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EIGHTY-SECOND YEAR

No. 118

ROTARY CHIEFS WIND UP THEIR SESSION TODAY

Officers From 65 Clubs in Northwest are in City For Conference

Service Club's Influence Toward World Peace is Told by Anderson

TODAY'S PROGRAM
8:00—Presidents' breakfast; Secretaries' breakfast.
9:45—"Value of Music in a Rotary Club," Dr. H. C. Epley, Salem.
10 to 12—Discussion of Rotary problems.
1:00 — Farewell luncheon, speaker, Estes Snedecor, past international president.
2:15—Tour of Salem's industries.

At 10 the ladies of the assembly will be taken on a trip around the state institutions.

With a large attendance from the 71 clubs in the district, the Rotary district assembly began sessions Monday morning in the statehouse, with William McElchrist, Jr., district governor, presiding. The registration was 130 for 65 clubs.

The assembly is chiefly a conference for instruction of club presidents and secretaries, with some inspirational addresses and social features to round out the program. After the welcome by W. L. Phillips of Salem club, Governor "Bill" outlined the program for the district which he has in mind.

Topics taken up for discussion had to do with the aims and objects of Rotary, club service, boys' work, and the application of the ideal of service to community needs. Men from various clubs in the district had been selected by the governor to develop the discussion of these subjects in a manner helpful to those in attendance.

Anderson Discusses Problems of Peace

Dr. Elam J. Anderson, new president of Linfield college, McMinnville, formerly Rotarian of Shanghai, China, talked Monday afternoon. Coming from the zone where international relations have been in the most practical talk to the assembly on the problems of peace. He was intensely practical. "It is fine to talk about peace, but it is a different matter when you are face to face with a man of a different race and in dispute with him over a point," he said. Then he related how as a boy in this country, with other boys, he would follow an old "Chinaman" and make fun of him. Then when he went to China and heard boys "ki-ying" after him, he found they said, "There goes a foreign devil." He used the illustration to point out the need for understanding the point of view of the other man.

"It is all right to discuss international relations when the parties are removed, but what about race riots at home? What about you show the Rotarian spirit of good-will toward a Japanese, for example, who came in as a competitor and undersold you?" Feeling Tense Even Within Rotary Club

Referring to the Shanghai incident he described how tense the situation was in the Shanghai club, which embraces representatives of all nationalities. In spite of the great bitterness between Chinese and Japanese, both races continued their club affiliation.

He urged the men to make a study of the orient, and to be temperate in their judgment. He condemned Japan, yet he said the Japanese justified their seizure of Manchuria by reference to our conquest of Mexican territory; and said they were convinced that Manchuria was essential to their existence. In conclusion he urged that the Rotary idea of good-will should begin at home by treating those of other races, such as Chinese, as gentlemen. His address was regarded as one of the highlights of the convention.

"Not a challenge to crusade but to think and to live," is the way Superintendent C. A. Howard described Rotary to the assembled members of the district assembly and Salem club at luncheon Monday noon. "It is not an organized movement, but a philosophy of living. Its interest is not so much action as attitude. Howard spoke on "The Four-fold Challenge of Rotary."

Rotary provides a wholesome fellowship where men of different vocations may meet and mingle, forget for awhile the cares of their own jobs and learn something of the interests and ideas of men in other lines of activity. This refreshment serves as a constant stimulus.

Vocational Challenge Is Expressed There

Then there is the vocational challenge by which Howard called not merely to make a living in his occupation but to make it a way of life, an opportunity for his talents to flow out for the best service.

Rotary encourages individuals to participate in community activities, and do their share in

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Embezzling of Fire Relief Associations' Fund Laid to Gearin

Member of Pioneer Family Misappropriated \$17,000, Complaints Declare; Arrest is Made Monday Night at Donald

FACING charges of embezzlement of approximately \$17,000 from two fire relief associations for which he has acted as secretary, Fred M. Gearin of Donald was arrested at Donald early last night and brought to the county jail here. It is likely he will come up in justice court this morning for arraignment.

Gearin, about 50 years old and member of a pioneer family of this county, was arrested following filing of two separate criminal informations signed by officers of the respective companies.

He is accused of diverting from the Farmers' Fire Relief association of Butteville, about \$12,000; and of embezzling from the Hopmen's Fire Relief association \$5,000.

The diversions are said to have occurred over a period of years. Rumors of the close study to companies' books given by officers of the two institutions were heard late last week, but it was not until yesterday that complaints were filed with warrants drawn here by Justice of the Peace Miller Hayden.

