Unsettled with rain today and Wednesday, temperature unchanged; Max. Temp. Monday 50, Min. 37, rain .87 inch, river 1.8 feet.

EIGHTY-FIRST YEAR

Salem, Oregon, Tuesday Morning, November 17, 1931

General Mah now Reported As Withdrawing; Agrees To all Japanese Conditions Says Tokyo Report

Previously had Moved his Front Line up Close to Tahsing: Compromise is Refused by Japan

TOKYO, Nov. 17-(Tuesday) day said General Mah Chan-Shan began withdrawing his Chinese after accepting all conditions imposed by General Honjo, compeace in northwestern Manchuria. The five conditions of General

Honjo, announced last Saturday by the Tokyo war office, were: General Mah should withdraw to Tsitsihar.

Such Chinese forces as were concentrated at Tsitsihar and Anganchi must be returned to their original posts. Restraining Line

For Mah is Fixed The Chinese general could not comes south of the Chinese Eastern railway.

was to be administered by a stock. board of administration under a Japanese adviser.

General Mah must not interthe administrators.

The Taonan-Anganchi railway runs north and south in Manchuria, terminating at Anganchi, a few miles south of the east and west Chinese Eastern rail-

The Taonan-Anganchi line is Chinese owned but was built with Japanese capital while the (Turn to page 2, col. 5)

# SYMPHUNY CUNCERT

The first program of the Salem Symphony will be presented to a enthusiasm for an orchestra turned in lieu of cash." which is civic in nature and broad in scope to bring the best music to Salem through her own per-

Miss Barbara Thorne, soprano soloist, Portland artist, will be the was to have been his original \$2,guest soloist. Miss Thorne has 000 payment being charged done outstanding solo work both against him as an open account. in Portland and out of the city and her appearance Wednesday night is being anticipated in mu-

A large number of Salem people are very much interested in the

## Ghost Investments and Large Salaries Smooth Pathway of Empire Holding Co. Officers

Cash on \$20,000 Stock, Shown

oshow Received pay While Still Upon Bench, Claim

Editor's Note: This is the second of a series of articles to appear in The Statesman showing the devices resorted to by the Empire Holding company in an \$800, 000 stock seiling campaign this year in

By SHELDON F. SACKETT TTITH the Empire Holding company duly organized and incorporated, and a permit to sell stock issued December 10, 1930, by Corporation Commissioner McCallister the "great potentialities" of Oregon's 'vast" insurance company were soon to be ready to be paraded be-

fore an unsuspecting public. As the foundation stone of the -(AP)-Tsitsihar reports to the promotion, the personal subscrip-Rengo news agency at Harbin to- tions of the officers and directors were to be frequently referred to. forces from the Nonni river front had given a solemn oath that he was the owner of 200 shares of Empire Holding company stock mander of Japanese troops, for and that the "actual money to the company" was \$20,000 from each individual. The Statesman today prints a fascimile of the application made to McCallister for the stock selling permit, an application which undobutedly was the leading consideration for the granting of the license.

> Clancy Only One Who Paid in Full

An audit made by Corporation Commissioner Mott on July 31, 1931, fails to reveal that any one of the five original officers and directors, ever paid in excess of \$2000 towards his 200 shares of

Instead of \$20,000, O. P. Coshow paid \$2000. "There is no promotion stock and no contracts, fere with the management of the agencies, or other property turn-Taonan-Anganchi railroad or ed in lieu of cash" read the appliplace any obstacles in the way of cation. In f. ct, each and every director was immediately credited by the Empire Holding company with \$3000 commission towards his \$20,000 stock subscription, this commission evidently representing the director's individual services in selling himself

> the stock. W. R. Adams, who had lived at Medford and who now lives in Portland and who was to be the general physician of the insurance companies, paid \$2000 instead of \$20,000, was credited with \$3000 commission on his own stock and like Coshow, Fetty, Clancy, Ketler, Stockman and Robinson, gave notes for the balance due to be paid within a fiveyear period. Books in Violation

