Van Winkle and Boyer

Among Investors

Quoted

Letters in Praise of Plans, Personnel

Mount up

By SHELDON F. SACKETT

OR a considerable time, Sam

Oregon budget director, was an on-

ooker on the sidelines of the Em-

pire Holding company's game.

However, when Governor Meier's

housecleaning program had swept

Mr. Kozer from the state's pay-

roll, he did not hesitate long in

putting on his helmet and dash-

ing into the Empire Holding com-

pany lineup. Kozer's place in the

Empire squad was doubly assured

by the fact that he had served as

the first insurance commissioner

of the state of Oregon from March

On his own letterhead, on May

26, 1931, Mr. Kozer writes Hon.

O. P. Coshow, president of the

Empire Holding corporation, in

the personnel and proposed bus-

iness of the Empire Holding cor-

poration, I have concluded, with-

out hesitation, to submit an appli-

cation for sufficient stock to en-

title me to a directorate in the or-

"It would seem that there is a

field here for investment which

the citizens of the state have over-

looked, as, if anyone will take the

pains to inquire, they will find that the business of insurance

organizations has been unusually

profitable and stable and not subject to the great fluctuations com-

mon with many other invest-

Kozer's letter, duly signed, took

its place with the other commun-

ications which were to figure so

prominently in the prospectus en-

titled "Letters" which Empire

Holding company salesmen were

to use most effectively in the high

the Empire's possibilities, as he

1929, a period of twenty years,

these premium payments had

grown to over \$40,573,000 for

"With these figures before one,

it would seem apparent, without

argument, that the citizens of the

state of Oregon have been over-

looking a most valuable invest-

ment. It is evidence like the fere-

going that has convinced me that

there is a great future and field

organize and hold the stock for

its investors, I am also convinced,

will be ably managed, and with

the information before me, they

will start off with organizations

which will insure a volume of bus-

(Turn to page 10, col. 1)

When Streetcar

Girl Loses Foot

Kozer waxed enthusiastic over

"In the year 1909 the people

roads and byways of the state.

continued in his letter.

that year.

"After carefully investigating

1, 1909 to September 15, 1911.

part, as follows:

Letter is Among

Those in Prospectus

A. Kozer, two-term secretary

of state and for four years

THIS STATE

Gehlhar Calls Meeting of All Persons Connected With That Industry

Gathering in Portland Next Tuesday Will Consider Committee Report

Organization of an Oregon dairy council and consideration of a special committee on prospects for widening the markets for Oregon dairy products, will come up at a meeting of representatives of all branches of the dairy industry in Portland next Tuesday. The meeting was called by Max Gehlhar, director of the state agricultural department, in compli-

ance with a state law which provides that his office shall promote, assist and encourage the establishment of associations and organizations for improving the market relations and services among producers, distributors and consumers.

Gehlhar said California and Washington already have dairy councils while many other states are now fostering their organization. He said he already had received letters indicating that virtually all sections of Oregon would be represented at the Portland meeting. Producers of butter ,cheese, milk, ice cream and canned milk especially are interested in the organization of the dairy council, Gehlhar declar-

Industry Classified As One of Leaders

The report of the special committee stressed the importance of the dairy industry in Oregon, and declared that it was the duty of erything possible to promote and build up the market for these pro-

the report read. "In order to advance the welfare of the entire industry soundly and constructively, organization is necessary that will give every latitude to educational work and official cooperation and to provide opportunity for leaders of the industry to meet together from time to time on a common ground."

Combined Efforts Of All Are Needed

"The industry cannot progress as it should through the unrelated efforts and activities of creamery operators, ice cream manufacturers. milk dealers, dairy farmers and miscellaneous associations, While each division requires its own strong organization, thought Symphony orchestra Wednesday ner. The purposes, of the new and action in the terms of the night in the armory, industry as a whole in Oregon require machinery to bring all interests together for solution of common problems and the promotion of common interests. We recommend that finance be provided by a uniform nominal levy per pound of product on each operation or division.

