

MORSE-DAUGHERTY FEUD STARTED AS "ICE KING" FORGOT GLITTERING PLEDGES MADE IN PRISON

Banker-Promoter Ate Soap to Simulate Illness While Lawyer Pleaded With President Taft to Free "Dying Man" Who Promised to Make His Political Legal Liberators "Rich Men"

FRIENDSHIP BECAME HATE WHEN EX-CONVICT RENEGED ON \$25,000 CONTRACT FEE

Harding's Cabinet Shaken by Charges When Attorney General Turns Official Guns on Client, Who Has Been His Hoodoo—Felder, Another Figure in Drama Which Has Won Nation's Interest, Has Unwittingly Served as Ohioan's Evil Genius.

IS THE legal machinery of the Federal Government being used by Attorney General Harry M. Daugherty to pay off an old grudge? Is Charles W. Morse, New York banker and promoter, to be "punished" for failure to pay a \$25,000 fee to Daugherty and his associates when Daugherty was practicing law in Ohio back in 1911 and 1912?

Would Morse and his associates have escaped indictment and prosecution now if Morse had "come through" ten years ago or at any time since, and paid Daugherty for getting him out of the Federal penitentiary in Atlanta while serving a sentence for a previous offense?

And are Daugherty and Morse out to "get" each other now—to settle old scores—Daugherty trying to put Morse back in the penitentiary on fresh charges of fraud and conspiracy in the world of high finance—Morse trying to discredit Daugherty before the country and force his resignation from the Cabinet, if not involve the Attorney General himself in an action for conspiracy?

Strange questions? They are raised by the developments of the Morse-Daugherty feud. The charges and counter-charges fly thick and fast. Interesting letters and documents, long hidden from public view, suddenly appear in print and are read in Senate debate. Stories that cannot be printed circulate about Capitol corridors.

And Morse is under indictment on charges pressed by the Department of Justice, of which Daugherty, as Attorney General, is the official head. A banker and financier prosecuted by his erstwhile lawyer, now risen to eminence and power! Surely times do change!

Daugherty, one of the mighty men of the present Administration; his hoodoo, Morse, and his evil genius, Thomas B. Felder, who seems to be constantly bobbing up to embarrass Daugherty, unwittingly, in unpleasant complications.

Politics, War, Money in Sordid Jumble
Of course, there is a political aspect to it all. There always is in Washington. Politics, finance, the war and events that occurred in the course of three national administrations, all figure in the story. Some of it is old. Part of it is new. Its ramifications reach back into the



Charles W. Morse

the country to President Taft. Authorize me to employ him and he'll get you out, if any one can." "Done!" said Morse. "Employ him!"

Felder wrote Daugherty. Daugherty went to Atlanta. There were conferences in Atlanta, New York, Washington, Cincinnati. One day Morse explained to his attorneys, Felder and Daugherty, according to Felder's statement:

"I'll have Morse examined by a committee of medical experts. If they say he is in a critical condition he will be released. If not he won't." "Again the banker was examined, this time by army surgeons. He was worse. His condition was considered grave. The physicians said reported."

One day Felder called on Morse in the penitentiary. "There is only one man who can help you to obtain your freedom," he told Morse in substance. "That man is Harry Daugherty, of Columbus, O. Daugherty is as close as any man in

LAW OFFICES OF DAUGHERTY, TODD & RAREY, WYANDOTTE BUILDING, COLUMBUS, OHIO.
H. M. DAUGHERTY J. E. TODD R. R. RAREY

April 30, 1913

Mr. C. W. Morse,
New York City.

My dear Sir:

I enclose you herewith copy of the letter setting forth the contract you made of August 4, 1911, with Mr. Felder for his services and mine. You will observe that I was correct in the statement that there was a balance due of \$25,000 when you were commuted. I also hand you a copy of a paper you handed me in the prison some time after that time, and I have today asked Mrs. Daugherty to send to you by express the papers which I got from Harry and others from time to time, which you spoke to me about.

As I advised you I have telegraphed Mr. Felder, and written him, to meet me there with you next Monday or Tuesday. I will advise you as soon as I have a confirmation from him of this engagement.

Yours very truly
H. M. Daugherty



Thomas B. Felder

By such means Morse built himself up to power and great wealth, but when he was sent to prison his pyramid of companies, with few exceptions, went down with him and his fortunes vastly deteriorated.

Out of prison through the efforts of Daugherty and Felder, he started in to repair his fortunes, meantime staving off the importunities of these two lawyers, in whose minds ranked Morse's glowing promises of fortune and at least reward for legal services rendered.

Only a few days out of prison and while still in Washington, overtures were made to Morse by Felder to collect the \$25,000 Daugherty-Felder fee. According to documents, evidence recently made public at Washington, Morse agreed that as soon as he returned to New York he would send his check for \$25,000, and as Felder stated in writing, "and would very shortly thereafter pay the \$100,000," the bonus agreed upon by Morse at his own suggestion while he still was in prison.

