

## BUILDING-LOAN RECEIVERSHIP

Guardian Officers Blame Mott, "Unwarranted Interference"

(Continued from page 1)

sioner Mott in the press regarding the Guardian Building & Loan Association and its executives are in line with similar unsubstantiated utterances with which he has been credited since his appointment to office.

"Press reports quote him as saying that 'abstractions' of \$300,000 had been made and were admitted by the officers. This is wholly false and without foundation. The instance mentioned, the amount of which is erroneous, is an incomplete loan all of which is known to the commission."

The Guardian Savings & Loan association was organized in 1928. The officers and directors are E. H. Feltner, president, J. S. Mottner, vice president and managing director; Carl Dohler, secretary; C. P. Haskins, A. Kallina, A. L. Fuller, W. A. Holliday, F. T. Stone, directors.

About the time the Mortgage Investment company was organized with the same officers and directors as the other concerns. A rapid expansion policy was undertaken with a number of reserve fund savings and loan companies being taken over in various cities in Oregon including Klamath Falls, Medford, Bend, Astoria, and Salem.

While the state corporation department made no official statement on the matter yesterday, there was evidence available that some of the funds for this expansion, presumed to have come from the Mortgage Investment company, had been secured in the form of loans to that company from the Guardian Building and Loan association. It is thought these moneys were included in some of the transactions Commissioner Mott referred to as "illegally abstracted."

It is also known that the Mortgage Investment company had interested itself in the promotion of a new building in Seattle which was to be used in part as an office structure for the municipal utilities corporation. Preliminary arrangements had been made for the underlying bond issue on that structure and following sale of some preferred stock, construction work was started but the latter has been halted. The bonds have been floated and it is thought that preliminary outlays made by the Mortgage Investment company are not returnable.

In his formal statement issued yesterday, Mott made a strong defense of the savings and loan business.

"The condition of the associations against which this action is directed is due to the fact that their officers have violated the statute made for the protection of investors. It is not due to any defect in the building and loan business," he said.

"A building and loan investment is a fundamentally sound investment. Perhaps no other class of security is so rigidly safe and fool proof as a security can be made by statute. It is a fact, demonstrated by nearly 100 years of continuous successful operation, that it is not impossible for a building and loan association to raise its money honestly and intelligently operated within the provisions of the law and under the proper supervision of a state department charged with the enforcement of that law.

"This statement, which is concurred generally by financial authorities, should be sufficiently reassuring at this time to the people of our state who have their savings invested in the average building and loan association. A further assurance I feel that it would not be improper for me to state in this connection that so long as I hold office of corporation commissioner, I intend to see that every building and loan association in this state is operated honestly and for the purpose for which the statute is enacted.

"A building and loan association is not an institution to be played with by speculators and speculative financing at the risk of investors will not be tolerated by this department."

## Nautilus to be Tested Before Polar Exploit

NEW LONDON, Conn., June 2. (AP)—The submarine Nautilus was under orders tonight to sail at 10 a. m. tomorrow for Provincetown, Mass., for a brief test before heading across the Atlantic for Spitzbergen and the North Pole.

Sir Hubert Wilkins, the commander of the expedition, expedition, and Captain Sloan Denner, however declared the submarine fit. They expected the tests of Provincetown would last no longer than 48 hours. Ten thousand gallons of fuel and 1,000 gallons of lubricating oil were loaded onto the ship today.

## Portland Man is Among Annapolis Honor Graduates

ANNAPOLIS, Md., June 2. (AP)—The honor list of graduates of the naval academy, made public with addresses at the naval academy today, is headed by Midshipman Thomas D. Tyra of St. Paul, Minn., who completed the four-year course with a rating of 902.39 on the basis of a possible 1000.

A. D. Veasey, Atlantic City, N. J., was second with 900.67. Twenty-nine were given places on the honor list, out of the 441 to receive diplomas Thursday. These honor students included W. C. Gale of Portland, Ore.

## RESCUE CHEAT'S DEATH IN MID-OCEAN



A burning view of the burning Swedish tanker "Castor" made from the decks of the S. S. Esplanade, as it rushed to the aid of the stricken vessel with three other ships. The tanker caught fire in mid-ocean, but due to the courageous efforts of its radio operator, all of the crew of 48 men were saved by rescue ships. Insert shows close-up of the burning vessel.

