MOTT'S ACTION IS VINDICATED

Receivership is Vacated by Lusk; Matter Referred To Grand Jurors

(Continued from page 1)

In the same order Judge Lusk declared the corporation commissioner in charge of the associations and referred the matter to the grand jury for further investigation.

"In view of the record," said the order, "the court is not only bound to find that the complaints in which the receiverships were prayed for are wholly without equity, but to express condemnation of Mr. Moltzner's conduct, aggravated as it is by the fact that he is an attorney, admitted to practice before the bar of this court."

Didn't Know Mott Had Taken Charge

In his order of June 2 Judge Lusk appointed J. P. Kavanaugh, Portland attorney, receiver of the Guardian Building and Loan association, Western Savings and Loan association, and Dime and Dollar Building and Loan association. Moltzner, the latest decree said, is vice president of the Guardian association and general manager and director of all three corporations.

When Judge Lusk appointed a receiver June 2 he was unaware the state corporation commissioner had taken charge of the books, records and assets of the associations. When he was informed to that effect later in the day "the court made an oral order that the corporation commissioner's custody should continue until the commissioner could file motions to vacate the decrees and a hearing and decision thereon could be had."

Charge of Malice Is Not Supported

Moltzner's accusations that Commissioner Mott had "maliciously" interfered in the affairs of the associations and circulated false statements about them were "not supported by a single word of competent testimony in the record," Judge Lusk wrote.

"On the contrary," he continued, "the record shows that Mr. Mott, finding evidence of illegal practices by the Guardian Building and Loan association and of an unsound condition in all the associations, did nothing more nor less than his sworn duty as a public official."

The association's consent to the appointment of Kavanaugh as a receiver, the order said, "was given for the uprose of frustrating the corporation commissioner in the performance of his statutory duty x x x. And I am satisfied that it was done in order to serve the ulterior purposes of the directors themselves."

SECOND SHOVEL AT WORK, N. SANTIAM

Second shovel was in operation yesterday for first time on the North Santiam highway project, Commissioner Jim Smith reported Wednesday upon return from trip over the 10-mile stretch in company with Roadmaster Frank Johnson and Charles West of the Loggers' and Contractors' machinery company.

Both shovels are working two eight-hour daylight shifts, and are working about two miles apart in cutting out fills.

Clearing of brush is finished the full 10 mile stretch, although stumps have not been removed.

Despite heavy rains up there, almost a full crew was at work yesterday. The ground is not too wet to work, except in some places, and these places are being avoided for the present.

Not a horse or mule is working on the job, everything being handled by machinery and men. "Work's getting along fine," Smith summed up the situation.

Noted Aviatrix Killed in Fall

HATFIELD, England, June 18.—(AP)—Cecily O'Brien, well known British aviatrix, and a passenger said to have been Mrs. Gordon Fallien, were killed near here tonight when their plane crashed near the De Haviland flying school.

Miss O'Brien, with Lady Heath, claimed the women's altitude record for a light metal seaplane in 1928.

Deficit Shows Huge Decrease

WASHINGTON, June 18—(AP)—Federal finances still floundered in red ink today to the extent of more than a billion dollars, although the total had dropped sharply from yesterday's high figure.

Income tax collections joined foreign debt payments to bring the deficit $82,000,000 nearer President Hoover's estimate of $950,000,000.

AT GRADUATION

TURNER, June 18—S. A. Riches drove to Monmouth Tuesday to be present at the Monmouth normal graduation as his son Waldo is a member of the graduating class. W. T. Riches and granddaughter Rachel accompanied Mr. Riches and Waldo returned home with his relatives.

The St. Louis District Golf association has gone on record as opposed to the new golf ball.

666
LIQUID OR TABLETS
Relieves a Headache or Neuralgia in 30 minutes, checks a Cold the first day, and checks Malaria in three days.
666 Salve for Baby's Cold.

Interesting Projects Are Summer School Features

Brief description of the interesting projects which Salem teachers will carry through the grade summer school which starts Monday and Park and Grant schools was given yesterday by Miss Carlotta Crowley, director.

For the second time, summer school study will be correlated as far as possible with a general project carried to stimulate intellectual activity on part of the boys and girls from first through eighth grade who will attend. Manual work will also be offered.

School will be held from 8:30 to noon each morning for five and a half weeks. No credit will be given, but children who are weak in certain subjects, beginners and children who know not what to do during the summer months may attend free of charge.

At Grant, Miss May Rauch will offer a "Development of the West" project, considering especially from standpoint of development of large cities in middle and far west, and the industrial revolution. Violet Swanson, supervisor for fourth grade at Grant, calls her correlated study "Progress", and it will show movement in history of man affecting his social, intellectual and material well being.

Miss Lita Waters, primary teacher at Grant, will use a "barnyard pets" project which will be used in all classes from numbers to music; and Mrs. Clara Thompson, fifth grade supervisor, will have her pupils, learn about the nation through the project, "Uncle Sam's Farm".

