

# INSIDE STORY OF BOND CRASH IS LAD BARE

**Wild Financial Maneuvers of Morris Bros., Inc., Defunct, Revealed by Receiver Whitcomb in Statement Issued.**

Weird financial maneuvers, overdrawn salaries, vanished securities, astounding operating costs and negligible profits—all together spelling "carelessness" in bold letters—tell the story of the wreckage of Morris Bros., Inc., bankrupt bond house, as revealed today by Receiver W. D. Whitcomb and his staff of auditors.

A net loss in the operation of the business totalling \$480,480.62 is the outstanding figure of the report that goes to make up the total deficit of \$700,023.82 that represents what is left of the "million dollar" corporation whose debris will yield, it is hoped, about 75 cents on the dollar to more than 2500 investors.

**DREW BIG AGENTS**

Criminal phases of the manipulations that wrecked the bond firm are yet to be determined, but they will be bordered, the receiver says, by carelessness and foolishness in the matter of handling money.

Some explanation will be called for from Mr. and Mrs. John L. Etheridge and from Fred S. Morris as a result of the revelations of the audit, which shows that in addition to a very large salary, Etheridge drew out of the business without returning any compensation, \$41,863.12, and that in apparently the same direction went \$31,641.29 charged to the account of Mrs. Etheridge during the year. This is in addition to \$51,600 that was charged to Etheridge during 1919 and remains unaccounted for.

**LOSSES HEAVY**

To Fred S. Morris the firm delivered in 1920 a total of \$15,650 worth of bonds and in return Morris is credited with the payment of \$1 to make the transaction legal. The whys and wherefores of that little piece of business is

# HERE'S PICTURE OF TOTS THAT NEED YOU, MAMMA



Jack and Leona "Ferguson," little waifs abandoned in Centrilia by man who claimed to be their father and who claimed their mother was dead. But the children insist they "ran away" from her and beg to be taken back.

Centrilia, Wash., Jan. 26.—Abandoned here by the man who claimed to be their father, repudiated by the girl who was believed to be their mother, Jack and Leona Ferguson, Centrilia's pathetic little waifs, today seem to be no nearer a solution of the mystery that surrounds their parentage and home than they were when they were left with Dr. J. M. Slescher of Chehalis.

The last clue to be run down and which seemed to point to Louisa McIntosh of Union, Or., as their mother, proved fruitless when Mrs. McIntosh wrote that she had taken care of the children at one time, but that she did not know who their mother was. Their grandmother, she wrote, was Mrs. Lora L. Carver of Seattle.

Last September a man who said he was Charles H. Ferguson brought the children, Jack, aged 3 and Leona, aged 2, to Dr. Slescher for medical attention.

# Labor Leaders Ask Senate to Restore Trade With Russia

Washington, Jan. 26.—(I. N. S.)—Complete restoration of trade relations between the United States and Russia as a means of stimulating American industry and relieving unemployment in this country was urged before the senate foreign relations committee today by Timothy Leary of New York city and other labor leaders.

"The American workman is out of a job today and the Russian needs clothing, shoes and other necessities," said Leary. "Then we can tackle the other labor leaders."

Masters, Mates and Pilots.

# Seattle Times Yelps Again Portland Success Is Cause

To nullify the interstate commerce commission's decision of the Columbia basin rate case.

To force a Seattle man upon the shipping board in place of Joseph N. Teal of Portland.

These emerge as outstanding objectives in "Seattle's Fight-or-die" campaign sponsored by the Seattle Times, according to last Sunday's issue of the Seattle Times.

Indicative of the Seattle belief that extreme remedies must be applied to cure the acute pessimism into which the Puget Sound metropolis has fallen through its business reverses, which include a loss of over 170 millions in foreign commerce in 1920, the Times devotes a full front page and much inside space to brand band publicity of the city's woes.

It says:

"Portland, asleep for years, finally has awakened and has become a serious contender for the commerce of the North Pacific."

**DECISION THORN**

"Likewise, there was the Columbia basin rate case decision—the most unpalatable ruling ever handed down by the interstate commerce commission—which made four of Washington's big wheat growing counties tributary to Portland."

Again, in a signed article by C. B. Hiehorn, editor of the Times, under the heading, "Crede?"

"It is believed it is necessary for Seattle to have a member of the shipping board."

**DECISIONS AGAINST SEATTLE**

There is inclination in Portland to believe that Seattle has been unable to find a reason in law which would induce the federal commission to reopen the case.

