

INQUIRY IS FACED BY MRS. ETHERIDGE

Petition to Be Filed Soon After Return Here.

MORE ASSETS ARE FOUND

\$150,000 in Bonds Located by Auditors and May Reduce Losses of Investors.

(Continued From First Page.)

States National bank, officials of the city of Edmonton and holders of term certificates issued by Morris Brothers, Inc., to appear in court at the same time and then decide as to the disposition of the Edmonton bonds.

Edmonton Treasurer Here.
F. Barnhouse, city treasurer of Edmonton, arrived in Portland yesterday to represent his municipality in whatever action is to be taken locally with reference to the Edmonton bonds. He expressed the desire that some method be devised whereby the bonds might be sold in whole or in part. If this cannot be done, he will be guided in his future actions by developments which may be brought to light during the receivership.

According to information given out by Etheridge before his sudden departure from Portland last week, he has contracts for the sale of approximately \$1,250,000 of these bonds. The Pacific coast banks, which are in readiness to pay cash for these bonds the moment delivery is made. If Receiver Whitcomb finds that this is true, it is barely possible that these sales will be completed. The profit to Morris Brothers, Inc., would amount to several thousand dollars, thus giving additional assets to be distributed among the creditors.

Developments Are Awaited.
Mr. Barnhouse said he would await developments before he took any action as he is directed by officials of the city he represents. He was in conference yesterday with Mr. Whitcomb and attorneys for the receiver, but nothing definite was decided upon.

Complete grand jury investigation into the affairs of Morris Brothers, Inc., including the relationship between Etheridge and Fred S. Morris who brought him to Portland and placed him in charge of the bond house, will be started at the court-house this morning under the personal supervision of District Attorney Evans.

Temporary Receiver Whitcomb yesterday was served with a subpoena to appear before the grand jury today with all books and records of the wrecked firm in order that the grand jury might begin its probe. Mr. Evans agreed that he would have books and records sent to him at a time in order that the audit now in progress might proceed without undue delay. Other subpoenas have been served on local bankers and others whose dealings with the bond firm have been brought to light during the preliminary inquiries.

\$150,000 More Assets Found.
Assets of approximately \$150,000, not heretofore listed in the assets enumerated on the schedule filed in the bankruptcy proceedings in federal court, were discovered by Mr. Whitcomb yesterday during his auditing of the books of the firm. These include bonds which were filed in the vaults of the firm and other assets the exact nature of which cannot as yet be divulged. Mr. Whitcomb gave assurance, however, that they will total at least \$150,000 and may possibly be a little more.

The discovery of these additional assets reduces the present estimated deficiency to approximately \$500,000, although this deficiency may either be lowered or increased when the audit has been completed.

"I do not wish to raise the hopes of investors too greatly," through the discovery of these additional assets," Mr. Whitcomb said. "Temporarily, at least, it puts a better aspect on the situation, but it may be changed at any time as our examination of the books and records proceeds. We can only hope for the best."

Audit May End Next Week.
Mr. Whitcomb prophesied that the audit will be completed by the last of next week, at which time it will be definitely known just how much the creditors may hope to realize from the financial wreckage of the bond house. Until then all estimates will be incomplete and inaccurate.

In the event that the federal court cancels Etheridge's citizenship, steps will be taken to have him deported back to England as an undesirable alien. It was said yesterday by R. B. Bonham, chief of the immigration service for this district, that the deportation proceedings cannot be started until the citizenship has been canceled. United States Attorney Hays already has announced that he will co-operate with naturalization officials in whatever steps are required to revoke the citizenship.

Scotland Yard's Data Asked.
Mr. Bonham said yesterday that he is now in communication with Scotland Yard, London, for the purpose of ascertaining the truth of reports that Etheridge had a criminal career in this country in 1907. His two previous sentences in the New Jersey prison are already a matter of public record.

