of money on increased naval armament."

The resolution did not mention France by name, but in his formal statement Mr. Reavis stated that it was directed at France because of her stand at the armament conference on the submarine question.

RETIRE JAMES HAYES FROM RAIL SERVICE

James J. Hayes, conductor on the Grand Rapids and Indiana railroad, running between Fort Wayne and Richmond, went on the pension list on January 1st.

Mr. Hayes has worked on the Grand Rapids and Indiana railroad, now the Grand Rapids division of the Pennsylvania, for nearly 42 years. He is 69 years old, and has not quite reached the retiring age, but because of poor health he is unable to continue his railroad work. He has been running for years on the Richmond end of the road out of here. He entered the service March 11, 1880, as brakeman. In February, 1882, he became conductor and eight years later passenger conductor.

FAIR CONVENTION OPENS ITS SESSION

(By Associated Press) INDIANAPOLIS, Jan. 3.—The annual convention of the Indiana Association of County and District Fairs opened here today. Representatives of fair associations and other agricultural societies from all over the state were present.

The meeting is preliminary to the annual meeting tomorrow of the Indiana Board of Agriculture, at which time the election of eight new members of the board will be held. Contests for places on the board are expected.

Celebrate Requiem Mass For Late Baron Rosen

(By Associated Press) NEW YORK, Jan. 3.—Requiem Mass was celebrated at St. Nicholas (Russian) Cathedral today for Baron Rosen, former Russian ambassador at Washington, who died in this city on Saturday. The casket was taken to the Cathedral last night after private memorial services at the family's apartments and lay in state until time for the mass to begin. After the ceremony the remains were taken to Fresh Pond, L. I. where they were cremated.

Weather Forecast

MOORE'S LOCAL FORECAST

Rain tonight; Wednesday rain or snow. Colder by Wednesday night or Thursday.

The gradual eastward movement of the Rocky Mountain storm is the reason for the above forecast.

For Indiana, by the United States Weather Bureau, Jan. 3.—Rain in south, and rain or snow in north portion late tonight or Wednesday. Colder in north portion Wednesday.

Temperatures for Yesterday
Maximum 34
Minimum 11
Today
Noon 44
Weather Conditions—The principal feature of the weather is the Rocky Mountain storm which covers the entire Mississippi valley. Mild temperatures now cover all the central and plain states, excepting the northwest, where it is getting colder.

Paid Circulation Yesterday, was 11,539

DAIL DEBATE BRINGS OUT BITTERNESS

High Feeling Exhibited by Both Sides in Resumption of Discussion of Anglo-Irish Treaty Today.

ANIMOSITY IS SHARP

(By Associated Press) DUBLIN, Jan. 3.—Bitterness and high feeling were displayed by both sides in the resumption by the Dail Eireann today of debate on the Anglo-Irish treaty.

The animosity between the factions seemed far more sharply drawn than before the adjournment for the holidays, and was the outstanding feature of the opening session which began shortly after 11 a. m., and was adjourned at 1:30 p. m.

Four speakers were heard at this session. Art O'Connor, and Countess Markiewicz, opponents of the treaty; and Peirce Beasley and J. J. Walsh, who pleaded for ratification.

Countess Markiewicz was given close attention as she voiced criticism of various terms of the treaty. She, like Art O'Connor, concentrated on the position the Southern Unionists would have in the southern parliament if the Irish free state were established, the counties denouncing them as Ireland's worst enemies.

Beasley's plea to the Dail was that it face the realities of the situation and give a chance to the nation, which is trying to be born.

Walsh's argument was that there were nothing in the treaty that robbed the Irish people of their ideal of independence. He declared amid cries of "No, no," that the most the Republic opponents of the treaty hoped for was a Republic for three-quarters of Ireland, as they knew Ulster could never be included in it.

People Favor Pact. A review of the attitude taken by the Irish people at large would seem to indicate overwhelming sentiment in favor of ratification of the compact.

Since an announcement was made that the treaty had been signed in London 101 public bodies have adopted resolutions in favor of the treaty and in many cases have demanded that their representatives in the Dail Eireann vote for it.

Five more county councils, Limerick, North Tipperary, Tyrone, Louth and Wexford—yesterday added their voices to the chorus approving the treaty. The unanimity of the farmers on the question is a notable feature of the demand for ratification. They have held scores of meetings throughout the country, and without exception have affirmed their support of the pact.

