

# The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"  
From First Statesman, March 28, 1851

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## Real Thanksgiving!

THANKS to the generosity of the good people of this community and the energy and activity of many individuals and organizations we think everyone will be provided with food and fuel this Thanksgiving day. That will be cause for rejoicing indeed.

The hearts of people are touched that no one may suffer want in the midst of abundance. The first Thanksgiving was celebrated not in plenty but in want; but with a deep sense of gratitude for the few blessings that were enjoyed. It was a day of fasting instead of feasting.

Thanksgiving Day, 1931, if not one of general prosperity, is at least one of universal generosity. And this world is indeed thankful for that.

## Land of the "Empire Builders"

THE Statesman concludes the series of articles of its managing editor respecting the operations of the Empire Holding corporation, unless additional material should come to light calling for further publication. When first planned it was thought that the matter could be fully reported in three articles. After it was begun matter kept coming in which prolonged the series. Now the pertinent facts as to whether there has been a violation of the laws of the state will go to a grand jury for investigation, which is eminently proper.

In this series The Statesman has been acted solely in what it felt was its duty in the public service. It has had not the slightest malice toward any of the individuals involved but it has not hesitated to throw the light of day on what they have done with other people's money. Time after time we have witnessed stock promotion schemes in which the investors lose practically all they put into them. Time after time slickers have operated behind the front of good and honorable names. We are supposed to have blue sky laws to protect investors in commercial and financial enterprises. Yet how rarely has anyone been brought to trial for violation of these laws! What about the Northwestern Pulp and Paper company of Astoria, the Willapa pulp project at Raymond? Hundreds of thousands of dollars of people's money were sunk in these enterprises without anyone being brought to book.

Here with the records of the corporation commissioner's office it was apparent that the Empire Holding corporation, a recent flotation, was "in straits", that the assets of the company has been squandered in reckless promotion, that the officers had made fat contracts with themselves, that they had never organized a single one of the operating units which were to provide the income for paying dividends on the stock issued. The Statesman has made of the story of the Empire Holding corporation what a doctor would call a "case history",—giving the public much of the inside methods of organization and financing and operation. Our purpose has been to expose the proceedings so that if laws had been violated the persons guilty could be brought to bar before they had scattered; and more than that to educate the public on hazards of purchasing stock in promotion concerns even with fine names on the roll of officers.

Aside from the possible violations of the laws there are certain aspects of this promotion which impress us as deserving of severe condemnation.

First, there is the use of the official stationery of the chief justice of the supreme court to launch a promotion enterprise; a letter so glowing in terms as to certify its character in the public mind. This using of a great and sacred official title for the promotion of any commercial activity, let alone one which was purely speculative, seems to us highly reprehensible.

Second, the affiliation with one as prime mover whose record shows that he had been convicted for using the mails to defraud. Certainly no prudent man would tie up with a stranger who was obviously a promoter without a most searching study of his personal record, and not rely merely on letters of recommendation.

Third, the fixing of salaries of five men at a total of \$42,500 for the first year for a company with no operating income; and one which expected none until more companies were formed. Even these salary contracts in some cases permitted the signers to carry on private law business in addition.

Fourth, the launching of such an ambitious program in the highly competitive field of insurance without a single one of the organizers being a trained and experienced executive in insurance companies. This could not but mean that if and when the operating subsidiaries were formed additional high-priced executives would have to be employed to run them.

Fifth, the extravagance in expenditures in which nearly every dollar of money taken in was expended so that only \$55.00 remained after eight months of running. True there are some \$800,000 of stock subscriptions left; but on the showing of stewardship made in the eight months of operation when there was every need and every opportunity for conservatism in expenditures, what assurance would the stockholder have that future payments would not be dissipated similarly?

Sixth, the exploitation of fraternal membership in a great lodge, making it an instrument in stock promotion.

Seventh, sale of stock to women, one of whom mortgaged her home, one widow "investing" \$10,000.

The point has been raised that the stockholders should have been given opportunity to reorganize the company without the publicity. The reply to this is that stockholders ought to know the facts, which all too often are denied them. Why permit them to continue paying in \$800,000 or more into a company which winds up a promotion period with only \$55.00 in cash, numerous liabilities, and assets some of which are valueless?

