

WHISKY TRUSTS TRICK

Local Patrons Fighting Hard to Get Their Rebates Collected.

A BIG PILE OF DEPOSITIONS.

Attorney Lillenthal, With a Trunkload of Evidence, to Start for the East.

Armed with the depositions of almost 100 witnesses, Attorney Jesse W. Lillenthal...

These depositions have just been taken before Special Examiner Costigan here, and the accumulated evidence amounts to over 1800 pages.

The rebate phase of the controversy is something peculiarly local, considering that the three distributing agents for the Pacific Coast were the first to become aware of the fact that the Distilling and Cattle-feeding Company of Peoria, Ill., as the whisky trust was technically known, was indebted to its patrons to the extent of the promised rebate.

President J. B. Greenhut of Peoria, Ill.; Maddox, Hobart & Co. and Frieburg & Workum, of Cincinnati; Corning & Co. of Peoria, and other big Northern distillers, first organized the trust about seven years ago.

It was attacked in the courts on the ground that it was an unlawful combination in restraint of trade, and all its properties were transferred in consequence to the Peoria concern, and thenceforth it was known as the "Distilling and Cattle-feeding Company of Peoria, Ill."

This scheme worked well enough to combine the manufacturers of spirits, alcohol and quick whisky, and the agents of Cincinnati, Peoria, Terre Haute, Omaha, St. Paul, Chicago, Pittsburg, New York and Baltimore, leaving out the Kentucky distillers entirely, and with a capital of \$20,000,000 it was soon doing about 90 per cent of the business of the country.

It was a very nice scheme that the trust worked. Every consumer of its products was compelled to pay 7 cents a gallon above the market price, which 7 cents was repaid to him at the expiration of six months as a rebate on the condition that during that time he had purchased only from the trust's distillers.

On October 4 last year the rebate system was abandoned, leaving the distributors in a tight squeeze, seeing that they were in the habit of advancing the 7 cents per gallon for their patrons' distillers.

SONOMA COUNTY'S MOEY

The Right of the Treasurer to Deposit in the Several Banks.

Treasurer Woodward and Judge Dougherty Ask for a Hearing.

The CALL in referring to the decision of Judge Dougherty of the Superior Court of Sonoma County in the county treasury case gave him credit for going further into the case than the decision shows he really did go.

It was not a question as to whether the County Treasurer, E. F. Woodward, has the right to deposit portions of the county funds with the different banks, but whether the Board of Examiners at the monthly count of the moneys in the Treasurer's custody has the right to demand that the money deposited among the banks be produced instead of counting the non-questionable receipts for deposits.

matter of the counting of the funds in the county treasury was so misleading as to cause an editorial assuming the contrary to what was held in my opinion on demurrer. I, therefore, inclose you a copy of the opinion filed in the proceedings. I did not decide any more than was necessary to settle the question of whether it went into the whole merit of the case. It might not have been outside of the case if I had gone on to the probable reason of allowing the Treasurer to make special deposits, under section 27 of the act, as an argument why the plain law of the law to the contrary should be preserved. There are many reasons that might be suggested.

Hear in mind that the Treasurer must give a large bond, to be approved by the Superior Court, for the faithful performance of his duties. Although argued, I did not feel called on to discuss the nature of special deposits; they are deposits in the hands of the Treasurer, not in the hands of the banks. No did I touch on the question as to the right of the depository to use the money. The State constitution does not give the Treasurer the right to do that. But I did not consider these questions before me on demurrer.

County Treasurer Woodward is also dejected that there should be no misapprehension as to the handling of county moneys by the County Treasurer of the State. He writes:

As a party to the controversy I was interested in the editorial of Sunday's issue of THE CALL on "County Money." For your information and that you may have further knowledge of the controversy I mail you herewith a copy of the County Treasurer's decision and an editorial of the Daily Evening Post (the San Francisco Post) which will aid you to arrive at a correct conclusion of the question at issue.

The District Attorney of Sonoma County has given notice that he will appeal to the Supreme Court for a final decision.

KING OF THE PLUNGERS.

"Pittsburg Phil," the Czar Among Racers, Has Arrived in This City.