Of Stock Application

The books of the company are in open and flagrant violation of waiting public Wednesday even- Sections 5 and 6 of the applicaing at 8:15 o'clock in the armory, tion made to sell stock in which Prof. R. W. Hans Seits and his the statement is made and sworn orchestra of about 55 people have to that "the actual money paid been diligently practicing since the company" by Coshow, Fetty, September 15 and the program Adams, Stockman and Frank Kelwhich they have ready to present | ler, Jr. was individually \$20,000 bears the mark of hard work and and that there was "no property

> Fetty, lumberman, former Savannah, Ga. resident and a friend of Adams, did not pay \$2000, the company's books show, but rather \$1500, the balance of \$500 which

Jay H. Stockman, former assistant in the district attorney's office in Portland, paid no cash whatever for his stock, the books reveal. At first he was credited with a payment of \$2000 but sub-Salem symphony and especially sequently this credit was charged interested in making it a civic or- back to Stockman's open account ganization. A large sustaining on the company's ledger and membership has been secured on while he was charged no interest which the names of many prom- o- the \$2000 item, the books of inent people appear and to which the company revealed that he will be added the names of many ) wed for the \$20,000 stock on (Turn to page 2, col. 3)

## Governor Much Pleased At Salem 'Homecomimg

"The people of Oregon have and personal and political friends been very kind to me during my of the executive. illness, and I certainly appreciated my homecoming here today," Governor Meler declared Monday grasped firmly the hands of a upon the occasion of his first large number of persons who visit to his office in the capitol called to pay their respects dursince August. Illness which at ing the day. times was considered serious, has kept him confined to his room back in Salem", Governor Meler in a Portland hotel much of the said as he glanced over a number

time during the last 12 weeks. .The governor made the trip on his desk. here by automobile, with Mrs. Meier accompanying him. Fol- of persons who called upon Govlowing an exchange of greetings ernor Meier during the day, no with Dr. R. E. Lee Steiner, superintendent of the Oregon state while scattered about the room generously added \$45. were boquets of beautiful flowers from state officials, the press,

Governor Meier showed little evidence of his recent illness, and

"It certainly seems good to be of important official documents

Because of the large number

board meetings were held. The first official act of Govnospital, newspaper correspondents and a number of state officials, Governor Meier entered his private office where he was welcomed by Miss Bestrice Walton, blanched and at San Francisco were presented, and the state president spoke.

In season monday night, motion men were put to work on the Paper of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented, and the state of the conventions held at Medford and at San Francisco were presented were presented where the were put to work on the Paper were presented where the were put to work on the Paper were presented where the hospital, newspaper correspon- ernor Meier was that of writing his private secretary, and other ployes. Although Governor Mei- president spoke.

None Paid Over \$2000 Keystones in Crumbling Financial Arch Built by Empire Holding Co.

SUPREME COURT

November 15, 1930.

Mr. Jay H. Stockman, General Counsel, Empire Holding Corporation, Portland, Oregon.

I have accepted the position of President of the Empire Holding Corporation tendered to me through you for several

First, I am attracted by the personnel of the organizers and directors of said company. After examination I have found every man to be an upstanding character who would not engage in any but an honest, square business dealing.

Second, after examining carefully the articles of incorporation and the by-laws of said corporation, I found every provision of both well calculated to inspire confidence in the company and its management to conduct an honest, lucrative and straight

Third, I was favorably impressed also by the cautious and prudent manner in which the company begins its business. The salaries offered to its officers and employees are modest. There is no suggestion of any bonuses or other inducements tending to induce high pressure sales of its stock; on the contrary, every provision has been made for all of the undertakings of the company to be open and above board and invites investments solely es profitable along an honest and open plan.