So far as Judge Coshov is concerned the public had known him as a man of exemplary rectitude. It has been much of a mystery how he became entangled in the web of high finance. Whether it was because he was too trusting of others or was swept off his feet with visions of financial opulence which he wanted all his friends to share, we do not know. But he must accept personal responsibility for his share in the enterprise which thus far reveals at least wasteful mismanagement and bad methods of promotion.

## American Red Cross

By C. C. DAUER, M. D.  
Marion County Dept. of Health  
The American Red Cross was developed in a little different manner than the parent organization at Geneva, Switzerland. It was Clara Barton who brought about its organization. This inspiring personage was a school teacher until 1854, when her health was broken. Shortly after this she took up a position in the post office in Washington, D. C., and when the Civil War broke out she began to collect supplies for the soldiers and distributed them through the United States sanitary commission. This organization was created for the purpose of caring for the sick and wounded soldiers.

It was not long before Clara Barton headed toward the front where she literally worked day and night to carry out her duties. Before her, Florence Nightingale had been affectionately called "The Lady with the Lamp", but on Clara Barton was bestowed the name "Angel of the Battlefield." In 1864 she was appointed superintendent of the department of nurses of one of the Union armies.

After the war, Clara Barton went to Switzerland, where she soon came in contact with the society organized there. She had never heard of the Red Cross, but was impressed with its aim and organization. She served in the Franco-Prussian war in 1870-1871, and marveled at the preparedness and the efficiency for relief measures which had been so lacking in the Civil War.

Recognized in 1861  
In 1877 she endeavored to interest congress and the president in adopting the Geneva treaty, but she was not successful until 1881. Miss Barton completed the American organization and when the Geneva treaty was adopted she made it known that this country would extend its activities from mere war relief to meet any great public need or calamity. From that time, whether over flood, famine, earthquake, or fire devastated a region, the Red Cross has been the official organization delegated to care for the victims.

In 1900 the American Red Cross was incorporated by an act of congress. Since 1905 the president of the United States has been president of the Red Cross. Clara Barton lived to be ninety years old, long enough to see the organization which she founded become one of great magnitude.

What health problems have you? If the above article raises any question in your mind write that question out and send it either to The Statesman or the Marion County Department of Health. The Statesman will print the column free, but will not be used in the paper.

## Yesterdays

... Of Old Salem

Town Talks from The Statesman of Earlier Days

November 26, 1906

James G. Seeley yesterday was found guilty of riot and of encouraging other persons to acts of violence at the State Fair riot of September 11 which resulted in the killing of Marshal Joseph Krechter.

The heavy freeze of night before last put many uncovered water and steam pipes out of commission.

The Willamette Juniors yesterday added another scalp to their extensive collection by defeating the Newberg Amateurs eleven by score of 20 to 6. Salem high school lost to Eugene high 17 to 5.

November 26, 1921

Mrs. Mary L. Fulkerson, county superintendent of schools, is advocating transportation of pupils and consolidation of districts where the distance is not

## CONTRACT BRIDGE

"The Official System"  
As Adopted by Leading Authorities  
By E. V. SHEPARD

Experts Adopt a Standard Bidding.

FOR five years more than ten millions of would-be contract bridge players suffered from the conflicting advice of half-a-dozen leading authorities. Every system advocated was more or less tinged by a preference for a special purpose: expert plays; clubs; of various tournaments. Each was over the heads of ninety per cent of those wanting to learn contract. The public shrieked for uniformity and gladly would have accepted anything announced as a standard game. Two experts met with any sort of system. They are practically immune to inherent flaws through their subconscious ability to rectify defects that would wreck ordinary players. The remainder of humankind needs something nearly fool-proof, extremely simple, and played a "contractwide."

Spring, 1921, saw the birth of "Bridge Headquarters, Inc.", a specialty devoted to all needs of hostess and player. An Advisory Council was appointed, that included nearly every leading authority: Charles T. Adams, Barclay, Sidney S. Luzzo, Liggitt, Jr., George Reich, the late Wilbur C. Whitehead and myself, all of New York; Walter E. Wynne, Boston; Charles T. Adams, Chicago; Henry F. Langer and Edward C. Waldo, Cleveland; E. B. Richards, Detroit; Victor R. Smith, Miami; Milton C. Wood, Philadelphia.