His Story of the Eastern Races and His Strange Rise in Life From a Cork-Cutter.

"Pittsburg Phil," otherwise George E. Smith, the kingpin plunger of the world, whose great winnings on the turf have made him the most talked of man in the country, is at the Palace.

He arrived Monday night from the East, after unusually lively experiences at Sheepshead Bay, Morris Park, Brooklyn and other tracks. Mr. Smith has six horses here, among them Applause, Wernburg and Derfargilla, and he has come on to watch them and also to shy his castor in the ring, whenever he thinks there is a pot of money to be had.

He is a good guesser at this and is credited with having made as much as \$150,000 on a single raffleoff. The times when he has cleaned up from \$25,000 to \$75,000 on a single race are numerous. No one man ever inflicted so much sickness on the bookmakers.

He is a rather pale, slender man, 33 years old, dresses neatly and unassumingly, and talks in a mild tone. For eight years, so he said, he has had an average of \$2,500,000 a year.

"I never saw a better year," he said, "and never a time when there was so much interest in racing. Big men are getting into it, and the result, I think, will be that the small owners of horses will be crowded out. It will get the same as it is in England. There all the millionaires own big stables. Our people are getting like them."

THE INSTITUTE MUTINY.

Trustees Are Not Concerned Over Lawyer Phillips' Charges.

LEGGETT IS VERY OUTSPOKEN.

Replies to the Board's Critic and Says the Institute Is More Prosperous Than Ever.

The threat of L. Ernest Phillips that he would go into court and take the trustees of the Mechanics' Institute before the Grand Jury, unless they consented to order an investigation of the affairs of that institution, does not appear to have filled the members of the board with any marked concern.

Joseph Leggett, one of the trustees, spoke very freely concerning Mr. Phillips' charges. He said:

I think Mr. Phillips is receiving altogether too much attention. I do not think there is anything in the management of the institute that needs investigating.

Mr. Leggett referred to the charges that the preferential method of election was illegal, and that by it he and other members were seeking to perpetuate themselves in office.

It was to prevent that very thing and keep the affairs of the institute out of the hands of any one clique, majority faction that the preferential method was adopted.

Out of 10,000,000,000 packages handled only 1,000,000 were such as to require special reports through having been misplaced, mislent or lost.

RAILWAY MAIL SERVICE.

Superintendent White Favors a Law to Compensate Employes for Injuries.

Superintendent James E. White of the railway mail service of the United States is in favor of having an act passed by the present Congress by which employes or their relatives may be compensated for any injuries the employes may suffer from casualties while in the service, and in his report he makes this recommendation.

According to his report there have been 497 accidents in the service in this country during the year, which is an increase of 137. Seven men were killed and 178 injured.

At 25 Cents. MEN'S JAPANESE HEMSTITCHED SILK HANDKERCHIEFS, large size, with embroidered initials, will be offered at 25c each.

At 35 Cents. MEN'S JAPANESE HEMSTITCHED SILK HANDKERCHIEFS, extra large size, with embroidered initials, will be offered at 35c each, \$4 a dozen.

At 50 Cents. MEN'S JAPANESE HEMSTITCHED SILK HANDKERCHIEFS, in a heavy grade of surah silk, with hand-embroidered initials, will be offered at 50c each, \$5 a dozen.

At 75 Cents. MEN'S JAPANESE HEMSTITCHED SILK HANDKERCHIEFS, in a heavy grade of surah silk, with hand-embroidered initials, will be offered at 75c each, \$8 a dozen.

At \$1.00. MEN'S EXTRA HEAVY JAPANESE SILK HANDKERCHIEFS, extra large size, with hand-embroidered initials, will be offered at \$1 each, \$11 a dozen.

At 25 Cents. MEN'S HEMSTITCHED ALL-LINEN HANDKERCHIEFS, with hand-embroidered initials, will be offered at 25c each, or in fancy boxes of half dozen at \$1.50.

At 35 Cents. MEN'S HEMSTITCHED ALL-LINEN HANDKERCHIEFS, with hand-embroidered initials, extra large size, will be offered at 35c each, or in fancy boxes of half dozen at \$1.50.

