THE ELKHART DAILY REVIEW.

ESTABLISHED IN 1872. ELKHART, INDIANA, WEDNESDAY, MARCH 23, 1904 PRICE TWO CENTS.

COLLINS TELLS HIS STORY

He Admits His Wrong-Doing, But Involves Brodrick.

HE HAD OFTEN WARNED BRODRICK

That He Was Loaning Too Much Money to Certain Industries—The Story of the Last Night a Sad One.

Cashier Collins on the Stand.

As the report of his testimony did not appear in the earlier edition Tuesday, the report is repeated from the beginning.

A question was put to Mr. Collins as follows, "You pleaded guilty of making false entries in the bank books, did you not?"

"Yes sir."

"Who made the loans of the bank?"

"Brodrick and myself had the final passage all the time on notes."

"Did you have interest in the Elkhart Paper Co. and the Acme Cycle Co?"

"Yes sir. I had no interest in the Diamond Type Foundry, the Capps-Brown Co. and the Buescher Mfg. Co."

"Who kept the books?"

"The bookkeeper."

"Who made the data? Who waited on customers?"

"Brodrick and myself."

"What is your relation to Mr. Brodrick?"

"Brodrick married my sister."

"When money came in what did you do with it."

"It was deposited, put on slip and given to the bookkeeper."

"On the 22nd of September, 1903, there is an entry of $26,590.44. What does it mean?"

"It was a deposit to the Garden City account."

"Who made the data by which it was placed on the slip? Was that $24,000 a false charge?"

"Yes, sir."

"Did you have a conversation with the defendant, Brodrick?"

"Brodrick said he had authority from the Garden City to check on their accounts."

"Did Brodrick say it was false?"

"He knew at the time it was."

Mr. Collins testified that Brodrick knew that false entries were made on the books and that he was a party to the crooked transactions. He also testified that Brodrick and himself took money from the bank and offset it by worthless checks of other corporations.

He said that Brodrick was present when the comptroller of the currency was shown the false reports. Collins' testimony was directly damaging to Brodrick's cause. Although the attorneys for the defense objected to many questions Judge Anderson allowed Collins to proced, though Collins' testified reluctantly.

He recited in detail the following conversation he had had with Brodrick. I said, "We will get into trouble if we are ever found out." and Brodrick replied, "I don't see how we will ever be found out."

"Who made the loans to the National Mfg. Co.?" asked Kealing.

"J. L. Brodrick."

"Who was the ruling controller of that company?"

"Walter Brown."

"He is also ruling director of the Consolidated, is he not?"

"Yes."

"Did you ever talk with Collins and Brown together concerning the loans made these two companies?"

"Yes, sir; I told Mr. Brodrick that they would break the bank. He said that they would get the money from the companies all right. I talked with Brodrick almost every day, saying that we would have to shut these companies off or the bank would be wrecked."

"How long has the bank been making these loans?"

"Seven years," replied Collins.

Mr. Kealing then pressed the witness concerning false entries that had been put on the books. Collins said that it was done to keep the bank running, and that to do so they were forced to reduce the cash items. He said they relied on getting in money later.

"Mr. Collins," said Kealing, "you may please state what was said between you and Mr. Brodrick concerning this false entry of the Garden City Stationery Company."

"Brodrick said that the Garden City Stationery Company had authorized him to make such charges, and that he was also good in the Egg Case Manufacturing Company."

"How long had you and Mr. Brodrick been making false entries?"

"Two or three years."

"Was Mr. Brodrick present when the entry of $24,000 was made in the report to the controller, Sept. 27?"

"Yes, sir."

"What effect did the false entry of $24,000 have upon the bank?"

"It reduced the deposits and cash items $24,000 by taking the cash out of them."

"Was the note of $6,000 of the National Tablet & Supply Company made on the same day?"

"Yes, sir."

"What did Mr. Brodrick say about that note?"

"He said that he was an officer of the company and had a right to make it."

"Were $30,000 taken out on that day?"

"The cash items deducted that amount. We were both there, but I don't know who did it."

"The report to the controller on that day was not correct then?"

"No, sir."

Collins then testified that to defray the $30,000 taken out deposit slips were made out and although representing nothing were carried in the bank as assets.

Kealing asked him if any money was put back when he made out the $24,000 of tickets. Collins said that there was not. Kealing then asked him about the entry of $10,000 of the Garden City Stationery Company of June 3. Collins said it was not correct.