Mrs. G. M. Norton is plaintiff in a civil action filed in the federal court yesterday against Morris Brothers, Inc., for the recovery of securities which she alleges she left with the bond house for safe-keeping. She alleges that the temporary receiver has refused to turn these securities over to her. She says she holds receipts from the now defunct concern for \$1599 in bonds and \$300 in interest certificates. She sets forth that these comprise her sole property and that she is entitled to its possession without further delay.

Morris to Issue Statement.
Fred S. Morris, whose connection with the bond house which bears his name, and who, with Etheridge, is now under investigation by both state and federal officials, said last night that his attorney is preparing a statement for him, which will be submitted to the newspapers sometime today.

This statement, he said, will include every angle to the big business with Etheridge and the bond house and will explain in every detail all matters now under inquiry. The statement is being prepared by his personal attorney, Wirt Minor. Upon advice of his attorney, Mr. Morris said he will not grant any interviews, but will use this signed statement as an answer to any question which might be propounded.

Appreciation of the assistance given by The Oregonian in furnishing both himself and the creditors of the bond house with information regarding the crash of the institution was given by

Temporary Receiver Whitcomb in the following letter to The Oregonian: "I wish to express to The Morning Oregonian my appreciation of the accurate manner in which information which I have given to your representative at our daily conferences has been set forth, and also for the great help your paper has been in getting information to the creditors of Morris Brothers, Inc., advising them of the status of affairs."

"Because of the technical nature of the information furnished it would not have been surprising had mistakes been made in quoting the same. Insofar as we know, no mistakes have been made."

"At a time of unusual tension such as this is, co-operation of that sort is invaluable and much appreciated." Sheriff Hurlburt yesterday was advised that Deputy Sheriffs Schirmer and Scott will leave Minneapolis tomorrow for the city of Portland, and that they will arrive in Portland at 8 o'clock Monday morning.

BOND SALE LAWS ADVISED

Adequate Regulation Is Advised by Roy A. Johnson.

That there should be adequate legislation covering the sale of bonds to prevent the repetition of another such calamity as the collapse of Morris Brothers, Inc., but that there is no sound reason why the confidence of the investing public should not be maintained in legitimate, well-offered establishments engaged in this line of business, is the declaration of Roy A. Johnson, resident manager of Carstens & Earles, Inc., in the United States National Bank building.

"I believe," said Mr. Johnson, "that out of this deplorable situation will come action that will prevent a repetition of such a thing. The serious injury that has been inflicted upon many innocent people will present numerous individual problems, which at the present moment seem to them almost unsurmountable, but the assistance of able public officials and firms of established reputation will go far toward repairing the damage done and in bringing order out of chaos."

"The collapse of Morris Bros., Inc., serves as one more illustration of the wisdom of the old, conservative policy of growing slowly and of not being over-optimistic with money belonging to other people; of living within one's personal income and of conducting a business within the limits of one's own resources. Bond houses which follow this policy are serving a legitimate and most useful purpose in helping to uphold the country."

NOTICE HELD PREMATURE

Call for Creditors to File Claims Declared Not Official.

Announcement made Wednesday night from the headquarters of creditors at the offices of Dr. J. D. Du-back that all creditors should file their claims at once with A. M. Cannon, referee in bankruptcy, was not official, and is a bit premature, according to Clerk of the Federal Court Marsh. In due time, official notice will be sent to all creditors giving them opportunity to present their claims, but these claims should not be presented at this time.

"There has been no official notice with reference to the bankruptcy case of Morris Brothers, Inc., and no notice will be sent to creditors to file their claims," said Mr. Marsh. "The schedules that were filed were incomplete and amended schedules will be filed in a few days."

"As soon as the complete schedules are filed, the referee in bankruptcy, A. M. Cannon, whose offices are in the Title & Trust building, will call a meeting of the creditors and send by mail a notice to each creditor of the time and place of the meeting. He will also publish notices of the meeting in the local newspapers. Creditors must prove their claims in order to participate in the first meeting at the election of a trustee."

