

FUNDS JUGGLED, SAYS ETHERIDGE

Ex-Chief of Bond House Accuses Morris.

ASSETS HELD COVERED UP

Creditors Declared Entitled to Every Cent of Property of Morris Brothers.

FUNDS THOUGHT AVAILABLE

Witness Bares Life History and Tells in Full Connection With Concern.

HIGHLIGHTS OF JOHN L. ETHERIDGE'S TESTIMONY.

It has been the continuous policy of Fred S. and James H. Morris, in their various deals, to juggle stocks and accounts to cover whatever they wished, as in the case of Morris Bros., Inc., of Portland.

He was sent to Portland the first time by Fred S. Morris to get the assets here in shape for transfer out of danger from a suit for \$75,000.

Mr. Morris suggested the various moves in financing the local house, the paying of himself \$1000 a month and the presentation of \$100,000 to Miss Henrietta Morris for nothing of value in return.

That he is anxious to assist the receiver in straightening out the tangle.

That he believed the corporation solvent when he left Portland and believes he and the creditors were betrayed by Morris.

On the witness stand in proceedings before Robert F. Maguire, master in chancery, at 2 o'clock yesterday afternoon, John L. Etheridge, ex-president of the wrecked bond house of Morris Bros., Inc., told in his own way the history of his connection with the corporation, swore that Fred S. Morris of Portland and James H. Morris of Philadelphia hid for years juggled their business affairs so as to cover up their assets whenever they so desired. He concluded by declaring that the creditors of the defunct institution here are entitled to every cent of property held by Fred S. Morris and his sister, Henrietta A. Morris, and gave an additional list of about \$200,000 worth of assets which he said he believed still to be intact in their safe deposit box here.

Mr. Etheridge's testimony occupied the entire afternoon and was given in the presence of a packed room in Federal Judge Wolverson's department. Many men and women, holders of interim certificates, were present and also numerous persons drawn by curiosity. Mrs. Stella M. Etheridge, wife of the star witness and defendant in two charges pending in the circuit court, also was present.

Etheridge Breaks Down.

Only once did Mr. Etheridge break down while on the stand and that was when he was detailing events leading up to the dramatic close of his career as president of the bond house last December. He was relating the faithfulness of his large staff at his headquarters office and had just said that, after he laid bare his life history, including a prison record, every one of them said he should remain and face the situation, when he wept.

Regaining his composure, after a brief pause, the witness continued with his story, one of the most startling ever related in Portland. Walter P. LaRoche, his personal attorney, had told the master in chancery at the opening of the afternoon session that his client wished to tell everything he knew and to assist in any manner possible to restore to the creditors every cent that is available.

Entire Story Is Told.

An understanding between Mr. LaRoche and counsel for W. D. Whitcomb, receiver of the defunct corporation; Harrison Allen and Casius R. Peck, had been reached as

WAGES AND CHARGES CUT BY CONTRACTORS

NEW SCALE TO GO INTO EFFECT ON FEBRUARY 1.

Carpenters to Get \$7 a Day Instead of \$8—Stimulation of Business Expected to Result.

A cut in the wages of men employed as well as in charges made to the public was announced yesterday by the General Jobbing Contractors' association, the cut to go into effect on February 1. The reduction in wages, it was announced, was to be made from \$1 an hour, the present scale for carpenters, to 75 cents an hour. This will mean the payment to carpenters of \$7 a day instead of \$8.

The present charge made to the public on jobs is \$1.50 a man, the 50 cents going for overhead and the supervision. After the first of February it was announced this would be \$1.35.

Similar reductions on the same percentage will be made for laborers, it was announced.

The belief was expressed by the contractors, according to F. E. Vanderhoof, secretary-treasurer of the association, that the reduction will stimulate business and will consequently give the men more money through a larger amount of employment.

Mr. Vanderhoof said that practically all the jobbing shops in the city were connected with the association, as well as some of the larger contractors. He estimated that 400 or 500 men were employed by members of the association.

B. W. Slesman, district representative of the carpenters, said that the reduction would mean that the contractors would get inferior workmen. He said the jobbing association only employed about 1 per cent of the carpenters of the city and consequently any cut made by them would have very little effect on the general wage paid carpenters.

He said that the general contractors' association had a contract with the workers for the \$1-an-hour scale which was binding until next May.

