

Unsettled with rains today, rain Friday, rising temperature; Max. Temp. Wednesday 84, Min. 30, river 8.4 feet, north wind.

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## Mellon Quits Cabinet To be Ambassador to London; Mills Named

### Veteran Secretary of Treasury Goes out After 11 Years

### Successor Already one Of key men in the Administration

WASHINGTON, Feb. 3.—(AP)—After 11 years as secretary of the treasury under three presidents, Andrew W. Mellon is to hand over his portfolio to Under Secretary Ogden L. Mills and become ambassador to the court of St. James.

President Hoover announced tonight that the veteran cabinet officer who has guided the nation's financial policies since the beginning of the Harding administration has expressed his willingness to serve in the foreign field.

He succeeds Charles Gates Dawes, who resigned last month to become president of the reconstruction corporation.

For almost two weeks Mr. Mellon, who is nearly 77, has been considering undertaking the nation's most important diplomatic post, but it was not until tonight that the White House formally announced his acceptance.

### Decision is Made Late Wednesday

Earlier in the day the secretary had smilingly admitted under questioning that he had been asked by President Hoover to become ambassador, but he hesitated because of the physical strain it would impose upon him. He said also his personal affairs caused him to go slow in leaving at this time.

It is known that late in the day he had not reached his decision and it is assumed that he transmitted his acceptance directly to the president by telephone.

Immediately thereafter the president, through one of his secretaries, announced the appointment, asserting "the critical situation facing all countries in their international relations, the manifold economic and other problems demanding wise solution in our national interests, calls for experience and judgment of the highest order."

### Confirmation in Senate Assured

The change marking the third break in the Hoover cabinet during his three year regime, is expected to take effect very soon. Senate confirmation for Mr. Mellon in his London post and for Mr. Mills in the same office, has already been freely predicted in the senate.

Mr. Mills has been one of the key-men of the administration since its formation, and particularly during the last year when economic problems have been uppermost in the mind of President Hoover has been a constant advisor. Seldom has a move dealing with the nation's finances been made recently without Mr. Hoover first consulting the under secretary.

## Gambling Charge Against Hull is Filed by Police

First charge of gambling to come up in justice court this year was put on the books yesterday, when George C. Hull, proprietor of the Smoke Shop, was arrested for conducting a gambling game. State police made the arrest. Hull took 24 hours in which to enter a plea, and was released on his own recognizance.

## Relief Measures Started In Santiago; Many Dead

HAVANA, Feb. 3.—(AP)—The Cuban house of representatives voted \$1,000,000 for emergency relief in earthquake stricken Santiago today.

President Machado sent a medical corps with blankets, medicine and food in five railroad cars.

SANTIAGO, Cuba, Feb. 3.—(AP)—A series of earthquakes brought havoc to Santiago before dawn today, leaving eight known dead and 300 injured.

Hardly a building in the city was untouched. A few were destroyed. Governor Jose Barcelo of Oriente province estimated the damage to the city of Santiago would exceed \$10,000,000.

The death list of Mayor Aznar was eight, six of whom were described as "natives," and his injured list was 300. Dr. Pedro Canas, prominent editor, however, asserted that the death list was unknown.

"No one knows how many have been killed or injured," he told

## Meier Won't Run For Second Term Or U. S. Senator

NEW YORK, Feb. 3.—(AP)—When Governor Julius L. Meier of Oregon completes his term in 1933, he is going back to his department store in Portland, he said today.

He has had just a little over a year of politics, but it is enough to make him decide he likes business better. No lure of political fame in the senate, where many governors go, will make any difference in his decision, he asserted.

He has just seen the senate, incidentally, in Washington, where he went to appear before the board of army engineers and urge federal development of the Columbia river.

## WILLAMETTE RIVER BILL IS APPROVED

### Work Below Oregon City is To be Done Without Private Capital

WASHINGTON, Feb. 3.—(AP)—The house today approved private companies of paying \$50,000 for improvement of the Willamette river between Oregon City and Portland, Ore.

After a two hour debate, in which Representative La Guardia (R., N. Y.) held that private interests would benefit by the work, the house passed the Martin bill by a 121 to 3 vote and sent it to the senate.

The measure would remove from present law the requirement that local interests donate \$50,000 of the total estimated cost of \$200,000.

Chairman Mansfield of the rivers and harbors committee told the house that when the work was first authorized in 1930 it was believed some interests, including the Hawley Pulp and Paper company, and the Crown-Willamette Paper company would be able to generate additional power by the improvement.