Fourth, the company is capitalized for an amount sufficient reasonably to inspire confidence in its success. There is no indication in any of the proceedings of the company to attempt to do business except upon a sound basis. The mangement of the company and its proceedings, as revealed in its articles of incorporation and by-laws, are conservative, rational and sound.

I am glad to be associated with the other officers of the company and to be engaged in a business well planned to render a real service to my native state. Oregon needs the company to assist in the development of its vast resources and to keep at home, as well as to draw from other states, a part of the large amount annually invested in insurance business.

Above: Laudatory letter written by Chief Justice Coshow November 15, 1930, while on the supreme court bench. This statement headed the extensive, expensive and carefully prepared prospectus glib

MANE	Attres	No share and bands award				Astron	Bibo	Me ment I	Time propin
		Commen	Professed	Non-PM	Boode	Sectory public to company	Bes Jugs	of instribut	or manhead
Q. P. Combow	Selem			200		20,000			
I. H. Potty	Portland Oregon	_		200		20,000		75,000	
W. R. Adems	Portl and Oregon		_	200	_	20,000		50,000	
W. R. Adama		_	-	_					
L. H. Stockman	Portland Oregon	=		200	=	20,000	_	_	_
Environ or Trustees.	Portland Oregon	_	_	200		20,000	_	00,000	_
P. Coshow H. Petty							_		-
R. Ademe		1			-			I .	

6. State purpose of issue.

(a) If the said capital stock is to be issued in exchange or disposed of for any other consideration than actual cash to the corporation; state what the actual consideration in to be, specifying the amount and kind of securities exchanged for each item.

(b) Describe fully the real estate, plant, equipment, patents, contracts, services, or other consideration received in exchange for said stock or other securities, stating the value thereof, and mentioning condition of title and encumbrances or indebtedness if any; also whether said property see in any way involved in litigation.

There is no promotion stock and no contracts, agencies, or other property turned in lieu of cash

STATE OF OREGON,

We, the undersigned, being first duly sworn, each for himself deposes and says: That the undersigned are the duly elected, qualified and acting officers and directors of the within-named company, as indicated below; that we are familiar with the conduct of its business and affairs, and that we have investigated and know its financial condition; that we are fully qualified and competent to testify as to the truth of the facts called for by this blank; that we have carefully examined all statements and answers in the within statement and exhibits attached hereto, and that each and all of the representations made are true, and that no material fact in answer to the several questions has been omitted; and we furthers say that there are no agreements, understandings or contracts, either verbal or written, express or implied, by which any one has received, or is to receive, directly or indirectly, any consideration in any manner whatever for the sake of the company's securities, or for its promotion, except as specified in this application and the exhibits attached hereto.

The foregoing verification must be made by two executive officers and at least three directors. When completed, with "thibits attache" ad duly "ed. mail statemer" in Corporation

above: Excerpts from application to sell stock filed with State Corporation Commissioner McCallister. Statements that \$100,000 had been subscribed by officers and directors in cash are shown together with the inclusive oath duly sworn to and attested in which each incorporator states there has been no evasion in the facts he has given. These pictures made for The Statesman from official records held by the state corporation commissioner.

### County Union of Endeavor Holds Rally in Salem

The Marion County Christian

members of the executive depart- er's actual contribution, based There are 41 societies in the When more work will be available their return trail blocked by for such purposes now. The \$100,- but the answers have been vague.

### Smaller Group Is Sent Out to Highway Tasks

Countermanded orders yesterday resulted in fewer men than

Youthful Attacker Will Held Pending Outcome Of Head Wounds

Entered Aumsville Home in Search of Beer, Story Given to Officials

Robert Cox, 17, of near Aumsville, will be held in the county jail pending developments in the serious condition of Mrs. Sarah Looney, 70, whom he allegedly beat over the head and shoulders with a ginger ale bottle on Saturday night in the home of her sonin-law, Henry C. Yessen, near that village, John H. Carson, district attorney, said last night. He is beng held on a juvenile court war-

Mrs. Looney's condition yesterday was reported as serious, although she seemed somewhat better than on Sunday. She suffered four cuts in the head, one very deep, and a shoulder injury which pained her severely.