GANG JURORS ACCUSED

3 Women, 2 Men Say They Were Snubbed by Others of Panel.

SAN FRANCISCO, Jan. 12.—Complaint that they had been "snubbed" by other members of the panel since the conclusion of the case was made by five members of the jury which disagreed in the trial of Allen McDonald, criminal gangster suspect, on a charge of attacking Miss Jessie Montgomery at Reno. Three women and two men made up the group. They asked for relief.

"I cannot but criticize your judgment," they were told by the assistant district attorney, Stanislaus Riley, who prosecuted McDonald. He said he could do nothing for them, but that their consciences should be clear.

WRONG MAN IN ASYLUM

Baker Hospital Attendants Mistake Pioneer for Insane Patient.

BAKER, Or., Jan. 12.—(Special.)—John Addoms, Baker pioneer, who has been in St. Elizabeth's hospital suffering from a brain hemorrhage, yesterday was taken to the state hospital for the insane at Pendleton, the result of an error by the hospital managers. Kenneth Morton, who was committed to the asylum by county authorities and held at the hospital pending the arrival of an attendant from Pendleton, remains in the local institution.

YEAR BAD ONE FOR JAPAN

Trade Balance for 1920 Decidedly Unfavorable One.

WASHINGTON, Jan. 12.—Japan closed 1920 with an unfavorable balance of trade of \$91,848,000 yen, said a cablegram today to the department of commerce from J. F. Abbott, commercial attaché at Tokio.

The year's exports amounted to 1,928,864,000 yen, while the imports were 2,320,712,000 yen. Japanese exports for December amounted to \$7,893,000 yen, while the imports were \$1,653,000 yen.

PLEA FOR STARVING URGED

President May Issue Appeal in Behalf of Europeans.

WASHINGTON, Jan. 12.—President Wilson would be asked to issue a public appeal for American contributions in behalf of the starving people of Europe by a resolution approved today by the house foreign affairs committee.

The resolution is a substitute for one by Representative French, republican, Idaho, proposing that the government officially endorse the work of the European relief council.

EXCESS RENTS PENALIZED

Los Angeles City Council Passes Anti-Profitsteering Ordinance.

LOS ANGELES, Jan. 12.—An anti-profitsteering ordinance was passed today by the city council. It prohibits rentals in excess of 11 per cent of the gross investment on real property and 16 per cent on furnishings.

A violation is considered a misdemeanor.

PORCH INAUGURAL CONSIDERED BEST

Harding Would Not Over- work Simplicity.

PLANS SECOND TIME UPSET

East Portico All Right, but Grandstand Barred.

PRESIDENT-ELECT IS BUSY

Cabinet Problem Still Under Con- sideration and Plans for Vac- cation Being Made.

MARION, O., Jan. 12.—For the second time upsetting plans for his inauguration, President-elect Harding suggested to officials at Washington today that they had gone farther than was necessary toward simplicity by deciding to hold the ceremony in the senate.

Observance of the usual custom of taking the oath on the east portico of the capitol, Mr. Harding telegraphed, would be quite agreeable to him and would permit a much greater number of spectators. If no money were spent in the erection of special stands, he said, there could be no objection from the viewpoint of economy.

Previously the president-elect had suggested that the oath be administered either within the capitol or on the east porch. The congressional committee's decision to adopt the former course, however, resulted in vigorous protests from any who had arranged to go to Washington, and Mr. Harding said today that he considered a popular desire to hear the inaugural address "natural and becoming."

Decision Is Commended.

On the other hand, telegrams commending the decision for a curtailment of the usual inaugural pomp were made public today at Harding headquarters and Mr. Harding expressed the opinion that his course had the approval of the people generally.

At the same time that the president elect is shaping details of his inauguration, he is continuing his work on the cabinet problem and is planning his vacation trip to Florida.

No announcement on either of these subjects was forthcoming.

The president-elect's conferences on the association of nations, the cabinet and other subjects are understood to be almost ended.

He has much accumulated routine work to clear away before he goes south, but it is known that he has made few appointments beyond the end of the week.

Much speculation in connection with the cabinet is continuing.

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WILSON CHECKS IRISH DISPUTE TO CABINET

STATE, LABOR BUREAUS STILL UNSETTLED ON MAYOR.

Department of Justice Likely to Be Asked to Enforce Order of Deportation.