Further investigation had shown, he explained, that "any changes that might be made to take the benefit of any increase in power would cost more than the power would be worth."

The project calls for an eight foot channel 150 wide from the foot of Cedar Island to Oregon City and with the same depth and a 200 foot width between Cedar Island and Portland.

## Woman Burns to Death While at Prayer, Temple

HOUSTON, Texas, Feb. 3.—(AP)—An unidentified woman burned to death in a fire that swept the Evangelical temple of Raymond T. Richey late today. Two other persons were reported missing.

The body of the victim was recovered from the ashes beneath the "prayer tower". Fred Siebert, fire chief, said two women, Mrs. A. Rayburn and a Mrs. Rusk, were unaccounted for.

Mrs. Oscar Breeding, one of four women praying in the tower, said she had acted on what she considered a sudden divine warning.

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## Mills to Take Mellon's Place



OGDEN L. MILLS



ANDREW W. MELLON

## FIVE ARRESTED IN HOLDUP AND BURGLAR CASES

### Two Caught Quickly After Sticking up Grocery; Confession Made

### Police nab Housebreakers Near Scene; Prove to Be Local Youth's

City police furnished their service record last night with the capture, within an hour of the commission of two crimes, of two alleged holdup men and three alleged burglars.

Forty-five minutes from the time two young men held up L. E. Harms at the Knob Hill grocery, 1960 South Commercial street, and robbed him of \$25 about 6 o'clock last night, the police had arrested Allan Parry, 21, and Floyd Ryan, alias Floyd Carlson, 24, of 514 W. 12th, and obtained confessions from them, not only for the store job but also for holding up C. C. Cooper, taxi driver, at Liberty and Jefferson streets Saturday night, police said.

The two men perpetrated the store holdup armed only with a "saw." One of them held a circular saw in his pocket as though pointing a gun. Mrs. Harms in the meantime telephoned the police and Patrolman Orey G. Coffey responded.

From descriptions given by Harms, the officer traced the two men, who were found at a circular saw route to 13th street and back on State street to the Senator hotel where they had been staying with two women since last Friday afternoon. Calling in assistance, Coffey entered the hotel and arrested the pair, together with the women who were in the room at the time they were held at the hotel as witnesses.

Although the two men had been staying at the hotel since (Turn to page 2, col. 1)

## SIX KNOWN KILLED IN TANKER BLAST

### Many Others are Believed Drowned or Burned to Death in Oil Fire

MARCUS HOOK, Pa., Feb. 4.—(Thursday)—(AP)—Six men were known to be dead and many others were believed drowned or burned to death as the result of terrific explosions which early today wrecked the oil tanker Bidwell, docked at the Sinclair Oil company's wharf here.

Eight of the victims were reported dying at Chester hospital, while three others brought there will live, doctors said. The names of the victims were unavailable.

Twenty men, said to have jumped into the flaming oil-coated river, were rescued in a launch, but others were believed to have perished. The fate of the tanker's captain and his wife who had just come aboard was not known.

Several residents of the vicinity were injured by flying glass and plaster falling in their homes. Forty members of the tanker's crew and a number of other workmen were known to have been aboard the ship when the first blast occurred in a midship hold. Other explosions followed at short intervals and hurled flaming oil over workmen and buildings alike.

Unofficial reports said only 20 men, either dead or injured, were known to have been taken from the ship. Others were seen to jump into the water where they screamed for help and disappeared.

## Yankee Marine Is Wounded by Sandino Rebels

MANAGUA, Nic., Feb. 3.—(AP)—The wounding of a United States marine and the killing of two soldiers in the Nicaraguan national guard in a clash with adherents of Augustino Sandino, insurgent chieftain, was revealed today.

Sergeant Clyde T. Brannon, of Atlanta, Ga., who holds a lieutenant's commission in the national guard, sustained a superficial wound in the face when his patrol of 48 men came into conflict with 100 Sandinistas near Matagalpa City yesterday.

## Bridges Wanted By Clatsop Folk

ASTORIA, Feb. 3.—(AP)—Led by A. W. Norblad, ex-governor, president of the Oregon Coast highway association, delegations from coast counties will ask the state highway commission in Portland tomorrow to undertake immediately the construction of five timber bridges to replace present ferries along the Oregon Coast highway.

## Wooten is Made Head of Brigade

Major Elmer V. Wooten of the Oregon national guard headquarters here has been made executive officer of the 82nd brigade, with the rank of major infantry.

Corporal Theodore A. Johnson of Gresham has been promoted to the rank of second lieutenant.

