

JUGGLER OF BONDS KEEPS DEATH PACT

Partner in Spokane Firm Gives Up, However.

\$350,000 IS SUM EMBEZZLED

Millionaire Duped by Issue of Forged Securities.

POLICE GET CONFESSION

John B. Milholland Kills Self After Exposure of Operations Is Made by Jay B. Hough.

SPokane, Wash., Jan. 9.—(Special.)—John B. Milholland, investment broker, of the firm of Milholland & Hough of Spokane, accused by Jay B. Hough, in a confession to the police late today, to have with him embezzled \$350,000 in bonds and money from James F. Callahan, millionaire Wallace, Idaho, mining man, committed suicide by shooting himself at his home here tonight while the police were searching for him with a warrant for his arrest.

Prosecuting Attorney Lindsey, immediately after receiving the confession of Mr. Hough, issued a warrant for the arrest of Milholland, but before it could be served Milholland had killed himself.

Suicide Pact Is Made.

According to the confession of Mr. Hough, he and Mr. Milholland had entered into a suicide pact and were to have shot themselves in their offices at 11 o'clock last night. This agreement was reached Friday noon, according to Mr. Hough, when he and Milholland discovered that the shortage of the Callahan account could no longer be concealed.

Mr. Hough, according to police authorities, said his part of the suicide agreement was not carried out because, after he had consulted an attorney regarding the matter, he was convinced the only thing for him to do was to "make a clean breast."

Hough was held in jail in lieu of \$20,000 bonds.

Bond Forging Confessed.

Mr. Hough said to the police that the embezzlement was accomplished through forged bonds worth \$315,000 and spending of a large cash fund of Mr. Callahan's which the firm had direct supervision. The forged bonds, Mr. Hough declared, were delivered to Mr. Callahan instead of genuine bonds, and the interest coupons on them were paid by him and Milholland at regular intervals. In this way he declared Mr. Callahan did not discover that the bonds he held were forged.

The money obtained through the forgery of the bonds, according to Mr. Hough's statement to the police, was spent in speculating on the New York stock exchange.

\$350,000 in Cash Also Used.

Mr. Hough gave the following bond issues as the ones that had been forged: One hundred thousand dollars, 6 per cent; Teel municipal irrigation, Umatilla county, Oregon; \$75,000, 5 per cent; Hill county school district, No. 16; \$50,000, 6 per cent; Hill county school district, No. 14; \$25,000, 7 per cent; Liberty county, Montana, relief fund; \$40,000, Port of Newport harbor, Oregon.

In addition there was a balance of \$19,000 cash that Mr. Callahan had on deposit with the firm, which was used for speculation, Hough confessed.

Hough made the following statement tonight to the county prosecutor, before he was placed in jail:

Firm Formed Three Years Ago.

"Mr. Milholland and I were formerly in the employ of Irving Whitehouse company. We left that firm about three and one-half years ago and formed the firm of Milholland & Hough. While with the Irving Whitehouse company Mr. Milholland had handled the account of Mr. Callahan of Wallace, so that when we opened our office we obtained the Callahan account. At first the Callahan accounts were handled with regularity and it was about two years ago that the first embezzlement occurred.

"The first item, which figures in the embezzlement, amounted to between \$30,000 and \$50,000. So far as I know everything was straight and square. We were expecting a visit from Mr. Callahan and Mr. Milholland told me that we were short this amount in the Callahan account, and he warned me to say nothing about it to him. Mr. Milholland declared that he had used the money as a joint account to play the market and that as it was a joint account I was equally responsible with him. He did not inform me of this until about a week or two after the money had been lost. He explained that we would make a profit of \$30,000 on the Teal irrigation bonds, which issue of a million we had purchased. This money would soon be coming in and we could easily make up the deficiency, he explained.

Domination Is Alleged.

"Milholland dominated me entirely. He had a wonderful personality; in fact, he seemed to exercise a real hypnotic influence over some people and I was completely under his control.

"About this time the bottom dropped out of the bond market and it was impossible to complete the deal, and our

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POLICE AID LABORERS IGNORE COURT EDICT

DETROIT CROSSES RAILWAY TRACKS DESPITE ORDER.

President of Trolley Line Arrested When He Appears With Papers and Held Virtual Prisoner.

While the work was being accomplished, E. J. Burdick, assistant general manager of the Detroit United Railway, who had the restraining order, was a virtual prisoner on Belle Isle, he said, to his being taken to the park by the police.

STEAMER QUEEN IS SAVED

Vessel Saved by Tow From Going Ashore on Point Arena.

SAN FRANCISCO, Jan. 9.—The steamer Queen of the Pacific Steamship company, bound from San Francisco for Seattle and Tacoma, became disabled off Point Arena, 100 miles north of here, today, and was taken in tow by the steamer Admiral Dewey of the same line, which is bound from Seattle for this port, the company announced. The Queen has 20 passengers on board.

The company dispatched a tug from here to relieve the Admiral Dewey. The vessels are due here tomorrow morning.

The Queen broke her crank shaft while three miles off Point Arena and was in danger of being carried ashore before a strong wind when the Admiral Dewey succeeded in getting a tow line aboard, according to reports reaching here.

LAWMAKERS READY FOR OPENING DAY

What Will Legislative Harvest Be? Big Query.