At the same time the Shreveport, N. Y., passenger fare, and more lately, the Montana fare cases are regarded as precedents that the Washington public service commission without legal authority to order a rate within the boundaries of that state which will nullify the effect of the interstate commerce commission's order.

# HUME'S BILL ON PRIVATE SCHOOLS LOST

**Indefinite Postponement Is Fate of Proposal to Deny Recognition to Denominational and Parochial Seats of Education.**

State House, Salem, Jan. 26.—Senator Hume's bill denying recognition to graduates of private, denominational and parochial schools went down to defeat through indefinite postponement this morning, with only its author and Senators Jones, Joseph, Moser and Thomas attempting to stay the indefinite postponement of the measure.

Hume's second bill forbidding the wearing in the public schools of any garb indicating adherence to any religious order was laid on the table as the clock struck the noon hour and proponents of the move have hopes of its ultimate success in spite of the adverse sentiment indicated in the roll call this morning, in which Hume's attempt to bring the bill out for consideration on a minority report was defeated.

**THE TWO BILLS.** It was declared by members of the educational committee who had reported them out adversely, were evidently aimed at the Catholic church, although this intent was emphatically denied by Senator Hume who declared that they merely represented an attempt to protect the public schools of the state from the injection of religious propaganda, regardless of its nature.

The bills are not anti-Catholic any more than they are anti-Methodist or anti-Presbyterian, Hume declared, adding they were only anti-Catholic because that church was the only one which insisted in forcing its graduates into the public schools.

**SURELY ANTI, SAYS EBERHARD**

Senator Eberhard, chairman of the educational committee, insisted that it was very evident that the bills were "anti-something," and that from all the information he could gather that "anti" was anti-Catholic.

The old wing of Good Samaritan hospital is now being erected and the new wing will be started at once.

# EX-GOVERNOR COX CALLS ON WILSON

Washington, Jan. 26.—(I. N. S.)—President Wilson today received Ex-Governor James M. Cox of Ohio, defeated Democratic candidate for president.

Cox eluded newspaper men and photographers who were awaiting him at the doors of the White House.

"We discussed things in general," Cox said when he left the White House after more than half an hour with the president. If refused to say definitely what had been discussed.

"I just dropped in to tell the president I had decided not to move into the White House," he said, laughing, as newspapermen and photographers met him at the White House doors.

Cox will leave Washington Saturday evening to return to Ohio, preparatory to sailing for Europe.

# Attempt Made to Kill President of Armenian Mission

Paris, Jan. 26.—(I. N. S.)—An unsuccessful attempt was made here to assassinate the president of the Armenian mission. Several shots were fired, but all missed their mark. The Armenian delegation came to Paris to put the case of their country before the allies.

"A good time was had by all present" and each side went away as firmly convinced as before that it was right, while the legislators were non-committal.

The supporters of the bill, which has been carried by newspaper publicity, were Herbert Gordon, father of the bill; former Senator F. W. Mulkey and Henry E. Reed, with various other business and professional men of Portland present who did not have opportunity to speak.

# Cream Lacking Butter Fats Brings Fines

The sale of cream registering less than 20 per cent butter fat, according to the city chemist's test, brought fines of \$5 each to F. Bishop and J. P. Schaeule in the municipal court this morning. Cream sold by Bishop is said to have registered 11 per cent and cream sold by Schaeule 16 per cent. Both men sell dairy products in the city market.

# Can You Read Faces?

That a man's face fits his job is the conclusion of George W. Harris, celebrated photographer of Washington, D. C., who has made a lifelong study of facial expression. In support of his opinion, he has selected for The Sunday Journal Magazine the photographs of 10 distinguished Americans which will be reproduced next Sunday.

# The Cat and the Burglar

A sprightly short story by George F. Worts that bristles with mystery and adventure, is the fiction feature of The Sunday Journal Magazine next Sunday.

The Sunday Journal 5 Cents, as Usual

# Socialist Asks Fellow Worker To "Divvy" Up; Lands in Jail

Chicago, Jan. 26.—(U. P.)—Hampton Christianston sat disconsolate in the bastille, a wisser man.

All he did was to try to share some of the property of William Cross Lloyd, millionaire Socialist under sentence here, for activities in connection with the communist party, which believes in "share and share alike."

# WILCOX MEMORIAL HOSPITAL PLANNED

"Plans have been accepted and we are about to call for bids looking to the immediate erection of the building to be known as the Theodore B. Wilcox Memorial hospital," Bishop W. T. Sumner announced to clergy and laity in his annual address before the convention of the diocese of Oregon at St. Stephens Pro-Cathedral this morning.

