

CHAS. E. HUGHES PROBABLE HEAD OF NEXT CABINET

By David Lawrence (Copyright, 1920, by The Journal) Washington, Dec. 29.—Charles Evans Hughes will be the next secretary of state. Governor Lowden is out of the running for secretary of the treasury and will be given a foreign post of importance.

Charles Grosvenor Daws or George M. Reynolds, both of Chicago, are upmost in the mind of President-elect Harding for the secretaryship of the treasury.

Herbert Hoover will be either secretary of labor or secretary of the interior, with the chances in favor of his being asked to take the former.

Henry M. Daugherty will have to decide the question of whether to be attorney general for he can have the place if he wants it.

Henry C. Wallace has been asked to become secretary of agriculture and has accepted.

Will Hays will be asked to become postmaster general.

The other portfolios—secretary of the navy, secretary of war, secretary of commerce—are not yet decided.

They are authority, moreover, for the assertion that General Pershing will not be asked to be secretary of war, and they insist with equal positiveness that the published reports concerning Senator Penrose's unwillingness to let Senator Knox resign his seat in the senate because it would lead to the entry of Governor Sprague as a contender for control of the Pennsylvania political situation, are entirely without foundation.

Penrose is represented as being willing to do anything that Senator Harding may wish to select a cabinet that will fulfill the campaign promise to pick able executives.

Penrose isn't worried about the Pennsylvania situation. Another significant fact that is being noted is that he has not asked Senator Knox to come to Marion, and has not indicated to Knox that he wants him to become secretary of state.

It is known that Senator Harding has been thinking seriously of Knox for the secretary of state, and in his heart there is no man he would rather select. But the next cabinet will not be a group of personal favorites of Harding.

Wilson Declines \$150,000 for One Newspaper Story

Washington, Dec. 29.—(I. N. S.)—The enormous sum of \$150,000 in cash for a single newspaper article has been refused by President Wilson. It was learned today. The offer was made by a well known syndicate, the only stipulation being that it be the first article to be written by the president after leaving the White House. The president was to choose his own subject and the article was to be of any length that he desired or if he wished the subject could be covered in a series of several articles.

In refusing the offer, the president is said to have given as his reason that no article that he or any other living being could write could be worth so much money and that it would be taking advantage of the syndicate to accept it.

Completion is becoming very keen among publishers and promoters for the handling of the president's literary efforts after March 4. The White House mail is crowded daily with offers, schemes and suggestions from people who see a fortune in the market of Mr. Wilson's prospective works and who want to share it with him.

D'ANNUNZIO OUT, REPORT DECLARES

(Continued From Page One) Onel Ferrari, chief of staff of General Cavaglia. Gigante first made the demand that regular forces be withdrawn from their original positions. He then agreed practically to the government's original demands that Dalmatian islands, seized by D'Annunzio, be returned to the government, together with shipping seized by the Fiume legionnaires.

DECISION EXPECTED TODAY Ferrari's demand that the treaty be recognized before a permanent peace was considered was reported to Fiume authorities with the expectation that a decision would be reached today. The procedure today indicated D'Annunzio himself was weakening in the face of the advance and perfect discipline of the regular forces. The legionnaires, with drawing rapidly before that advance, fought almost exclusively with hand grenades and machine guns. Stationed in the buildings, the legionnaires hurled their bombs at the regulars or sprayed the advancing parties with machine gun fire.

REWARD FOR POET General Cavaglia promised his men at least \$25,000 for the capture of D'Annunzio alive. There was no hint that punishment was intended for the poet-commander, but Cavaglia appeared interested in taking him and holding him unharmed.

Regular troops were in strong position today for another advance should it be ordered. The troops were flung in a drive to capture the city. Artillery should be brought up and strong naval support awaited call to action.

ETHERIDGE SAYS HE CAN EXPLAIN ALL

(Continued From Page One) so by J. F. Walker, chief of police in Minneapolis.

Etheridge said he had made no effort to hide his past, as he had been a candidate for lodge office and had revealed his record voluntarily.

GAS RATE CASE WILL BE DECIDED BY DECEMBER 31

Attorneys representing the city of Portland, the Portland Gas & Coke company and gas consumers in the St. Johns district, filed briefs with the public service commission at Salem Tuesday afternoon, in the hearing recently held here on the application of the gas company for an increased rate.

Announcement of the finding of the public service commission will be made on or before December 31, according to Chairman Buchtel of the commission. The new rate proposed by the gas company would provide an increase of approximately 45 per cent in bills paid by gas consumers, this advance in price being necessary to cover a rise in the price of crude oil from 7 1/2 cents per barrel to \$2.75 per barrel, according to officials of the company.

