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PORTLAND, OREGON, MONDAY, DECEMBER 27, 1920

PRICE FIVE CENTS

MORRIS BROS. INC. CLOSED FOR AUDIT

J. L. Etheridge Is Gone; Bond House Wrecked.

WARRANT ALREADY IS ASKED

Large Deficit Possible; Four Branches Shut Doors.

PRISON RECORD IS BARED

Ex-Head of Portland Branch Confesses at Shrine Meeting to Penitentiary Service.

FACTS CONCERNING WRECKING OF MORRIS BROS. INC.

Officially announced by Fred S. Morris, who took over the corporation's affairs last week, and who is president of the corporation, the bond house will not open its doors today.

Warrant for arrest of Mr. Etheridge, who left Portland with his wife last Thursday night in an automobile for Tacoma, asked on charges of larceny and embezzlement. Whereabouts unknown.

Corporation's business wrecked and extent of deficiency over assets may be \$1,000,000. Auditors still working on the books.

Mr. Etheridge, it was disclosed, has a prison record, having served two terms in the penitentiary.

Sole losers believed to be investors in bonds not yet delivered; other indebtedness fully insured.

With the discovery that a large deficiency exists in the affairs of the bond house of Morris Brothers, Inc., of Portland, the fact that the corporation, Fred S. Morris, who took over the firm's affairs last week when John L. Etheridge, then president, resigned under pressure, announced last night that the institution's doors in all of those cities will be closed this morning and when further for a statement as to the future, admitted that "this is the end of the corporation's business" he said.

Mr. Morris asserted, when asked as to the ex-president's whereabouts, he hurriedly departed from Portland last Thursday night with his wife in an automobile and future possibilities, that he had applied to Walter H. Evans, district attorney for Multnomah county, for a warrant charging larceny and embezzlement and that Mr. Etheridge will be arrested and brought back to face the situation.

As yet the federal authorities have not acted, but in all probability there will be a charge of misusing the mails.

Crash Laid to Etheridge.

The crash of this, one of the largest bond houses in the west, was attributed by Mr. Morris to the reckless extravagance of Mr. Etheridge, who, recent events brought to light, has a record of two terms in the New Jersey penitentiary.

The corporation was not engaged in the banking or trust business and had no commercial savings or deposits.

Suspension of the corporation's business and the deficiency, whatever it may be finally aggregate, will in all cases affect any bank or other financial institution in Portland, Oregon or the northwest, but the losses will be largely personal, it was said, as what comparatively small sums were out against any other institutions were well secured.

This much was clearly determined by investigators working under authority of the Portland Clearing-House association.

That he had known for years of the record of Mr. Etheridge, but accepted at full value the latter's declarations of repentance and had full faith and confidence in him as a man, was admitted last night by Mr. Morris, who first met him in Philadelphia when Mr. Etheridge came to that city and applied for a position as auditor of the firm's house there some years ago.

Etheridge Declared Truist.

"I trusted him implicitly," declared Mr. Morris last night, "and believed that he had reformed and was going straight; but it is apparent now that he treated me as he had others—and he has ruined the business."

Mr. Morris said, regarding the financial losses that will accrue, that he "will do whatever is possible," but that he held no stock in Morris Bros. Inc. while Mr. Etheridge was president and that he is in no wise responsible for what had happened during that period.

"I had no more to do with the corporation while Mr. Etheridge was in charge as president than any other outsider," said Mr. Morris, "and referring to the obligations incurred during the approximate two years of transactions under the leadership of Etheridge."

When people came to me and told stories about him, I thought it a persecution; that he was being persecuted.

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FORGOTTEN NICKEL AGAIN TO BE KNOWN

PRICE OF PIES LOWERED FOLLOWING COFFEE CUT.

San Francisco Restaurant Patrons Regale Appetites With Five-Cent Pastry.

SAN FRANCISCO, Dec. 26.—Once again the nickel is coming into its own.

Following the drop in the price of a cup of coffee from 10 to 5 cents in many of the city's eating establishments, came the announcement today of a big restaurant in the city that pie would be 5 cents per cut. The same house only a few days ago was charging twenty cents for "coffee and."