WASHINGTON, Jan. 12.—With the departments of state and labor still unsettled over the disposition of Lord Mayor O'Callaghan of Cork, who arrived as a stowaway without a passport, it was indicated today that President Wilson would leave to his cabinet officers the ironing out of the inter-departmental differences.

Should Secretary Wilson continue to show no disposition to take cognizance of the request of the acting secretary of state, Davis, that O'Callaghan be deported, it was stated today by officials of the state department that the department of justice may be asked to see that the order of deportation of state is executed.

No only has the secretary of labor declined to consult with the state department about the original paroling of O'Callaghan, which parole, according to the state department, will permit the lord mayor to accomplish his mission of testifying tomorrow before the commission from the committee of 100 investigating Irish conditions, but the labor department also has refused to recognize the right of the state department to order the exclusion of the lord mayor before the case was referred to the department formally.

CORK, Jan. 11.—General Strickland, commanding the military forces, has prohibited the use of motor cars, motorcycles and bicycles between the hours of 8 P. M. and 6 A. M. throughout the area under martial law.

CHILD KILLED BY AUTO

6-Year-Old Clatskanie Youngster Run Down by St. Helens Doctor.

ST. HELENS, Or., Jan. 12.—(Special.)—The 6-year-old child of Mr. and Mrs. A. H. Goe of Clatskanie was killed almost instantly at 5 P. M. today when it was struck by an automobile driven by Dr. H. L. Henderson of St. Helens. Dr. Henderson was driving from this city to Portland when the accident happened.

Dr. Henderson reported to the sheriff here that the child ran out in front of his automobile from behind a wagon which stood by the roadside. He said he had no time to stop before the machine hit the child. He picked up the youngster and carried it to its home, but it was dead before he reached the house.

GIANT BLACKBERRY FOUND

Fruit Near Four Time Size of Do- mestic Variety.

WASHINGTON, Jan. 12.—A new species of blackberry, near four times as large as the domestic garden variety, has been discovered in Colombia by American scientists and is being experimented on by the department of agriculture with a view to distribution to farmers.

The giant berry was discovered by Dr. Frank M. Chapman of the American museum of natural history in a remote forest region of Colombia.

LEGISLATURE TO QUIT TODAY TILL MONDAY

IMPORTANT CONFERENCES WILL BE HELD IN PORTLAND.

Nearly All Members of Both Houses Coming to City; Business Is Well Advanced.

STATE HOUSE, Salem, Or., Jan. 12.—(Special.)—Both houses of the Oregon legislature will adjourn at noon tomorrow until next Monday morning at 10 o'clock. This was assured here this afternoon when the senate concurred in a joint resolution previously approved by the house. The senate held several brief sessions today, but no important business other than the introduction of bills, consideration of memorials and resolutions was transacted.

While no reason was advanced for tomorrow's adjournment, it was reported that important conferences will be held in Portland prior to re-convening next Monday. These conferences, it was said, have to do with many bills which are now in the making, but which are not yet sufficiently complete to be considered by the legislators.

Practically all the members of both the senate and house will go to Portland at noon tomorrow, although a few of the legislators will leave for other parts of the state to pass the week end with their families. Accompanying the legislators to Portland will be many stenographers, clerks and other legislative attaches.

Legislators in both houses said that business was further advanced at the end of the third day of the session than at the expiration of any similar period of time in the history of the gatherings of the lawmakers in this state.

It was expected that next Monday some of the more important bills will be introduced, with the result that the committees will get their work under way.

GIRL KISSES PEDESTRIANS

Autoist Rescues Young Woman, Believed Deranged, From Crowd.

A pretty girl, about 22 years old, accosted men pedestrians at Grand avenue and East Burnside street late last night and as each man stepped put her arms around him, kissed him and called him "My Jack."

Soon the girl was surrounded by several youths, who, apparently not realizing her hysterical condition, taunted her. Two citizens, driving past in an automobile, saw the girl and summoned Patrolman Pfennig, who took her to headquarters. She could give no information regarding her age, name, address or reason for her strange behavior.

Every question met with an incoherent answer and the exclamation, "My Jack." She was lodged in a padded cell at police emergency hospital and will be held pending an investigation as to her sanity and her identity.

Red Mobilization Denied.