The criminal information on Butteville Fire Relief association charge was signed by James P. Feller, as president of that concern; and John Murray signed the criminal information charging the Hopmen's association delinquency. Murray lives on route three, Aurora.

Advised that Gearin had been arrested Justice Hayden indicated the night that he had set bail on the one count at \$10,000 and on the other at \$5,000.

It is known that State Insurance Commissioner A. H. Averill had been advised of the alleged irregularities in the two companies, and a company officer was quoted as saying that Gearin had confessed to diversions to the commissioner.

Gearin's bond is said to be \$2,000, and there is some presumption that the bonding company would be liable only for this amount, even though the misappropriation were carried over a period of years, variously reported at from four or five to 10 years.

If Gearin is brought before the justice of the peace today, it is likely he will ask time in which to employ a lawyer before entering a plea. In any event, preliminary hearing cannot be held until the district attorney's office finishes the Erpelding murder trial, which is now in circuit court.

Gearin was arrested by Deputies Sam Burkhardt and Bert Smith of the sheriff's office.

SIGNS OF BUSINESS REVIVAL MULTIPLY

Stocks, Bonds, Cotton and Wheat not all; Jobs Now Increasing

(By the Associated Press)

Buoyed by advancing stocks, bonds, and cotton prices, the nation's business conditions are encouraged by other bright spots in financial circles. Developments included:

New York—The American Locomotive company reported unfilled orders on July 1, at \$2,145,513—about \$1,000,000 above the amount of unfilled orders on the same date last year.

Washington—Department of labor statistics said employment in the radio industry increased 4.8 per cent in June over the previous month.

St. Paul—M. H. Heimann, executive manager of the National Association of Credit Men, predicted in a speech a 10-year era of prosperity for the northwest with rapid recovery from the present "reconstruction period."

Washington—The bureau of mines reported coal production increasing.

Chicago—Peter B. Carey, president of the board of trade, said the rise in grain prices put new hope in the breasts of American producers.

DEMPESEY SAYS HE IS AFTER SHARKEY

PORTLAND, Aug. 8.—(AP)—Jack Dempsey, in Portland on his way from Salt Lake City to Seattle where he is scheduled to fight Wednesday night, said tonight that he is definitely out after Jack Sharkey, world heavyweight champion.

Dempsey said that he already has been offered a championship fight with Sharkey and that a dispute over terms is the only thing keeping him from coming to a definite agreement.

The ex-champion planned to stay here overnight before continuing tomorrow to Seattle by automobile. He will return here for a bout Friday night.

Who's Who In Rotary

STEVE SAUNDERS, president of the Marysville, Washington, club, was much interested in the net orchards he noticed around Salem. He is a filbert grower himself.

Tom Goodlake is the only secretary of the Victoria club has ever had. He was here at the assembly 12 years ago. Mrs. Goodlake and their son George, a student in Oak Bay high school, are with him on the trip.

When there is any business "Dad" Conner of Everett is a printer. When there isn't, which is now, he's a golfer.

Dr. Hal Skinner flew his own plane over from Yakima, arriving just in time for the opening of the session. Jack Janek of his club accompanied him. A bit bumpy, was the way the doctor described the flight. It took two hours and a half.

From the mountains of southeastern British Columbia came Dr. Albert Asseltine and Thomas Beck representing the club at Fernie.

Some school men are on hand to exemplify service. Raymond E. Cook of Everett, H. E. Gould of Eugene and A. C. Hampton of Astoria are each presidents of their clubs and superintendents of the city school systems of their home towns. H. C. Tilley, secretary, Walla Walla, is high school in-

Who's Who Here for Conference; Tells Who They are in Their Home Towns

A. J. Chisholm is one of the fine Canadians in attendance. Chisholm is collector of customs at Cranbrook, B. C., and reports that the raising of tariffs between the two nations has succeeded in cutting down commerce sharply.

Wallace, Idaho, is a mining town, and Secretary John G. Sanders describes it as four blocks wide, eight blocks long and 1800 feet deep. The city is in a canyon. Mining is the chief occupation, but the low prices for lead and zinc have curtailed production so the two Sanders children head for the Pacific general agent there have little to haul. His general manager said now was a good time for him to take a vacation. Mrs. Sanders is with him. She is state organizer for F. E. O. in Idaho, so the two Sanders children hear lots of "service" work talked about their fireside.

"Where's the golf course?" were the first words uttered by Clyde Lester, Walla Walla, after glistering at the Marion. He is a tourist and came to play as well as work.