"Do you remember of signing drafts, one for $7,000 and one for $1,500 on Sept. 16, 1903, for Mr. Brodrick?"

"Mr. Brodrick said that he would have to send a draft to pay a judgment of $8,500 in Fort Wayne."

"Did you make out that draft and give it to Mr. Brodrick?"

"Yes, sir."

"What did he say later about it?"

"He said that he went to Fort Wayne and paid the debt."

"Was it his own money or the bank's?"

"It was the bank's money."

"Did he pay anything for the drafts?"

"No, sir."

"Did he have $8,000 to his credit in the bank at the time?"

Collins said he did not.

"What did you say about making out those drafts?"

"I told him we would go to hell if we kept this up. He said he would go anyway unless he paid that debt."

Mr. Kealing then asked Collins about the $40,000 that had been borrowed for the bank.

He said that it had been borrowed on personal security; that Walter Brown, J. L. Brodrick, B. C. Brodrick and himself had each made out a note of $10,000 to H. E. Bucklen. The notes were endorsed by each other. He said that $33,000 was taken out for the Bucklen notes.

"Who got the Fanny K. Thompson note?" asked Kealing.

"It went into the book. I saw the book at Brodrick's home several months ago."

"Who got the notes?"

"I think Mr. Brodrick."

"Were the notes ever put back in the bank?"

"I don't think so."

"Did the Thompson note ever get back into the bank?"

"I never saw it."

Collins was then asked to tell what happened at the meeting at the bank on Nov. 16 when Brodrick, Brown and Collins were present.

He said they talked about getting money to tide the bank over and they took out the three Alford notes and the note of the Consolidated and the Capp-Brown Company and the note of B. C. Brown. Brodrick then got the note book, he said, out to look it over and Brown said he wanted to take up the Alford notes, "I said I didn't know about our right of doing this. Brodrick said it made no difference as we had the Consolidated to pay anyhow. He said the notes were delivered to Brown and in their place were put the notes of the Consolidated Paper and Bag Company." The notes, he said, were written out that night and taken away.

Kealing asked what was put in the place of the B. C. Brown note of $4,500.

Collins said the note of the National Manufacturing Co.

"Did Brodrick make out a check there and then take out the note?"

"Yes, he did."

"Did he have that amount in the bank?"

"No sir."

"Was there ever a meeting of the directors of the bank authorizing the taking out of these notes?"

"No sir, there was not."

Collins then told what had happened at the meeting at the bank on the morning of Nov. 19 between 2 and 6 o'clock. He said that Brodrick said that some entries would have to be made and Thomas was called in. He said Brodrick took out that night about $700 in money, representing the different accounts in the bank of different members of his family: that Brown also took out some money and gave a check on the Republican Club as district chairman and that he himself took out $241, representing the accounts of his family. He said the money was laid on the counter that night, where they took out all that they would have been entitled to in the regular order of business.

This Morning's Session.

Indianapolis, March 23.—As the result of the dramatic testimony of Collins Tuesday afternoon the Federal court room was crowded this morning, when the cashier again took the stand. He looked bad today, the strain under which he was testifying being most apparent; but he answered the questions more readily than he did yesterday.

The first hour of this morning's session was taken up by Kealing concluding Collins' examination.

"When you and Brodrick changed figures in the teller's daily cash book, where were you?" asked Kealing, referring to testimony given by Collins Tuesday.

"In the back room of the bank."

"Day or night?"

"Usually at night."

"Were the C. W. Green notes carried in the bank as cash assets of any value?"

"No."

"Why?"

"Because Green had been dead some time and his estate settled up."

"Did you know that the bank was carrying $7,000 of notes of Charles H. Wright as assets of the bank?"

"Yes."

"Who got money for those notes when they were put in the bank?"

"Brodrick."

"Did you get any of it?"

"No."

"Did you know of the W. E. Burris notes?"

"Yes, they were for the same amount."

"Who got money for them?"

"Brodrick."

"Taking up the $5,000 note of the Samaritans, alleged to be unauthorized and false, Kealing asked

"Was that a good note?"

"It was not regularly drawn and signed," Collins answered.

"Who made that loan?"

"Brodrick."

"And the note was absolutely worthless when cashed?"

"Yes."

"Then these notes were withdrawn from the bank at the meeting of yourself, Brodrick and Brown on the night of Nov. 17."