SELECT GROUPS IN SESSION

Organization Plans Drafted Behind Closed Doors.

COUNTY SLICING PLANNED

Clackamas Delegation Have Movement Under Way for Cutting Off Marion County.

SALEM, Or., Jan. 9.—(Special.)—Following a conference tonight Representative Bean of Lane county announced the following chairmen would be named in the event of his election as speaker of the house:

K. K. Kuhl, Multnomah county, chairman of the ways and means committee.

A. M. Wright, Sherman county, chairman of roads and highway committee.

E. V. Carter, Jackson, chairman of the banking committee.

K. K. Kuhl, Multnomah county, chairman of the resolutions committee.

C. E. Woodson, Morrow county, chairman of the revision of laws committee.

SALEM, Or., Jan. 9.—(Special.)—What will the legislative harvest be? This was the question uppermost in the minds of a half hundred members of the Oregon legislature, a score of interested spectators and the usual assemblage of job seekers who gathered in the lobby of the Marion hotel here tonight and whittled away the hours in idle legislative discussion. It was generally agreed among the legislators that more bills would be introduced at the 1921 session than ever before, but how many of these measures will withstand the close scrutiny of the lawmakers is a matter of speculation.

While the crowd of so-called "unattached" legislators talked shop in the hotel corridors, more select groups were busy behind closed doors drafting plans for organization and the events that are to follow in rapid succession. If history should repeat itself, it would not be surprising if Frank Davey is elected temporary speaker of the house. Mr. Davey is a member of the Marion county delegation and has the distinction of being the oldest member of the house with regard to years. Although he appears much younger, Mr. Davey (Continued on Page 2, Column 1)

RENT, FUEL AND LIGHT CONTINUE TO CLIMB

PRICE OF EVERYTHING STILL FAR ABOVE PRE-WAR LEVEL.

WASHINGTON, Jan. 9.—Expenditures of the average family for rent, fuel and light, not only resisted, but ran counter the last six months of 1920 to the general tendency toward a lower price level. It was shown today in figures compiled by the department of labor's bureau of labor statistics.

The figures made public cover expenditures by average families in Baltimore, Cleveland, Chicago, Detroit, New York, Philadelphia, San Francisco, Kansas and Seattle.

PRINCESS WEDS COUSIN

Marriage Celebrated at Great Gathering of Royalty.

TURIN, Italy, Jan. 9.—The marriage of Princess Bona, third child of the Duke of Genoa, to her cousin, Prince Conrad, nephew of the late king of Bavaria, and son of Prince Leopold, was celebrated yesterday in the presence of a great gathering of royalty.

King Victor Emmanuel, Queen Helena, Dowager Queen Margherita, the royal prince and other representatives of Italian and Bavarian royal families attended.

NAVAL POLICY OF U. S. DECLARED OBSOLETE

SEA SUPREMACY IMPOSSIBLE, SAYS BRITISH EX-AIR CHIEF.

With Battleship Out of Date, Viscount Rothermere Urges England to Quit Building Race.

LONDON, Jan. 9.—Viscount Rothermere, ex-secretary of state for the air forces, in an article today in the Sunday Pictorial, headed "The Folly of the Big Battleship," submitted a startling contention challenging the traditional basis of the British naval policy. The doctrine he propounded is that it is no longer possible for a nation to possess command of the seas.

SMOOT IN CONFERENCE

President-Elect Discusses Taxes, Appropriations and Revision of Government Departments.

DISARMAMENT BIG TOPIC

Subject Expected to Be Prominent in Congress This Week.

BLASTS STILL MYSTERY

Three Heavy Explosions in California Shake Up Three Towns.

LOS ANGELES, Jan. 9.—Three heavy explosions which last night rocked houses and broke windows at Azusa, Glendora and Covina, about 25 miles east of Los Angeles, remained unexplained early tonight. Investigators who began inspections of canyons near the towns had not returned.

HARDING RESIGNS AS OHIO SENATOR

Retirement to Take Effect on January 15.

INAUGURAL PLAN IS UNIQUE

All Members of Electoral College May Attend.

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SKYLARKING VENUS BAITS STAR-GAZERS

PLANET SETS PORTLANDERS AGOG WITH BRILLIANCE.

Reason, Says Professor, Is That Greatest Elongation of Its Orbit Is Near.

The planet Venus, which has been causing a great deal of comment during the last few weeks because of its brilliancy and its proximity in the heavens to a less brilliant star, is now near the greatest elongation of its orbit and at a point which places it between the earth and the sun, according to Professor Daniels of Hill Military Academy.

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FLEEING BURGLAR IS SHOT BY POLICE

Looting of Six Homes Is Admitted by Veteran.

FUGITIVE TRACKED IN SNOW

Patrolmen Find ex-Soldier in Untenanted House.

LOSS OF CASH DOWNFALL

Prisoner Says He Took to Crime to Recover Money Which Had Been Stolen From Him.

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DOCTOR SEES PRESIDENT

No Significance Attached to Visit of Nerve Specialist.

MOTHER RESCUES BABY

Heroic Dash Is Made Through Flames Enveloping Home.

ITALIAN RIOT QUELLED

Demonstration About Fiume Troops Leads to Arrests.

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