The committee further recommended a study of transportation, market relationships and other problems.

The report was signed by P. M. Brandt, Oregon State college; Eugene Courtney, Oregon Bankers association; W. D. B. Dodson, Portland chamber of commerce; G. A. Brown, interstate associated creameries; W. G. Ide, state chamber of commerce; J. D. Mickle, dairy division, state department of agriculture, and Marshall N. Dana.

Legion Member Roll Increased

Two hundred paid-up memberships for 1932 are expected to be reported when Capital post No. 9, able. With time and work these American Legion, meet next weaknesses will be corrected and this winter. Tuesday evening, according to the supporting public will feel William Bliven, post adjutant. The more than repaid for patient centralization of all relief work, figure now stands at 140, an increase of five since Monday. The membership drive teams will hold beauty Wednesday night was the a conference next Monday night in presentations of guest soloist, the office of R. H. Bassett, in the State Savings & Loan building. (Turn to page 2, col. 1)

Boy Scout Honor Court

At the next to the last Boy Scout honor court for the year, held last night at the courthouse, 32 boys received awards of varying degree. H. H. Bel, state su- Sprague, troop 9; Gordon Black, preme court justice, presided and 12; Myron Fouke, 12; Gene Tow-T. C. Rbake served as clerk and er, 9; Wallace Tower, 9; Marion master of ceremony. The court- Palmer, 20; Claire Jarvis 20; Mac room was crowded with parents Ross, Silverton 23; William Tom-

Numerous Awards Given

award contest, which will begin with the December court of honor and end with the May court, or and end with the May court, or outlined to the boys. The troop showing the greatest percentage of boys advanced and acceptage of boys advanced and accep cepted at the courts will be given Hewitt, 20; Benny Johnson, 23; an engraved plaque.

The following boys last night gen, 23; Cliff Moreland, 27, and (AP)—Edwin George Roeder, 40, Life Scout-Myron Fouke, Sa-

received awards: Silverton troop 20.

In Relief Work The wives of Lions club members who last night attended the club's "ladies' night" banquet, held a business session and decided that this winter at their afternoon meetings they would sew articles of clothing for needy perison, 23: Raiph Langley, 23; Glen Rules of the Cascade area troop Wahl, 23; Don Christensen, 23; sons of Salem. The clothes will Joe Guthrie, 24; Elwyn Robinson, be turned over to the Community Service committee for distribu-

In other years these meetings were purely social. TAKES OWN LIFE Werner Chilberg, 23; Arnold Ot-KLAMATH FALLS, Nov. 18.

Max Hauser, 12. Second class badges-Kirk Bell, 12; Melvin Hewitt, 20; Benny under the wheels of a freight the city and on it were 60 wound-Johnson, 23; Erin McGreevy, Falls train here tonight, the coroner re- ed soldiers and the bodies of 49 City 30, and Grant Adams, 80. ported. No motive was advanced. others, lem troop 12, and Marion Palmer, 12; Melvin Hewitt, 20; Benny Star Scout-Joe Meaney, Salem | City 30, and Grant Adams, 80.

Sam Kozer Becomes Director Of Empire Firm; Prominent Men Here Laud Its Prospects

Here's How Money Went in Great 'Serve an Empire' Promotion Plan

CASH RECEIVED up to July 31, 1981

Stock subscriptions in cash\$	72,138.16
Payments on stock notes receivable	11,635.08
Sale of stocks, bonds traded for stock	32,489.04
Credited to accounts receivable	3,013.92
Money borrowed from Dr. Clancy	4.000.00
Funds transferred	3,196.51
Miscellaneous cash received	423.06
Total cash received	26 895 77
Ideal cash teceived	20,000.11
CASH PAID up to July 81, 1981	
Commissions advanced\$	73,188.85
Organization expenses	10,126.19
Operating expenses	6,571.55
Interest paid	196.58
Furniture and fixtures	4.683.10
Open accounts payable	28,106.92
Subscriptions refunded	770.48
Funds transferred	3.196.51