## ICE IS MENACE TO TRAFFIC IN SALEM

Although the thermometer at the Eyerly airport official weather headquarters registered no lower than 30 degrees during Wednesday and as late as 10 o'clock Wednesday night, yet the streets of Salem presented a problem in ice traffic for pedestrians Wednesday night.

This condition was in contrast to Tuesday night with the same minimum temperature but with wet, rainy streets. Tuesday, however, had a minimum temperature of 37 degrees in contrast to Wednesday with a minimum of only 34 degrees.

Ice was found to spot the streets rather than to generally cover them and drivers coming into the stage terminal from Portland said the same condition was true of the highways, which were offering serious ice handicaps. The streets of Portland, drivers reported, were covered with solid ice.

At the airport it was learned that airplanes are not flying during this icy condition because of ice forming on the propellers and thus causing forced landings.

## Prescription of Liquor Declared Mostly Bootleg

WASHINGTON, Feb. 3.—(AP)—A statement that "well over 90 per cent" of the liquor prescriptions issued by doctors are "bootlegging prescriptions" was made before a senate committee today by one member of the medical profession and denied by another.

Dr. Arthur Dean Bevan, head of the surgical department of Rush Medical college of the University of Chicago, and a former president of the American Medical association, made the assertion while testifying against a bill to legalize four per cent beer.

LINDBERGH IS 80 NEW YORK, Feb. 3.—(AP)—Colonel Charles A. Lindbergh will be 80 years old tomorrow. He expects to spend the day as usual at his office.

## Statesman Again First With the News in Serving the Salem Field

EARLY Wednesday morning, before the milk man was astir, and just after midnight workers had retired, The Statesman's special Associated Press leased wire began to carry spot news of a catastrophe in Santiago, Cuba.

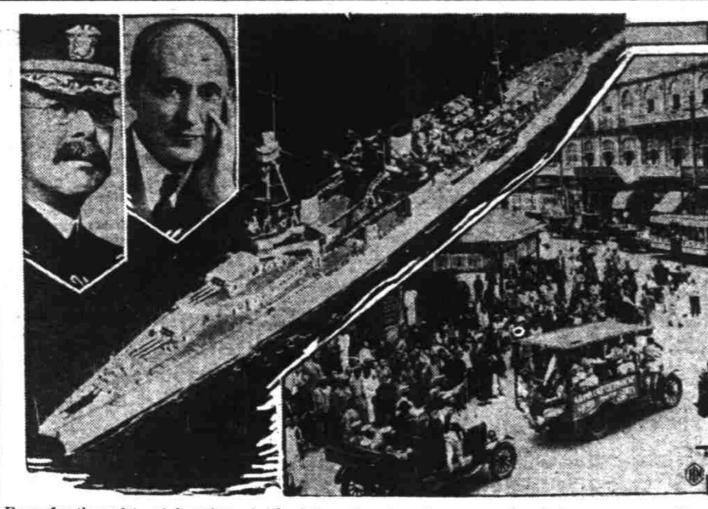
The severe earthquake occurred at 1:15 a. m.; news of the event was being flashed into The Statesman's editorial across a continent ahead of the sun's dawn across the continent.

As a result when this paper went to press at 2 a. m. it carried 500 words of bulletined news on this disaster. No Portland morning paper serving this area had a word on the disaster; only The Statesman provided Salem readers with this great news.

The Cuban disaster service is not unique; very often The Statesman, going to press at 2 a. m. long after shipping editors of other papers have started to Salem, gives readers the latest developments when other papers have nothing on them.

The same spot coverage on wire news applies to local affairs; thus if you want a complete, up-to-the-minute morning paper in Salem, there's only one answer: The Statesman!

## "—and Situation is Well in Hand"



Fears for the safety of Americans in the international settlement at Shanghai are not so acute as they were a few days ago, largely due to the arrival of the U. S. S. Houston, shown above, under command of Admiral M. M. Taylor (left inset). Marines from this vessel this morning entered the settlement to assist in safeguarding it. United States Consul-General Edwin S. Cunningham (right inset) has done good work in representing American interests without embroiling this nation with the warring forces. Lower photo is a busy business corner in the Esplanade portion of the settlement.

## WIDENING PROJECT COMING UP TODAY

### Reduction of Department's Overhead Also Issue At Highway Meet

PORTLAND, Feb. 3.—(AP)—Two major issues, adoption of a 1932 work program and reduction of overhead expenses in the state highway department, will confront the Oregon state highway commission at its meeting here tomorrow.