## The Call Board

By OLIVE M. DOAK

**WARNER BROS. ELISINORE**  
Today—"Trader Horn."  
Thursday—John Barrymore in "Svengali."  
**THE GRAND**  
Today—Irene Rich in "On Your Back."  
Friday—George O'Brien in "The Sea Beast."  
**THE HOLLYWOOD**  
Today—Kay Francis in "Passion Flower."  
Friday—Helen Twelvetrees in "The Cat Creeps."

For those who read and for those who were told stories as they grew up there is always a question as to who is the most real among their friends, the book and story characters, or the friends of flesh and blood.

For many people the character of "Trilby" taken from the famous play "Svengali" written by George Du Maurier is very genuine. The poor little girl, who lost all power of decision for herself because of the diabolic influence of the mad music master and his hypnotic power, becomes a symbol even as has "Svengali," the music master himself.

John Barrymore plays the role of "Svengali" and Marian Marsh is "Trilby." Miss Marsh, who was born on the island of Trinidad, is playing her first big part in this picture.

It is claimed that the role of "Svengali" for Barrymore is the most dynamic one he has ever taken and that in making the picture he realized a completely new and different interpretation from any he has given heretofore. Other vitaphone appearances have been in "Don Juan," "General Crack," "Show of Shows," "The Man From Blankley's" and "Moby Dick."

"Svengali" will begin a three day run at Warner Bros. Elsinore Thursday.

"Trader Horn" will be seen for the last time at Warner Bros. Elsinore today. It is a splendid picture, one which the audience enters into as an audience does a circus performance. There are so many thrills, so much tension, so many narrow escapes that audible exclamations over the developments on the screen form a very obvious part of each showing of the picture.

It is educational as well as being a thrill. The variety and amount of animals shown in their natural habitat keep one's interest high even though no element of romance or story entered into the picture. As a matter of fact there is quite a romance connected with the development of the picture. A white girl was taken captive by a native tribe of Africans when she was but a tiny baby. To recover her is one of the aims which keep the trading party moving forward in the face of the haunting and insinuating rhythmic pounding of the war drums.

It is a picture which you will discuss and remember long after many of the more low trouble pictures of modern love trouble have flickered across the silver sheet.

**TWINS TO FILM FOLE**  
HOLLYWOOD, June 2. (AP)—Twins were born today to George Fitzmaurice, film director, and Diana Kane, screen actress.

## SLAIN



Raymond E. Gilyard (above), first lieutenant of Seymour, Conn., was shot and killed in the town building by a group of unidentified men who apparently had been lying in ambush for him. Gilyard had been crusading against liquor law violators. Police believe some bootlegging faction is responsible for the cold-blooded murder.

## LOCAL ASSOCIATION SAID NOT AFFECTED

(Continued from page 1)

land had been placed in the hands of J. E. Callahan, savings and loan supervisor for the corporation commissioner, a number of local stockholders in the State association here made inquiry at the latter's offices here, Elliott said, but when the investors learned their holdings had not been impaired they were satisfied. Under the provisions of the Oregon law, withdrawals cannot be made until 60 days notice has been filed.

Entire separation of the local association will wait upon the corporation commissioner's approval of the transfer of the note of the Mortgage Investment company to the State Savings & Loan association back to the former company and the return of the State's stock for which the note was given. This stock already has been re-assigned to the State association but the return must be formally approved. Present officers and directors of the company who with the exception of Elliott and Callahan are all Portlanders, must all resign. Corporation Commissioner Mott yesterday asked the resignation of the Guardian group of directors, but up to last night they had not complied.

Under the provisions of the new Oregon law, effective June 5, savings and loan associations must have a minimum reserve fund stock of \$25,000 and a surplus of \$10,000. At all times their reserve fund must equal 5 per cent of their liabilities. When companies are mutual, no reserve stock is held, the directors setting up such reserves for contingencies as they see fit. Investments of the companies, whether mutual or reserve fund, are highly restricted and limited to first mortgages on real property, with payments reducing the principal monthly and with only members of the companies allowed to borrow money from them.

Los Angeles, June 2. (AP)—A pitiful picture of 10,000 Los Angeles school children going without lunches because of a lack of funds among Parent-Teachers organizations, which have been feeding them, was painted today by Mrs. Nellie S. Lucas, field secretary.