BALANCE CASH IN BANK..... Total cash receipts......\$126,895.77 BALANCE SHEET, EMPIRE COMPANY JULY 31, 1931 Assets:

CASH in bank.....\$ *Stocks and bonds..... 24,780.00 **Interest accrued 15,398.38 ***Organization expenses, prepaid commissions... 132,454.30 I. H. Fetty, advances..... Westerner Publishing Co., due for "advances" 16,177.74 Furniture and Fixtures..... 16,868.88 Notes payable\$ 9,000.00 Accounts payable 8,939.06 Salaries due officers..... 21,926.61 Stock issued and paid 165,987.94

Total liabilities\$205,853.61 *Largest single item herein 60 shares Umpqua Valley Bank stock, Roseburg, appraised at \$15,000.

This interest accrued on notes due company, principally those given by officers and directors in lieu of cash. *This item virtually all paid for in cash, 63% of all cash received going to salesmen, balance paying for "other

"We recommend the establishmet in Oregon of a dairy council," SYMPHONY'S DEBUT VOCATIONAL COURSE IS WELL RECEIVED TEACHERS ORGANIZE

Meeting in Salem is

Well Attended

The Willamette Valley Voca-

association are to exchange ideas,

promote efficiency in teaching,

and cooperate on mutual prob-

T. T. Mackenzie, director of

vocational education in the Salem

schools, was elected president of

the association. Other officers

selected were: Merrill A. Pimen-

tel, industrial arts and mechanical

(Turn to page 2, col. 4)

POLK RELIEF WORK

DALLAS, Nov. 18 .- One hun-

red sixty members have been en-

rolled in Dallas for the Red

Cross, with a prospect of 100 more

to be secured. George Gould, man-

ager of the local theatre, has of-

fered to cooperate with local or-

ganizations by giving a benefit

performance the evening of No-

vember 25. Every effort will be

made to fill the house for both

clothing can be stored and given

out as needed, with someone from

the various groups in charge on

Wives of Lions

Excellent Program Offered Willamette Valley Group's By Local Group: Will Repeat at Dallas

By OLIVE M. DOAK A large audience, perhaps not tional Instructors' association as large as it should have been to was organized here last night by show the proper support for a 25 vocational education teachers civic asset but large enough to from Chemawa, Salem, Albany show much enthusiasm, greeted Silverton, McMinnville and Lebathe first program of the Salem | non, who met at the Spa for din-

Director Hans Seitz and his group of 55 local musicians from Salem and vicinity, presented an inspiring prospect for a splendid civic symphony group if the same progress is made in the months to come as has been made since the first program was presented in

The program Wednesday night was presented with excellent pois. presented with excellent was poise. There was a serious attention and apparent unity of purpose which compensated for the precision and depth which comes only to a seasoned and long, intensively trained orchestra.

In the descriptive and spirited "Triumphal Entry of the Boyars" one caught a glimpse of the future power of the group. Unity, feeling, spirit, and developing power were plaintly evident in this number. The brass was especially good.

The orchestra seems quite well balanced. More reeds would add depth but the lack is not glaring. The presentation of "Tanhaueser proved how well the "weak links" had been compensated for by instruments avail-

An added feature of much churches, schools, lodges, clubs, Legion, etc., has been called for Monday evening, November 23, in the chamber of commerce rooms. It is hoped to secure some place

shows, as the proceeds will be of Runs Over Her material assistance in relief work To perfect some plan for the PORTLAND, Ore., Nov. 18. a meeting of representatives from all organizations in Dallas, the

WILL BE ORGANIZED for an organization like the Empire Holding corporation. The insurance companies which it will

AP) -Dorothy Peterson, 20, suffered the loss of one foot tonight as a result of being struck by one street car and thrown under the wheels of another. Her foot was so badly crushed amputation was necessary. where all supplies of food and

It required \$0 minutes to remove Miss Peterson from under the street car. Five men in the crowd that gathered after the accident obtained automobile tacks and raised the 27,0000-pound car enough to permit her removal Two ambulance men crawled beneath the car and extricated her.