Released Prisoner Writes Letter to Judge.

Charles Angier Says He Cannot Return to Finish Sentence.

BERKEEN, Wash., Dec. 30.—(Special.)—Because he insisted that he must play the Christmas anthems for a small congregation in a remote part of Grays Harbor county Christmas night, Charles Angier, released prisoner, has been charged with disobedience of court. He was freed by Police Judge Taggart on condition that he return the day after the festivities to serve the remainder of a 30-day sentence.

Angier has not returned. Last night, however, Judge Taggart received the following message: "Dear Judge—Can't come back. Got a steady job taking care of the cemetery week days and playing the organ on Sundays."

Judge Taggart said no effort would be made to bring Angier back from the scene of his devotions.

COMPANY HELD UTILITY

Multnomah County Concern Is Affected by Ruling.

SALEM, Or., Dec. 30.—(Special.)—The Southern Water company, with headquarters in Multnomah county, is a public utility, and is subject to regulation by the Oregon public utility commission, according to an order issued by the latter body yesterday.

Some time ago Ellis C. Thayer, R. T. Lyons, Charles Matz and Frank A. Nagley filed a petition with the public service commission in which it was charged that the corporation had discriminated against the petitioners and had refused to give them the benefit of water service.

In answer to the petition the water company alleged that it had dissolved the original corporation, and had transferred its holding to an association.

McNARY WITH LEGION

Oregon Representative Will Work for Soldier Legislation.

"Have urged and will continue to support passage of soldier legislation, including compensation measures," was the message received by state headquarters of the American Legion yesterday from Senator McNary in reply to a telegram sent from Portland Wednesday.

This was the first reply to the barrage of messages sent all over Oregon's senators and representatives. Senator Chamberlain is believed to be in favor of the legislation urged by the American Legion but his illness will prevent his taking an active part in the Washington fight, it is expected.

Youngster Drowns in Creek.

ROSEBURG, Or., Dec. 30.—(Special.)—Clarence Robert Smith, 3-year-old son of Mr. and Mrs. C. J. Smith, who reside on Deer creek, a few miles east of this city, fell into the creek last evening and drowned. The body was washed into shallow water and recovered shortly after the accident.

AMERICA CRUMBLES IF SCHOOLS FALTER

System Wards Off Red Peril, Says Educator's Head.

FATE IN TUTORS' HANDS

Dr. Hunter, Oakland, Cal., Superintendent, Tells Portland Business Men of Pitfalls.

The public school system of the United States is the greatest national issue in the country today and all that can save this nation from the fate of the great empires of the past as well as from the red menace, Dr. Fred M. Hunter, president of the National Education association and superintendent of the public schools of Oakland, Cal., declared at the luncheon of the Progressive Business Men's club at the Benson hotel yesterday.

Dr. Hunter emphasized the fact that it was the problem of the schools to produce the right kind of citizens and thus to carve out the future of the nation. This work he declared could not be done properly if the school system was handicapped by lack of funds or by being made the pawn of politicians.

"Americanism is threatened not by the invasion of military force from Soviet Russia, but from a real invasion of bolshevism, bolshevism thinking and acting like us," he said. "It is threatened by the danger of surplusage of wealth and power which has come to us out of a great war and the tendency toward reactionary ideals which come from this condition."

Illiteracy Percentage High.

"It is threatened further by the fact that the American people are not homogeneous; that one in three of our population is foreign born or the child of a foreign home; that in our great industrial centers on the Pacific coast the percentage is much higher than that."

"The percentage of illiteracy is another grave danger. The war records obtained by the use of the most practical test of literacy possible, the ability to read orders, showed that for all practical purposes the illiteracy in America is 24.3 per cent of the population, or one in four."