"It will stand at Twenty-second and Marshall streets, a gift from the estate of Theodore B. Wilcox, representing \$100,000 for a maternity hospital and \$25,000 additional for its furnishings and equipment.

The old wing of Good Samaritan hospital is now being erected and the new wing will be started at once.

The bishop said the attendance at St. Helena's will be the largest in its history. The accommodations have been increased and even larger quarters are in demand. Fine entertainments and music interest is being shown in the church school at St. Johns, he said, and under the direction of the rector of St. Davids, three new schools have been started near Seattle.

The general episcopal convention will be held in Portland in the Auditorium in 1922, Bishop Sumner announced.

He urged its financial support by citizens as well as church people because of its educational and inspirational value.

# Captain Koenig of U-Boat Fame Goes Down for Last Time

Berlin, Jan. 26.—(I. N. S.)—A report that Captain Paul Koenig, commander of the German submarine U-30, Deutschland, which made two voyages to the United States in 1916, has been killed at sea, was officially confirmed by the department of high seas fisheries today, according to a dispatch from Cuxhaven.

Another dispatch from Rohr, home of Captain Koenig, quoted members of Koenig's family as saying they have given up all hope for his safe return.

Captain Koenig was commander of the fishing boat Senator Michaelis.

# 2 Riggers May Die As Result of Fall At Northwest Plant

F. Bergman, 176 Caruthers street, and Carl Frongen, 935 East Alder street, both of the German subcontractor, Berg and Iron works, were injured, perhaps fatally, this morning, when a large beam on which they were working fell from its sling and crashed to the ground, pinning them both down. Bergman suffered a fractured leg and internal injuries. Frongen was badly injured about the head.

Authorities at Good Samaritan hospital were unable to say whether or not his skull was fractured.

# Measure Relieving Vote Bearers From Fine Passes Senate

Washington, Jan. 26.—The senate today adopted the joint resolution by Smoot of Utah to relieve electoral vote bearers from payment of \$1000 fine for failing to appear January 24 and authorizing payment of mileage to such messengers as appeared before January 21.

This resolution is expected to enable all messengers to collect except the Oregon man, who is understood not to have started on his journey and could not now arrive before January 31.

# Miss Morris' Memory Fails Her When She Takes Witness Stand

"I don't remember," and "I don't know," proved to be a practical summary of the testimony of Miss Henrietta A. Morris in the half hour she spent on the witness stand before A. M. Cannon, referee in bankruptcy, this afternoon. Miss Morris was called to testify to business connections with Morris Bros. Inc., prior to the bankruptcy of that institution.

Her sole bit of testimony was that she had sold the home of her mother at 190 King street, furnishings, automobile and the like and had added from her bank account to amass a loan of \$15,000 which she gave to Fred S. Morris and secured his note for it. Fred Morris handled every detail of his sister's business and she did not know, Morris himself said and she never by her. What he may have done with funds and what business he may have done under her name she declared she did not know. Morris himself took the stand again at 2:39 this afternoon.

# REMOVAL OF CUPPER ONE AIM OF BILL

**Framers of Measure Would Shift State Engineer to Secretaryship of Desert Land Board; Seek Another Man for Place.**

State House, Salem, Jan. 26.—The appointment of a new state engineer by the desert land board, possessing qualifications of a construction engineer, and the possible shifting of Percy Cupper to the position of secretary of the desert land board at a salary to be fixed by the board, is contemplated in a bill to be taken up for conference consideration by the joint committees on irrigation and drainage this afternoon.

The sponsors of the bill contend that present conditions prevailing in the state engineer's office are retarding the development of the irrigation and drainage work of the state.

"They make no attack upon State Engineer Cupper, but they do contend that his time and talents are better spent in his present position," said one of the framers of the bill.

Several east side patrolmen reported to Captain Harms that their efforts to stop the driver by standing directly in front of the rushing machine were fruitless.

The women who had been guests on the ride appeared thoroughly subdued by this time and were not arrested.

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# Wild Women and Wild Man Defy Police in Wild Ride Over City

For almost two hours early this morning the entire second night police force made fruitless effort to catch a high powered automobile full of girls that was menacing the public safety by its speed and the recklessness of its driving.

All the emergency motorcycle men were called into service, but they said it was like trying to chase a streak of lightning to keep up with this car. The chase started down Washington street, across the Morrison bridge, then over many east side streets.

The joyriders became hungry after two hours and dropped into House's restaurant, near Third and Washington streets, for a lunch. Three tired policemen dropped in the same place a few minutes later and placed the car, Howard H. Rebstock, under arrest. He was charged with reckless driving and released on \$100 bail. Patrolmen Fleming, Morelock and Jewell made the arrest.