At Park summer school, Grace Hendrickson, first grade, will present study through the project, "Mother Nature's Gift Shop" which is designed to give appreciation of the marvels of nature and arouse consciousness of natural beauties. Mrs. Beatrice Skeen, in charge of fifth and sixth grades at Park, will have her pupils study the whole range of communication in the project she has called "The Thousandwise Varied Mouth".

OREGON FLAX HOPE APPROACHES CRISIS

(Continued from page 1)

penitentiary superintendent, have been washed out in the flood of dissatisfaction.

Just now the industry is undergoing inspection and repair. Leo DeMytt who worked under Bartram is in charge of the actual processing of flax at the penitentiary. Warden James Lewis has supervision over the entire production, L. L. Laws is office manager and accountant. Governor Meier as leading member of the state board of control, sent William Einzig, his personal investigator into the situation to ascertain what needs to be done. There had been heavy reduction in stock on hand through sales of inventories, before Meier took control, and recently prices to be paid the farmer for his flax have arbitrarily been reduced.

The Miles Linen company is making progress and has retired its dividend paying preferred stock but the Oregon Linen company has not yet been reorganized.

Through the cloud of partknowledge which has shrouded the flax situation, there appear certain facts. One is that the state is demanding that losses in flax be checked whether they are losses occuring because of bad management or an unpredictable market decline. There is a more sane, judicious understanding of the value of flax in the Willamette valley and its importance as a field crop and a source of work for state penitentiary inmates. There is a feeling that the industry has gone through its growing pains, has sowed its wild oats of experimentation and is ready to lead a sober, constructive life in the economic scheme of things in Oregon.

Canada-Mexico Record Set But Not Officially

AGUA CALIENTE, Lower California, June 18.—(AP)—James Goodwin Hall, New York aviator, set his trim monoplane down here at 4:13:01 p. m. today, completing a non-stop, three-flag flight from Vancouver, B. C., in seven hours, 48 minutes, 31 seconds. The time was better than any made previously, but since Hall carried no barograph, it was unofficial.

Hall said he was lost for half an hour in a rain storm over the mountains of southern Oregon. He said he hopped off in Vancouver from a muddy field and flew 500 miles of the 1300 mile trip in rain.

Freight Rates Boost Opposed

WASHINGTON, June 18—(AP)—Opposition to the proposed 15 per cent increase in freight rates developed today in letters to President Hoover and the interstate commerce commission.

Several communications urging quick, favorable action on the petion of the roads, also were received.

GUESTS AT LABISH

LAKE LABISH, June 18—Mr. and Mrs. James Laurence Matthes and daughter, Miss Velma Matthes are guests of relatives here. Miss Velma Matthes is returning from her graduation at University of Oregon. The Matthes family are from Kent in eastern Oregon.

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THE DIAMOND BRAND.
Ladies! Ask your Druggist for Chi-ches-ters Diamond Brand Pills in Red and Gold metallic boxes, sealed with Blue Ribbon. Take no other. Buy of your Druggist. Ask for CHI-CHES-TERS DIAMOND BRAND PILLS, for 40 years known as Best, Safest, Reliable. Buy Now! SOLD BY DRUGGISTS EVERYWHERE

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Home of 25c Talkies
A HOME OWNED THEATRE
FRIDAY - SATURDAY
JACK OAKIE
June Moon
Jack gets high blonde pressure—and how! And then she takes him for a "booby" ride.
Also Comedy "The Big Splash", Fables and News and Serial.

SPOUSE CHIDED HIM FOR FAILURE PLEA

When his business went smash, she chided him for his failure and told him her father said he would never succeed, Robert P. Halvorsen recites in divorce complaint filed yesterday against L. Mary Halvorsen.

They were married in Monmouth July 2, 1926, and have one child, whose custody the defendant should have, provided plaintiff may make reasonable visits, the complaint says. He offers $15 monthly support money. She left their home in Salem in March and went to live with her parents in Monmouth, he says.

He recites that through circumstances over which he had no control the $5000 business in which his wife and her father had $2000 invested, went smash, and that although he worked 12 and 15 hours a day to gather something from the wreckage the wife gave him no credit.

Piccard Thinks High Traveling Not Dangerous

BRUSSELS, Belgium, June 18—(AP)—A speed of 400 miles an hour through the stratsphere by commercial passenger-freight airplanes, within the not too distant future, was predicted tonight by Prof. August Piccard at an academic meeting in his honor. Those in the assembly included King Albert of the Belgians, Queen Elizabeth and high government and scholastic officials.

"One positive result of our experience at least was attained," Prof. Piccard said. "Namely, it proved that traveling at high altitude, where 400 miles an hour can be attained with airplanes properly equipped with compressors and air tight cabins for passengers, is without danger."

Zeppelin Will Take 'Swim' in Lake Constance

FREDERICHSHAFEN, Germany, June 18—(AP)—In preparation for its proposed flight to the north pole to meet Sir Hubert Wilkins submarine Nautilus, the Graf Zeppelin tomorrow will "go swimming" in Lake Constance.

