

EX-CHANCELLOR'S BURIAL WILL BE ON WEDNESDAY

Berlin, Jan. 3.—Funeral services for Dr. Theobald von Bethmann-Hollweg, who was chancellor of Germany when the war broke out, will be held on Wednesday. Dr. von Bethmann-Hollweg died Sunday evening at his home at Hohenfinow after a short illness from pneumonia. News of the ex-chancellor's death was telephoned to the former kaiser at Doorn, who expressed deep regret.

Dr. von Bethmann-Hollweg was author of the famous phrase "a scrap of paper," when discussing in the German reichstag the treaty guaranteeing the neutrality of Belgium. He was born in 1856 and is survived by one daughter. His son was killed in action during the war.

HEALTH HAD WAXED

The ex-chancellor had been in delicate health for a long time. On the occasion of his last public appearance he attended the war guilt hearings in Berlin some months ago, those who had known him at the height of his political and physical power noticed that he looked far from well.

Since the revolution, and for some time before it, he had lived quietly in his villa at Hohenfinow, near Berlin, taking little part in public affairs.

WAS HUN PATRIARCH

Theobald von Bethmann-Hollweg was one of the outstanding figures of the old Hohenzollern regime. A classmate and close friend of the former kaiser, with whom he attended the university of Bonn, he was fitted by heredity and by education to enter the exacting service of the emperor.

Von Bethmann-Hollweg dominated the diplomatic exchanges which preceded the European war, and when it became apparent that England would not stand aside and see France and Belgium crushed by Germany, it was he who became complete master of the diet, his control lasting for many years, while other European cabinets and governments were falling, one by one.

The sudden transference of a neighboring enemy power from a monarchy to a "democracy," the overthrow of the czar, the entrance of the United States into the war and the beginning of Germany's military and diplomatic reverses spoiled his dream.

LAST DAYS WERE QUIET

Von Bethmann-Hollweg was a descendant of one of the oldest patrician families of Germany. He entered the civil service in 1879, and soon rose to the position of provincial president of Potsdam. He became Prussian minister of the interior in 1905 and attracted some attention through the introduction of numerous reform measures. In 1907 he was appointed imperial home secretary and vice-president of the Prussian council.

On July 14, 1909, the kaiser conferred on him the greatest office of the state, making him imperial chancellor and naming him to succeed Prince von Bulow. He was 53 years old.

JAY H. DOBBINS ON HIGHWAY BOARD

(Continued From Page One)

figures of that section of the state and one of its largest farmers and stock-growers. Besides his large ranch and stock interests, he is connected with Joseph and Enterprise banking institutions. He served in the legislatures of 1905 and 1908 as representative from Union and Walla Walla counties. He is now serving his second term as president of the Oregon Wool Growers' association and is a man of independent means, amassed through the good, old-fashioned method of thrift, hard work and long hours. He is of the progressive type and has always been prominently identified with the advancement of his community and state.

FARMERS ARE REPRESENTED

"One consideration taken into account with his selection was the fact of his prominent connection with agriculture. There has been some criticism voiced in the past that this important industry had not received its proper recognition by representation on the highway commission."

"Mr. Kiddie represented it in a way, however, as the nature of his business brought him in more or less close touch with the farmers. His selection in acceptance will mean that for the first time an agriculturist and stockman will serve as a member of the state highway commission, the untimely death of J. N. Burgess preventing his active service as a member of the commission."

HIGH WATER THREAT- ENING WATERFRONT

(Continued From Page One)

quantity of paper, Alder street and Washington streets were free by the time the water stopped over the coming last night. At Terminal No. 4, Pier No. 1, the gauge stood 15.5 this morning and the flood stage at that point is 20 feet. No freight will be moved at that point unless unforeseen developments occur.

Front street merchants had practically cleared the basements this morning and only a few potatoes and onions remain to be moved. No damage had been suffered up to noon today.

While the heavy rainfall at Portland has experienced a lull there is a down-pour in the upper reaches of the storm makes it difficult to predict what will be the outcome.

RAIN SWELLS TIDE

The heavy rainfall of Sunday, amounting to nearly 1 1/2 inches, contributed to the unusually high Sunday river for January. During the last 24 hours the rainfall only amounted to one-quarter of an inch throughout the Willamette valley.