"We are facing these conditions with a crippled school system that has never paid adequate wages to teachers. Before the war the average wage paid elementary teachers was less than \$50 per calendar month. The citizenship-making machinery was less than 50 per cent efficient measured by the power of the school system to hold the youth of the country in high school during the period of high school education, until 18 years of age."

Social Service Remedy.

"American ideals, American institutions, are therefore threatened by these conditions. The remedy is a social service programme in the public schools of America. A school system is a good school system only when it does the thing which a school system should do, when it reaches the children of all classes of people with citizen training machinery through the period of their youth."

Dr. Hunter said the best standards are those presented by the bureau of education, which show that the school system of this country is 51 per cent efficient.

"Oregon," he said, "is 58 per cent efficient, measured by the same system. There are two tests. Does the school reach all children of all people, and does it give them the best and most adaptable instruction when in school?"

Money Raising at Fault.

Dr. Charles E. Chadsey, dean of the educational college of the University of Illinois, expressed the belief that some new method of raising money for educational work must be devised. He said it might be necessary to secure financial aid from the government or from some new method of taxation.

City Superintendent Groat introduced the speakers.

NEW TRIAL IS PROBABLE

APPEAL EXPECTED TO DELAY MURDERER'S EXECUTION.

Attorney for Husted A. Walters Says Evidence Not Relevant Was Admitted by Court.

Six months delay in completing the case of the state against Husted A. Walters, recently convicted of murder in the first degree, may result if H. P. Mulkey, the defendant's counsel, takes the case to the supreme court, which now seems probable. The attorney has just obtained a stay of execution of the order requiring Sheriff Hurlburt to deliver Walters to the warden of the penitentiary by January 6. He was allowed until January 2 to file a motion for new trial.

Mr. Mulkey said he expected to bring out as grounds for his appeal that evidence of other crimes besides the killing of Jerome Palmer was admitted in the course of the trial, and that prosecuting attorneys persistently argued on that point. He also maintained that the trial was unduly rushed, and he had but 18 days in which to prepare for it.

Walters was sentenced to be hanged February 10. The question of submitting the capital punishment measure to the people has been discussed in connection with the case.

AGENCY SEEKS REWARD

BURNS DETECTIVE BUREAU SAYS CAPTOR AIDED.

Share of Money Paid for Capture of Doughty Declared Due According to Agreement.

Because of knowledge declared given by Burns Detective agency which led to the capture by him of Jack Doughty, alleged bond thief of Toronto and believed to be connected with the disappearance of Ambrose J. Small, Canadian theatrical magnate, Ed Richardson of Oregon City is now being sued by the agency for \$2500. The defendant collected half of the \$15,000 reward offered for the discovery of Doughty.

It is said that Richardson had access to the Burns files and from

these he learned through a circular of the Canadian fugitive. With a photograph at the agency he identified Doughty, then employed at the Crown-Williamette paper mills. Richardson had at one time been in the employ of the Burns agency. The suit was filed by Chester A. Sheppard, who states that the Oregon City man had made a written agreement to pay for any assistance given him, but that he failed to stand by his word.

DOUGHTY TRIAL STARTED

Alleged Kidnap, Caught in Oregon City, to Answer Charges.

TORONTO, Ont., Dec. 30.—Trial of John Doughty on two counts, conspiracy to kidnap Ambrose J. Small, theatrical manager, and stealing \$100,000 in victory bonds, property of Small, began today in police court here. Doughty was Small's secretary at the time the latter disappeared December 2, 1919.

Doughty also disappeared shortly afterward and when he was brought back here a month ago from Oregon City, Or., he directed detectives to the home of his married sister, where \$105,000 in victory bonds was located. No trace of Small ever was found.

MATERNITY LAWS ASKED

STATES URGED TO CO-OPERATE WITH GOVERNMENT.

Speakers at Meeting of American Association for Labor Legislation Score Conditions.

NEW YORK, Dec. 30.—Enactment of laws in all states to co-operate with the federal government in protecting maternity, particularly among working women, was urged by speakers at the closing session of the 14th annual meeting of the American association for labor legislation here today.

