

CITY
EDITION

La Grande Evening Observer

Weather Forecast

(By Associated Press)
Rain tonight and Sunday.
Colder in east portion tonight.

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BANK FAILURE
STORY TOLD
BY REFEREEPerkins and Freeman Give
Details of Troubles of
Large Concern.FAILURE CONCERNED
SUM OF \$13,000,000Knauth, Nachod and Kuhne
International Banking
House Story Was Made
Known Friday.

NEW YORK (AP).—The inside story of the downfall of the old conservative international banking house of Knauth, Nachod & Kuhne, which failed for almost \$13,000,000 last June, was made known Friday. It was related to Bankruptcy Referee Stephenson by George W. Perkins, son of J. P. Morgan's late banking partner, and his brother-in-law, Edward W. Freeman. They, with W. C. Peyton, California capitalist, and their wives, have been sued by creditors who claim they were silent partners of the bankrupt firm because they received a percentage of profits in return for the \$3,000,000 they loaned the failing house.

Freeman told the story, in the main Perkins pleading that his technical knowledge of the high finance game was but fragmentary. Freeman gave a recital of the vicissitudes of the once great firm and its desperate four-year struggle for survival. The house lost repeatedly, he said, in mad gambles in foreign exchanges, with the now lowly German mark having its place in the story.

Trouble Starts in 1919.

The trouble started early in 1919, he said, when the Regina company, a manufacturing concern, facing receivership, threatened to impair the financial standing of Knauth, Nachod & Kuhne, which held great blocks of Regina stock. To save themselves they stiffened Regina, and money became scarce. Millions of dollars worth of securities held by Knauth, Nachod & Kuhne were slow assets. Also, they held \$750,000 in Russian treasury notes since in default.

In desperate need of working capital, \$500,000 in Liberty bonds was borrowed by Peyton for collateral on a loan. Later in June 1921, the Peyton-Perkins interest, added to Peyton's Liberty bonds, and loaned the firm \$2,400,000 in securities as collateral for a \$2,000,000 loan. In return, the lenders got 5 per cent and 40 per cent of the house's profits up to \$500,000. Besides, Freeman and Peyton each drew sums of about \$50,000 as trustees.

Bank Is Hit Hard

In the summer, 1921, the house closing out its short position in foreign exchange, was caught in a stiffening German mark market and took a half million dollars loss. Another half million profit of a half million was swept out overnight in gambling on foreign securities. The loan was used to cover the short position. It soon was swept out.

ARBuckle SELLS
HIS RESTAURANTAfter Practically Twenty-
One Years' Service to the
Public Veteran Catterer
Sells Business.

For almost twenty-one years J. A. Arbuckle has conducted the Model restaurant in this city serving the public in a way that has established his institution as one of La Grande's substantial business places and a place where everyone knew good service was sure to be had. He has during that time been one of the careful, upstanding citizens of La Grande, always standing for betterment and advancement of the community.

Monday morning Mr. Arbuckle will break the habit of opening his place of business which he has done regularly for twenty-one years, for he has sold the Model Restaurant together

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Zev Wins Over In Memoriam



Zev beats In Memoriam in the match race at Churchill Downs—according to the judges. Many spectators at the tracks, however, were firm in the opinion the race ended in a dead heat, some even thinking In Memoriam was the winner. This photo of the finish of what will be the most discussed race of the year shows the horses apparently neck and neck. Zev has the white hood on his head.

Team Playing
Wallowa High

The high school football team left this morning for Wallowa, accompanied by several cars of rosters, to play a game with the Wallowa high team for the championship of three counties. Several players made the trip, accompanied by Coach Lester MacTavish.

While La Grande is playing Wallowa at Wallowa today Pendleton high school is meeting Union high school at Pendleton.

C. D. HUFFMAN
PASSES AWAYDeath Comes at Termination
of Short Illness;
Community Mourns His
Demise.

Charles D. Huffman, aged approximately 72 years, passed on this morning at 2:30 o'clock at the termination of a short illness. Residents of this city and Mr. Huffman's many friends throughout Eastern Oregon are sincerely mourning his demise, for with his passing on goes a man who played an important role in the building of Eastern Oregon.

The remains are at the Snodgrass and Zimmerman funeral service parlors.

Charles D. Huffman was born in Portland, on December 24, 1852, and then the parents moved to Lane county and shortly afterwards to Jackson county. Five years later they returned to Lane county where Mr. Huffman received his earlier education. At the age of sixteen he went to Monmouth and completed a scientific course in the institution there. Subsequent to his graduation he joined the ranks of the educators and was numbered with the leading ones of his section for some time, having the distinction of holding one school for four years. Then he laid aside the garb of the instructor and bought a homestead and three years later had the sorrow to see the flood wash it away.