"You people took out $33,000 of notes when you, Brown and Brodrick gave $40,000 of personal security to the Dearborn Bank to secure credit for the bank. Those notes were assets of the bank?"

"Yes."

"When that $40,000 was paid, were those assets of the bank ever put back?"

"No."

"Who has them?"

"Brodrick had a part of them. I don't know where the rest are?"

"Who made Ward Collins the loan for $10,000?"

"Brodrick."

"Did Ward Collins get any of that $10,000?"

"No."

"Who did?"

"The National Mfg. Co."

"Why did Ward Collins make the notes?"

"Because the National needed the money, and its own credit was borrowed beyond the limit."

"Was the note ever paid?"

"No."

Collins testified that Brown withdrew the Tousley notes from the bank without authority on the night of Nov. 16 and substituted for these assets of the bank notes of the Consolidated, which he at that time made out and signed.

"Money paid out on all of these notes was paid out of the bank; was it the bank's money?"

"Yes."

"Was it ever returned to the bank?"

"No."

"Did Brodrick make all these loans?"

"Yes."

Collins again testified that he had protested to Brodrick that he was lending too much money to the National, the Acme and other companies.

"You knew the bank was going to fail at that rate?"

"I thought so."

"Did you talk to Brodrick about it?"

"Yes, sir."

"I told him the bank would fail if we did not shut off these people."

Collins testified that often interest on the loans made to the manufacturing companies was paid by notes for the interest and that little real cash passed over the counter for the interest.

After the prosecution had examined him an hour, the defense took the witness.

In a portentious voice Attorney Spaan asked

"Mr. Collins, do you believe in God, in the Christian religion and the sanctity of an oath?"

"Yes, sir."

"You swore that reports to the comptroller were true?"

"Yes sir."

"Then you knowingly and purposely committed perjury at that time?"

"Yes, sir."

Attorney Spaan then pressed the witness as to his income outside of the bank. Collins reluctantly yielded information as to his stock in the Acme Cycle Co. and the Indiana Bank.

The fact was brought out that he owed $6,800 for his stock, with 7 per cent. interest.

"Did your wife, who has no income or property, borrow money from the bank?" he was asked.

"Yes, $3,000."

Collins said he was still paying interest on the loan.

Attorney Spaan asked if he did not leave debts in Knoxville, Iowa. Collins said, "No," and that was when Spaan thundered

"Didn't your father pay debts for you?"

Collins admitted that his father paid $2,000.

Attorney Spaan then had Collins turn to his privato account in the books and asked if from Oct. 1 to March 1 the entries were all overdrafts. Spaan seemingly expected to score a point, and asked about a $6,000 note which is given J. S. Dodge as a fee.

Collins said that Brodrick in 1900 sent him to the Acme to get two notes of $6,000, saying, "we will keep them as our fees for holding them up."

"What other fees did you give Dodge?"

"Two lots."

"You gave him this to conduct your plea of guilty?"

"Yes."

Attorney Spaan asked about a tin box kept in the vault. Collins said he and Brodrick kept the box.

"You had the Acme, the Elkhart Egg Case, and the Consolidated checks in that box?"

"Yes."

"You paid Acme vouchers?"

"After consulting Brodrick."

Attorney Spaan showed a pass book and asked if it were not true that he refused time and again to show it to Walter Brown. Collins said that Brown's account was so overdrawn that he was afraid to show the book. Mr. Spaan showed him a deposit slip of $19,000 for the National and asked if the signature was not his own.

Collins admitted that it was.

"How much did the Acme vouchers in the box amount to?"

"$12,000 or $16,000."

"What conversation did you have about the tin box?" asked Kealing.

"I told him we would have to straighten out those items or get into trouble, here, too. Then Brodrick said, 'That's right.'"

Attorney Kealing took the pass book and asked Collins to turn to the ledger and read the entry of "$19,000 within thirty days of date;" but Collins could find no such entry. Kealing then asked him about the meeting at Brown's house after the failure.

"On Sunday Brodrick and Brown were there and sent me for the tin box. There was a question in the bank about a $6,500 note which Brown had in the bank and claimed had never been credited to him. I said he had but Brodrick and Brown insisted that I take $6,500 worth of checks out of the box, so I gave them to Brown."

"Who did the checks belong to?"

"I thought to the bank."

Attorney Kealing dismissed counts 38, 39 and 44, charging Collins with misapplication of National Paper & Supply Co., National Tablet & Supply Co. and Diamond Type Co. funds.