According to the lad's admitted story of the affair, said the district attorney and S. O. Burkhart, deputy sheriff who yesterday investigated the case, he entered the Yessen home with the intention of stealing some beer. He became afraid he might be found out, when Mr:. Looney awakened and ordered him out.

Mrs. Looney, he said, then threw a shoe at him, hitting his chest. When she jumped out of bed and grabbed hold of him he struck her several times with the bottle, finally shattering it, then (Turn to page 2, col. 2)

Violates six per Cent tax Limitation is Claim in Complaint Filed

Violation of the six per cent tax limitation of Section 11, Article XI of the Oregon constitu- the Oregon Pulp & Paper company tion, is made in the 1931 intangibles tax law and the all tax lev- October 30, 1930, was done upon ies collected thereon are void, the express understanding that the will remain at the state fair-Isabella M. A. Barnes declared company start construction on an yesterday in a complaint filed in addition to the plant within six nature a resident of warmer circuit court here in which the months. The resolution points out climes, exposure to the cold rains state tax commission and Gov- that this promise has not been would endanger his life, O'Grady hand the health proponents, Danernor Meler are made defendants. kept and gives the paper firm 90 said. Already the elephant several ing order of the court to prevent resolution provides that the counfurther collection of the 1931 tax cil shall take action to rescind its and for a refund of all 1931 in- vacation of a 40-foot strip on

tangibles taxes thus far paid. state tax commission made no starting work. provision for the intangibles tax intangibles tax collection, after per cent higher than in 1929, plaintiff holds the six per cent imitation is exceeded by the exact amount of the net intangibles

taxes collected. Maude B. Green and Mary A. Caswell yesterday filed in circuit court here an amended complaint keeping records on the disburseto their original attack on the 1931 intangibles tax. They allege that the measure is discriminatory, and thus in violation of the state and federal constitutions providing for equal taxation on all similar classes of property. Since banks are omitted from taxation upon intangibles, the plaintiffs declare the law is invalid and ask for a restraining order from the court upon the tax commission, holding up any further collection of the tax.

# BEERY SAFE AFTER

LOS ANGELES, Nov. 16. -(AP) - Near exhaustion from a night and day battle with snowdrifts, Noah Beery, film actor, and two companions returned to Palmdale tonight after being missing in a storm in the mountains east of there for nearly 36 hours. Beery, O. G. Norris, superin-

for the professors will be made at | women signed a petition to have tendent of the actor's mountain this time. A reduction in wages a general hearing on the dance for the instructors was talked at question with the hope of gaining resort near Palmdale, and A. L. the June meeting of the board, official permission to hold student Hendricks, a real estate man, Endeavor union held a lively day resulted in fewer men than formed one of three parties which had been planned being sent out and any restorday to hant for and further action or a decision dances. rally at the Presbyterian church on the new shift for emergency in Salem Monday night. Motion road employment. Twenty-five on this question may come up today. As yet no cut has been made President Doney and referred to a in salaries. concerned, Willamette university yet and he gives no indication that

Nightfall found Beery and his will have to wait longer, according any report will be forthcoming. companions miles from any habi- to President Carl G. Doney, who Frequently students inquire con-U. S. employment office here, tation, with snow still falling and states that no funds are available cerning the fate of the petition, Governor Meier presented the sembled at the rally, with nearly more men were listed, mostly Sa- were able to resume their slow thoughts of a new library and a Collins, Lee, Lowe, Steeves, Walset for December 15 today. Mrs. (Turn to page 2, col. 8) all of the links accounted low. lem residents.

Judd pleaded not guilty.