Came to Grande Ronde

Not daunted by this misfortune, he came to the Grande Ronde valley and rented a farm in March, 1890, continuing in this occupation for eight years, when he purchased his present place, immediately northeast of La Grande, which then consisted of ten

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Wheat Council Plans
For Long Time Program

CHICAGO, (Special).—A long time program and policy of wheat production in this country and the economic measures necessary to carry out such a program and policy, rather than measures of immediate relief for the farmer were incorporated in the report adopted by the Production Committee of the Wheat Council of the United States, at a meeting held here.

Congressman Sydney Anderson, of Minnesota, who is president of the Wheat Council, called into conference a group of leading agricultural authorities, representing the various important wheat regions and the principal aspects

of the industry, to work out a production program for the solution of the wheat problem in the United States. The Wheat Council did not purpose to set up an organization to carry out such a program as the Production Committee might devise, but rather to serve as a co-ordinating agency and clearing house for the various groups working with the same objective.

The considerations of the committee were confined therefore to the development of the long time program and policy of production and the economic measures

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OBSERVES WEEK
APPROPRIATELYCentral Grammar School
Observed National Education
Week With Daily Programs.

Central school has just completed a very successful program in observance of this week, officially proclaimed by President Coolidge as American Education Week.

On Monday, designated as Constitutional Day, the history and civics classes prepared special themes and reports dealing with the origin and struggle for the Constitution and its vital importance to our nation.

Dr. Ingle, Tuesday addressed the seventh and eighth grades. His address dealt with the meaning of patriotism. Very interesting illustrations were drawn of the national heroes of France.

Much enthusiasm has been displayed on the part of the pupils in the project and poster work undertaken in connection with Education Week, and especially in connection with Patriotism Day of that week.

In one room the project was sheep raising. In miniature plan were shown the places where sheep are raised, the manufacture of wool and in fact everything connected with so great and for reaching an industry.

Other rooms illustrated the early history of education, displaying the Puritan and Pilgrim and the first school houses, the very beginning of our great system of public schools.

The life of the American Indian was portrayed, his home, the wigwam, his weapons, the tomahawk and spear, were all produced in actual size for the children.

One room made posters showing some of the possibilities of our dependence.

Many other very interesting and educational projects were carried out, portraying the ways of living in the industries, products, etc., of the various countries of the world.

Bruce Dennis, State Senator, delivered a short address to the assembly of the entire school, Wednesday morning. The high school orchestra rendered a selection from the Overton following this the assembly sang "The Old Oregon Trail," written by Mrs. Ingle of the Central School.

A special assembly of the seventh and eighth grades was then held, in which Mr. Dennis spoke of the relation of the home and school. He emphasized strongly the value of making the school work function with a trade.

Wednesday evening the Parent-Teachers Association had the unusual opportunity of hearing Mrs. Hill, the retiring State President, of the

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LA GRANDE HIGH
GIRLS PRACTICING
BASKETBALL NOW

Interclass games between the Junior, Sophomore, Senior and Freshman girls' basketball teams will begin shortly according to announcements today. The girls have been practicing at the hoop sport for some time under Miss Murchison and are becoming more proficient in the art of looping the colorful globe through the elusive hoop.

About 25 girls have been out during the past week and the interest is very high in basketball this year.

The girls' first team will be certain to play the Pendleton girls, according to Principal E. D. Towner. No other games have yet been arranged.

WALL STREET
WILL WAGER
ON ELECTIONIf Democrats Pick Ford,
Wall Street Bets He Will
Defeat Coolidge.

By Alexander Herman.
(NEA Service Staff Writer)
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NEW YORK.—This is what the big bettors of Wall Street think of the forthcoming presidential election:

1. President Coolidge is an odds-on favorite, not only for the Republican nomination, but for election—1 to 2 on the nomination, and 1 to 2 on the election.
2. Ford is the only man who is believed to have a chance of defeating Coolidge—but he must get the Democratic nomination to do it.
3. The odds against Ford's getting the Democratic nomination are 4 to 1.
4. But if Ford is the Democratic nominee, he will become the odds-on favorite against Coolidge at 2 to 3.
5. If, however, Ford runs on a third ticket, Ford and Coolidge will be at even money; with odds in each case at 2 to 3 against the field, and the Democratic nominee running 5 to 1.

These views do not necessarily reflect the political sentiment of Wall Street, but they do reflect its betting judgment as voiced by Jean De Chadenex, a Wall Street broker who, together with his brother Guy, have handled some of the largest political bets made during the past ten years.

Many big wagers have already been made, the largest being a bet of \$400,000 that Henry Ford will not be the next president. Lloyds of London has taken the long end of the bet, by insuring two policies of \$200,000 insuring his defeat; and a big western operator who has won millions in his

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KLAN DEFENDED
AND ATTACKEDOklahoma Senate Rejects
Measures to Bring Order
Into Open; Debate Stirring.