While the rain slackened, the wind increased. A wind velocity of 23 miles from the southwest was recorded by the weather bureau at 9:30 o'clock Sunday evening. North Head reported a wind velocity of 36 miles at 5 o'clock this morning and wind trouble prevented the receiving of a later report. The storm has evidently spent its fury and storm warnings have been ordered down. Rain and southerly winds were the forecast for today.

A land slide occurred on the S. P. & S. railway at Mayger Sunday and other slides were reported on the Tillamook and Mill City branches of the S. P. All tracks were declared open this morning. Numerous small slides were reported

SHEEPMAN IS APPOINTED HIGHWAY COMMISSIONER



Jay H. Dobbins

along the O-W, R. & N. line from Portland to The Dalles, and high water from the Umatilla river was reported in the Pendleton district this morning, but neither the slides nor high water were serious enough to cause major delays in train service.

CONTINUED RAINS HOLD UP WORK IN CLARKE COUNTY

Vancouver, Wash., Jan. 3.—That the wind and rainstorms which have been in progress here for the past week have lulled only temporarily and the rain will continue to fall for a few more days at least, is the forecast of the local weather man.

The steady rains, accompanied by winds, have been more or less detrimental to business in all parts of the county. The lumber men report that work has been held up on account of the flood stages in the rivers, where booms are located. Officials of the Lewis River Boom & Tie company report that the Lewis river near Ridgefield is passing its high water mark and is but a few feet from the flood record several years ago, when the depth of the river measured 22 feet.

Vancouver has overflowed its banks, and the back waters extend for two or three miles. The dairy farms along the south end of the lake have been practically covered with water during the past few days.

Smaller streams throughout the country have swollen to an alarming extent, and have overflowed in practically every case.

Road building has been held up on the North Bank highway and the opening of the road to traffic will be delayed until January 15. Work has continued on the Pacific highway and the road to Pioneer was opened Monday.

Work on street improvements has practically stopped in Vancouver. The unpaved streets, on which no work has been done this winter, are in many cases almost impassable.

Damage to prune crop is threatened, many prunes still being held in the driers of individual growers are becoming water soaked. It is feared that cherries, when cracked, will become mouldy unless they can be handled at once by the packing house. Limited accommodations have made the packing of the prunes difficult. The completion of a 70-foot addition to the plant is in progress and it is believed that all prunes may be handled within a short time.

CHEHALIS RIVER FLOOD HALTS TRAFFIC BY ROAD

Centralia, Wash., Jan. 3.—High water from the Chehalis river overflowed the centralia-Buena Vista road and cut off all traffic Friday between Centralia and Buena Vista. The river, however, is rapidly falling.

Considerable damage was caused in eastern Lewis county by the overflow of the Tilton and Nisqually rivers, which washed out a bridge on the Tacoma & Eastern at Elbe, according to W. W. Cannon, who returned from a trip to the Tilton River Bluffs Sunday morning.

He says 30 days' delay in the production of coal has been caused by loss of a bridge on the company's road.

CREEKS OVERFLOW BANKS IN RIDGEFIELD SECTION

Ridgefield, Wash., Jan. 3.—Incessant rains have caused the streams, rivers and creeks to overflow their banks. No damage is reported so far. The east and north forks of Lewis river are at high stage and rafting of logs and cribbing is difficult owing to the strong current. Lake river, at this place, is out of its banks and much of the lowland west and south of here is inundated. Creeks here are running bank full and in some places have flooded fields.

VALLEYS IN WASHINGTON THREATENED WITH FLOODS

Seattle, Jan. 3.—(I. N. S.)—Warm winds and rain have caused thaws in the Cascade mountains that are sending great volumes of water into the valleys of Western Washington.

Kent, between Seattle and Tacoma, is threatened with flood, as the White river is rising three feet in four hours. Hundreds of acres of dairy land is under water and cattle have been removed to high grounds.

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DEAF, SOR- ROWFUL CHARACTER ARRESTED BY U. S.

"Yam" Wallace, colored and notorious north end police character and bootlegger, was arrested this morning by Internal Revenue Agents W. R. Wood and J. J. Higgins, after they found \$4000 worth of narcotics cached in a Mount Scott dwelling and obtained a sworn statement from the occupant of the house, Mrs. Edna Cain, 6127 Sixty-fourth street south-east, that the drugs belonged to Wallace.