At 11:45 the defense called the first witness to the stand. It was Teller Thomas. Attorney Spaan asked him if he found an entry on the books May 26 of an Elkhart Paper Co. deposit. Thomas replied "No" and was dismissed.

Although in cross-examination Attorney Spaan sought to make Collins the sole offender of the bank wrecker, Collins' answers were generally to his advantage, and it was the opinion that Spaan's severe examination did him no further harm. Mr. Spaan says he will show that Collins was a high liver, spending much more than his income, and in doing so filched from the bank.

The defense will begin its formal introduction of testimony at 2 o'clock this afternoon. Mr. Spaan said they would conclude the evidence about noon Friday.

The Afternoon Session.

At 2 o'clock the court resumed session and Attorney Spaan said that he thought the defense would complete all its testimony of their witnesses except Brodrick tonight.

"We have a number of witnesses to testify this afternoon," he said, "as to values, and the rest remains for Brodrick to explain tomorrow."

"He will probably be on the stand all day tomorrow. He is our most important witness. I think from our present plans that our testimony will all be in by tomorrow night."

John H. Collins was the first witness called by the defense this afternoon. He was questioned by Judge VanFleet as to the value of the Buescher plant. He reported its value at the time of the failure as placed at $165,000. Kealing then asked how much the Buescher Company owed and Collins replied, "$90,000."

"How much of this was due to the bank?"

"About $52,000," Collins answered. Collins said the company was making money.

"Were you at the bank when the examiner was there?"

"I believe so."

"I ask you if Brodrick did not call you to the bank one day and say the examiner was there and you would have to get $20,000 in notes out of the way?"

Judge VanFleet objected and was sustained.

Walter Brown was then called to the stand. Judge VanFleet questioned him about the National Mfg. Co., and he gave a full description of its machinery, its business, etc. He said that the profit on 100 bag machines was $50,000.

Brown said the company got into financial difficulties during the distributing of these machines. He said that $40,000 worth of the machines were left on his hands. The volume of business done was $ 125,000.

It was a money-making business. The cost of the building and machinery was $25,000 for the plant and fixtures, $35,000 for machinery and tools.

The value of the assets at the time it went into the hands of the receiver $59,000 in notes, mortgages of $8,650 and $732 on the Consolidated which was a second mortgage with $2,200 ahead. The Capps-Brown stock was $15,000 and the accounts receivable and cash were $500. The accounts receivable were $45,592.55, of which $37,073.89 was a lien on the Consolidated.

Brown placed the total valuation at $216,830.78.

Notes on the Case.

Indianapolis News, Tuesday: Walter Brown checked out the $386.05 account that he had in the bank as the chairman of the republican congressional committee of the Thirteenth district. Testimony given by Thomas today showed that the Indiana National Bank of Elkhart was not only carrying the overdrafts, notes, receipts and other paper, as well as bonds of the National Manufacturing Company, the Consolidated Paper & Bag Company, the Elkhart Paper Company and other concerns, far beyond what was alleged to be a safe margin, but was also paying current bills and their taxes and carrying the tax receipts and other such bills as "cash items" and cash assets of the bank. This evidence will be used in the arguments that these concerns really were insolvent.

The Star says: For more than two hours the former cashier, now awaiting sentence for avowed participation in deeds designed to cheat and deceive, told of the laxities and irregularities in the conduct of the bank affairs which culminated in the memorable collapse, stating at the same time the causes and reasons for the criminal course followed and explaining the motives of the men who inspired it. Staggering beneath the force of the testimony the defendant, through his counsel, made frequent attempts to ward off some of the heaviest blows by interposing objections and seeking to obstruct and delay, but compared with the crushing effect of the evidence adduced, the efforts to avert it were feeble.

It was also shown that notes of the National Manufacturing Company, signed by Walter Brown, secretary, all for large amounts, were deposited on November 12 and 15, and on October 15 in the bank and carried by the bank as good cash assets. This and a great deal of similar testimony was introduced in detail to show the misapplication of the bank's funds.

Some of those who signed notes for use on the Indiana National Bank as collateral and as "security" are sweating under the assertion in the court room that they are liable on the notes.

The Review scored its third triumph Tuesday when it gave the testimony of Collins in full up to 3:30. It was the most interesting of all the reports of the day.

Martial Law.