OKLAHOMA CITY, Okla. (By the Associated Press).—The problem of the Ku Klux Klan inherited by the Oklahoma legislature from its impeachment fight with J. C. Walton, deposed governor, came to the front openly in the senate Friday and became the center of the most spirited discussion since the special session opened October 11.

Defended and assailed in turn, the Klan was declared by its friends to be a righteous organization standing for law and order, and by its enemies as a crime and branded by its enemies as a revival of the organization of Civil War reconstruction days.

Opening the day with what is regarded as the first revelation of the strength of the opposing factions in which the Klan proponents won by a vote of 23 to 13 in their fight against making public membership rolls of secret organizations, the senate settled down to several hours of grim, acrimonious debate.

Klan Defended.

Senator W. H. Hudson, of Tulsa, Democrat, and majority leader, led the defense for the Klan. Asserting the organization stands for "law and order," Senator Hudson admonished his hearers that they would "never accomplish anything with this bill to make public the names of Klansmen."

He told the senate the Klan had delivered Tulsa county from the control of "highjackers, bootleggers and criminals" long before Governor Walton placed the county martial law and opened an offensive against alleged lawlessness there.

"The Ku Klux Klan," he declared, "is a body of society, those peddlers of dope, those traffickers in women," the majority leader declared. "I know of only one man who was flogged and did not get what he deserved."

When Hudson finished speaking, Senator Harry Glasser, Republican, started denunciation of the Klan that drew scattered applause from the galleries.

"I wouldn't join an anti-Klan organization any quicker than I would a Klan," he said. "The question of religious tolerance has no place in democracy. All men are created equal regardless of their race or religious beliefs."

Bandits Hold up Bank

INDIANAPOLIS (AP).—Three armed bandits late Friday afternoon held up three employees and two customers of the Tuxedo State bank here at bay with revolvers and after securing up between \$10,000 and \$12,000 in currency, escaped in an automobile.

Earlier in the afternoon three men, believed to be the same trio, held up the Central Avenue State bank and escaped with \$1200 in currency.

Late News Flashes

Terrific Bomb Explosions

Philadelphia (AP).—Two terrific bomb explosions in foreign consulates in downtown district today injured scores, damaged many houses, threw northern section of city into wild excitement. First explosion at Spanish consulate about 1 a. m., second at Sons of Italy bank, an hour later. Italian consulate located in bank building, bomb placed on doorstep leading to consul's office.

Fire Damage \$1,000,000

SAN DIEGO, Calif. (AP).—Practically one-third of Tijuana, Lower California, was destroyed by fire yesterday, damage being \$1,000,000. San Diego fire companies prevented the complete destruction of the town.

President Addressing Congress

WASHINGTON (AP).—The president today began his final polishing message to congress, which many observers believe will have important bearing on his political future. The message is expected to be brief, presenting recommendations without argument.

Robbers Take
\$25 From Till

Leaving absolutely no clues as to their method of ingress and egress, some person or persons ransacked the till in the Hooverized Grocery company last evening and escaped with approximately \$25 cash. The money was practically all taken from the till in the meat market adjoining the grocery, where the till was broken into, ransacked and left. Incidentally \$15 in bills was overlooked in this till, the money being sandwiched under some paper.

Police officers and Mr. Harris are today investigating the matter thoroughly. The general opinion is that the robber or robbers were chased in the building when it was closed last evening as they could not have entered the building, it is believed, without leaving some traces as to their method of entrance.

Coolidge Is Initiated in
Boston U. Law Fraternity

WASHINGTON (AP).—President Coolidge "rode the goat" Friday—the only time since he was in college at Amherst.

In the presence of a deputation of more than 200 delegates from the various parts of the country, the chief executive was presented with an honorary membership in the Delta Theta Phi law fraternity.

The initiation ceremonies were held in the president's office and the obligation of membership was taken on behalf of the Boston university chapter of the fraternity. The certificate of membership and fraternity pin was presented by William H. Thomas of Cleveland, chancellor of the society.

**Church Wants \$10,000,000
To Complete Cathedral**

WASHINGTON (AP).—A nationwide movement to raise a \$10,000,000 fund for completion of a national cathedral here was launched Friday by prominent clerical and lay members of the Protestant Episcopal church.

A portion of the structure already has been built, at a cost of \$4,000,000 and a statement issued Friday declared its completion should be undertaken at once as a "patriotic enterprise of far-reaching importance."

"In building in the capital city of the nation," the statement continued, "it should express not merely the supremacy of government and of law, but also the sovereignty of Almighty God. The capital is the symbol of one. We need the cathedral to symbolize the other."