Many delegations are expected to attend the meeting, including one headed by Harvey G. Starkweather of Clackamas county, who will present a petition asking construction of a three-lane highway on the present East Side Pacific highway right-of-way from Oregon City to Salem.

Formulation of a road construction program for 1932 and consideration of a marked reduction in administration costs, are the outstanding matters to be considered at the February meeting of the state highway commission in Portland today. Engineers representing the highway department will be present, officials said.

Bids for the construction of four bridges will be opened at the meeting and a number of delegations will be heard. A report prepared by J. M. Devers, attorney under the Manchus, The Manchus released their hold in 1911 and since that time Manchuria has been an independent country with 90 per cent of its people Chinese, 3 per cent Manchurians, and 2 per cent Koreans and Japanese.

## WANT MANCHURIA INCLUDED IN PLAN

GENEVA, Feb. 3.—(AP)—The rich province of Manchuria, pushed into the background by the recent dramatic events in Shanghai and Nanking, was thrust forward again today when the Chinese delegation to the league included it in their concerted plan to settle the Sino-Japanese conflict.

Tokyo's opposition to any such action was registered with Sir Meric Drummond, secretary-general of the league by Tsuneo Matsudaira, Japanese ambassador at London, and Naotake Sato Tokyo's spokesman at the league.

They said the peace program submitted to Japan by the United States, Great Britain, France and Italy could be applied only to the Shanghai situation.

It was authoritatively learned the British government—and presumably the American government—intended the powers' intervention scheme should seek the ultimate solution of the entire far eastern problem, including the question of Manchuria.

## Marines Off Houston are On Job Now

SHANGHAI, Feb. 4.—(Thursday)—A force of United States marines, which arrived yesterday on the cruiser Houston, was landed this morning on the customs jetty in the middle of the bund in the international settlement.

The force, numbering eight officers and 326 men, was taken in motor trucks to marine headquarters in the northwest part of the settlement. After a two days "shakedown" they will enter the settlement defense lines already manned by marines.

United States marines later replaced Japanese forces guarding the Japanese cotton mill area within the American sector of the settlement, in order to consolidate their positions along Soochow creek, facing Chinese barricades on the opposite bank.

The Japanese had turned the cotton mill section into a veritable arsenal and took hundreds of machine guns with them as they departed to take up new stands.

## WORLD TRENDS ARE OUTLINED BY STARR

As time progresses the continents of the world will tend to divide into three large units, separate and apart from each other, was the assertion of Frederick Starr, noted lecturer and writer, in a lecture delivered in Waller hall Wednesday night.

These units will include Asia and Australia, North and South America, and Europe and Africa. Each unit will carry on its trade and political activities within its own group and contact with the other groups will be exceedingly small, was the comment of this distinguished student.

China in time will become an equal competitor industrially with the United States but she will never become a war menace if she is left alone, said Mr. Starr. In speaking of China Mr. Starr said that Manchuria had never belonged to China and never would be Chinese. Twice, he pointed out, China had belonged to Manchuria, once under the Mongols and once under the Manchus. The Manchus released their hold in 1911 and since that time Manchuria has been an independent country with 90 per cent of its people Chinese, 3 per cent Manchurians, and 2 per cent Koreans and Japanese.

## Women, Children Evacuated From Nanking Vicinity

NANKING, Feb. 3.—(AP)—Thirty-six American women and children were evacuated from Nanking today aboard the steamer Woosung which will take them to Shanghai. British women and children also were aboard.

Other members of the American colony will be taken out of Nanking on the United States destroyer Simpson, now anchored off the Nanking docks.

Foreign business men and missionaries decided to remain in the city for the present.

## Retail Price of Milk is Reduced

PORTLAND, Feb. 3.—(AP)—The Riverview-Damasco Milk company's new reduced retail milk prices went into effect here today. Grade A pasteurized milk is reduced, under the schedule, two cents a quart to stores and one cent a quart to homes. The new price is six cents to stores and nine cents to homes.

## JAPAN REFUSES TO ACCEPT MEDIATION

### Counter-Proposals Likely In U. S.-British Plan To Restore Peace

TOKYO, Feb. 4.—(Thursday)—Japan will inform the great powers today that she is unable to accept their proposals to settle the conflict at Shanghai.

Foreign Minister Kenkichi Yoshizawa said this morning that Japan could not agree to the powers' suggestions in their present form, and that he was making counter-proposals.

The particular cause of the difficulty is the fifth item of the plan. This item provides for settlement of all outstanding controversies between China and Japan in the spirit of the Briand-Kellogg pact and the League of Nations resolution of December 9, which set up a commission of five neutrals to investigate the conflict.