The sign announcing the new price stated that it was made possible through the reduction in wholesale prices on certain commodities. Besides the brands of pie listed there was included sliced fruits.

Managers of the establishments where reductions were announced said that the interest in pie had picked up a hundred per cent. Patrons went on a pie spree that had evidently been held in leash during the advanced price, some of them ordering two pieces of pie and a cup of coffee, paying fifteen cents, or just half the price of the order a few days ago when coffee was a dime as were pieces of pie.

MONEY OVER HEAD SAVED

Victim Holds Purse in Air While Robber Gets Only \$1.50.

T. A. Lapoz, 571 Pettygrove street, did not say "heavy, heavy hangs over my head" last night, although he played that game to good advantage. Lapoz was sauntering along North Eighteenth street near Lovejoy when a robber stopped him, thrusting a gun menacingly forward.

"Stick 'em up," he commanded.

The victim "stuck 'em up," but when he pulled his hands from his pockets one of them tightly clasped a buckskin purse containing a fat roll of bills. The purse was literally held above the robber's head as Lapoz was relieved of \$1.50 in small change. When the robber had gone a safe distance Lapoz thrust his hands and his purse back into his pockets.

CONSOLIDATION WANTED

Paris Reports Austria Would Become Attached to Germany.

PARIS, Dec. 26.—Le Journal said today it learned from Berlin that it is reported in political circles that a manifesto has been prepared by Austria asking the league of nations that Austria be attached to Germany. Dr. Walter Simons, German foreign minister, and Count Otto Kar Chermayr von Chudenitz, former Austro-Hungarian foreign minister, are said to have drafted the document.

The Petit Parisien declares that the recent treaty signed by Italy and Jugoslavina provides for reciprocal support to provisions restoration of the monarchy either in Austria or Hungary.

BUSINESS DAMAGE SMALL

Storm of 1920 Weathered, Says Federal Bank Report.

CLEVELAND, Dec. 26.—The fourth federal reserve bank in its monthly summary of business conditions said business has weathered the storm of 1920 and that an era of stabilized business conditions is in sight.

While the year "has been one of surprising developments to many," said the statement, "there was nothing but what students of business conditions had expected.

"A substantial liquidation has taken place and the damage done as compared with the good accomplished has been surprisingly small," it said.

SENATOR-ELECT RESIGNS

C. A. Couplin, Whitman County, Washington, Takes Health Job.

OLYMPIA, Wash., Dec. 26.—(Special.)—Governor Hart resigned tonight by telegram the resignation of C. A. Couplin, state senator-elect from the ninth senatorial district of Whitman county. Couplin resigned to accept an appointment with the United States public health service. His home is at Palouse.

Governor Hart announced that a writ of election would be issued tomorrow calling for a special election to be held Friday, January 7, to fill the vacancy.

HOTEL PATRONS RESCUED

More Than Score Overcome in Cincinnati Blaze.

CINCINNATI, Dec. 27.—More than a score of women and children were partially overcome and a panic among the 200 patrons was narrowly averted during a fire in the Burnett hotel early today.

The fire originated in a store room in a basement. Firemen rescued all occupants and the fire was confined to the basement.

MILITARY KILLS IRISHMAN

Two Who Fired on Crown Forces Are Pinned to Death.

DUBLIN, Dec. 26.—Two men who fired on the crown forces today at Tralee were shot dead by the military when they tried to escape.

They had revolvers and dum-dum bullets.

ITALIANS CAPTURE FIUME ENVIRONS

Factories on Edge of City Are Reached.

CLOSING-IN MOVE IS BEGUN

Fall of Poet's Stronghold Is Expected Soon.

FIVE KILLED IN CLASH

Thirty Troops Are Injured as Advance Positions Are Taken up by Attacking Forces.

TRESTE, Dec. 26.—(By the Associated Press.)—Italian regulars today reached the factories on the edge of Fiume and began closing in gradually on the D'Annunzio stronghold.

It was expected Fiume would be taken tonight or tomorrow.

Achievements of the railroads since their return to private operation March 1, were set forth as follows:

"Increased the average movement per freight car per day 6.3 miles from 23.2 to 28.6 miles.

