

Woods Bros. Case

ARGUES ON TRICKERY.

Sharp words between A. G. Ellik, attorney for first preferred stockholders of the defunct M. E. Smith & Co., and Edgar M. Morsman, Jr., representing Woods Bros., marked the hearing Thursday afternoon before Federal Judge Woodrough for review, on petition of the stockholders, of Special Master D. Dunham's decision recommending acceptance by John U. Loomis, trustee, of the offer of 125 thousand dollars cash by Woods Bros. in full of all claims against them.

Mr. Ellik contended that total claims aggregating more than six million dollars, including interest, the largest of which is for \$2,800,000 worth of stock issued Woods Bros. and never paid for. He also asserts that \$1,000,000 was taken out of the pockets of M. E. Smith & Co. stockholders, and charges misapplication of M. E. Smith & Co. funds.

After Mr. Ellik had said: "You know that's not true," referring to a statement Mr. Morsman had made in connection with a meeting in Chicago to discuss reorganization plans, Mr. Morsman replied: "You're a liar."

"I know you men are intensely interested in the case," interposed Judge Woodrough, "and I might not get away with it, but if there is another outburst of that kind, I'm going to exercise my authority and put somebody in jail."

Mr. Morsman said: "I apologize, but I am interested in the case. However, interested in the case we may be, Judge, hereafter we'll show the court proper respect," added Hallock F. Rose, also attorney for Woods Bros.

Arthur F. Nulton also is representing Woods Bros. Frank H. Galois is attorney for Trustee Loomis.

"The whole attitude of Woods Bros. has been one of cunningness and dishonesty to wriggle out of a situation they knew they were in up to their necks," charged Mr. Ellik.

"I don't know of anything the first preferred stockholders have done which would stop them in presenting their claims. We have moved as rapidly as we could, after first setting out diligently to ascertain the facts."

"There is so much that was concealed, it is like working out a picture puzzle, and just as interesting. I'm so sure we can collect more than enough to pay the creditors that I feel certain the first preferred stockholders will bear the expense of the litigation."

Charges Collaboration. "Woods Bros. shouldn't be allowed to walk out for only 2 per cent of what they owe. This is a court of equity, and we are entitled to consideration. The whole atmosphere is close co-operation between Woods Bros. and the creditors."

Mr. Morsman asserted repeated offers were made to reorganize both Burgess-Nash and M. E. Smith & Co. without success, and that the first preferred stockholders "knew everything that was going on" when the compromise agreement was made May 7, 1924.

He said the only "possible instances of and misappropriation of money" were when Ward Burgess took 400 thousand dollars out of M. E. Smith & Co. to pay the Omaha Trust company and a New York bank to meet notes which were obtained to raise 500 thousand dollars for the M. E. Smith Securities company; when the Burgess-Nash company loaned money to the securities company as it had been doing for some time, and when Burgess borrowed 180 thousand dollars from the securities company.

"No Intentional Fraud." "I don't see any fraud on the part of the stockholders or creditors," declared Mr. Morsman. "Mr. Burgess wasn't intentionally committing any fraud. The only claim I can see that M. E. Smith & Co. has is for the 400 thousand dollars taken by Burgess to meet the notes."

"One hundred and twenty-five thousand dollars is a very substantial sum for a peace offering," said Mr. Rose.

"The trustee, representing the creditors, is anxious to get as much out of the bankrupt estate as he can," declared Mr. Galois. "I found there was no intention on the part of anybody to pay for the \$2,800,000 worth of stock. The stock was issued to make a loan of \$1,500,000 to bolster up the financial condition of the company. That wasn't hurting the preferred stockholders. Don't you think that if I thought there was a chance of getting the \$2,800,000 that I would have tried? Personally, I don't think the preferred stockholders have any claim at all against Woods Bros."

Lincoln, (AP)—In 69 automobile accidents in Lincoln during July, seven persons were injured, and one was killed.

Answer to Today's Crossword Puzzle

Grid for crossword puzzle with letters filled in.

Better Things for Parsnip

Bluffs Man's Vegetable Drink Looks, Smells and Tastes Like Coffee; Plans Factory Here.



The lowly parsnip, despised in song and jest, is about to come into its own. George Steinberg, former Council Bluffs alderman, has put the parsnip, along with three of its garden companions, into the coffee cup. He announced today that a factory to manufacture coffee substitute, free of caffeine but otherwise like the great American breakfast beverage, will be in operation by the end of this month either in Omaha or Council Bluffs. And the chief ingredient is the parsnip.