## WOMAN STRUCK Health Budget Held At Original Figure

Must Start Construction in 90 Days or Lose Street Vacation, Stated

Lighting - District Charter Amendment Ordinance Is Voted Down

SALIENT POINTS IN MON-DAY'S BUSY SESSION OF CITY COUNCIL

Resolution orders Oregon Pulp & Paper company to start construction work in 90 days else lose Trade street vacation. Downtown lighting dis-

trict ordinance providing for charter amendment voted Extension of Center street as stop highway for four blocks referred to commit-

\$860 annual cut in fire department expense ordered. Associated Charities voted \$500 from 1931 emergency Petitions introduced op-

posing reduction in police salaries, asking for more bus 25th streets. Claims for property dam-

age from North Mill street

overflow referred to special

committee.

While the health unit budget inrease was the main event before the city aldermen Monday night, a group of other business affairs formed a busy prelude and heated postlude to an extended council

Acting upon a resolution introduced by Alderman Hal D. Patton, the council voted to inform here that the street vacation voted The plaintiff asks for a restrain- days in which to begin work. The times has suffered chills in his Trade street if the paper company The plaintiff contends that the delays more than three months in

After extended debate, the alenactment when the base was dermen turned down an ordinance made up in December, 1930, which would submit to voters the Since all proceeds from the 1931 question of downtown street lighting districts. Mayor P. M. Gregory collection expenses are paid, go spoke ardently for the measure into the state general fund and but Aldermen Dancy, Patton and since the base determined by the Vandevort opposed it as an entertax commission in 1930 was six ing wedge for increased taxes on downtown property.

Alderman Watson Townsend made an economy thrust at the fire department in his motion to whack off a \$30 monthly payment to a fireman for distributing gasoed, the economy going into effect | dent of the local group. December 1, 1931. Heretofore a

David O'Hara, chairman of the in the union and a proposition for budget committee this year, said a lower scale at the state printing the Associated Charities to date office is now pending before the (Turn to page 2, cel. 6)

has been received. Dr. Frank G.

Change in Librarian at

The executive |committee of | It is understood that the univer-

Willamette university will meet sity has a large amount of money

this morning at 10 o'clock with in the endowment fund which has

Several important issues pending.

Campus rumors indicate that a not been invested as yet. Several

change may be effected in the fair chances have been deemed too

head of the Willamette university risky with a result that the mon-

Franklin is the present librarian. dance committee report will be

be whether or not a salary cut Willamette university men and

As far as new buildings are there has been no report on it as

Another important question will | made. Last year a large number of

library, though no confirmation by is still unplaced.

Active in War In Manchuria



Emperor Hirohito of Japan took his first active step on connection with the Manchurian troubles of his nation when he personally authorized the dispatch of a fresh brigade of troops to the war sector.

Owners Plan to Take him To Portland at Once If Weather Good

If it does not rain tonight, Tuswill go for an automobile ride to lorn chance exists for health de-O'Grady and Bayard Gray, the 10 | the 25 per cent cut now agreed ton animal's owners, announced upon. yesterday they had obtained the Fire Department use of an airplane hangar in east Gets Only Change Portland where they would lodge drum heaters will be installed in the building to keep him warm.

grounds yet awhile. As he is by (Turn to page 2, col. 8)

### Typographers to Be Idle One Day To Help Jobless

10 voted Sunday to ask its enmonth in order to permit any un- the switched appropriation. Danthe amount of work thus afforded. the fire boys. There are 37 members in the unfor here, about 30 of whom are appropriation, easily the highlight regularly employed. The union in an extended and heated council has its men at the state printing meeting, was made before a line to city departments and for office and in a number of com- crowded gallery, dotted with number mercial printing establishments ments. Townsend's motion prevail- in the city. C. W. Brant is presi-

No reduction in the existing fireman has received the money scale of \$42 a week for day work for the work and passed it along and \$45 for night work has been to an amusement fund raised made, Brant said yesterday. Some thereby for the use of the fire de- discussion about a reduction in the scale has been carried on withstate board of control.