"Increased the average load per car 1.7 tons from 28.3 to 29 tons.

"Made substantial reduction in unserviceable locomotives.

"Reduced the accumulation of loaded but unremoved freight cars from 105,237 on March 1 to 21,991 on December 2, of which only 6388 were detained because of the inability of the railroads to move them.

"Re-located approximately 180,000 box cars for the movement of farm products.

"Re-located approximately 160,000 open top cars to keep up the production of coal.

"Moved the third largest coal production in their history.

"Spent over \$500,000,000 extra on improving the maintenance of tracks, bridges, cars and locomotives."

"Contracted to spend about \$250,000,000 largely on the purchase of new additions and betterments to promote movement of cars.

"Made arrangements to purchase approximately 50,000 new freight cars, 1500 new locomotive and 1000 new passenger cars.

"Began reconstruction of thousands of old cars.

"Moved the largest volume of traffic ever known in a single year, with the highest efficiency yet achieved, and with a minimum addition to the value of the property on which the public has to pay a return through rates."

"The railroad companies," the review added, "have manufactured increased transportation capacity out of

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1920 IS RECORD YEAR FOR ALL RAILROADS

LARGER GROSS TONNAGE THAN EVER IS MOVED.

Lines Have No Intention of Asking Another General Rate Rise, Says Chairman Cuyler.

WASHINGTON, Dec. 26.—American railroads are completing a record year and have no intention of asking for another general rate increase, Thomas Dewitt Cuyler, chairman of the Association of Railway executives, declared tonight, reviewing the 1920 year.

The year, Chairman Cuyler asserted, saw American railroads placed again under private operation and saw them move a larger gross tonnage than ever before and establish new records in transportation gotten out of each car. These records, he added, were not achieved by the railroads alone but with the aid of shippers and with "the day and night, rain or shine work of hundreds of thousands of employees."

In referring to reports that the railroads plan to ask for further rate increases, the chairman said:

"I know of no movement by the railroads for a general increase in rates, nor do I expect any. It is true railroad companies are not receiving from the increase anything like the six per cent return needed, but every effort will be made to accomplish this by further economies and efficiency."

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MONTESANO ROCKED BY MYSTERY BLAST

PLOT TO FREE ARMISTICE DAY REBS, BELIEF OF POLICE.

Stranger Seen Watching Jail Where Seven I. W. W. Are Incarcerated Eludes Searchers.

MONTESANO, Wash., Dec. 25.—An explosion which shook the entire town of Montesano last night is believed by the police to be a miscarriage of a plot to wreck the Grays Harbor county jail here, in which are incarcerated seven men known as last March of complicity in the Centralia, Wash., armistice day murders of November 11, 1919.

The explosion occurred under a tree in a vacant lot near the Northern Pacific station and within 100 feet of the main street of the town. The tree was shattered by the blast.

The police theory of a possible plot in the county jail is based upon reports of the presence of a stranger loitering about the jail during the day. The man carried a leather traveling bag and pieces of such a bag with a short length of fuse were picked up near the scene of the explosion by W. C. McAlone, marshal. It is the marshal's belief that the bomb was cached near the tree and prematurely exploded. No damage resulted.

The vacant lot in which the explosion took place is about seven blocks from the Grays Harbor jail. Attention was attracted to the stranger, for whom the police are searching, by his care of the handbag he carried, it was stated, and it was believed he had liquor in the bag.

He was kept under observation during the day and was seen again late in the afternoon near the jail, but without his bag. Watchers lost sight of him shortly before the explosion. The seven men in the jail here are Britt Smith, Roy Becker, James J. Inenery, Bert Bland, Eugene Barnett, John Lamb and O. C. Bland.

All were convicted of complicity in the Centralia armistice day murders and are awaiting the result of their appeal. Loren Roberts, another of the men arrested following the shooting at Centralia, was found criminally insane and is confined at the hospital for the insane at Stellacoom, Wash.

Two of the indicted men who were acquitted were Mike Sheehan and Elmer Smith, Centralia attorney, who was nominated for attorney-general by the farmer-labor party in the last election, but declined to accept, to run for county attorney of Lewis county, of which Centralia is the county seat.