Restriction of employment, cash benefits to offset loss of earnings, and free medical care, were declared to be the pressing need to overcome an increasing mortality rate for both mothers and infants.

Dr. Richard Holt, general director of the American Child Hygiene association, said it was a "con. nuing fact that in this enlightened and prosperous country more women between 15 and 45 years of age lose their lives from conditions connected with childbirth than from any other cause except tuberculosis."

More than 23,000 mothers died under these conditions in the United States during the past year, he said. "What would the government do," Dr. Holt asked, "if 20,000 or more persons died in this country in one year from smallpox or bubonic plague?"

MARION SOLONS CONFER

Disposition of Santiam Hatchery Is Discussed.

SALEM, Or., Dec. 30.—(Special.)—Members of the Marion county delegation in the state legislature conferred here this afternoon with relation to proposed measures to be introduced at the coming session of the lawmaking body.

Sam Hughes, formerly a member of the state legislature, Edward Roster of the public schools of America, and the public schools of America, discussed the disposition of the new Santiam hatchery. The question was raised as to whether the plant should be retained by the state for the propagation of trout or should be operated jointly by the sportsmen and commercial interest for the propagation of both salmon and trout. There also was some talk of turning the hatchery over to the government for trout propagation.

Another meeting of the delegation will be held next week when a bill will be introduced providing for the disposition of the plant.

1920 BUSY COURT YEAR

Justices on State Supreme Bench Write 305 Opinions.

SALEM, Or., Dec. 30.—(Special.)—A total of 305 opinions were written by the members of the Oregon supreme court during the year 1920 or an average of 43 opinions for each justice, according to reports prepared here today by Arthur Benes, clerk of the court. Cases disposed of by opinions aggregated 244, while the cases disposed of by stipulations or by the interested parties numbered 25. Decisions affirming the lower court totaled 144, reversals 61 and modifications 16.

There were 217 appeals filed at Salem during the year, while 45 appeals were filed at Pendleton. Twenty-five attorneys were admitted to practice law in Oregon on examination, while 28 applicants were allowed to practice following the presentation of certificates signed by the supreme court of other states.

METRIC BILL INTRODUCED

Measure Provides for Gradual Adoption of French System.

WASHINGTON, Dec. 30.—(Special.)—Representative Britten of Illinois yesterday introduced the metric standards bill in the house. The bill provides for the gradual adoption of decimal metric units in weights and measures, the transition to be completed in ten years.

Aubrey Drury, executive secretary of the metric standards committee, said the bill is a nation-wide demand, as shown by 100,000 petitions to congress asking metric legislation, and that scores of national organizations urge the change.

Senator Frelinghuysen has the metric standards bill before the senate.

Aid to Farmers Proposed.

WASHINGTON, Dec. 30.—Joint stock agricultural banks for making loans

on staple agricultural products stored in federal licensed warehouses would be authorized under an amendment to the federal farm loan act introduced today by Senator Harrison.

Four Million Frenchmen Killed.

PARIS, Dec. 30.—The population of France was reduced by 4,000,000 during the war, said Louis Mourier, the new director of public assistance, in discussing today measures to be taken by the Seine departmental council to reduce infant mortality.

Norwegian Minister Arrives.

NEW YORK, Dec. 30.—Dr. Samuel Eyde, newly appointed Norwegian

minister to Washington, arrived here today aboard the steamer Kronland.

More than 25,000 persons are employed in the salmon cannery industry in the state of Washington.

Colds Now—Pneumonia Later

"Keep down common colds and lessen pneumonia cases, which increase rapidly during the winter months," warns a prominent Chicago physician. At the first suggestion of a cold, apply Mayr's Fine Needle Balm to the nose and check it before it has a chance to develop. This stimulating essence of the northern pines is so soothing and healing that catarrhs, colds in the head, nose and throat clear up quickly when Mayr's Fine Needle Balm is used. Sold in two sizes—30c and 60c tubes. Free trial by writing George H. Mayr, 219 West Austin ave., Chicago. Mayr's Fine Needle Balm for sale by druggists everywhere.—Adv.