President Doney states that no

The petition was submitted to

committee. According to Doney,

## S6000 DESPITE MUCH ORATORY

Friends of Program Flock To Council Meeting. Get no Results

Only Change in List is for Firemen's Insurance: Talks Extended

A score of women, employing the power of eloquence as a football eleven uses the power of brawn, made a vain charge last night upon the embattled line of the city council in an effort to raise the \$6000 budget appropriation for county health work in 1932 to the \$8000 mark where it heretofore has stood. The efforts of the women who represented P. T. A. groups, business organizations, and that greater circle, the mothers of Salem, were backed by prominent men in the community in an hour's struggle to secure the \$2000 raise. While the council's defense sagged, it never failed, and when adjournment came, the 1932 budget for health stood unaltered and safely

past first and second readings. David O'Hara, chairman of the budget committee, tried to end the game by asking suspension of the rules and a final vote on the budget, but other aldermen, discouraged by their failure to get the \$2000 advance for health, but undefeated, blocked the move. As a result the 1932 city budget goes over to the first meeting in Deko, Salem's only elephant resident, | cember when a final although for-Portland, not to return. Jack partment advocates to wipe out

The only change in the budget their charge for the winter. Two as reported out from committee came on a sudden, sweeping end run by Alderman W. H. Dancy. If it does rain, however, Tusko | While the fight was hot over the health item and the fire department was being considered as fall guy from which a \$2000 chunk of flesh could be hacked to cey rose to protest in lugubrious tones the omission of \$1500 from the fire department budget needed for industrial accident fusur-

Dancy concluded his remarks by a motion that \$1500 of the 1932 budget be diverted from the emergency fund and handed the fire department for the insurance item. Like Napoleon who marehed while others talked, Dancy Capital Typographical Union called for the vote on his motion and as the health proponents ire membership here to give up looked on aghast, the aldermen voluntarily one day's work a gave him a hearty affirmative for employed members to benefit by cy had made ready yardage for

The fight for the \$8000 health erous spokesmen, the majority of whom favored more money for

health. Huckenstein Leads

Health Fund Backers August Huckenstein, leading the debate for increasing the health appropriation, spoke with eloquence of a democrat at the burial of Messrs. Hawley and Smoot on the reasons the present

### HIGHWAY BOARD TO Willamette is Rumored **MEET AGAIN TODAY**

(Turn to page 2, col. 1)

A special meeting of the state highway commission will be held in Portland today, Roy Klein, state highway engineer, announced Monday. Klein sald no delega-

tions would be heard. The commission was unable to complete its schedule at Portland in the two-day meeting last week, because of the large number of delegations on hand, and the an-

nual meeting of the County Judges and Commissioners association. William Hanley of Burns, member of the state highway commission, stopped off in Salem yesterday en route to Portland to ate

tend the meeting.

PHOENIX, Ariz., Nov. 16 -(AP) - Over the objections of members of the executive depart on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitamembers of the executive depart on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's on one day's galary per month county union, and in the invitament staff. On the governor's one one day's galary per month county union, and in the invitament staff. On the governor's one one day's galary per month county union, and in the invitament staff. On the governor's one one day's galary per month county union, and in the invitament staff. On the governor's one one day's galary per month county union, and they county union, and they county union, and they county union are constant to the staff of the staff of the galary per month county union, and they county union are constant to the staff of the staff of the galary per month county union are constant to the staff of the galary per month county union are constant to the staff of the galary per month county union are constant to the galary per month county union are constant to the galary per month county union are con ceived during the past week, would have totalled \$105, he each was given a link from a Registration continued to hold dawn stumbled on a deserted cab- not be decreased. The need for mittee with the following person- fessed killer of Mrs. Agnes Le paper chain. The chain was as- up in volume yesterday and 30 in. There they rested until they new buildings is acute, with nel: Dr. Doney, R. A. Booth, T. Roi and Hedvig Samuelson, was

JUDD TRIAL SET