Wallace was removed from a hospital Sunday night by the police and lodged in the city jail on a charge of threatening to kill Tom Johnson December 29. The federal grand jury indicted him this morning shortly after the drugs were found, at the direction of Assistant United States Attorney Austin Flegel, and he was removed to the county jail in the action of the federal grand jury. It is understood the police intended asking a \$75000 peace bond on Wallace's charge before the government stepped in.

Because Mrs. Cain, colored, has made a complete statement to the government and has promised to assist in the prosecution of Wallace, she will not be charged as a confederate, Flegel said.

For several months Wallace is said to have made the Cain home his headquarters where he stored much liquor and narcotics. The package of drugs found this morning had been in the house two months, Flegel said. Wallace is said to have lived in the Cain home several months ago as a boarder, and to have agreed to pay Mrs. Cain's rent if allowed to use one room in which to store his liquor. Wallace is said to have handled imported Canadian whiskey only, not caring to bother with moonshine spirits. The government was not able to seize his high-powered automobile, as they did not find any contraband in it.

Wallace is 39 years old, married, and resides at 468 Overton street. Several times he had a fight with Johnson at the Army, and in the fight Johnson beat him. Wallace was badly cut and spent several days in the hospital. During the last three months he was arrested eight times by the police and given fines totaling \$100 by Municipal Judge Roessman.

F. S. MORRIS ON STAND IN BOB INQUIRY

(Continued From Page One)

was indorsed in blank by Williams and later 498 shares were transferred by Morris to his wife, 498 shares to Mrs. Ida E. Morris, the wife of James Morris. This left three shares outside of the Morris family, one held by Pratt, one by Gilmore and one by C. K. Williams, the manager.

This stock was paid for, Morris testified, by the local assets and good will of the partnership. No new money was put into the business, so Morris related.

Williams, Pratt and Gilmore held their stock without purchase, as dummy stockholders and directors.

Nor did John L. Etheridge pay any money for the first share of stock issued to him November 1, 1917. On that date, so the records show, Etheridge was given one share of stock, and when Morris was asked if he had paid anything for it he said, "I do not think so." At the same time the share which had been held by Williams, who had died, and which had been held in the office of the company indorsed in blank, was transferred to Morris. It was in explaining this transfer that Morris admitted that neither Williams nor any of the others had paid for their stock and were dummies.

Peck asked the witness, "He was the manager of the office," Morris answered.

"He had no interest in the stock?" Peck asked, and Morris said "no."

FAMILY HELD STOCK
Peck asked the four members of the Morris family had any real interest in the company?" Peck insisted, and again Morris said "no."

At this point Minor interrupted the testimony, contending that the witness had not answered the question. The reporter said he had understood the witness to answer "No, sir," and the question was then read. Morris answered "That is correct."

Continuing his testimony, Morris said that he had been elected president of Morris Bros., Inc., January 2, 1918, and Peck asked him if he had not continued in that position until the dissolution of the corporation.

Morris answered that the record would show, contending that he had interests in Philadelphia, Denver and was connected with various other corporations, so that it was impossible for him to remember the details of corporate management and connection.

READS MORRIS' LETTER

"Is there anything in the record to show where anyone else was elected president since January, 1918?" Peck asked.

"I don't want to say anything about that," Morris said. "I had nothing to do with the business since the first of 1919 and I don't know what the record will show or what they may have done."

"Who was president?" Peck asked.

"After 1919 I was not president and I do not know who was," Morris insisted.

Peck then read the letter written by Morris on January 6, 1919, in which Morris made his offer to continue as president at a salary of \$500 a month until such time as the corporation could indicate a desire for him to resign.

MOVES OFFICE
"Did the corporation indicate such a desire for your resignation?" asked Peck.

"Yes," Morris answered, and Peck asked him if he had handed his resignation in. Morris answered that he had done so, and Peck asked if the resignation had been acted upon by the corporation.

"I do not know," Morris answered.

"I moved my office to the Gasco building."

"What action was taken by the corporation?" Peck insisted, and Morris answered:

"Relations were not pleasant there," he said, "and I moved out and ceased to have any connection with the business from that date."

"But what action was taken on your resignation?" Peck insisted.

"Etheridge made the request," Morris countered.