Weeks of interchanges of personal opinions were followed by four meetings of the Advisory Council. A modern miracle occurred at the first meeting on June 16th; nothing comparable to its importance has happened in the half-century's history of bridge. Each authority sacrificed pet theories for the general good of the game, and signed an agreement to adopt the salient features that required standardization. Successful meetings have merely been devoted to less vital topics. The system adopted was what Mr. Sidney S. Luzzo calls the "One-Two-Three Bidding." It was adopted as a best bidding efficiency, simplicity, and freedom from artificial conventions. This system gives the best results in unskilled hands, without in the least hampering the expert in his most masterly strategy. The Official Game is destined to sweep the country from coast to coast. A purely cut-and-dried game is wanted by nobody. Each player of the Official Game is free to continue using his own method of system valuation, and to play whatever particular partners best understand.

Tomorrow: Opening Bids.

## HERE'S HOW

By EDSON



BOBBY SCOTT, AGED 5, OF RENO, OKLA., PLAYS 227 SELECTIONS CORRECTLY ON THE HARMONICA.

A GLASGOW INVENTOR'S AUTO-BOAT WITH WHEELS TRAVELS ON LAND AS WELL AS WATER.

THE "NEEDED" GOLF BALL PUMPING A FEW DROPS OF WATER UNDER PRESSURE INTO A GOLF BALL'S HEART GIVES IT A WALL-OP LIKE "NEEDED" BEER, MAKING IT GO 10 YARDS FARTHER

Tomorrow: "He Reads the Storms"

## BITS for BREAKFAST

By R. J. HENDRICKS

News 33 years old:

(Continuing from yesterday.) Peter H. Burnett had been a merchant in Missouri; then a lawyer. Times were hard in that section then; no markets; no sale for anything. Plenty of good land, but such a period of "depression" as made the one the present Oregon population has been passing through look like less than 30 cents. Burnett was one of the principal speakers who addressed the gathering crowds in favor of what the Oregon gold rushers broke into the unban in 1850; then chief justice of California, and finally a wealthy banker in San Francisco.

A writer in Bancroft's History says Peter H. Burnett and Jesse Applegate, some 20 years later, met in San Francisco, and they embraced each other like lovers and shed tears as they talked of the old days on the plains and in early day Oregon.

J. Hembree, mentioned by the Pictorial editor, was not the only man in the 43 immigration who died on the plains—though he was perhaps among the first ones. He was no doubt a relative of A. J. Hembree, of the same covered wagon train, who settled in Yamhill county and was a member of the provisional government legislature of '46, also of '47, and of the last one in 1849. He was also in the first territorial legislature that met July 16, 1850, at Oregon City, and the 1854-5 session that met in Salem. He was one of the 43 immigration who died on the plains—though he was perhaps among the first ones.

TOKIO — Crown Prince Hirohito, 29, has been designated regent of Japan, because of the mental illness of Emperor Yoshihito. Hirohito is urging his nation to adopt "whatever is good that foreign countries possess."

WASHINGTON — Gradual abolition of extraterritorial rights in China was agreed to "in principle" yesterday by the arms conference and an exhaustive examination of the Chinese judicial system was decided upon.

There were still terrible days ahead, from the Whitman station. The wagons moved forward, down the Columbia, after a rest of a few days; forded the John Day and Deschutes rivers, and arrived at The Dalles. Jesse Applegate and 70 others undertook to descend the Columbia in boats. Dr. Whitman going with them to bring home Mrs. Whitman, who was still at The Dalles, after her visit to the missionaries around what became Salem. They had an Indian pilot. In going through the Columbia rapids, a boat of the Applegate contingent overturned, drowning a son of Jesse Applegate, crippling for life a son of Charles Applegate, and drowning C. M. Stringer and Mr. McClelland, while William Duke and Elsie, a son of Lindsay Applegate, were saved. Lindsay became, in his time, the outstanding silver-tongued political orator of Oregon, and held high offices, and barely missed higher ones.