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MIND IS BLANK UPON SHOOTING SAYS ACCUSED

Erpelding Says big Liquor Party Preceded Events At Eddy Residence

Both Sides Rest; Defense Offers Two Witnesses; Officers Testify

A booze-muddled mind which now cannot recall a single incident surrounding the actual slaying of Lloyd Eddy on March 2, is that of Harry Erpelding, alias Robert Coleman, Erpelding, taking the stand in court late yesterday in his own defense, declares that from the time he went upstairs in the Eddy house here until the time he was arrested his mind is a blank.

Erpelding's testimony furnished the climax to the extended line of testimony which the state had produced in his trial. Except for the testimony of Asa Fisher, police officer, concerning Erpelding's condition several days after his arrest, the testimony of the defendant furnished the sole evidence of his counsel. The case for the state was rested shortly after noon; the defense rested its case about 4:30 p.m. yesterday.

Everybody Drank Heavily, He Says

The story of the defendant, told in low tones so that his counsel and the judge frequently had to ask him to speak louder so the jury could hear, was this: He went to the home of J. W. Mays near Sunnyside, the night before the morning of the death of Lloyd Eddy. There a party was being held in which all participants drank heavily. Everybody had all

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MRS. DURANT DIES OF HEART ATTACK

AURORA, Aug. 8.—(Special)—Mrs. Neelie Durant, 52, daughter of the late Charles Hubbard after whose son the town of Hubbard was named, died suddenly as the result of heart trouble, at the Byron Grimm residence near here today noon. While her home was at Woodburn, she had been staying at the Grimms.

Evelyn N., granddaughter of Grimm, found Mrs. Durant lying dead at the head of the stairs. She had apparently just started downstairs when the heart attack came. Earlier in the day she had complained of pain. She had not been well for some time.

Mr. and Mrs. Grimm have been at Newport since a week ago.

Mrs. Durant is survived by four sisters living in Washington, California, Portland and Woodburn and a brother living at Oregon City. Mr. Durant died four years ago.

Funeral arrangements are being made at Woodburn.

Libby Departs Quickly After Bond is Put up

REIDSVILLE, N. C., Aug. 8.—(AP)—A man who released a few hours before on \$25,000 bond to await trial for murder of her young husband, wealthy Smith Reynolds, made a hurried departure from Reidsville shortly after 2 a.m. today.

The former Broadway blues singer came from her hotel here with two men, stepped into a waiting automobile and it sped away immediately.

Ocean Voyages Highly Popular

Coastal steamship voyages this summer are so popular among vacationists that the demand for accommodations cannot be filled, J. B. Kugel, local agent, reported yesterday. Many Salem residents are making two weeks or month long trips to California ports out of Portland. In the past few days, Mr. Kugel has been unable to get accommodations for all persons wanting to make the trips.

Forest Firebugs Hear Sentences

GRANTS PASS, Ore., Aug. 8.—(AP)—Ralph Burns, Glendale, was today sentenced by Circuit Judge Norton to serve a year in the state penitentiary and Frank King, also of Glendale, was sentenced to serve six months. The two were convicted of setting fires in timber between Glendale and Wolf creek.

G. O. P. COUNSEL DIES

WASHINGTON, Aug. 8.—(AP)—James Francis Burke of Pittsburgh, general counsel of the republican national committee, died at the Garfield hospital tonight.

Newest Member Of U. S. Cabinet



Roy D. Chapin of Detroit, who was appointed secretary of commerce by President Hoover, Mr. Chapin, chairman of the board of the Hudson-Exeter Motor Co., succeeds Robert P. Lamont who resigned to re-enter business.

CHAPIN SWORN IN; PROVES OPTIMIST

Unmistakable Better Tone Prevails in Industry Says new Officer

WASHINGTON, Aug. 8.—(AP)—Hopeful that American business will continue to improve, Roy D. Chapin, 52-year-old Detroit automobile manufacturer, took office today as secretary of commerce.

To his predecessor, Robert P. Lamont of Chicago, who was present when he was sworn, the newest member of President Hoover's cabinet expressed gratification at the "unmistakable better tone that now prevails in our industries and markets of trade."

Franklin W. Fort, chairman of the new home loan bank board, held preliminary conferences with the board members to rush organization of this federal machinery, set up by congress at the president's request to ease the financial worries of homeowners and to stimulate home construction.

LUCKIAMUTE RIVER REGION HAS BLAZE

DALLAS, Aug. 8.—Another fire broke out late yesterday about one-half mile from Black River along the Little Luckiamute river. It is burning in the underbrush along both sides of the river over about six acres of ground.

The fire was believed to have been started by a campfire left by picnickers Sunday. Efforts are being made to trace down those responsible.

Fire which has been burning through the logged-off land near Valseit is reported to have been brought well under control.