Trinidad, Colo., March 23.—Four hundred Colorado National Guards, including infantry, cavalry and artillery, arrived at 10 o'clock this morning and were assigned to the various coal camps. They will enforce martial law declared by the governor last night. Union organizers, officials and leading strikers have been given the hint that they had better leave the county or take the chances of being deported. Correspondents who send out uncensored news may be deported.

George L. Bender has been appinted administrator of the estate of Lewis Kulp, who recently died in Elkhart, and filed bond for $15,000 with Samuel Yoder and Jacob H. Wisler as sureties to cover the personal property. Mr. Kulp left an estate of $50,000. He owned much Illinois farm land.

LIGHTNING KILLS TWO

Heavy Storm Damage Done at Many Points in the Hoosier State.

BOAT LOAD OF MEN IN PERIL

Woman Attacks Beveridge for Alleged Friendliness to the Saints—State News Notes.

Indianapolis, March 23. — Telegrams from Indiana towns tell of serious damage resulting from the electric storms and heavy rains. At Lafayette two houses were struck by lightning and almost completely demolished. Mrs. Anna Mack and her two sons and John and George Caine were badly injured by flying timbers and flames. At Madison rain destroyed bridges, carried away fences and small stores and thousands of bushels of grain. Several people narrowly escaped drowning. The town of Friendship, in Ripley county, is covered with water. A part of Bedford is inundated and traffic on the Monon is delayed several hours. At Brownstown the Baltimore and Ohio railroad track was washed out.

Damage Done at Evansville.

Evansville, Ind., March 23. — A heavy rain, accompanied by terrific lightning, passed over this city and did considerable damage. The rain extended to points within a radius of fifty miles of Evansville. The river has been falling rapidly here for several days, but it is expected that this rain will bring another rise.

Two Farmers Killed by Lightning.

Vincennes, Ind., March 23.—William F. Cunningham and William B. Opp, farmers, living a few miles east of here, were killed instantly by a bolt of lightning during a storm. The horses which they were driving were also killed.

Vincennes Men in Danger.

Vincennes, Ind., March 23.—Arthur T. Cobb, H. L. Chaney and other Vincennes business men came near losing their lives by the sinking of the pleasure boat Naomi in the Wabash river. Cobb was piloting the boat through the locks at Mount Carmel, when she struck a check-dike and sank in three minutes in thirteen feet of water. Those aboard escaped in small boats.

SHE "JUMPS ON" BEVERIDGE

Stirs Up a Hornets' Nest by Declaring He Secretly Favors Seating Senator Smoot.

Indianapolis, March 23.—Mrs. Darwin James, of New York, through Mrs. F. McCrea, of this city, has stirred up a hornets' nest by a letter charging Senator Beveridge with secretly favoring the seating of Senator Smoot, of Utah, and taking exception to his conduct throughout the entire trial. She says that "even in the committee room he has acted like the paid attorney of the Mormon church."

At the regular weekly meeting of the Methodist ministers Mrs. McCrea put the matter before the preachers, appealing to them to preach to the people, urging them by wire and mail to influence Beveridge to change his view and vote against Smoot being seated. Mrs. James is the president of the board of foreign missions of the Presbyterian church in New York city. Other women in the anti-Beveridge crusade are with her.

Assault on a Veteran.

Marion, Ind., March 23.—Fred Scott, a member of the national military home, wandered into the Zimmerman hotel, near the home grounds, stupified and bleeding from wounds on his head and face. He was taken to the home hospital, where it was learned his skull was crushed. The police were notified and as a result a roadhouse near the hotel was raided and four women and one man arrested. The women admitted that the assault was committed in the house.

Judge Gooding's Funeral.

Greenfield, Ind., March 23. -- The funeral of David S. Gooding, who died Sunday, will take place from the Methodist church, of this city, at 2 p. m. today. The body lay in state from 8 o'clock until 1. Members of the Hancock County Bar association met at the court house at 11 a. m. and passed resolutions. Members of the local bar, as well as of the bar from other cities in the state, made addresses.

Nominated by Hammond Democrats.

Hammond, Ind., March 23.—Lawrence Becker was nominated for mayor of Hammond by the Democrats at exciting primaries over two other candidates. He will be candidate to oppose A. F. Knotts, the present Republican incumbent, at the May election.

Killed by a Piece of Cornice.

Indianapolis, March 23. — A heavy piece of iron cornice fell from the top of the fourth floor of the Hubbard block and killed Worth Wright, of the real estate firm of J. R. Wright & Co. Mrs. John Ray was slightly injured.