The foreign minister declared Japan never could agree to outside intervention in Sino-Japanese negotiations.

This was in line with his statement yesterday that "refusal to permit any third party to take part in the settlement of the Manchurian situation is a fundamental principle of this government's policy."

Yoshizawa said he would invite the ambassadors of the United States, Great Britain and France later today to consider a modified proposal from the Japanese government.

## PSYCHIATRIST SAYS WINNIE JUDD SANE

COURTHOUSE, Phoenix, Ariz., Feb. 3.—(AP)—Psychiatric diagnosis and the hypothetical laws of heredity collided today as Winnie Ruth Judd's counsel invaded the realm of science in their effort to prove her insane, and save her from the rope.

Paul Schenck, chief of defense, invoking the Mendelian law, declared that because of an insanity-streaked family tree, Mrs. Judd could not have retained ability to recognize the gravity of murder.

Dr. Paul Bowers of Los Angeles, state psychiatrist, under Geneva examination, reiterated the end of a long, intricate technicality studied quizzing: "She is sane."

"I would have found her sane from my examination of her," he said, "if I previously had studied all available charts of her family tree."

## Arms Parley Delegates Unhindered, Word Here

Denial that marked limitations have been placed on the authority of the United States delegation at the disarmament conference at Geneva has been made by Lawrence Richey, secretary to President Hoover, in a personal letter received this week from Richey by local members of the Society for the prevention of war.

The local people wired President Hoover January 28 when an editorial in a local paper declared that the president had forbidden the Geneva delegation to do the following things:

Discuss war debts, reparations and related problems. To negotiate any sort of a security pact.

## ATTACKS ON FORT RESUMED

### Defense Guns Still Speak Despite Japanese Claims Forts in Ruins; Division On Way From Tokyo

### Shells Reported as Falling In International Zone as Chapei Fighting Goes on; Marines are on job

By MORRIS J. HARRIS (Copyright, 1932, The Associated Press)

SHANGHAI, Feb. 4.—(Thursday)—Japanese warships bombarded the Woosung forts in a renewal of their fierce battle with Chinese forces today, while Japanese biplanes and Chinese troops fought with machine guns and artillery in Shanghai.

Several shells were reported to have fallen within the foreign settlement from the Chapei battlefield shortly after United States marines were landed to reinforce American defense lines.

Unconfirmed dispatches from Tokyo said a division of Japanese soldiers were on the way to Shanghai to strengthen the forces of approximately 5,000 men fighting several times that many Chinese troops.

Three Japanese destroyers opened fire at noon on the forts that guard the mouth of the Whangpoo river, 16 miles below Shanghai, in a resumption of the smashing onslaught of yesterday.

As the destroyers took up their positions the guns of the Chinese forts roared.

Japanese Assert Forts Are in Ruins Before the Chinese guns spoke, Japanese naval officials declared they had reduced the forts to ruins. Chinese authorities disputed this. Their guns, they said, in a rival claim, sank a Japanese destroyer, brought down a Japanese airplane and disabled two warships, but the Japanese denied this.

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## HARBIN IS WITHIN ATTACKERS' GRASP

CHANGCHUN, China, Feb. 3.—(AP)—Harbin, headquarters of the Soviet government's Manchurian interests, was within the grasp of Japanese masters tonight.

Thousands of soldiers of the army of General Jiro Tamon, conqueror of Tientsin and Kowang, encamped on the southern outskirts of the city in preparation for a triumphal entry Thursday.

General Tamon's troop trains advanced along the Chinese eastern railway 30 miles from the city of Shuangcheng to the southern suburbs of Harbin. The temperature was around 30 below zero.

The general decided to wait for daylight before occupying the city.

Ting Chao, who had declared he would hold Harbin at all costs, had retreated and General Tamon looked for no resistance.

## Chinese Colony In Cuba Aiding

HAVANA, Cuba, Feb. 3.—(AP)—Hsieng-Ting Wang, Chinese vice-consul here, announced tonight that members of the Chinese colony in Cuba had begun a campaign for a \$100,000 defense fund to be sent to the central government at Nanking.

To indulge in any discussion of naval affairs. To consider any cut in the size of the American army. To support budgetary limitation. To advance any proposal to secure armament reduction.

"Please advise whether this is true or not," the local group wired. "If true, both America and Europe will lose confidence in your leadership which should be outstanding and aggressive for reduction of armament and prevention of war."

"You seem to be entirely misinformed in this connection," Richey wrote. "No such conclusions have been arrived at nor any such instructions enunciated."