The forest fire situation in various sections of Oregon has improved materially during the past 24 hours, Lynn Crommiller, state forester, declared Monday.

Crommiller said a large number of men were fighting fires at the Clark-Wilson holdings in Columbia county and in the Rowland creek area in Coos county.

Many other smaller fires were said to have been extinguished during the last 24 hour period.

Squatters Fail To Get Release After Hearings

PORTLAND, Aug. 8.—(AP)—Five squatters from Umpqua national forest, unable to furnish bonds varying from \$500 to \$1500 were denied their appeal that they be released on their own recognizance and be allowed to return to their families, when they appeared here today before Federal Judge Fee.

E. H. Best, P. G. Croft, Edgar Martin and W. S. Day pleaded not guilty to charges growing out of occupancy of their forest homes. Dalton Green received time to enter his plea.

Late Sports

OLYMPIC STADIUM, Los Angeles, Aug. 8.—(AP)—A team of western football players defeated an eleven from the east tonight 7 to 6, as a part of the demonstration program of the Olympic games. Players from southern California, Stanford and California came from behind to score a touchdown and kick a goal in the fourth period after the representatives of Yale, Harvard and Princeton had scored in the same period. The game was designed to introduce American football to Olympic games visitors unfamiliar with the sport.

BUDGETEERS OF CITY ORGANIZE, VIEW FINANCES

Mayor-Elect Douglas McKay Is Chairman; Groups Are Announced

Council Will Place Most of Responsibility on This Citizen Committee

Initiating city budget preparation early this year, the citizens' committee met at the city hall last night, elected Douglas McKay, mayor-elect, chairman, and Newell Williams secretary, and named committees to study costs of operating the various city departments.

In a brief talk, Mayor P. M. Gregory spoke of the need of and demand for economy but at the same time warned against an excess of this popular tax relief remedy.

"If the affairs of the city are curtailed too deeply, somebody is going to suffer, and in this case it's the taxpayers," he advised.

Full Responsibility Given Committee

That the city council this year is inclined to place in the hands of the citizens' committee of 15 members the full responsibility for setting on the city's 1933 budget was the opinion voiced by Alderman Chris J. Kowitz in response to Williams' query as to whether or not the council would do as it pleased with the budget, regardless of the citizens' committee recommendations.

To coordinate the salary scale of all city departments, the final consideration in these budget items was delegated by motion to the ways and means committee of (Turn to Page 2, Col. 5)

SPALDING'S MILL WILL REOPEN SOON

Within a few days, officials of the Spaulding Logging company here will have determined the opening date of the local plant, Charles K. Spaulding, president, stated yesterday. "We are trying to work out our plans to cut up the logs we now have on hand," he said. "I can't say just when we can open."

Spaulding said that he hoped the mill might continue to operate after the small quantity of logs on hand were cut. Whether the mill does go on depends on the lumber situation. "I have noted some stiffening in lumber demands," he said Monday. "Of course it has been too slight for us to make any plans and assuredly the trend will not be maintained if all the mills should resume cutting."

Spaulding said that any pickup in the railroad business, particularly in the business of the Southern Pacific company, would be a great boon to lumbermen in the northwest.

Albany Girl is Credited With Saving Friend

ALBANY, Ore., Aug. 8.—(AP)—Elsie Chandler, 15, daughter of Mr. and Mrs. E. E. Chandler of Albany, was being congratulated here today when townspeople learned that Saturday she had rescued LaVerne Bates, of Lebanon, from drowning in the Calapooia river near here.

After bringing Miss Bates, who was just learning to swim, to shore, Miss Chandler successfully applied resuscitation methods she had learned from a Red Cross swimming instructor, she said.

Buck Takes Off For Long Flight

NEWARK, N. J., Aug. 9.—(AP)—Bob Buck, holder of many junior records for flying, got off at 3:05 a. m. eastern standard time, on his off-postponed flight to Mexico City. His first scheduled stop on the 2,250-mile air route to the Mexican capital was Richmond, Va.

Scorched Valley Greet Retreshing Rain's Advent

As though ashamed of having given Willamette valley residents such a roasting last week when he ran the thermometer up to a high mark of 102 degrees, Old Sol yesterday hid his face behind a bank of clouds and wept. He seemed not overly penitent, however, for his raindrop tears were not of sufficient volume to be measurable. What Sol will do today, according to the forecast, is register greater penitence. "Cloudy and showers" is the prediction.

Picnickers and weekenders were thankful that he waited until Monday for his weeping. Sunday they enjoyed 88 degrees of warmth here and made the most of it. Yesterday's maximum temperature was 70 degrees and minimum 52.