Mr. Steinberg, with the magic of chemistry and a roaster, transforms the parsnip and the other three vegetables into a brown granulated substance that looks and smells like ground coffee. This he brews in the regular way and serves with cream and sugar. He has served it in his own home for several weeks in place of coffee.

The former Bluffs alderman appeared at The World-Herald office with two thermos bottles filled with a steaming, fragrant brown fluid Thursday morning. He served his "coffee," demitasse, to several persons, who pronounced it delectable and quite like their usual cup.

While the process is being patented, Mr. Steinberg would rather not disclose the other vegetables he uses. He was trying to find a vegetable sirup that could be served in powdered form when he accidentally hit on the coffee substitute. Twenty months of work on the latter idea produced the new beverage. Four pounds of vegetables produce one pound of coffee.

"Our factory will employ about a hundred people and will be in operation by September 1," Mr. Steinberg said. "I am looking for a building now. I have adequate backing and already I have orders for 10 thousand pounds. I have the sanction of chemists at Iowa university and at Ames Agricultural college, as well as dietitians at Omaha hospitals. My machinery is being manufactured."

Mr. Steinberg's life-long hobby has been chemistry. He studied it while going to college in London, where he was studying to become a rabbi. He served as a chemist for two years in South Africa, with the British army in the Boer campaigns. His laboratory is in his home in Council Bluffs.

So, the lowly parsnip may soon be looking at you from your coffee cup.

PATTERN SERVICE



A PLEASING STYLE FOR MORNING WEAR. 6187. This wearable one-piece frock of cotton print has a front plaited skirt with flat back, joined to waist portions that close diagonally in front, and are finished with a broad striped collar. Green and white plaid with the plaid of white or self color will make this a cool looking frock. Another attractive development would be saphyr with collar and cuffs of organdy.

The pattern is out in 6 sizes: 34, 36, 38, 40, 42 and 44 inches bust measure. To make the frock for a 38-inch size will require 3 1/2 yards of 36-inch material. To finish with bias binding as illustrated will require 4 1/2 yards. The width of the dress at the lower edge with bias extended is 2 yards.

Our patterns are furnished especially for us by the leading fashion designers of New York City and all orders are filled in New York. Every pattern is seam-allowing and guaranteed to fit perfectly. Patterns are exchanged only when order has been incorrectly filled. When ordering your pattern, be sure to give the pattern number and size you need. Write your name and address plainly. Enclose 15 cents for each pattern ordered, and address your order to the Pattern Service Department, World-Herald, Omaha, Neb. Allow 12 days for delivery.

In 1818 one Bowdler published an expurgated edition of Shakespeare; hence arose the verb to bowdlerize.

LABOR CHIEFS RENEW WAR ON COMMUNISM

American Federation of Labor Plan Nation Wide Attack on Reds.

HAND OF MOSCOW SEEN

By Special League Wire. ATLANTIC CITY, Aug. 3.—The battle between communists and American labor has only started. The executive council of the American Federation of Labor meeting here, has undertaken an almost nation wide offensive, bringing the warfare again to an acute stage, because of fresh attacks by the communists, which President Green here charges are under orders from Moscow.

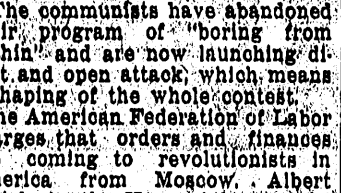
Two outstanding facts which have moved the council to take up the cudgels are these: The communists have called a convention of railway workers to meet in Chicago on October 1, and they have called a convention of miners to meet in Pittsburgh on September 1.

The communists have abandoned their program of "boring from within" and are now launching direct and open attack, which means reshaping of the whole content. The American Federation of Labor charges that orders and finances are coming to revolutionists in America from Moscow. Albert Welsberg, the Harvard law school genius of the Passaic melee, has returned from Moscow and is in the midst of the mass picketing demonstrations in New Bedford, where the federation is striving to conduct an American strike, and to prevent the development of a Moscow inspired revolutionary movement.

This, Mr. Green says, will, if it does anything, repeat the Passaic fiasco where, in his words, "the reds misled the workers and then deserted them."

An electric power shovel with a dipper that will gouge out nearly 24 tons of earth in one bite is to be used in the open pit mining of coal in Illinois.

BRIDE-TO-BE



Priocilla Bonner, motion picture actress, has announced her engagement to Dr. Bert Woolfan of Holywood. The wedding, she said, has been set for September 2.

DAILY ROAD CONDITIONS.