Daugherty and Felder were much astounded a few days after Morse's return to New York, to read in the newspapers that he had sailed for Europe. They were not only astonished—they were irate for not a word had come about that \$25,000 check.

This was the inception of the bitter feud that sprang up between the powerful Ohio political lawyer who was to become the Attorney General of the United States and the scheming captain of industry, who was making desperate efforts to "come back."

Felder, who interested Mr. Daugherty in Morse's behalf, has since effectually "spilled the beans," since the exposure of the scandalous nature of the recent sensational disclosures leading President Harding to one of the big crises of his Administration as to what should happen to Daugherty, following.

When the senior Morse called off to Europe to "recuperate his health," which was charged to have been affected only temporarily in Atlanta by his eating of soap, and which had health been speedily restored, Mr. Felder got in touch quickly with Morse's son, Harry Morse. The latter promptly effected Felder that his father's condition was such he could transact no business before going abroad, but that on his return he would settle matters with Daugherty and Felder.

Propaganda Campaign Brought Quick Results

Thereafter appeared in the newspapers of the country numerous articles saying there was something the matter with Morse's health, that his release from prison had been procured by fraud or imposition upon highly placed persons, and urging that Morse be sent back to prison.

Felder and Daugherty went into the breach and defended Morse. Action was stopped and the stories began to die out. After a lapse of months Mr. Morse returned from Europe. Daugherty and Felder again lost no time in getting to him. There were heated conferences and recriminations by Mr. Daugherty, who refused to take any stock in Morse's company, which he wanted cash or nothing, and if the latter, there was some day going to be a heap of trouble for Mr. Morse, or words to that effect.

Even his associate, Felder, failed to pacify or mollify Mr. Daugherty, who felt that he had been very poorly treated after his successful efforts for Morse.

Both Felder and Daugherty afterward agreed to forego the \$100,000 bonus, and they forgot the promise that they should be made rich, but they did insist upon payment of the formal fee of \$25,000 agreed to under contract. Morse still has some "soap-wrappers" securities, on some of which he raised some money, but the big share of the fee due the two lawyers remains unpaid.

President Harding, who is credited by Mr. Daugherty with having "made him," attained to one of the great legal offices in the gift of the nation, and became Attorney General of the United States. In the course of looking into the much-discussed war contracts, Mr. Morse, his bete noir, popped up in the Shipping Board's records and transac-

THE CONTRACT

ANDERSON, FELDER, ROUNTREE & WILSON

ATTORNEYS-AT-LAW

OFFICES 327-344 EQUITABLE BUILDING

Clifford L. Anderson
James L. Anderson
Thomas B. Felder, Jr.
Daniel W. Rountree
Charles G. Wilson
George P. Whitman

Atlanta, August 4th, 1911.

Mr. C. W. Morse,
Atlanta, Ga.

Dear Sir:

In further relation to the employment of Hon. H. M. Daugherty and myself, permit me to say that we will undertake to represent you in your civil and criminal matters upon the following basis:

1: You are to pay Hon. H. M. Daugherty a retainer of five thousand (\$5000.00) dollars and the actual expenses incurred by him in looking after your matters. Expenses not to exceed \$1000.00.

2: I will pay such expenses as I may incur in connection therewith.

3: You are to direct counsel heretofore employed to withdraw your appeal in the habeas corpus proceedings heretofore instituted.

4: We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of \$25,000.00, which is to be in full compensation for services rendered in connection with your application for pardon.

5: We are to receive 25% of whatever sum we may be able to recover by compromise or litigation in the matter of the Metropolitan S. S. Company, said transaction being fully described in your letter addressed to me dated August 2nd, 1911. If we find it necessary in the prosecution of these matters to have associated with another counsel, we are to select such counsel, subject, of course, to your approval, and they are to be provided for out of your compensation.

6: In all matters herein undertaken in your behalf, we are to have full and absolute control, and you are to accept implicitly our counsel and advice.

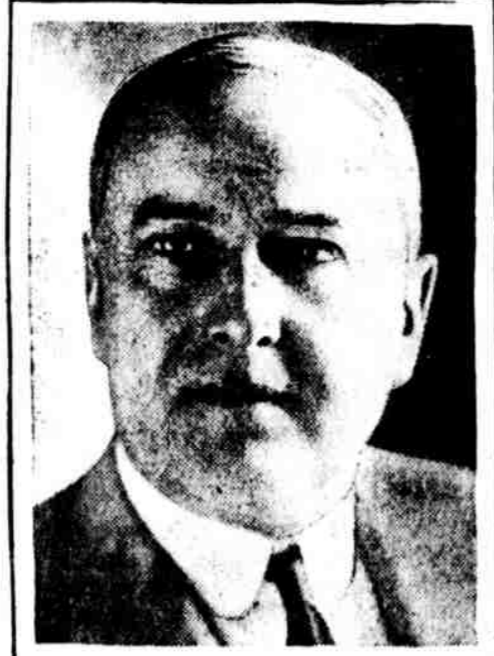
No. 2—C. W. M.
If the above and foregoing terms are satisfactory, you will signify your acceptance thereof in writing.