City Attorney La Roche and his assistant, George L. Ruruch, oppose the appeal for a higher gas rate in their brief to the public service commission on the ground that the proposed schedule provides for an entirely new rate structure in which an unnecessarily heavy burden is placed on the small consumer.

John Laing, attorney for the Portland Gas & Coke company, showed in brief that the operating expenses of the company would be increased more than 80 per cent by the advance in the price of oil from which gas is manufactured from 7 1/2 cents per barrel to \$2.75 per barrel.

Etheridge, after his dramatic confession at the St. John meeting, contended that he would resign "and fight it out" and it was not until Thursday of last week that he suddenly made preparations to abandon the company and leave Portland.

Thursday night, after Etheridge and Morris had been shaping the transfer of the Etheridge holdings in the concern to Morris throughout the day, Morris made the announcement that Etheridge was resigning "for an extended rest and vacation" and that he, Morris, had arranged to go back into the concern, as its active head, and conduct it.

WITNESS BEARS CHARGE District Attorney Evans has received word from the authorities at Minneapolis that Etheridge did not have \$75,000 in bonds in his possession when arrested there. He did have, however, the receipt for the \$75,000 package which he expressed to Fred S. Morris from Tacoma to Portland. In addition he had coupons, taken from this batch of bonds, 75 in number and calling for \$187,060.

Receiver Whitcomb has taken active exception to the charge made at the meeting of the creditors of Morris Brothers, held at the library last night, to the effect that his campaign for state bonds to be issued at the primary election, had been financed in part by Etheridge. He stated this morning that the funds for his campaign were advanced by himself, Dr. H. C. Grant, G. G. Joyce and one or two other close personal friends, and he denies specifically that Etheridge had any connection with it.

THROWN OUT BY ETHERIDGE Whitcomb says also that R. L. Kron, now the manager of the Seattle office of Whitfield, Whitcomb & Co., once

men's agreement," and had Mr. Pittock considered it seriously no doubt there would have been a characteristic memorandum made on page 80 of his journal showing the transaction of April 1, 1916.

Analysing the exhibits and testimony still further, the court says: "PITTOCK'S WISH DOMINATES" "All lead the court to conclude that Mr. Pittock's wish and will dominated the entire transaction and that he would have been pleased to have retransferred the stock as a gentlemen's agreement when he first acquired it, but that the plaintiff, not having seen fit to exercise it within a reasonable time and there being no property susceptible of being turned into cash to take up the stock, as pleaded, the matter was allowed and permitted to drift for years."

Such a contract existed, it is unfortunate that the plaintiff did not have some memoranda. It was a duty he owed the decedent and other interests that have subsequently attached, and it was a duty he owed the chancellor upon whom he might call for the protection of his rights.

"To set about to enforce this inchoherent arrangement would impose upon the plaintiff the necessity of finding a contract of April 10, 1916, for the first purchase of 2000 shares; the finding of a contract in subsequent times for purchases of stock; all of the different transactions, embracing different details and different terms. In fact, it would be asking the court to, in a large measure, establish the contractual relations between the parties, and, as stated by the nature of the remedy sought, precludes the chancellor from entering into these fields of uncertainty."

ing the latter counsel and advice from time to time. The circumstances which bring Morris more directly into the present case, if possible, however, center around the resignation of Etheridge as president of the company and his flight from the city.

Etheridge, after his dramatic confession at the St. John meeting, contended that he would resign "and fight it out" and it was not until Thursday of last week that he suddenly made preparations to abandon the company and leave Portland.

Thursday night, after Etheridge and Morris had been shaping the transfer of the Etheridge holdings in the concern to Morris throughout the day, Morris made the announcement that Etheridge was resigning "for an extended rest and vacation" and that he, Morris, had arranged to go back into the concern, as its active head, and conduct it.

WITNESS BEARS CHARGE District Attorney Evans has received word from the authorities at Minneapolis that Etheridge did not have \$75,000 in bonds in his possession when arrested there. He did have, however, the receipt for the \$75,000 package which he expressed to Fred S. Morris from Tacoma to Portland. In addition he had coupons, taken from this batch of bonds, 75 in number and calling for \$187,060.

Receiver Whitcomb has taken active exception to the charge made at the meeting of the creditors of Morris Brothers, held at the library last night, to the effect that his campaign for state bonds to be issued at the primary election, had been financed in part by Etheridge. He stated this morning that the funds for his campaign were advanced by himself, Dr. H. C. Grant, G. G. Joyce and one or two other close personal friends, and he denies specifically that Etheridge had any connection with it.