The rain which sprinkled Salem in the morning and showered it briefly in the early afternoon fell short of amounting to 0.61 inches, according to the rainfall observer. This was the first time in 16 days that rain had been recorded here.

Both Parties Claim Business Revival is Helping Their Cause

Salem Man Hero When Girl Gets Into Deep Water

STAYTON, ADE. 8.—When Eunice Temple, aged about 16, got in water over her depth at the "swimming" hole at the park here Sunday afternoon, she created no little excitement. A bystander named Wilson, of Salem, fully dressed jumped in and rescued her.

She was attempting to swim from one diving board to the other and in getting into deeper water, because frightened, those who witnessed her plight called for aid, when they saw she would probably be unable to reach the bank or nearby diving platform.

Hoover, Working on Acceptance Speech, Told of Gains

Bourbons say Hope of Roosevelt Victory Explains Boom

WASHINGTON, Aug. 8.—(AP)—A series of optimistic reports, all forecasting victory for President Hoover in his reelection campaign, today poured in upon the chief executive and stirred the loudest hum of political activity heard at the White House in many months.

Concentrating on his Thursday night speech of acceptance, the president talked to one political leader after another, particularly about his handling of the prohibition and foreign affairs sections.

In return, each confidante reported he had delivered either to Mr. Hoover or Walter Houston, his political secretary, prophecies that the chief executive's chances for another term in the White House were bright.

Claim Two States Sure for Hoover

Senator Moses (R., N.H.), after two conferences totaling nearly three hours, said he was "able to report cheerfully" that both New York and Massachusetts could be listed in the Hoover column.

Representative William E. Hull (R., Ill.), said he had told Secretary Newton that trips through Wisconsin, Minnesota and Iowa had convinced him Mr. Hoover would poll heavy majorities there.

Cleveland Newton, former representative from Missouri, said he had reported that state and others in the farm belt would fall in line and that Mr. Hoover's reelection was assured.

CLAIM FORT LOPEZ IS CAPTURED AGAIN

Paraguay Says Bolivia has Attacked Successfully, Other Side Denies

ASUNCION, Paraguay, Aug. 8.—(AP)—Fort Carlos Antonio Lopez, scene of the clash which precipitated the present conflict between Paraguay and Bolivia over the potentially wealthy Gran Chaco territory, changed hands again today for the third time within seven weeks.

Foreign Minister Higinio Arbo sent Secretary of State Stimson at Washington a message, notifying him that "Bolivian forces attacked Fort Lopez anew" and asking him to inform the other neutral American nations, which lately have attempted to bring about a peaceful settlement of the Paraguayan-Bolivian dispute.

The foreign minister reported that the "Paraguayan garrison retired, the fort remaining in the aggressor's possession."

June 15 Bolivian forces took the fort away from the Paraguay. (Turn to Page 2, Col. 1)

PROTEST IS FILED ON WATER CHARGE

Alleged inflation in the valuations of the Oregon-Washington Water Service corporation were protested yesterday in petitions filed with the state public utilities commission at the capitol, yesterday. The petitions were signed by 18 Salem residents.

Rates of the utility are unduly high because they are based on excessive valuations, the petitioners claim. They also declare that the company has been deficient in providing ample protection for fire. The water supply is polluted with sewage from other cities, the petitioners also claim.

The petition was placed on file to await investigation by the commission when prior matters placed before it for investigation are attended to.

AUTO LICENSE CUT IS URGED BY HOSS

Hal E. Hoss, secretary of state, announced yesterday that he favored a cut of at least 50 per cent in automobile license fees in Oregon. Analysis of several hundred letters from distressed motorists and a study of reports from the state of Washington motor vehicle department accounted for his view, Hoss stated. A number of evasions of the Oregon law have been made to escape the high license rate here, Hoss opined.

"Real relief lies in a lower license fee," Hoss said. "I am certain that the next legislature will cut the present license fee in half. I know from the mail received at the state department that people generally are demanding a lower fee."

Hoss said he had received many letters recently asking what had become of Governor Meier's plan for issuing stickers or permits in lieu of annual paid up licenses.

Jackson County Circuit Judge's Recall is Asked

MEDFORD, Ore., Aug. 8.—(AP)—Petitions were being circulated in Jackson county today for the recall of Circuit Judge H. D. Norton. The sponsors of the movement were not named on the petitions. Judge Norton presides over the first judicial district, comprised of Jackson and Joseph counties. The petitions will be placed in circulation in Joseph county Tuesday.

The text of the basis for the action cites alleged "prejudice and bias" in decisions, and "the refusal of justice with miscarriage of justice in his court by rulings to the extent that the liberty, life and property of the citizens of the first judicial district are endangered."