From The Dalles on, storms were unrelenting, and many hardships, with near starvation and almost indescribable suffering. But for Dr. McLoughlin of the Hudson's Bay company, many would have lost their lives—almost in sight of the promised land. Before hardships and sufferings were encountered and endured in getting from The Dalles to

## "MASQUERADE" By FAITH BALDWIN

SYNOPSIS  
Lovely Fanchon Meredith is wanted by the San Francisco police in connection with a murder committed by her sweetheart, "Tony." Fanchon did not know he was a gambler. She escapes by airplane under the name of "Smith." Aboard is Evelyn Howard, whom Fanchon met on a voyage from Hawaii. Evelyn is going to New York to live with her aunt, the wealthy Mrs. Carstairs, whom she never saw. The plane crashes and Fanchon is the only survivor. To get away from Tony and the past, she goes to the Carstairs home as "Evelyn." A strong bond of affection grows between Mrs. Carstairs and her "niece," Evelyn. Fanchon is at first antagonistic because of his "cousin's" Hawaiian escapades and her self-righteous attitude when his mother offered aid, but Fanchon's sincerity overcomes his objections. They fall in love. After a happy summer at Southampton, Fanchon makes her return to New York. Collin, though realizing their relationship is a barrier, cannot resist professing his love. Fanchon cannot acknowledge hers without revealing her identity. A few days later, a threatening note comes from Tony. She visits him.



"You no longer care for me," he stated gravely.

CHAPTER XVIII  
The neighborhood had once been very good, the street was in a backwater, a small, blind street, it was run down now, the very trees, growing torridly from the asphalt had a neglected and pathetic appearance. Children played mildly enough, in the gutter. Women went by, market baskets on their arms. Some were slatternly, some were neat and self-respecting in appearance. Except one house a very fine, expensive car stood, a chauffeur waiting. As Fanchon hesitated an elderly woman, wrapped in an ancient mink coat, came down the steps of the house. Evidently she had always lived in the neighborhood and nothing would make her move away, not even the gradual degradation and decay.

Slowly Fanchon went up the brownstone steps. They crumbled a little. The handrail of stone was worn. Shabby, dusty Brussels lace curtains hung at the front window.

She did not know what she would say. She could not know. Her mind was almost blank but for her courage she was certain. Tony—had loved her. Perhaps, Tony—loved her. Possibly within his love for her she might find some core of understanding for her position, some excuse for what she had done. Yet on the other hand, that very understanding and that same love might constitute for her the greatest menace of all.

She put out her slender gloved hand and rang the old-fashioned bell. Tony opened to her. He had been waiting, hidden behind one of those limp curtains.

"Tony—" she said, on a small breath.

the valley than on all the rest of the journey of over 2000 miles.

The writer takes space to add a little Thanksgiving message: There was much destitution (Continued on page 9)

## New Views

"What do you think will be the result of the Willamette-Whitman game? Why?"

Joe McCarthy, Salem high school student: "Willamette will win. I think they're pepped up enough now."

Rose Huston, stenographer: "Willamette will win. Absolutely! Whitman has a green team. I'm told."

Jack Simpson, Kappa Gamma Rho, Willamette university: "Willamette, of course. The snow is going to be so deep that the Whitman men won't be able to see over it. W. U. will walk over top of them."

Claire Miller, Sigma Tau, Willamette university: "Willamette! Who do you suppose? Why, we've got a better team!"

Max Lindholm, Alpha Psi Delta, Willamette university: "Whitman college will be walked over by the Willamette squad with the latter scoring a surplus of seven points. Dope shows it and the boys are all primed to go. Nothing can stop them now."

Irma Baker, Alpha Phi Alpha, Willamette university: "We're going to win, of course. Why? Because we have the best team."

Jerry Wampler, Delta Phi, Willamette university: "Willamette, of course, because we have the best team."

Faye Cornutt, Beta Chi, Willamette university: "I have a hunch that Willamette is going to win. Why? Because I'm going to be there!"

Pleasant Corpbell, Lausanne Hall, Willamette university: "Willamette is because we have a good team."

Vic Jones, accountant: "Toss up." "Willamette has been falling down a little bit in the last four games and it is hard to say what they will do. Might beat Whitman with a big score."

## Daily Thought

"I have seen the glories of art and architecture and of river and mountain. I have seen the sunset over the Jungfrau and the moon rise over Mount Blanc. But the fairest vision on which those eyes ever rested was the flag of my country in a foreign port. Beautiful as a flower to those who love it, terrible as a meteor to those who hate it, it is the symbol of the power and glory and the honor of fifty millions of Americans." — Senator Hoar.

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