France May Help Greece

LONDON (AP).—Referring to a report that France has offered to supply Greece with certain naval units, as to counterbalance the naval power of Turkey, the diplomatic expert of the Daily Telegraph, although not confirming the rumor thinks it would not be altogether surprising in view of the Kemalists' hostility toward France.

The writer says it is reported action may also be connected "with the moral support which French diplomacy is giving the Greek republicans."

FOOTBALL

HARVARD STADIUM. Cambridge Mass. — Yale defeated Harvard today thirteen to nothing.

POLO GROUNDS N. Y.—Army and Navy battled to a scoreless tie in their annual grid struggle today. First part of game was played in a driving rain.

Arkansas university 22, Phillips university 9.
Wittenburg 14, Washington 9.
Oklahoma 29, Kansas Aggies 21.
College 19, Illinois Wesleyan 6.
Simpson 25, Iowa Moines university 12.

Penn 7, St. Ambrose 8.
Coe 15, Cornell 6.
Georgetown 29, Hanover 7.
Pacific university 19, Williams 0.

POINCARÉ IS
GIVEN A FREE
HAND BY VOTEPremier Given Sweeping
Vote of Confidence by
French ChamberPOINCARÉ'S PLANS
APPROVED HEARTILY

Vote of Confidence in Poincaré was 505 to 70; Set Precedent.

PARIS (By the Associated Press).—The French parliament, by one of the most sweeping votes of confidence in its history, Friday approved the policy of the government of Premier Poincaré in the recent negotiations in the council of ambassadors, with regard to Germany.

The chamber gave the premier carte blanche to execute his program for future foreign action in enforcing complete execution of the Versailles treaty for the protection of France's national interests and, second, in accordance with the allies it possibly must alone if she must. The vote was 505 to 70.

Premier Poincaré, in an address to the chamber Friday, did not flinch in his attitude of stern determination to force the chamber immediately to approve of his policy. His words seemed to remove the smouldering discontent expressed by deputies in the lobbies of the chamber during the past week at what was termed the premier's retreat before Great Britain's viewpoint with regard to the demands to be made upon Germany.

Calls for Showdown.

The premier put the responsibility squarely upon the chamber, declaring that if it was not satisfied with his government it could get some other government to continue the negotiations. M. Poincaré said that the discussion in the chamber which threatened to extend into the small hours of the morning, by insisting on an expression of plain confidence in the order of the day, without restrictions of qualifications whatsoever, either as to his policy or the past week or his future program as elaborated.

The opposition, with the elections approaching, wilted; no one seemed desirous of assuming responsibility for disapproving the acts of the man whose popularity apparently is supreme throughout the country.

The premier declared that France would not negotiate Germany with or without the allies if her security was menaced; that France was ready to face a rupture with the entente if this

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OPERETTA CAST
WORKING HARDGlee Club Preparing for the
Presentation of "The
Gypsy Rover."

Selection for the cast for the La Grande high school glee club operetta to be given in the high school auditorium December 7 and 8, has not yet been made public but will be some time next week. Miss Isabel Miller is in charge of the work and reports very encouraging progress.

The cast has already been chosen but the authorities for some reason do not wish it made public yet.

Benjamin Darian has been selected as stage manager. Ray Lynch as business manager, Ruth Bramwell and Maurine Moore as property managers.

At present the cast is busy on the first and second acts and will soon begin on the third.

The operetta selected, "The Gypsy Rover," a romantic musical comedy in three acts by M. J. H. Jones and John Wilson Lodge, is required to be an excellent one. The operetta is built around the character of Rob, later known as Sir Gilbert Howe, of English nobility. Rob is stolen when an infant by his nurse and taken into a gypsy tribe. Many curious and comical situations occur during the operetta as the plot gradually unfolds.

Later the secretary explained that, according to the laws of Islam, Madame Fahmy is a Mohammedan still, through her first marriage, and that to obtain recognition in the land of the Pharaohs she must again marry a "true believer."

It seems, however, that there will be severe opposition to the marriage among her late husband's relatives in Egypt. And the situation has been complicated by a piece of news just made public.

Madame Fahmy's arrival in Egypt synchronized with the

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Madame Fahmy Will Wed
Again Says Cairo Word

CARLO, (ENR).—Madame Fahmy, tragic central figure of a recent murder trial in London, who found "not guilty" of the murder of her husband, Fahmy Bey, is about to remarry, according to reports current in Egypt.

The bridegroom will be Said Khamil, her late husband's secretary and personal friend, who gave thrilling evidence of the tragedy at the trial.

At a gay party given at the "Agha Habbib," a famous resort of Faridieh Bohemia, the news of the intended marriage was circulated and both Madame and the Egyptian were warmly congratulated.

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