THROWN OUT BY ETHERIDGE Whitcomb says also that R. L. Kron, now the manager of the Seattle office of Whitfield, Whitcomb & Co., once

did some work, as an employee of his firm, in checking the amount of bonds sold by Morris Brothers. During the time Morris Brothers were under fire in connection with the sale of bonds to the state treasurer, the firm of Whitfield, Whitcomb & Co. had been called to make an audit of the books for presentation to the grand jury of Marion county.

The firm had sent a man down to do an audit, and when he was unable to secure access to the books Etheridge had come into the office and told the accountant "to get the hell out of there or he would throw him out."

Whitcomb states that he had gone down and secured a promise from Etheridge to produce the necessary books.

When Etheridge had failed to do this the firm had stepped out and refused to accept compensation for what work had been done.

Whitcomb also announced that he had retained the legal firm of Griffith, Lester & Allen as attorneys for the receiver, it being his desire to secure legal counsel which had no connection with any auditor or any books for presentation in the liquidation of the bond house in any manner.

It was also stated by the receiver, for the information and guidance of all those holding claims against Morris Bros. that, under the order of the court, every bit of property now in the possession of the receiver or that can be secured, belonging to the company, will be held intact until such time as the true owners of the property can be ascertained and made by specific direction of the court.

Such property will be checked out and distributed by direction of the court. Mr. Whitcomb also desires all persons having such property to send him detailed statements of their individual holdings, for his assistance in running down the ownership for the presentation to the court.

The auditors have rechecked the outstanding interests and find a divergence of less than \$2000 between their first and their revised estimates of the value, which now stand at \$2,163,000 face value.

With the exception of some \$80,000 of partial payment contracts this total represents the gross liabilities of the company.

The managers of the Seattle and San Francisco branches of Morris Bros. have been directed by the receiver to come to Portland with the books and records of the branches under their direction. All of the assets in their possession have been sealed and secured, and are now in the direct custody of the receiver.

As the scope of the investigations surrounding the wrecked institution broadens, it now seems certain that searching investigation will be made into the facts surrounding the collateral security held by creditor banks, in Portland and elsewhere.

Morris Brothers owe Portland banks some \$200,000, while outside loans total \$175,000 additional.

They loaned money to Etheridge and secured themselves.

It is definitely intimated that proceedings will be commenced to strip the collateral from the bank loans, throw the bonds thus released into the hands of unsecured creditors, to share pro rata in final liquidation. Such action, it is said, will be commenced late today or tomorrow.

LOAN COMPANY HEAVIEST LOSER IN VANCOUVER Vancouver, Wash., Dec. 29.—As far as can yet be determined the Gridley Searns Loan company of Vancouver is the heaviest loser here through the closing of the Morris Brothers house. Thirteen separate investments, totaling \$4500, have been reported. C. C. Gridley holds \$1000 of the interim certificates.

A total of three investments of \$2400 are reported for the Vancouver National bank. This is the only banking institution believed to be affected directly or indirectly.

Other banks in the county holding interim certificates are: First National bank, Camas, \$1000; State bank, Camas, \$1100; La Center State bank, \$3000; First National bank, Camas, \$1000.

Individual losers include: Mrs. A. L. Miller, \$1800; A. L. Miller, \$300; J. H. DuBack, \$500; Lizzie Sweland, \$1000; Mrs. H. L. Stokes, \$500; W. L. Miller, \$1300; Mrs. H. L. Stokes, \$500; E. M. Blurock, \$2000; Judge R. H. Back, \$600; Charles DeLong, \$500.

ROSEBURG RESIDENTS AMONG CREDITORS OF BOND HOUSE Roseburg, Dec. 29.—Many Roseburg business men and railroad employees reported that they had invested in interim certificates in the City of Edmondton bonds. These certificates range in value from \$100 to \$1000. The local banks held no certificates or other unreliable securities with Morris Bros. bond house.

E. F. Siderer, a local capitalist, held \$4000 worth of these interim certificates which he purchased two weeks ago. He had a hunch that something would happen and so wrote to LaB & Titton of Portland to secure the bonds or something as good for these certificates, and in return he received the bonds Tuesday morning.

MONTHLY EXPENSES RAN IN NEIGHBORHOOD OF \$20,000 Overhead expenses running to \$25,000 or \$30,000 per month cut a considerable figure in the wrecking of the bond business of Morris Brothers, Inc., according to E. F. Siderer, sales manager of the company. The mailing list of the concern contained about 25,000 names, according to Edmonds, and circular matter was sent out regularly once a week and often two or three times in a week.

There were about 40 clerks and minor officials regularly employed by the firm in the office on Stark street and their payroll averaged \$800 per month. Edmonds stated, their employment has ceased. About half of the people employed in the local headquarters were women and girls. Salaries were paid at the rate of each month, according to Edmonds, and unless some arrangement is made to meet the payroll for December many of the employees will be placed in an embarrassing position.