Opponents of the treaty today brought out a new organ called "The Republic of Ireland," and it was looked upon as a new factor in the situation. Today's papers here discussed it with a note of satisfaction. Its tone was not aggressive and the first issue refrained from personalities.

Appeal to Members. This morning newspapers appealed to members of the Dail to heed the necessities of the country one of them saying: "The Dail must decide whether it is a democratic or an autocratic body."

The peace agreement has been under consideration by the Dail since Dec. 14, and it was generally believed here today that the present session would not be protracted. Many members looked for the vote on Thursday night or Friday.

Just before the Dail was called to order a buzz of excitement was caused by the distribution of an order of the

RESERVE DECISION ON INDIANA ROAD

(By Associated Press) INDIANAPOLIS, Jan. 3.—No part of the coal railway division of the Chicago and Eastern Illinois road will be taken over by the Wabash system, Governor McCray and other state officials were informed today by S. E. Cotter of St. Louis, general manager of the Wabash.

With his decision effort was directed toward getting the Monon to take over that part of the coal road between Attica and Fair Oaks, and President Kurrie, of the Monon, reserved a decision. Meanwhile he said a check would be made of the business prospects of that part of the line.

Five Bandits Escape From Police Station After Pistol Skirmish

(By Associated Press) BINGHAMTON, N. Y., Jan. 3.—Five bandits escaped from the police station at Montrose, Pa., today after a pistol battle. The men were arrested in a motor car for failing to account for its ownership. At the police station they refused to answer questions. Left in charge of a deputy for a moment they drew guns, backed the deputy against the wall and fled to the car. As they were driving away other officers opened fire on them. Later the car was found abandoned at Tingley, Pa., with bullet holes.

John J. Harrington, Sr., Breaks Wrist In Fall

John J. Harrington, Sr., local leather dealer, sustained a broken left wrist in getting out of his automobile in front of his home, Sunday. Losing his balance, he fell upon his left arm. He is now confined to his home but is getting along nicely.

RICHMOND PROMISED REAL POLICE SERVICE BY CHIEF EVERSMAN

"Here is something I want every person in Richmond to know," said William F. Eversman, new superintendent of police, shortly after roll call Monday evening. "Every complaint made to this department will be investigated. Whenever anyone wants to speak to me, they can reach me either here in this building or at my home. My telephone number is 3686."

"My idea is to give Richmond a real police department. And that is our aim," he concluded. Applause greeted Eversman. Wierhake, night sergeant, when he entered the court room to call the roll at 6 o'clock Monday evening. Wierhake introduced the new superintendent after the roll had been called, and he gave a few brief instructions to the men.

"Do Right Thing" "For the present I have nothing to say to you beyond telling you to go ahead and do the right thing," he said. "We will follow the same custom this year that has been followed in the past; that is, every member of the force is expected to hand in his resignation and at the same time his application for reinstatement. These must be in by Wednesday night."

Isaac Burns was elected president of the new police board and Ed. McNally secretary at a meeting Monday afternoon, he told the policemen.

WATSON SAYS SPROUL WILL QUIT TO ACCEPT MANTLE OF PENROSE

(By Associated Press) WASHINGTON, Jan. 3.—Predictions that Governor Sproul of Pennsylvania would within 48 hours announce his intention of resigning to accept appointment of United States senator to succeed the late Senator Penrose was made today by Senator Watson of Indiana, one of the Republican leaders of the senate, after a call at the White House.

PHOENIX RESIDENTS ARE LEAVING HOMES BECAUSE OF FLOODS

(By Associated Press) PHOENIX, Ariz., Jan. 3.—All residents of the northwestern portion of Phoenix were notified by the sheriff's office and police department early today to leave their homes because of danger from flood waters from Cave Creek.

The flood waters broke through the Arizona and Grand canals, two large arteries of the Salt River Valley irrigation district north of Phoenix last night and were expected to reach Phoenix early this morning.

Officials declared that the crest of the flood has not yet been reached. Reports to the irrigation district headquarters indicated that the flood was spreading out more than usual, thus slowing its progress toward the city.

Reports also said that rains north of Phoenix had caused a rise of six feet in the Verde river, which flows into the Salt river above the Granite Reef dam. This water is expected to reach the dam early this morning and to fill the Salt river below the dam almost to capacity. Rain is reported still falling in the water sheds of both Cave Creek and Verde river.

MAYOR, WORKS BOARD TAKE UP PROBLEMS OF MUNICIPAL PLANT

Richmond's new mayor and board of public works took up as their first problem Tuesday the questions relating to the municipal electric light plant.