AMERICAN WINTER GAVETTES.

Another Enjoyable "Dutch Treat" Party Given by Society Ladies.

ENTERTAINMENTS ANNOUNCED.

Private Receptions and Surprise Gatherings—Whereabouts of Prominent People.

On Tuesday last there was another Dutch-treat party, got up by the same ladies who had the one last week to see De Wolf Hopper in "Dr. Syntax."

The engagement of Miss Annie E. Woodworth, daughter of Mrs. Annie E. Woodworth, to Louis W. Lovey, has been announced.

Mr. E. N. Bee gave a delightful theater party followed by supper after the performance at the University Club.

Mr. and Mrs. E. P. Vining have sent out cards for Saturday next at the St. Nicholas.

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The officers of the Presidio gave their weekly luncheon on Wednesday, at her residence, 2131 Green-street, in honor of her niece, Miss Jettie Adams of Santa Rosa.

On Monday evening, the 2d inst., Mr. and Mrs. A. C. Bauer were entertained by their friends at their residence on Seventh street, near Douglas, it being the tenth anniversary of their marriage.

The Mercantile Library Auxiliary announces a concert at the library on Thursday evening, December 13.

At 25 Cents. CHILDREN'S FINE RIBBED BLACK COTTON HOSE, double knits, heels and toes, Hermsdorf black, sizes 5 to 9, worth 40c.

At 25 Cents a Pair. LADIES' FANCY HOSE, black boot and opera-shade toe combinations, spliced heels and toes, Hermsdorf dye, regular value \$4 per dozen.

At 25 Cents a Pair. LADIES' BLACK MACO COTTON HOSE, black and feet high spliced heels and toes, Hermsdorf black, good value at 35c.

At 50 Cents a Pair. LADIES' IMPORTED CASHMERE WOOL HOSE, high-spliced heels, double soles and toes, black, natural and tan shades, value for 65c.

At 50 Cents Each. LADIES' NATURAL WOOL MERINO VESTS, high neck, long sleeves, drawers to match, regular value 75c.

At \$1.00 Each. LADIES' CAMEL-HAIR VESTS, high neck, long sleeves, drawers to match, extra value, will be offered at \$1 each.

At \$1.50 Each. LADIES' FINE AUSTRALIAN WOOL VESTS, high neck, long sleeves and high neck, short sleeves, drawers to match, warranted non-shrinkable, will be offered at \$1.50 each, sizes 28 to 44 inches.

At \$1.50 Each. LADIES' BLACK SWISS- RIBBED CASHMERE WOOL DRAWERS, ankle length, warranted non-shrinkable, will be offered at \$1.50 each.

THE SAN FRANCISCO CALL, THURSDAY, DECEMBER 12, 1935.

ing, when the guests departed for their respective homes. Among those present were: Miss Gussie Wacker, Miss Charlotte Fenelus, Miss Cora Bennett, Miss Rose Tanke, Miss Lizzie Doyle, Miss Mary O'Brien, Miss Lena Ricker, Miss Amelia Riker, Miss Elizabeth, Mrs. Fred Koldenstrodt, Miss Lettie Carr, Mrs. Elsie Starr, Miss May Bloom, Miss Flora Wilson, Mrs. David, Mrs. E. J. Stetler, Mrs. E. J. Stetler, Mrs. Carrie Case, Miss Laura Williams, Miss Della Hayes, Miss Fannie Lowe, George W. Buttle, Henry J. Thomas, Henry Tietjen, Henry Hoffman, Fred Koldenstrodt, Major George Sive, Captain Louis Mayer, Ed Swander, Charles Binder, Ed Spalane, Peter Sweeney, Ed Coffey, J. W. O'Connell, Henry Ruppert, Fred Becker, Joe Sweet, George Steinhart, Jack Boyd.

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At a meeting of the State Board of Trade yesterday a long report was read from Superintendent Fitcher upon the success of the California exhibit at the Atlanta Exposition and the number of medals and honors won. Mr. Fitcher stated that there is a chance of this State carrying off several other prizes on exhibits not yet passed upon by the committee of awards.

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