Many of the children, innocent victims of a depression which has left their parents in straightened circumstances, will be forced to drop out of school unless some means can be found of providing money to feed them, Mrs. Lucas said.

## CANADA TARIFF IS CAUSE OF CONCERN

(Continued from page 1)

announcement by Prime Minister Bennett of Canada that the tariff in that country is being raised to protect Canadian workers and assist in adjusting unemployment."

Senator Harrison, Mississippi, ranking democrat on the finance committee which helped frame the 1930 tariff act, said through the national committee that "Canada's action will further affect legitimate American industry."

Claimed Reprisal Against U. S. Rates  
Senator LaFollette, Wisconsin, republican progressive who opposed the Hawley-Smoot bill as a member of the finance committee, joined Harrison in calling Canada's action a reprisal against the United States tariff wall.

Senator Couzens, republican, Michigan, another finance committee member, described the Canadian increases as an effort to aid her farmers and not retaliation.

"Canada's action," LaFollette said, "will contribute to the already alarming decrease in American exports."

## Mays Bound Over To Federal Grand Jury; is in Jail

Because he sold liquor to an Indian boy, J. W. Mays was in the county jail yesterday awaiting action by the federal grand jury. He was bound over to that body after hearing yesterday before Federal Commissioner Lars R. Bergavik. Bond was set at \$2,500 but Mays was unable to pay it.

Mays waived preliminary hearing before Bergavik. He is said to have sold liquor to a minor who is attending the Indian training school at Chemawa.

**NOTICE TO CONTRACTORS**  
Sealed bids will be received until 10:30 a. m. June 12, 1931, for the erection of a four-room frame school building to be constructed on property owned by West Stayton School District No. 61, Marion County, Oregon. Plans may be secured from Frank H. Struble, Architect, 502 Guardian Building, Salem, Oregon. Bids will be publicly opened and read in the office of the Architect on the above mentioned dates. The Board reserves the right to reject any and all bids.

By order of District School Board of District No. 61, Marion County, Oregon.

W. O. ROYSE, Chairman.  
LEONARD WALKER, Clerk.

## PEOPLE... who are news

(Continued from page 1)

He hates public appearances; his big car drives up to the side entrance of the State theatre and the slips in with two or three friends, who really act as bodyguards.

Although the most powerful man in a nation of 150 millions, Stalin lives with his wife and two children in a little three-room flat outside the Kremlin as simply as any peasant.

When he explains that he is not a dictator Stalin argues that no one man "runs" Russia, that he is merely the spokesman of the party committee. "Be that as it may, all Moscow knows that when Stalin speaks the most powerful listen. His suggestions have the force of the Tsar's ukases. And those who oppose him are no longer in Moscow."

Tales of his private life are meager in number. That applies as well to most of the other Bolshevik leaders. Their public careers, including their pre-revolutionary prison records, are known to all. But a stolid, obstinate Russian silence confronts the inquirer to tries to learn what they like for breakfast, how many times they have been married or what they do for exercise or amusement.

## Statesman Local Gets Too Many Results, Werner

"Say! I've got a local ad in your paper for strawberries, for example. I want you to take it out. I've got too many pickers from it." Ernest Werner, Silverton route two, telephoned The Statesman long-distance last night.

He concluded by saying when he had more berries he would put another ad in The Statesman.

LOS ANGELES, June 2. (AP)—A pitiful picture of 10,000 Los Angeles school children going without lunches because of a lack of funds among Parent-Teachers organizations, which have been feeding them, was painted today by Mrs. Nellie S. Lucas, field secretary.

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## Hold Youths For Refusal to Tell Who Sold Liquor

ANN ARBOR, Mich., June 2. (AP)—With the release from custody of two university of Michigan freshmen, it was revealed tonight they had been held in jail since Monday night because they would not assist police in arresting the man from whom they purchased liquor.

The youths are James L. Slocum of Pittsburgh, president of the freshman literary class, and Lawrence L. Heideman of Lourium, Mich.

Police said the boys were arrested Saturday at their rooming house when a partly consumed bottle of liquor was found in their room.

## HOLLYWOOD

Some of 25c Talkies  
A HOME OWNED THEATRE  
Today and Thursday

Tonight is Radio or Davenport Night, Bring Your Tickets!