Members of the board met with Mr. Handley at the office of the plant, on South Eighth street, Tuesday afternoon, to discuss problems connected with the plant, and to get information regarding unpaid bills, if such are on hand.

The conference at the office was followed by a visit to the plant and a talk with L. C. Weldon, temporary manager of the plant.

SEARCH FOR MISSING BOYS AT EVANSVILLE

(By Associated Press) EVANSVILLE, Ind., Jan. 3.—Search was resumed today for three boys, Thomas Fruchte, Clyde Crow and Leo Winger, missing since last Saturday morning, when they left in a canoe to go duck hunting on the Ohio river. Winger, a Purdue student, was to have left today to resume his studies after the Christmas holidays. Sailors from the United States revenue cutter Kankakee are aiding in the search.

Gladys Vanderbilt's Husband Appointed Hungarian Envoy

BUDAPEST, Jan. 3.—Count Laszlo Szechenyi has been appointed Hungarian minister to the United States. He is now in Washington. Countess Szechenyi was formerly Gladys M. Vanderbilt, of New York.

Comptroller Issues Call For Condition of Banks

WASHINGTON, Jan. 3.—The comptroller of the currency today issued a call for the condition of all national banks at the close of business on Saturday, Dec. 31.

INDIANAPOLIS, Jan. 3.—Charles W. Camp, state bank commissioner, today issued a call for the statement of the banks of Indiana at the close of business, Dec. 31.

ASK BALFOUR AND HUGHES TO MEDIATE

Are Approached by Chinese Arms Delegation Regarding Deadlock with Japanese on Shantung Question.

STUDY NAVAL DETAILS

(By Associated Press) WASHINGTON, Jan. 3.—Arthur J. Balfour, and Secretary Hughes have been approached by the Chinese arms delegation regarding the existing deadlock with the Japanese on Shantung and have been asked to mediate. It was learned today on high authority.

Naval experts continued today their study of technical details remaining to limitation agreement, while other naval and far eastern questions formed the subject of informal conferences for many of the delegates.

Final adjustment of the limitation agreement was still looked for by the end of the week. In the far eastern field there was also another meeting today for the sub-committee appointed to formulate a new tariff program for China.

Charges in Limelight. The comparative lull in activities of the conference proper served to hold in prominence today the charges of the unofficial delegation from the far eastern republic at Chita of a secret understanding between the French and Japanese governments wherein the former had agreed to support Japanese claims for a protectorate of Siberia.

Concurrently with a formal and official denial of the authenticity of the documents purporting to embrace the understanding communicated yesterday to Secretary Hughes as Chairman of the conference, by M. Sarraut, head of the French delegation, a declaration was made by Boris E. Skvirsky, a member of the Chita delegation, that additional documents which he said had passed between the two governments on the subject was in the files of his government.

Mr. Skvirsky suggested that these documents be inspected by a duly accredited representative of the American government, so that the results might be made known to the conference when it takes up consideration of Siberian problems.

MERGER OF CHICAGO BANKING INSTITUTIONS SAVES BIG DISASTER

(By Associated Press) CHICAGO, Jan. 3.—The Continental and Commercial National bank and the Continental and Commercial Trust and Savings bank today formed the second largest banking institution in the United States and the largest west of New York through absorption of the Fort Dearborn National bank and its affiliated institution, the Fort Dearborn Trust and Savings bank, that action averting what was described as the most serious difficulty which had threatened Chicago's financial district in years.

The merger was announced late last night after an all day session of the Chicago clearing house association and leading financial men, the Continental and Commercial institutions agreeing to assume liabilities of \$60,000,000. The absorption placed combined deposits of the four banking institutions at more than \$400,000,000, and total resources at a figure greater than \$525,000,000.

Difficulties of the Fort Dearborn properties were attributed to over-extension of credits. "Owing to the over-extended condition of Edward Tilden and company (chief stockholders of the Fort Dearborn organization) and some recently made loans and investments which proved to be bad and entailed heavy losses, it was found on examination of the two Fort Dearborn banks by the Chicago clearing house examiners that the capital of both banks had been impaired," said a statement by James B. Forgan, chairman.

The clearing house banks guaranteed the Continental and Commercial against possible losses to the extent of \$2,500,000 and the Fort Dearborn stockholders made a further guaranty of \$1,500,000.

In addition there is a capital, surplus and undivided profit of about \$8,000,000. The Continental also pays about \$1,250,000 for the good will of the two absorbed institutions.