"When?" Peck asked again, and Morris answered "About that time."

WOULD CONSULT BOOKS
Morris went on the witness-stand via-

bly on his guard. He contended that the diversity of his corporate and financial interests and the fact that he was away from Portland most of the time made it impossible for him to remember any of the details of the business done by Morris Bros., the corporation, in Portland.

He contended, he contended, on checking the minute books before answering any questions as to dates, or served with the conduct of the company. Following the completion of Morris' testimony this afternoon, which is expected to give his version both of his past and present connection with Morris Bros., John L. Etheridge and Mrs. Etheridge, his wife, will be put on the stand to tell their side of the story.

of the Morris holdings and of the connection of Morris with his divorce from ownership and management in the concern.

SISTER HAD FUNDS
Morris explained that the 996 shares of stock he transferred to the name of his sister, Henrietta Morris, was in settlement of his financial obligations to her, and that she had used the funds including the price he got for her house at 130 King street—a sum of about \$20,000.

In spite of the fact that the sister had obtained funds from her mother before the latter's death in 1907, and had been able to own local property, she received no more from her mother. Fred and James, the former testified.

It was these 996 shares of stock that Morris sold to John L. Etheridge for \$100,000, Morris stated, although he said that the money was not actually drawn, nor by whom it was signed. In fact, he admitted, he may have received no check. He does know that Etheridge, at the time that he was threatened and he did not attend to the details carefully, he preferred government and other bonds to the cash and the bonds he insisted on bonds in final lieu of any other payment.

MORRIS MAKES DENIALS
Council for the receiver submitted for identification at this point, pending further proof, a file copy of a letter from Morris Bros. to the First National Bank of Forest Grove, accompanying a deposit of \$100,000 in the name of Mrs. Etheridge. The latter called attention to the fact that the money would be on the following day draw upon the account for its full amount.

Morris was very emphatic in his declaration that he knows absolutely nothing about where Etheridge got the \$100,000 he paid for the company's stock. He knew nothing about its deposit in Forest Grove, and, furthermore, nothing of any single detail of the company's business, either while he was president or under the Etheridge ownership. He could not say whether, while he was president, the company took a monthly trial balance of the business.

Cassius Peck, counsel for the receiver, drew attention when he declared, he would show fraud between the organization of the original and the second Morris Bros. incorporations, would show that in reality the original and the now defunct companies were the same, with fraud somewhere to make them look different.

**WAR FINANCE BILL
PASSED AFTER VETO**

(Continued From Page One)

the second time was in the same form as vetoed by him and reads:

"Resolved, by the senate and house of representatives of the United States of America in congress assembled, that the bill (H. R. 10000) for the purpose of the war finance corporation be and it is hereby directed to revive the activities of the war finance corporation, and that said corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural and other products to foreign markets."

Republican leader Mondell announced late this afternoon that the veto measure will be taken up in the house tomorrow afternoon on a motion to override the veto.

USUAL METHODS URGED
The time has come when "the nation should resume its usual business methods," President Wilson declared, in his veto. He said he was in sympathy with the demand for less interference with business by the government, which has been demanded during recent months.

There will be no immediate readjustment of international trade relations," the president said, but conditions are improving, he added.

The president declared that the resolution passed by congress would be most beneficial to the banks than it would be to the farmers. He advocated that business take steps for the relief through private agencies, and not through the government.

"The return to stable business" now depends on individual intelligence and enterprise, rather than upon the government, the president declared.

SHOULD BE DONE PRIVATELY
Private agencies to finance exports have already been established, the president said, and these agencies will be successful, he predicted, and should be relied upon.

The president declared that the stability of the export trade of the United States now depends largely upon "the establishment of a just peace in the world; the cessation of fighting everywhere; the more complete resumption in Europe of normal courses of industry and the return of her people to sound business and fiscal policy."

When the clerk of the senate had finished reading the president's veto message, Senator Underwood (Dem., Ala.), the Democratic minority leader, suggested an absence of a quorum after stating the president's message was of such great importance as to call for immediate consideration by the senate.

A call for a quorum was then issued.