KONDON'S CATARRHAL JELLY FOR Colds

Get a tube today, makes your head and nose feel fine.

Easy to apply Quick to act

30 treatment tin FREE—Write KONDON MFG. CO. Minneapolis, Minn.

Store Closed Saturday, New Year's Day

Ring out the new; ring in the old

LET'S reverse the old couplet, put aside forever the bitterness and unrest which have afflicted the world. Let's get both feet on the ground once more and think and live as we did before everything was turned upside down.

We're doing our share by putting clothes prices back toward the old-time basis.

Hart Schaffner & Marx Suits and Overcoats Reduced

Clothes for men and young men in this group formerly priced to \$55

\$32.50

\$60 and \$65 Suits and Overcoats now **\$46**

\$70 and \$75 Suits and Overcoats now **\$56**

\$80 and \$85 Suits and Overcoats now **\$63**

Shirts Reduced **30%** (Prices quoted are for either shirts or underwear.)

Underwear Reduced **30%**

Sam'l Rosenblatt & Co.

Fifth at Alder Gasco Building

There Is One Electric Store Where Prices Are Lower!

Electric Light Globes, 10, 15, 25, 40-watt. **35c**
No. 14 House Wire (special) per foot. **22c**
Key Sockets (brass) special. **49c**
1/2-Pound Friction Tape. **45c**
Chain-Pull Sockets (regular \$1.25) **99c**
House Fuses (15c quality) **9c**
No. 18 Lamp Cord (per foot) **4c**
Dry Cell Batteries (No. 6 size, retail 60c) **48c**
Electric Light Extension (8-ft. cord and plug) . **\$1.25**

We Repair Your Flashlight Free of Charge
Flashlight Batteries, Strictly Fresh, Last Longer
We Repair Electric Irons and Electric Appliances
Lowest Prices on Everything Electrical

EVINRUDE ELECTRIC STORE

Evinrude Motors—Electrical Supplies—Phone Marshall 1765
211 Morrison, Near First St. Open Every Saturday Night Till 9

Los Angeles Woman Now in Splendid Health. Gains 20 Pounds and Feels Fine Now—Gives Tanlac Credit.

So many people throughout the United States and Canada have testified to having used Tanlac with such splendid results, following influenza, grippe, operations, typhoid and pneumonia, and other troubles that bring on a run-down condition, that it has become universally recognized as one of the most powerful reconstructive tonics of the present day.

Another very striking statement in connection with this fact was made by Mrs. F. E. Baker, of 1321 Stanford avenue, Los Angeles, in an interview. "Tanalac has been my favorite medicine now for two years," said Mrs. Baker. "I have told dozens of people how it helped me, and my husband and I both are enthusiastic about it. At the time I began taking the medicine I was suffering from the effects

of an attack of influenza that kept me down for four months. "After I did make a turn for the better I couldn't get a bit of strength back, for I had no desire to eat. My son was in France and this, together with my sickness, just about made a nervous wreck of me. Well, nothing seemed to do me one bit of good until one day my husband brought me a bottle of Tanlac.

"I was so emaciated I weighed only 105 pounds, was not sleeping or eating, and felt very blue and discouraged. But I commenced to pick up, almost as soon as I started on Tanlac, and it is no less than wonderful the way it built me up. I gained 20 pounds in weight in such a short time that it astonished me.

"Soon I began to eat and sleep regularly and my strength returned so I could do my household work with ease. I certainly am happy and contented now and, while I am a little nervous occasionally, all I have to do is to take a bottle of Tanlac and I am right again. I keep some in the house all the time and wouldn't think of being without it."

Tanalac is sold in Portland by the Ovi Drug Co.—Adv.