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# LLOYD GEORGE THREATENS TO BOYCOTT COUNCIL

**British Statesman, Stung by Criticism of Press, Declares "Since I Am Treated This Way, I Shall Never Return to Paris."**

Paris, Jan. 26.—(U. P.)—Bickering between French and British premiers in the allied supreme council reached such bitterness that David Lloyd George threatened "never to return to Paris," according to L'Oeuvre today.

The newspaper said Lloyd George objected principally to press criticisms of his attitude toward German disarmament.

"Since I am treated in this way," L'Oeuvre quoted him as saying, "I shall never return to Paris."

Friction developed at the first sitting of the council, the paper said, when Lloyd George branded Marshal Poch's report on German armament inconclusive, and referred to the marshal's "political high conception."

Later, when General Wilson of Great Britain and Poch disagreed on their reports on German conditions, Lloyd George rapped the table with a paper knife and remarked testily, "If these gentlemen are not in accord, let them discuss it elsewhere and return when they have agreed."

The officers left the room, the paper said. The disarmament question was dropped then, and the council's program rearranged.

Uncle Sam today became an inviolable participant in the allied supreme council meeting here. His attitude toward the allies toward Germany and the League of Nations became a question shutting out consideration of Austria and the Near East temporarily.

The report of Sir Auckland Geddes, British ambassador to the United States, will form the basis of the allied debate as to what may be expected from the United States. The Near East problem, involving the defiance of King Constantine of Greece and procedure against the Turkish nationalists, will be taken up at another conference in London next month. Turks and Greeks will be asked to attend the conference, but recognition of the Turkish nationalists was avoided.

# MAN KILLED WAS OREGON RESIDENT

Vancouver, B. C., Jan. 26.—(U. P.)—On December 21 a man who registered at the Empress hotel here as Roy Cunningham, became engaged in a drunken altercation and fell down five floors to his death.

It has since been discovered that the deceased was really Daniel Joseph Griffin, whose home address is not known, but who lived in various parts of Oregon during the past year.

News has reached the police that the real Cunningham was a railroad conductor in San Francisco and is still alive, although he was recently robbed of \$2000 and all his private papers. Undoubtedly these papers are those found in the effects of Griffin in Vancouver. The police are trying to trace Griffin's companions in an effort to discover some clue to the robbery of Cunningham and solve the mystery of why Griffin used Cunningham's name.

# S. P. President Is Here to Discuss Union Terminal

William Sproule, president of the Southern Pacific railway system, arrived in Portland this morning to attend the meeting of railway executives which will be held for discussion of the union terminal question Thursday. Sproule was here less than a month ago on his annual inspection tour.

Charles Donnelly, president of the Northern Pacific system, is expected to arrive with Judge George T. Reid, vice president of the Union Pacific system, on Thursday morning. L. C. Gilman, vice president of the Great Northern, will arrive Thursday morning. Carl R. Gray, president of the Union Pacific system, and William E. Turner, president of the S. P. & S. are already in Portland.

# Exploitation Aids Home Goods Payroll Argument Is Gaining

By Marshall N. Dana

"People don't eat for patriotism," remarked a Portland grocer when the salesman of a local house called upon him.

The salesman had used many minutes to impress upon the grocer that it was his patriotic duty to use the products of Oregon industry.

"People buy prepared foods because they're hungry. By past experience or clever advertising they are confident that the article they are buying will please their palates and satisfy their appetites."

People buy by brand and they buy to save money but they will only buy the cheaper article so long as they find it to amass a loan of \$15,000 which she gave to Fred S. Morris and secured his note for it. Fred Morris handled every detail of his sister's business and she did not know, Morris himself said and she never by her. What he may have done with funds and what business he may have done under her name she declared she did not know. Morris himself took the stand again at 2:39 this afternoon.

"We are getting an understanding that we never before possessed about the reasons for supporting home industry and right now in Portland, in Oregon and throughout Washington, home products, quality and price being right, have a better chance to be sold than at any time in the past."

A. G. Clark, manager of Associated Industries of Oregon, confirms the contractor's statement. He says that there is evidence of unusual interest all over Oregon. The literal truth, that to keep home industry in operation will keep Oregon prosperous, is made wide appeal. The Study club of Medford, for instance, has asked for the information on which to base a home industry program. The Marshfield public schools have written for the literature which identifies home products. Business men of Klamath Falls have requested information to show they can best support the S. O. S. home industry campaign as a means of averting business depression.