NEW YORK, Jan. 12.—George Tchitcherin, Russian minister for foreign affairs, in cable advices from Moscow received by the Russian embassy here today, denied published rumors of mobilization of troops against Poland, Roumania, or any other country.

LAWMAKERS START ROAD LEGISLATION

Highways Prime Concern of Both Houses.

BOND ISSUE RELEASE ASKED

Immediate Use of Roosevelt Road Funds Sought.

CONGRESS URGED TO ACT

Two Legislative Committees Here- after to Meet Jointly to Ex- pedite Business.

DAY'S PROGRAMME IN ORE- GON SENATE AND HOUSE.

Senate.

Adjournment to be taken at noon tomorrow until next Monday morning at 10 o'clock.

Twelve new bills introduced.

Oregon institution for blind adult to ask for \$40,000 appropriation.

Creation of hydro-electric commission sought.

Senator Joseph hurled law book at C. C. Chapman of the Oregon Yoter.

Bills vetoed by Governor Olcott referred to committees for recommendations.

House.

Eight bills introduced in house and three memorials.

Memorial calling upon United States senate to pass bonus bill adopted.

Memorial to congress to pass Chamberlain-McArthur bill appropriating funds for use in road building in Oregon adopted.

Rule prohibiting smoking in house revoked.

Memorial urging congress to enact tariff legislation to protect home products introduced.

Move made to consolidate administration of state labor bureaus.

Bills admitting veterans of world war and their wives to state soldiers' home and extension of relief provisions for veterans of former wars introduced.

Joint resolution calling for adjournment at noon Thursday until Monday morning at 11 A. M. adopted.

McArthur Urges Action.

The joint memorial adopted by the house was introduced by Speaker Bean, who explained that he had received a telegram from Representative McArthur requesting the Oregon legislature to take immediate action in urging congress to appropriate funds for use in road construction in the western states.

The first national aid for road construction received by Oregon was authorized in 1918, when an appropriation was set aside for the use of this state in building port and other roadways. In 1919 a further appropriation was made which has been exhausted.

Representatives of the 11 western states, in which millions of acres of forest reserve land are located, have repeatedly urged congress to appropriate additional funds for use in matching road money set aside by these states.

Bill Strongly Supported.

Mr. McArthur has introduced the Chamberlain bill in the house for this purpose, which has been referred to the house committee on roads and highways. Members of this committee, Mr. McArthur's message said, favored relief for the western states, and Representative Mondell, republican leader in the house, is also said to be favorable to the appropriation.

The memorial adopted by the house today calls attention to the fact that the 11 western states seeking federal road construction aid have within their boundaries national forest reserves approximating 150,000,000 acres, on which no taxation can be derived. These states during the past five years have expended millions of dollars, the memorial states, while Oregon itself has expended \$27,000,000 on roads and highway construction during the past four years.

Congress is urged to give immediate action to the memorial.

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ELEVATOR RUNS WILD; JANITRESS IS KILLED

TERRIBLE DEATH MET BY MRS. SADIE F. DARLINGTON.

Head Caught Between Carriage and Frame, Body Plunges Three Stories to Concrete.

Mrs. Sadie F. Darlington, a widow living with her two sons at 608 South avenue, was killed almost instantly early last evening when she lost control of an elevator in the Swetland building, Fifth and Washington streets, and in some manner fell out of the car and into the shaft at the third floor landing. She was dead when witnesses reached her side, according to a physician of the city emergency hospital who responded to the call. She was employed as a janitress in the building.

Dr. John Gartner, who was waiting at the elevator doors on the third floor, said that Mrs. Darlington stepped inside as though to start the elevator, but remembered that it was which was standing on the floor nearby. Stepping outside to pick it up, in some manner her skirts shifted the control lever and it started up. She attempted to step inside, Dr. Gartner said, to get at the lever, but either could not reach it or turned it the wrong way. She was carried, struggling, until her head was caught between the elevator floor and the iron frame above. She hung suspended for a moment, then dangled to the concrete at the bottom of the shaft.

The coroner took charge of the body. Efforts of authorities to communicate with either of the two sons, who are thought to be grown, were unsuccessful. She was about 50 years old.

RAINBOW PRESAGES FAIR

Weatherman Relies on Meteorolog- ical Devices, but Agrees.