KATHLEEN NORRIS  
Passion Flower  
with Kay Francis, Charles Bickford, Kay Johnson, Lewis Stone, Zasu Pitts  
Also Comedy, News and Cartoon Comedy

## PEACE IN ROME AFFAIR SOUGHT

Secret Negotiations Under Way Between Church, State Officials

(Continued from page 1)

He advised the visitors to be careful not to mingle in politics.

Playgrounds of the Knights of Columbus were said to have been closed under the general order against the Catholic organizations. The Y. M. C. A., however, through a sort of affiliation with the Salina, an organization for Fascist boys, was allowed to reopen after half an hour technical closing of one room.

Another doubt removed was that of some quarters about the finality of Mussolini's dissolution of the Catholic youth societies. Mussolini can remind the order later, thus enabling the clubs to reorganize.

Italy's only news of the dissolution has been limited to the 45-word official communique issued last night and published without comment. A brief statement is expected from the premier tomorrow after a meeting of the Fascist party directorate of 18 leaders.

## REPORT ON BIRTH CONTROL ASSAILED

PITTSBURGH, Pa., June 2. (AP)—The federal council of churches of Christ in America was criticized by the general assembly of the Presbyterian church in the U. S. A. today for the birth control report issued by a federal council committee. The assembly took no action on proposals that it withdraw from the council.

It approved a statement that the "general assembly disapproves ecclesiastical pronouncements on the subject of birth control" and instructed the council "to hold its peace on all questions relating to morality and delicacy," until they can be discussed by its constituents.

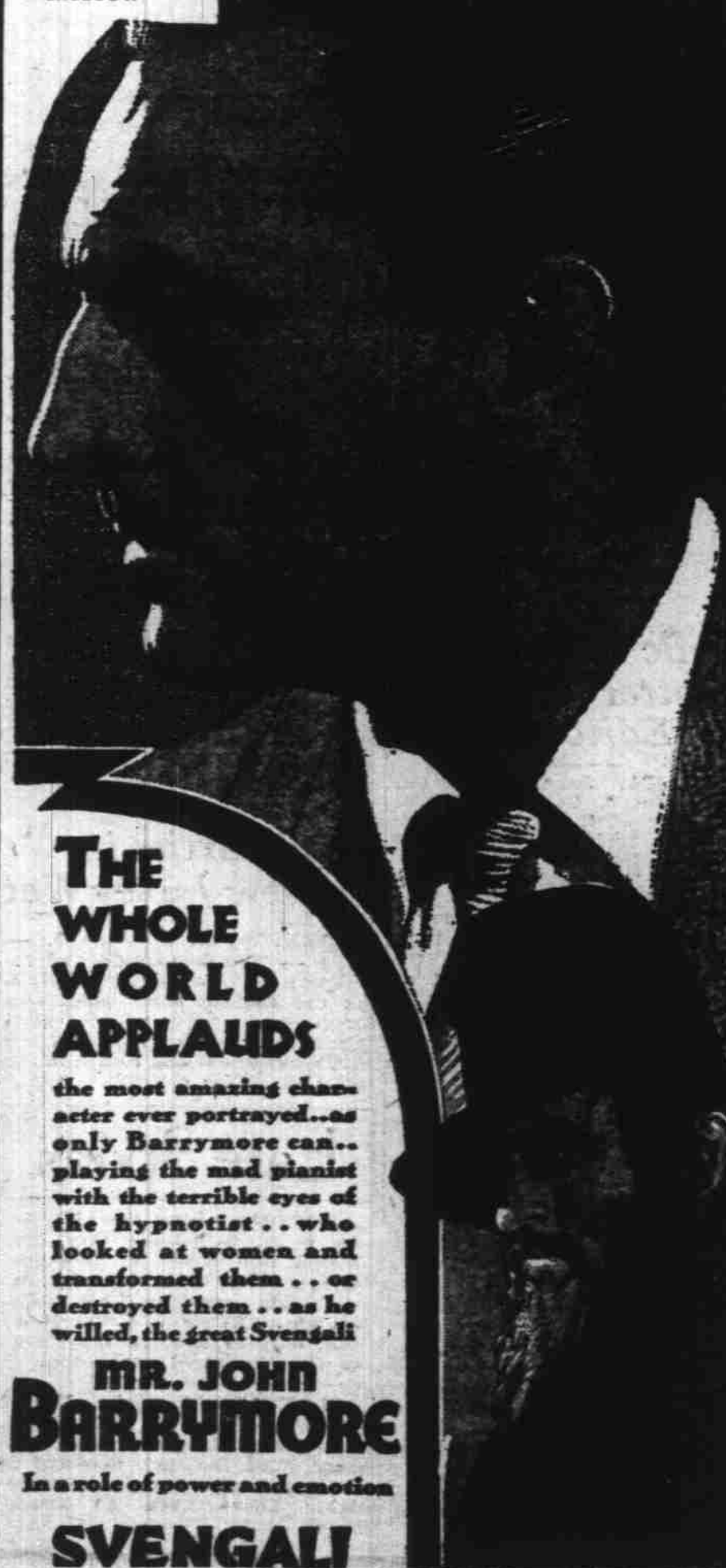
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## WARNER BROS. Elsinore LAST TIMES TODAY "TRADER HORN"