Casualties Run Into Thousands

TOKYO, Nov. 19-(Thursday) -(AP)-A Rengo news agency dispatch from Harbin said that General Mah Chan-Shan's casualties in yesterday's fighting ran in-One report put the total at 4,000 but the number of killed

was not set forth. These figures were attributed to Chinese sour-A Taopan dispatch to the newsan employe of the Lost River paper Asahi said a hospital train dairy, hurled himself to his death from Anganchi passed through

Mott Will Take Action I

Proper Reorganization is not Effected

District Attorney Carson Considering Steps but Not Fully Decided Editor's Note: This is the fourth of a series of articles prepared by The Statesman to expose in detail the methods employed by the Empire Holding company to sell \$800,000 worth of "securities" in nine months through Oregon. Tomorrow The Statesman will show in detail what became of nearly \$200,000 in cash received by the company which July \$1, 1931, had \$55 cash on hand!

James W. Mott, state corporation commissioner, back at his desk yesterday from a business trip to Medford, said he was fully determined to demand a grand jury investigation of the affairs of the Empire Holding company next month provided reorganization could not be effected December 7, 1931, when the company's shareholders meet in Portland.

"My first thought is to protect insofar as possible the investors who in all good faith put money into this company," Mott declared. "There may be some salvage possibilities left. But I intend to see that guilty men are prosecuted no matter where the

Mott declared that the district attorney of the county where blue sky law violations may have taken place, has the right and duty to launch grand jury investigations but if these are not begun, the state corporation commissioner intends to send his special prosecutors into the case. Carson Considers

Taking Some Action District Attorney Carson when asked by The Statesman yesterday if he would demand a grand jury investigation of facts this newspaper has revealed, said he was seriously considering the matter. Carson said the matter was fully within his jurisdiction. positive statement on his plans. The provisions of the Blue Sky

ments on corporation commission records are as follows: "Penalty for violation of the Blue Sky law is provided for in Section 6848, Oregon Laws, as follows: "Any corporation, part-

(Turn to page 2, col. 4)

SILVERTON, Nov. 18-Band and orchestra contests, including pupils from both the high and junior high schools was held of the state of Oregon paid prehere last night. Trophies were miums to insurance companies agoffered to the winners by Hy gregating \$6,520,000.," Kozer's Everding, Portland sportsman. letter stated. "During the year

First prize for the girls was won by Edith Knight, violinist, playing a lullaby, by Voight, and second prize for the boys went to Maurice Winter, who played a popular selection, "Sunshine of Your Smile" on the slide trombone. Junior awards were given to Anna Whitlock, violinist, for the girls, and Charles Hoagland, playing a horn, for the boys. The trophies, which were in

the nature of small silver loving cups, were presented by Dr. P. O. Riley of Hubbard.

The contest was given in imitation of a radio program, the station call letters being BLAH. The continuity was read by Arthur Dahl, chief of pelice of Silverton. It was written by Hal much praise for the writing which was done exceptionally well, and deserved all the commendation which was received. Eugene Field auditorium was the scene for the program. All radio equipment was furnished by Mr.

Boy of Eleven Admits Thefts Of Many Autos

TACOMA, Wash., Nov. 18 -AP) - Tacoma police arrested their youngest automobile thief today with the capture of an 11year-old boy, apprehended as he was driving a car away from its parking place.

The boy, whose name is being withheld, admitted he has stolen five automobiles in recent months and said he stole his first car when he was nine years old. He implicated another boy, declared his confederate designated which Is Tokyo Word cars were to be stolen and would meet him later at a prearranged

BULLETIN!

SEATTLE, Nov. 18,—(AP)

—The coast guard radio received a message late tonight saying the steamer El Segundo was out of control near the No. 8 buoy in the Columbia river.