(Furnished by the Omaha Auto Club.) Lincoln Highway, East U. S. No. 30.—Good; 6 miles colour between Logan and Woodbine muddy. Still raining, need chains, rest of highway hard surface. Lincoln Highway, West U. S. No. 30.—Good. D. L. U. S. No. 56.—Good to MeCook; fair on west. Center Street Road, No. 16.—Good. Black Hills Trail, No. 8.—Good. Meridian Highway, U. S. No. 81.—Good. Cornhusker Highway, U. S. No. 77.—Good. Washington Highway, No. 5 and U. S. No. 77.—Good. Kings Trails North U. S. No. 76.—Good, except 25-mile stretch north of Misouri Valley, which is slippery and muddy. Kings Trails South U. S. No. 75 and No. 76.—Good. Omaha-Tulsa Highway, U. S. No. 76.—Good; dirt stretches slippery. Dodge River Road, No. 7.—Slippery and muddy. White Way, U. S. No. 53.—Slippery and muddy. I. O. A. Shortline.—Slippery and muddy. Federal, No. 34.—Slippery and muddy. Weather reported cloudy at all stations during at most stations.

BIRTHS AND DEATHS

Births—Harold and Lola Crookery, Weeping Water, Neb., girl; Hans and Mae Greenough, 2324 S. 24th St., girl; Herman and Emma Tullwack, 1730 Ontario St., girl; Frederick and Katharina Bull, Neb., girl; John and Sadie Shuster, 214 N. 24th St., boy; Klaus and Marie Vogt, Plattsmouth, 1222 S. 36th St., boy; Harold and Pearl Page, 1000 Myrtle Ave., boy; Charles and Katherine Sherwood, 404 N. 5th St., Bertrina, 1000 Myrtle Ave., girl; William and Peggy Allen, 1025 E. 24th St., girl; Paul and Isabel Book, 121 N. 40th St., boy; Kruger and Julia Hallock, Fremont, Neb., Ralph and Mabel Bouck, 4324 Baumer Ave., Elmer and Margaret Cooper, 1922 N. 27th St., girl; William and Nellie Weather, Chester A. Blake, 613 N. 24th St., girl; Dorothy Margaret Dury, 404 N. 11th St., Otto A. Johnson, 624 1/2 Ave. 69, John G. Hall, 414 N. 39th St., Mrs. Gladys Richardson Aradain, Neb., Mrs. Nicholas Housen, 1207 Douglas St., 25.

Advertisement for tires with text: 'Nationally Known TIRES Low Overhead, Quick Turnover, Equals LOW PRICES 2024 Farnam AT 5055'

Now SHELL Comes to COUNCIL BLUFFS. Council Bluffs motorists can now obtain Shell Petroleum Products in their own town. Look for the Shell yellow-red service stations and pumps.

Large advertisement for Shell Motor Oil featuring an illustration of a car and a large sign that says 'SHELL MOTOR OIL'. Text includes: 'Protected by Shell Motor Oil you can tour with confidence', 'The terrific punishment of long trips at high speed has no terrors for SHELL MOTOR OIL. Just the right body...thin enough to flow freely and cushion every moving part with a tough clinging film...heavy enough to stand the gaff.', 'When your foot has held the accelerator down on the floor board for hours at a stretch, it is natural to be a little uneasy about the oil "standing up"—unless you are using SHELL.', 'SHELL MOTOR OIL is made for just such grueling service. The carefully selected crudes which are its base...the special refining process employed...and the specifications to which it is refined, combine to produce an oil of exactly the right body...thin enough to flow freely to every moving surface...heavy enough to come through heat and friction unharmed...a constant protection to your motor and pocketbook.', 'Nobody forces a car to the limit all the time, but it gives a comfortable feeling of security to know that your engine is always protected by a lubricant which will withstand a far more severe test than you could possibly give it.', 'All SHELL yellow-red service stations and authorized Dealers are glad to give free crankcase service.', 'Western Service Company, Distributors of Shell Exclusively in Omaha and Vicinity, 1307 Leavenworth St., MA 4277, JA 4448, JA 4449, JA 6316, A Few Choice Vicinity Contractors Open to High-Grade Dealers'

Advertisement for 'Steinite' Radio. Text: 'AT LAST! —you've waited for it and HERE IT IS: We have just received a large shipment of the wonderful "Steinite" Radio. This Beautiful "Steinite" All-Electric \$75. It's the sensation of the Radio World. Convenient Terms. Mickel Music Company, 15th and Harney.'