Jaeger Not a Holder Joseph P. Jaeger of the firm of Jaeger Brothers, whose name was included in the list of holders of receipts for undelivered securities from Morris Brothers, declares that he holds no interim certificates. "I never held an interim certificate and declined to do so," said he. "I did buy some of the bonds of Paul, Idaho, and now I have them now in safe."

He learned that some of the members of our organization had accepted interim certificates. I advised them to exchange them for bonds, which they did."

ALGERIA SHAKEN AGAIN BY QUAKE

Paris, Dec. 29.—(I. N. S.)—Further violent earthquake shocks have occurred in Algeria, said advices from Algeria today.

CREDITORS HOLD MORRIS TO BLAME

(Continued From Page One) Morris Bros. by working men and women for investment in Canadian bonds. At that time Morris announced either directly or by necessary inference that he had taken over all of the Etheridge interests in the company, and was stepping into the business in Etheridge's place and stead. He intended, he said, to put additional capital into the business and to conduct it on the same conservative plane as in the days prior to Etheridge's advent as its managing head.

WOMAN TAKES HAND Friday morning Morris appeared at the office of Morris Brothers and took charge of the business, conducting it that day and Saturday. Monday the concern failed to open.

What definite arrangement of transfer or purchase was effected between Etheridge, Mrs. Etheridge and Morris has not been disclosed, but it is known that Mrs. Etheridge indorsed all of the stock held by her, which constituted the great bulk of the outstanding stock of the company, and delivered the key to the safety deposit box in which it was kept into the custody of Fred Morris. It is also reported that one share of stock, representing a "qualifying share" was indorsed to him directly.

MORRIS WON'T PLAY After the auditors had uncovered the true condition of the business Morris seems to have blown cold on the trade and refused to play, taking steps to bring about the bankruptcy proceedings in such a way that he and his property was left in the "clear."

Creditors and their attorneys contend that Morris, having bought a dead horse of Etheridge, can not now repudiate the transaction and leave them to hold the sack, especially in view of the apparent connection he has had with the institution all throughout the Etheridge management.

Lincoln's Friend Dies San Antonio, Texas, Dec. 29.—(I. N. S.)—George W. Bracke, 89, millionaire banker and philanthropist, is dead here today. He was a close friend of President Lincoln.

A Spanish concern is making yarn of paper obtained from eucalyptus wood.

Three Bootleggers Sentenced by Court

Three bootleggers pleaded guilty Tuesday before Federal Judge Wolverson and received sentences. Martin Jafars, living near the Cedarville school-house, was sentenced to 60 days in the county jail for manufacturing liquor; K. Harada, Japanese, living near Gresham, was fined \$250 for manufacturing; and Joe Capelli, living near Bertha, was fined \$150 for making moonshine. He was given 24 hours to pay his fine.



THOMPSON'S Deep Curve Lenses Are Better (Trademark Registered) THE SIGN OF PERFECT SERVICE

Children's Eyes Need Constant Watching Children frequently misuse their eyes during the period they are most susceptible to injury. Parents are often to be blamed for this condition.

The normal eye is not harmed by hard usage, but the growing eye, if defective in vision, may be permanently impaired by hard school work.

The only safe way is to have their eyes examined at the very first indication of trouble. We will be glad to do this for you.

Complete Lens Grinding Factory on Premises SAVE YOUR EYES THOMPSON OPTICAL INSTITUTE

Eyegist Specialists Portland's Largest, Most Modern, Best Equipped Exclusive Optical Establishment 209-10-11 CORBETT BLDG. FIFTH AND MORRISON Since 1908.

Great Values in Our Year-End Sales Double Green Trading Stamps And Extra Stamps With This Coupon

Advertisement for Double Green Trading Stamps. Includes a coupon for a 20% discount on purchases of \$10 or more. Lists various products and their prices, such as perfume, leather goods, and stationery. Features a large illustration of a perfume bottle.



LIONEL BARRYMORE in THE MASTER MIND A Barrymore triumph. COLUMBIA PICTURE PLAYERS Vincent Knowles Director TODAY

Advertisement for 'Playing! This Entire Week Roscoe (Fatty) Arbuckle in THE ROUND UP'. Includes an illustration of a rodeo scene and text describing the show's features.

Advertisement for Oregon Life Insurance Company. Text: 'Start the New Year Right! by resolving to have your household purchase Oregon products — and place your next policy in Oregon Life Insurance Company. Oldest in Pacific Northwest. Home Office CORBETT BUILDING Fifth and Morrison Portland, Ore. A. L. MILLS, Pres. C. S. SAMUEL, Gen. Mgr. E. N. STRONG, Asst. Mgr.'