The message came from the Astoria coast guard station and said that the chiter Snohomish and a nearby life saving station had been notified at 11:44

Distinguished Italians Here on Diplomatic Mission; Pair Feted



Pleasant smiles adorned the countenances of Dino Grandi, foreign minister of Italy, and Signora Grandi as they arrived in New York early this week en route to Washington where Grandi is now conferring with President Hoover on world politics. Telephoto from

WORLD DISCUSSED

Grandi and Hoover Seeking Road to Prosperity;

WASHINGTON, Nov. 18-(AP) perous peace.

With Secretary Stimson the law regarding falsifying of state-

> They spoke in English, formalty was abandoned. Secretary Stimson said they talked "like three human beings." The conferences began early in

the day, after Signor Grandi had concluded his stay at the secretary's home. Grandi and Stimson motored together to the executive

Many subjects stretching into the far reaches of economics and politics, came up. Their attention centered principally on the world's economic ills, with their entanglement of inter-governmental debts, industrial slumps, budgets and disarmament.

FOR GIGOLO TERM

LOS ANGELES, Nov. 18 -Campbell. Mr. Campbell received contend. They presented a reso-

who, but for them, would have the rain. His eventual removal to no one with whom to dance, they the downriver city is assured, said, someone whispers "Gigolo" however, as the trucking charges and everybody near snickers. Frank said he appreciated their

name for the dancing young men. purpose.

Confer at Length

-President Hoover and Foreign cial-The fourth regional Foreign Minister Grandi of Italy spread Missionary conference of Lutheran the troubled map of the world be- churches opened here Wednesday fore them tonight and searched morning for a five-day session.

wo sought to define the world's difficulties in which international cooperation or Italian-American collaboration could offer a solu-

A state dinner today at the

White House, the most sumptuous affair on the Grandi social program, was arranged to end in a resumption of the minister's conversations with the president.

AP)—Gigolo is a fighting word. Anyway that's what a group of sleek haired dancing escorts from one of the city's leading hotels, a favorite of the movie stars, lution to Ben L. Frank, manager of the California Hotel Men's association, today asking that he find a more fitting term for them.

Large Crowd in Attendance At Silverton; Notable Visitors Present

SILVERTON, Nov. 18 .- (Spetended throughout the day and evening. They are being conducted at Trinity church until Friday. at which time they will shift to Immanuel church here.

Among the visiting dignitaries who arrived for Wednesday's meetings are Rev. J. C. K. Preus, Minneapolis, executive secretary of the board of education, who spoke Wednesday night on the topic of schools; Rev. N. G. Aad-(Turn to page 2, col. 6)

CHINESE CONTROL

PEIPING, Nov. 19-(Thursay)—(AP)—A message from Tsitsihar received early today declared both Tsitsihar and Anganchi were in the possession of the Chinese army.

Earlier dispatches from General Mah Chan-Shan said that superior Japanese forces, with artillery, light tanks and airplanes, penetrated the Chinese line in two points after a vigorous attack yesterday, but the defenders were doing their best to hold on. Chinese official wireless dis-

patches from Tsitsihar said fighting ceased at 3 a.m. today, at which time the Chinese were said to have fallen back to their main defense line just south of and paralleling the Chinese Eastern

Tusko Continues Residence Here

Tusko continues a resident of Salem because his owners are afraid he might get his feet wet, Whenever they start to dance and that big back of his, if they with some nice portly matron transported him to Portland in however, as the trucking charges already have been paid. He will be lodged there through-

position and announced a prize out the winter in an airplane hanfor the best suggestion for a gar especially fitted up for the

Harmony Among Charity Organizations Obtained

among Salem charitable organizations is the expected outcome of a meeting yesterday noon of the executive committee of Community Service and representatives of the Salvation Army, Associated Charities and the American Legion service committee.

Eight rules to govern the relationships of the several organdentions were accepted by the representatives; 1. Each organization receiving

funds from Community Service shall cooperate with the Service executive committee to avoid duplications in relief work. Communsafaries donated by Salem bus-

iness men. vice: the Associated Charities, the Salvation Army, the American Legion and the Legion auxiliary service committees.