TEXT OF VETO
In his veto message the president said in part:

"This resolution was passed by the congress apparently in view of the recent sudden and considerable fall in prices, especially of agricultural commodities, with the thought that some European countries to which our products were customarily shipped before the war might again be enabled to resume their importation and that larger masses of domestic exports to European countries generally might be stimulated, with the resulting enhancement of domestic prices. I am in full sympathy with every sound proposal to promote foreign trade along sound business lines."

METHOD SEEMS UNWISE
"I am not convinced that the method proposed is wise, that the benefits, if any, would offset the evils which would result, or that the same or larger advantages cannot be secured without resort to government intervention. On the contrary, I apprehend that the resumption of the corporation's activities at this time would exert no beneficial influence on the situation in which improvement is sought and would raise false hopes among the very people who would expect most, and would be hurtful to the nation in the orderly process of business and finance."

EUROPEAN CREDITS LARGE
"Large government credits were extended during the war to certain European governments associated with us in

the struggle. These ceased several months after the armistice, except for commitments already made. They should not now be resumed, either directly or indirectly. The recent Brussels conference, composed of experts from many European countries and from other nations, itself expressed the opinion that further credits should not be accorded directly by governments. I do not believe that they should be accorded indirectly.

"Exports of domestic products have not declined since the armistice. On the contrary, they have greatly increased. For an aggregate value before the war of not less than \$2,500,000,000 and of about \$6,000,000,000 the last year of hostilities they rose in the calendar year 1919 to more than \$7,900,000,000, and this figure will probably be exceeded for the last calendar year. For the first 11 months of the last calendar year we exported more than \$7,500,000,000 worth of domestic merchandise."

EUROPE LACKS MEANS
"These have been largely privately financed. The difficulty in the way of still larger exports does not seem to lie so much in the lack of financial ability here as in Europe's lack of means to make payment. Her productive energies and the services which she renders have not yet reached a point where they balance the value of commodities taken from this nation, and her ability to furnish for additional exports securities which business men would feel justified in taking is restricted. The experts of the Brussels conference reported that 'one of the chief obstacles to the granting of credits is the absence of borrowing countries of sufficient securities for ultimate payment.'

WAY IS DIFFICULT
"Until this obstacle is removed it is difficult to see how European countries' exports to Europe are to be made even if exporters, aided or unaided by government finance, stand ready to do their part."

"It is remarkable that Europe is able to make an effective demand for as large a volume of our goods as she is

making. It is gratifying evidence of her recovery and progress toward full production and sounder financial conditions. Under the law, if the activities of the corporation were resumed, no direct advice could be made to producers and, if they did in some measure stimulate exports they would probably not have the effect apparently most desired of substantially increasing those of agricultural commodities. Already with the larger volume of exports which Europe is taking from us, she is exercising her option of taking a smaller volume of some of our principal agricultural products such as meats, because she herself has become more largely self-sufficient."

SHIP OF RESPONSIBILITY
"It is highly probable that the most immediate and conspicuous effect of the resumption of the corporation's activities would be an effort on the part of the exporters to shift the financing of their ordinary commercial channels to the government. This would be unfortunate. It would continue the government as an active factor in ordinary business operations."

"Further borrowing would in all likelihood tap the very resources which might otherwise be available for private operations or which the treasury is now compelled to reach to meet current obligations of the government."

"To the extent that Europe is able to furnish additional securities, private financial institutions here will doubtless find means of giving the necessary accommodation. The way has been opened for added legitimate efforts to promote foreign trade."

Sproule Returning Home
William J. Sproule, president of the Southern Pacific, who came to Portland last Tuesday for his annual inspection of the Oregon lines of the company, will leave for San Francisco tonight.

Officers at the naval air station, Rockaway Point, N. Y., from where three balloonists started their hazardous flight into Canada three weeks ago, said today that no help or rescue parties were to be dispatched to the aid of the airmen. Such a procedure, it was stated, was not considered necessary.

It was stated that the airmen, who, without adequate rations, had managed to reach a grating post near the Hudson Bay after their spherical balloon came down in a woods, were evidently quite able to care for themselves, and might reach a rescue party at this late hour.

The airmen, Lieutenant A. L. Kloor, commanding; Lieutenant Walter Hinton, of N. C. 4 fame, and Lieutenant Stephen A. Farrell, are not expected to reach a telegraph station for 10 days or more. They were believed today to be on their way by dog sled either to Mattice or Cochrane, Ont. An Indian runner, it was believed, carried the first message sent by the missing balloonists after they reached Moose Factory, Ont. For four days the airmen wandered in the dense snow-covered woods before locating the trading post—which was nearly 1000 miles from the starting point in New York.