As perfect a double rainbow as ever appeared decorated the northern sky yesterday afternoon, and arrested the attention of numerous pedestrians. And even as did Noah, the original weather forecaster, E. L. Wells, meteorologist, predicted the appearance of the rainbow with a prediction of "generally fair" for today.

Though Mr. Wells, in the manner of a modern meteorologist, based his forecast rather on such things as the barometric gradient, relative humidity and the revolutions of the anemometer, the appearance of the rainbow is none the less significant.

FORD'S LEAD 843 VOTES

Count of 705 Precincts of Mich- igan Completed.

WASHINGTON, Jan. 12.—Henry Ford had attained a net gain of 843 votes in his Michigan senatorial contest with Senator Newberry when the senate privileges and election committee's recount ended for today.

The canvass had been made of 705 of the 2000 Michigan precincts.

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DEATH IS THREAT OF BLACKMAILER

Two Portland Families Are Marked for Murder.

GUARDS SURROUND HOMES

Big Sums Are Demanded of 6 City Business Men.

POLICE FAIL AT CAPTURE

Mysterious Letter Writer Slips Through Trap After Bogus Pack- age of Money Is Obtained.

Guards were thrown about the homes of two Portland business men last night, when a second letter threatening them and their families with immediate death because he was outwitted in an attempt to collect \$25,000 blackmail money yesterday morning on the Base Line road, was received from "Shadow," the author of the threats.

"Your money cannot save you now," the blackmailer wrote to J. Wesley Ladd, who assisted the police in their unsuccessful attempt at capture.

Charles Jennings also received a second letter. Will F. Lipman, it was announced at police headquarters last night, received a letter demanding money late yesterday afternoon.

Letters Kept Secret.

The contents of the letters were not made public by the police, who for some unknown reason continued throughout the day to throw the greatest possible secrecy about the gigantic plot, which involves three other Portland business men.

Letters demanding sums ranging from \$10,000 to \$25,000 and threatening death were received on Saturday by Ben Selling and Louis Gevurtz, John M. Jones, postmaster, who was another intended victim, was not asked for money, the police said.

At the close of these letters the blackmailer admonished his intended victims to answer him through the personal columns of The Oregonian in this way:

"Shadow, your arrangement is satisfactory."

As soon as they had received the letters the men turned them over to the police and federal operatives for investigation.

Ladd First Victim.

Mr. Ladd was chosen the first victim by the "Shadow" because he was ordered to deliver a package containing \$25,000 Tuesday night. The method outlined by the blackmailer was for Mr. Ladd to install two flashlights on his automobile as well as two rear lights. He was directed to leave Grand avenue and turn right on a street at midnight, Tuesday, and drive out the Base Line road to the Automobile club house and then return by way of the Columbia River highway.

The "Shadow" notified his intended victim somewhere along this route he would be in waiting for the package of money, which he demanded should be in denominations of \$5, \$10 and \$20.

Full Instructions Given.

He gave specific information as to how the money should be deposited. He said that somewhere along the road he would give a signal by waving a pocket flashlight three times in a circle. Mr. Ladd was directed to proceed not faster than 10 miles an hour and to drop the package, which should be wrapped in white paper at the spot where this flashlight signal should be given. He was then ordered to drive at high speed down the highway as soon as the package had been dropped.

Police Inspector Heller was selected to impersonate Mr. Ladd in driving the machine with the mysterious package. Three other automobiles loaded with police, deputy sheriffs and federal operatives followed at varying distances.

Signal Flashes in Downpour.

As Heller's machine and one containing police detectives were coming west on the Base Line road about 209 yards east of the intersection of the Base Line road and the Craig road, they saw the flash light signal of instruction. Heller proceeded at once to a point where a bit of paper was burning to designate the spot where the package should be dropped.

He tossed the bundle out of the machine and speeded up for about 100 feet, when he brought his car to a stop. By turning off one of his rear lights he signaled for the machines in the rear to come on, but by the time the others had arrived the "Shadow" had picked up the package and fled. Although they scoured the woods on either side of the point, they were unable to find the slightest trace of the mysterious individual.

Plans Carefully Laid.

Examination of the place where the flashlight signal was given disclosed yesterday that the "shadow" had carefully planned the woods section at that point. He was hidden back of a large signboard near the intersection of the two roads.

Directly across the road he had cut an opening in a barbed wire fence

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