I remain,
Yours very truly,
THOMAS B. FELDER.

Documents and letters which have since become public show that Felder and Daugherty tried to collect the \$25,000, and failed. They were offered stock in this amount in the Morse Securities Company, one of the banker's promotions. Daugherty declined to accept. Felder later did. But Daugherty, according to his own statement, received all told only "about \$4000," which, he declares, was hardly half enough to cover his actual expenses.

You can terminate this contract at any time after January 1st, 1912, by giving ten days' notice in writing.

THOMAS B. FELDER.
I accept the above. This, the 4th day of August, 1911.
C. W. MORSE.



Attorney General Daugherty

Daugherty and Felder were in Washington as the appeal for Morse's pardon reached its climax. One day there came a note in a newspaper office. The editor went to the White House. President Taft and the newspaper publisher held a long conversation over the telephone. In an hour or two the editor came back. He carried a pardon for Morse. Daugherty had won his fee!

He and Felder took the pardon to Atlanta. Morse was freed and hastened to New York. A day or two later he sailed for Europe. And the fee has never been paid.

What happened behind the scenes? Several things. For instance:

It now appears that Morse, either of his own initiative, or at the suggestion of some one interested in getting him out of the penitentiary, swallowed soap and did several other unusual things which caused him to become emaciated and show symptoms of critical illness. The physicians who examined him were deceived successfully. Presumably they reported honestly to his opinion Morse was about to die, or at least could not live long.

Yet Morse recovered with surprising speed and has pursued an active business career since shortly after his release.

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One of letters written by Daugherty in which, it is said, he tried to collect \$25,000 fee for obtaining Morse's freedom

cases with which he is charged. Daugherty says he will resign from the Cabinet, but will prosecute war frauds—and Morse.

Democrats ask further light on Daugherty's previous connection with Morse's affairs.

Daugherty retaliates by making public the names of those who signed a petition asking a pardon for Morse in 1912, among them Cordell Hull, of Tennessee, in Congress, and now chairman of the Democratic National Committee, and James M. Cox, of Ohio, then in Congress and later—in 1920, Democratic nominee for President of the United States.

And from both sides comes the taunt: "Smoke screen!"

Morse's Career Is Full of Spectacular Events

Morse's career as a spectacular promoter in New York and elsewhere before the World War was often characterized, both in and out of courtrooms and in business conferences resulting from some Morse "squeeze" as that of a super J. Rufus Wallingford. Ice, steamships, steel and industrialists all took the fumes of the insatiable ambition of the unquestionably shrewd and skilled manipulator of corporations, properties and men.

That Morse did not play a larger and more conservative role in Wall Street was not because of his lack of native ability, it was conceded by even his enemies; his failure to reach top rank as a captain of industry was laid to his following his own school of ethics, his individual process of "playing the game." His measures in business were by no means admitted to be according to Hoyle, and this barred him from top-notch councils in high finance, and kept him among "second-string men" of the street.

There is no questioning, however, that Charles W. Morse has had one of the most exciting and eventful and meteoric careers of any man of business in America of the last generation. Morse was known from the days of his youth as being "money mad." He set a mark for himself when a mere boy that he should amass a fortune of not less than ten millions, and he stuck to his ambition until he was conservatively estimated to be worth two years before he was sent to Atlanta Penitentiary in 1908, at least \$22,000,000.

The present bitter struggle with Daugherty recalls the caliber of the man

who fought his unswerving way to power and millions before his downfall. He has gone through enough of life's tense moments to be an old man, but he is still young and strong and resourceful enough to fight at the age of sixty-six. He was born in Bath, Me., and started in to pinch nickels while the other neighborhood boys were playing ball on the lot.

An early incident gives a clue or key to Morse's whole subsequent career. He finished his public schooling in Bath, and his father offered him a job at book-keeping at \$1500 a year—a very respectable job in those times.

Young Morse objected that he wanted to go to college. "It's either college or this job," said his father. "Make your choice, for I can't have both."

But the father was wrong. Morse looked up another boy in the neighborhood.

"You know how to keep books, don't you?" he asked.

"Sure," said the boy.

"I promised to keep his books this year, but I find I can't handle the proposition. I'll pay you \$500 if you'll do the work for me."

"Done," said the boy.

Morse returned to his father.

"I'll take that job you offered me and sublet it," said young Morse. "I've hired a boy who can do the work as well as I could. You pay the \$1500 to me and I'll pay his salary."

The father agreed, and thus began Morse's career in high finance. He formed a partnership with his cousin, Harry F. Morse. They bought ice from the firms that harvested it on the Kennebec River and sold it in New York, delivering it in vessels they built in a Bath shipyard. Why still in college Morse sold 50,000 tons of ice to a New York brewer and asked the brewer for a reference. He was sent to a bank which he found belonged to his customer, a man worth ten millions. On his return the brewer took a hand at asking for references.

Morse said he had none in New York, but the brewer could telegraph his father