SEVEN HELD PENDING APPEAL

Motion Will Be Heard by Supreme Court January 12.

Convicted in superior court of the state of Washington, Montesano, Grays Harbor county, on March 13, 1920, the seven I. W. W. have since been held in Grays Harbor jail pending the attempt of their counsel, George F. Vanderveer, to obtain an appeal before the supreme court.

The arguments on appeal would be heard by the supreme court.

(Continued on Page 3, Column 4)

TERMINAL TRUCE MORE THAN LIKELY

Request for Ouster Delay Almost Equals Order.

REFUSAL WOULD BRING EDICT

Special Statute Empowers Interstate Commission.

SANCTION EXPECTED SOON

Both Companies Probably Will Agree to Courtesy Request Until Hearing Is Obtained.

There will be no interruption of passenger traffic at the Union station in Portland on account of action recently taken by the majority stockholders in the Northern Pacific Terminal company in issuing an order ousting the Great Northern and the Spokane, Portland & Seattle lines from use of the facilities after December 31—next Saturday at midnight.

The Interstate commerce commission, through Edgar E. Clark, chairman, last week telegraphed to the presidents of the Union and Southern Pacific systems, requesting their interest to withdraw the order of the terminal company pending a hearing by the commission, and it would be unprecedented action for them to refuse this courtesy. There is every reason to believe that early this week—perhaps today or tomorrow—the president of the terminal company will vote to rescind their action which would in no way alter their position in the premises, but would enable the adjustment of the situation at the outset with the necessity of a formal order of the commission.

Formal Order Is Possible.

The request of the Interstate commerce commission's chairman went forward to William Sproule and Carl R. Gray, presidents respectively of the Southern and Union Pacific systems, last week and but for the fact that a Christmas day on Saturday and that Christmas was Sunday it was probable that action already would have been recorded.

A special statute empowers the Interstate commerce commission to handle just such situations as have arisen over the Portland terminal facilities and with this authority back of it, there is no the slightest doubt but that a formal order would speedily follow, should the majority stockholders of the terminal company decline to grant the request of the chairman. Hence, there is no sound reason to believe that such action will be necessary.

Plans of the city of Portland and Mayor Baker's special committee of the presidents of civic clubs and the state public service commission are based upon what they believe to be a fact—that the Interstate commission, after the chairman's request is granted by the terminal company.

Efforts Under Way Some Time.

Efforts to obtain permission of the terminal company for a continuation of present arrangements at the Union station until such time as the railroads are justified in making a capital expenditure for the construction of a modern station in keeping with the city's growth and dignity have been in progress for several weeks, following immediately upon Mayor Baker's request of the North Bank officials here for a new building, to replace the old one at their terminal.

When the mayor took up with the North Bank officials the subject of a new station, it became known that the majority stockholders of the terminal company had ordered the Great Northern and the Spokane, Portland & Seattle trains from the Union station, effective December 31, and that the so-called Hill line should be discontinued their use of the facilities. Acting upon the belief that Portland should have but one railroad station, the mayor named his committee to investigate.

First Truce Plan Rejected.

After two meetings, at which the situation was discussed with railroad officials and others, the mayor's committee sought a truce by asking the Northern Pacific Terminal company directors to permit the non-tenant roads the use of the facilities until the state commission could hear the facts and perhaps work out a solution. The request was refused as was also one by the state commission.

The directors representing the Union and Southern Pacific systems on the board of the terminal company, as well as other officials of those lines, contend that the capacity of the yards and station are insufficient to longer care for their own needs, in addition to those of the two non-tenant lines. Directors representing the Northern Pacific railway voted to continue the present arrangement, holding that there is ample room for all roads.

SENATOR ENTERTAINS WIDOWS

BERLIN, Dec. 26.—United States Senator McCormick entertained several hundred war widows at an old-fashioned Christmas dinner Sunday afternoon and presented the children with candy, toys and warm clothing. The entertainment was arranged by the Quakers.

BRICKLAYER RESCUES SANTA FROM CHIMNEY

PAPA WEIGHING 340 LBS GETS CAUGHT FOOLING KIDS.

New York Alderman Confesses Myth to Children After He Gets Into Trouble.