S. All other questions arising ing perfectly," said Dr. Benjamin P. Watson, director of the heaping concerning relief funds and problems shall be brought up at tal. Emiling his satisfaction Puncture to page 2, col. 6)

Turn to page 2, col. 6)

Elimination of the discord | 8. A \$100 account for emergency relief shall be provided by intimated this to the agent, Community Service for each of these organizations, which in turn shall be required to submit Tunney Child is proper requisitions to the service. 4. Community Service shall reserve the right to check on any relief cases for which it contrib-

utes funds, although it will not necessarily check on all such 5. In no case shall cash be do-nated to needy persons, food,

clothing or other supplies shall be given instead.

6. All records concerning persons given aid shall be the propity Service shall provide cierical erty of the Service executive comith the mittee for future use.

monthly accounting of its funds "Four organizations shall re- to the public, Its moneys shall be youngster,

Virtual Protectorate Asked and Other "Five Points" Strictly Maintained

Construed as Resumption of 1915 Status; League Is Facing Crisis

By P. I. LIPSEY, JR. (Copyright, 1931, the

Associated Press) PARIS, Nov. 18-Japan aband oned all talk of compromise Jos night in the Manchurian conflict. At a secret session of the count cil of the League of Nations, Kenkichi Yoshizawa, the Japanese delegate, laid down a program of peace conditions described in some league circles as tantamount to turning Manchuria into a political and economic protectorate of

League authorities admitted that in their peace labors they stood with their backs against the wall. The very survival of the league's peace machinery was declared to be endangered.

M. Yoshizawa reiterated that China must conclude negotiations on all of Japan's "five points" before the evacuation of troops could begin. He declined to specify exactly what Japan means by her fifth point, which is a demand that China recognize existing treaties between herself and Japan.

Treaty of 1915 is

Believed Reference This was taken by some of his auditors to mean that Japan purposed to force China to recognize the "treaty" of 1915 with the

famous "twenty-one demands." M. Yoshizawa responded to one question by saying the "five points" did not exhaust Japan's demands as a basis for direct negotiations, but merely gave an indication of the course the government expected to pursue in those

negotiations The first four points stipulated by Japan were mutual pledges of non-aggression, abandonment of he anti-Japanese boycott, Chinese assurances of safety for Japanese nationals and property in competition to the Japanese own-Manchuria, and elimination of

ed south Manchurian railway. Dr. Alfred Sze, Chinese delegate, who followed M. Yoshizawa in the council room, reiterated China's opposition to the "treaty"

of 1915. "China will not pay Japan a political price for evacuating Manchuria," he said, 'We refuse to be forced again to sign the netorious twenty-one points of

These points, alleged by China to have been advanced while the rest of the world was occupied with the war, concerned the disposition of Shantung; railway leasing privileges for Japan in south Manchuria and eastern inner Mongolia; the joint administration of certain districts, and other matters interpreted by the Chinese as violations of their severeignty.

SILVER CREEK PARK

Relief for 10 more of the \$18 men registered at the U. S. employment office here for emergen-cy state and county work yesterday was promised when the superintendent of Silver Creek Palls state park requested of Agent Sim Phillips the names of as many men. They will be put to work at constructing and improving trails

in the park. Twenty men largely from Eilerton, and most of them married, yesterday were registered at the employment office.

While the approximately 135 men working out of the office now are working on a two weeks a month basis, it is feared soon they will be reduced to one week's work a month in order to allow more men to have jobs, according to Agent Phillips. James Smith, county commissioner, and Frank Johnson, roadmaster, yesterday

Healthy; Weighs In at 7 Pounds

NEW YORK, Nov. 18-(AP)-A robust son-heir to one for-tune in leather and another in steel-was born today to the

Gene Tunneys.

The first child of the retired heavyweight boxing champion and the former Polly Lauder, Carne-7. The Service shall make a seven pounds and was described as an exceptionally healthy