Relative to the missing airmen were joyous today. Mrs. Stephen A. Farrell, sobbing, said "Santa was a little late, but he has been awfully good to us all."

'MISSING AIRMEN' HIT DOG TRAIN ON RETURN JOURNEY

New York, Jan. 3.—(I. N. S.)—Officers at the naval air station, Rockaway Point, N. Y., from where three balloonists started their hazardous flight into Canada three weeks ago, said today that no help or rescue parties were to be dispatched to the aid of the airmen. Such a procedure, it was stated, was not considered necessary.

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The airmen, Lieutenant A. L. Kloor, commanding; Lieutenant Walter Hinton, of N. C. 4 fame, and Lieutenant Stephen A. Farrell, are not expected to reach a telegraph station for 10 days or more. They were believed today to be on their way by dog sled either to Mattice or Cochrane, Ont. An Indian runner, it was believed, carried the first message sent by the missing balloonists after they reached Moose Factory, Ont. For four days the airmen wandered in the dense snow-covered woods before locating the trading post—which was nearly 1000 miles from the starting point in New York.

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Both she and Mrs. Hinton had never once given up hope that their husbands would return safely from their trip. He was last seen in the air, far as a spherical naval balloon could go.

Hearing to Be Held Here January 18 on Alleged Unjust Rate

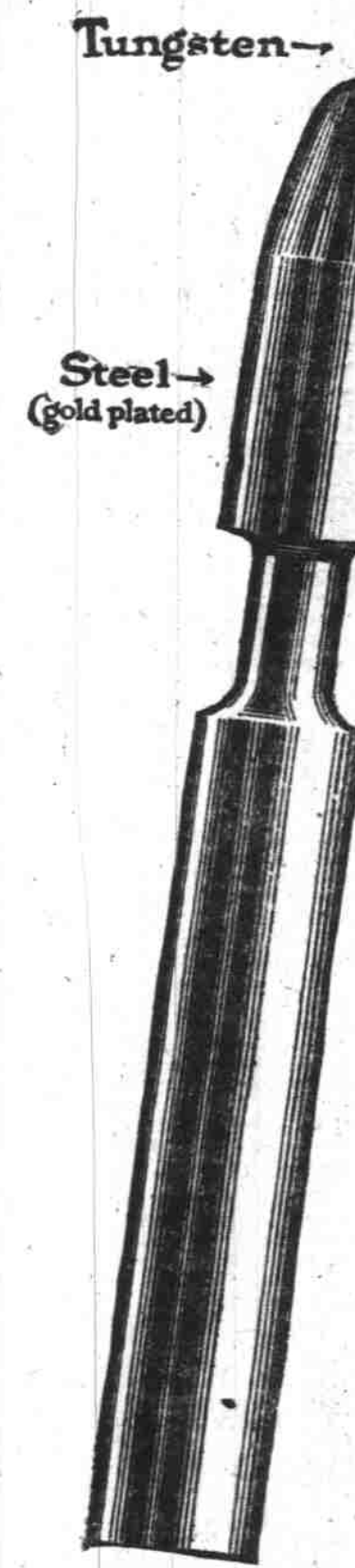
Washington, Jan. 3.—(WASHINGTON BUREAU OF THE JOURNAL.)—Hearing has been fixed for January 18 at Portland on the complaints of the Klamath and Medford Commercial clubs and the Portland Traffic and Transportation association involving allegations that the rates made by the California state commission in comparison with the interstate rates give undue preference to California interests in reaching the cities of northern California. Examiner Keeler will hear the testimony for the interstate commerce commission.

Increased class and commodity rates proposed by the railroads between cities of Oregon, Washington and British Columbia having been canceled by the carriers, the interstate commission has dismissed proceedings for suspension of the increases which had begun.

Study of Japanese Problem Requested

Washington, Jan. 3.—(I. N. S.)—An appeal to congress to give careful consideration to the Japanese problem in California was made today by Governor William D. Stephens of California. In a letter addressed to all members of congress, the letter urged that congressmen from all states study the situation in order that California might have the support of her sister states in the question of handling the Japanese problem.

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