NEW YORK, Dec. 26.—Santa Claus, in this particular instance weighing 340 pounds, got stuck here while "proving" to three children that he is no myth and really comes down the chimney.

In the home of Alderman Frank J. Dotler three youngsters were caught peeping beneath the comforts, keeping a hawk eye on the fireplace and the stockings that hung from the mantel piece.

"Till show 'em," said Santa.

He fastened a pack of gifts on his back and started down the chimney. Half way down his girth made further passage impossible.

He shouted for help.

A bricklayer removed part of the chimney, a back of toys was thrown promptly to the floor and Alderman Dotler, removing his disguise, said: "You're right, kids, there isn't any Santa Claus."

ACE MISTAKEN FOR FRAUD

Rickenbacker Comes Near Passing Christmas in Jail.

COLUMBUS, O., Dec. 26.—Eddie Rickenbacker, premier American ace, came within an ace of passing Christmas in a Chicago jail, instead of with his mother in this city, he told friends here today.

En route east from California Rickenbacker registered at a Chicago hotel. The clerk, believing him to be the fake "Eddie Rickenbacker" who was married in Jacksonville, Fla., early last week, and who was alleged to have disappeared later after having embezzled several thousand dollars, called the house detective to arrest him.

After much explaining Rickenbacker convinced the police that he was the real Eddie Rickenbacker and he finally was released.

ILLNESS CONFINES CARUSO

Famous Tenor Kept From Stage by Pleurisy Attack.

NEW YORK, Dec. 26.—Enrico Caruso, tenor, is suffering from an attack of pleurisy, it was announced tonight. He is under the care of five physicians, who said the attacks of "a painful, irremissible" character and will necessitate his being confined for a period.

Bruno Zirto, the tenor's secretary, declared Caruso complained of a sharp pain in his side Christmas day and was restless that night. He was reported restless earlier tonight and one of his physicians expressed the opinion that barring unforeseen complications he could return to the stage in two or three weeks.

DIAZ PLANS NEW REVOLT

Carranza's Son-in-Law Also in Guatemala; Mexico Watches.

MEXICO CITY, Dec. 26.—Feliz Diaz, one time a revolutionary leader, who was deported to Cuba, has arrived in Guatemala and is said to be contemplating aggression against the Mexican government, according to reports last night. Candido Aguilar, son-in-law of the late President Carranza, is known to be in Guatemala.

The war office here has several times announced it was watching him.

INDEX OF TODAY'S NEWS

The Weather.

YESTERDAY'S—Maximum temperature, 44 degrees; minimum, 40 degrees. TODAY'S—Rain; increasing southerly winds.

Foreign.

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Entry of Fiume is begun by Italian regulars. Page 1.

France predicts Leysgues to resign. Page 4.

British laborites ask idleness curbs. Page 2.

National.

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Congress expected to do but little this week. Page 2.

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Domestic.

Forgotten nickel again to be known. Page 1.

Bricklayer rescues Santa from chimney. Page 1.

Monk Eshelman, reformed gang leader and hero of war, found dead, victim of venereal disease. Page 8.

Pacific Northwest.

Radicals blast rocks Montesano. Page 1.

Outlook for apple industry bright. Page 12.

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Dempsey declared better than ever. Page 5.

Pre-season work declared at end at O. A. C. Page 8.

Four basketball games scheduled. Page 8.

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Portland and Vicinity.

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Three faces death in sliding mud. Page 7.

Accidents follow stormy weather. Page 7.

Dr. McElroy suggests some Christmas thoughts for the aged. Page 14.

Fresh crops found essential as feed. Page 13.

Portland concern to increase output. Page 12.

Christmas service held in many churches yesterday. Page 14.

Money tight, Portlanders back oil mills with \$100,000. Page 13.

City becoming oil distributing center. Page 9.

Morris Brothers, Inc., closes for audit of afternoon and presents Christmas gifts. Page 1.

Dark Parkers to be in court today. Page 2.

Police find hundreds of autos parked "dark." Page 9.

TRIO FACES DEATH IN MUD AVALANCHE

Automobile Topples on Rim of Gulch.

WOMEN'S GRIES BRING HELP