Starts Tomorrow



## MAGAZINE CLUE JAILS SUSPECT



Chance reading of a detective story magazine by San Francisco police officers landed George W. E. Perry, 40, alias Frank J. Moran, in jail as a suspect in the murder of Mrs. Dora B. Hackett at Lac Du Flambeau, Wis., last year. Perry is shown above pointing to a scar near right eye as Inspector James Johnson questions him. The scar helped police to identify Perry following publication of his picture and a synopsis of the Wisconsin crime in the magazine.

## ENTRIES NUMEROUS FOR JERSEY SHOW

(Continued from page 1)

fel. second; Frank Kuensting, third. Senior calves, Samuel Ter-vead, first; Fred Rorden, second; A. C. White, third; Samuel Ter-vead, fourth; A. C. White, fifth. Junior calf, Rex Ross, first; Fred Rorden, second and third. Junior champion, Frank Clark. Reserve champion, M. G. Gunderson.

Best get of sire, M. G. Gunderson, first; Frank Kuensting, second; A. C. White, third; M. G. Gunderson, fourth. Best produce of dam, M. G. Gunderson, first; Frank Kuensting, second; Fred Rorden, third; M. G. Gunderson, fourth; Victor Madsen, fifth.

Three best cows, M. G. Gunderson, first and second; Frank Kuensting, third.

The silver cup offered for the 4-H club member entering the best calf under one year old went to Earl Rorden.

## Pantages Trial Exhausts Panel; 30 More Called

SAN DIEGO, Cal., June 2. (AP)—Intimations of dissatisfaction on the part of the defense with the special venire exhausted today in efforts to select a jury for the trial of Alexander Pantages and three others on conspiracy and morals charges, resulted in selection in open court of the names of 30 talesmen to be summoned tomorrow.

The 30 whose names were drawn from the general jury pan-

## RITUAL CONTEST OF ELKS IS THURSDAY

(Continued from page 1)

ing placed on the national convention in Seattle, and efforts is being made to send between 150 and 200 members to that gathering.

The Elks' band, of which Oscar Steelhammer is director and John Graber manager, will head the delegation to Seattle. Special cars will be chartered to take the group.

Committee appointed by Harold Eakin, exalted ruler, to make arrangements for big showing at the Seattle meet includes: Lyman McDonald, chairman, William Paulsen, Carl Gabrielson, E. M. Page, Henry Crawford, Milo Rasmussen and H. H. Hulsey.

Word from Ashland states that the lodge there is making elaborate plans for a big state gathering. The first day will be devoted to golf, registration, swimming and other amusements, and the ritualistic contest in the evening; the convention will get down to business at 10 o'clock Wednesday, July 1, and from then on there will be a full program of business and fun.

## Fire Burns Barn, Cow, Near Amity

FAIRDALE, June 2.—The barn on the farm of William Warner, two miles west of Amity, along with the milk house, machine shed and one cow, was destroyed by fire at 4 p. m. Tuesday. It is thought the fire was caused by defective wiring in the barn.

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**Grand**  
Wednesday Thursday  
**On Your Back**  
with IRENE RICH  
H.B. WARNER  
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MARION SHILLING

## The TRUTH ABOUT CASTOR OYLI



The truth is that he's the funniest little fellow in the comics. As a regular reader of

## THIMBLE THEATRE STARRING POPEYE

you'll get the INSIDE DOPE ON CASTOR!

Don't miss a single issue of this sidesplitting funny now appearing daily in The Statesman strips and in a full page in

The Oregon Statesman  
Each Week in its New Sunday Comic Section