The great dirigible will take off at 8 a. m., for a flight over Switzerland and when it returns over the lake in the afternoon an attempt will be made to bring it down smoothly on the surface of the water.

GRAND
25c Any Time

MILK WAR IS LOOMING HERE

Cooperative in Control of 80 per Cent of Product is Claim

(Continued from page 1)

ing passed on to the producers. The meeting was agreed that producers should realize a fair profit from milk which is sold at from nine to ten cents retail but that Salem producers are not doing this, due to the cut made by distributors.

"This will not be any ladylike fight but it will be necessary for every one of us to take off his coat and buckle in to the game," declared R. W. Clarke, member of the state board of the cooperative organization.

"That is what I have been waiting for for some time," shouted a producer. This remark was greeted with prolonged applause.

Portland Meeting On Same Subject

There is to be a mass meeting in the Civic auditorium in Portland today of both producers and consumers of milk from all parts of the valley. At this time the producers expect to definitely state their position and explain to the consumers the demands that they are making on the distributors.

Recent attempts on the part of a large distributing organization in the state to block the organization work of the cooperative will be met with action by the federal department of justice, declared W. A. Schoenfeldt, member of the federal farm board. Any attempt to block the work of a producers cooperative is a violation of a federal law and subject to severe penalty.

The negative attitude taken by distributors and their refusal even to attempt to work with the producers is declared to be the cause of the present crisis.

That there is strong possibility of a shortage of milk is indicated by the fact that so many producers have become discouraged and sold their cows for beef rather than continue to operate at a loss.

Last night's meeting was the largest and most enthusiastic that milk producers of this district have ever held. There was no dissension in the ranks apparently but a universal agreement to go to any length to save their industry. It was pointed out that violent measures and destruction of property, such as has occurred in other cities, were to be avoided here but that producers would fight to a finish to secure a reasonable price for milk.

Champoeg Road Work Launched By Wells Crew

Lee Wells, road foreman for the county, will move his crew tomorrow to the old Champoeg road to begin grading from the Woodburn-St. Paul pavement north to junction of the market road which extends into Champoeg park.

This work is the beginning of the final steps in market road construction which will extend from Salem to the historic Champoeg park.

DAVENPORT DIES

LOS ANGELES, June 18.—(AP)—Word was received here today of the death of Dr. H. J. Davenport, 70, author of economics textbooks, in New York. He was a professor of economics at the University of California at Los Angeles.

The Call Board . .

By OLIVE M. DOAK

WARNER'S ELSINORE
Today — "Man of the World" and "Adventures in Africa."

THE GRAND
Today—Edmund Lowe in "Don't Bet on Women."

HOLLYWOOD
Today — Jack Oakie in "June Moon."

NEWS — NOTES
MICKEY MOUSE CLUB
for BOYS and GIRLS

Every Mickey Mouse and his friend that attends the Mickey Mouse matinee this Saturday afternoon at Warner Bros. Elsinore theatre will be presented with an icy-spicy popsicle. This is given to the mice through the courtesy of the Sunfreze ice cream company.

Everybody likes them—Everybody wants one. Come to the Mickey Mouse matinee at one o'clock and receive one FREE.

If you have eaten one, you'll know what they are, and how delicious they taste, so you'll want to come and receive another one FREE!

M M C

Many Mice found making words out of the slogan "William Self Service For Ked" hard and many found it easy, but no matter which way they found it, there were plenty of dandy prizes to win. The winner of the first prize, was May Elizabeth Hunsaker, who had 4892 words. The second and the next ten prizes were won by the following mice, Letha Boyd, Howard Hunsaker, Esther Marie Vehrs, Junior Rotzein, Betty Dotson, Frank Niederheiser, Mildred Heckinger, Ila Mills, Ethel Hansen, Jack Wagner and Harold Johnson.

M M C

And the Mickey Mouse orchestra, is sure getting along swell.

M M C

Last week Mildred Heckinger was elected Song Leader, and will lead in the singing from now until the next election.

M M C

Believe me Winfred Hagedorn sure made a hit with the audience last Saturday with his impersonations in singing of Eddie Cantor.

So many mice came back stage, after Wilfred was through singing and asked us to let him sing those songs again that we just had to, and the applauding was greater than at first.

Well, seeing that you mice want to hear him again, he is going to sing for us again this Saturday.

M M C

Lyle Heckinger sure knew his stuff, and he will sing for us again soon.

M M C

Be sure and be at Warner Bros. Elsinore this Saturday at half past 12, and have lots of fun.

M M C

Also a real live picture, "Man of the World," featuring William Powell.

And another of those adventures in Africa, "Trails of the Hunted."

"Lady Play Your Mandolin," a merry melody.

With all these features is a ripping good comedy guaranteed to make you laugh, "The Thirteenth Prisoner."

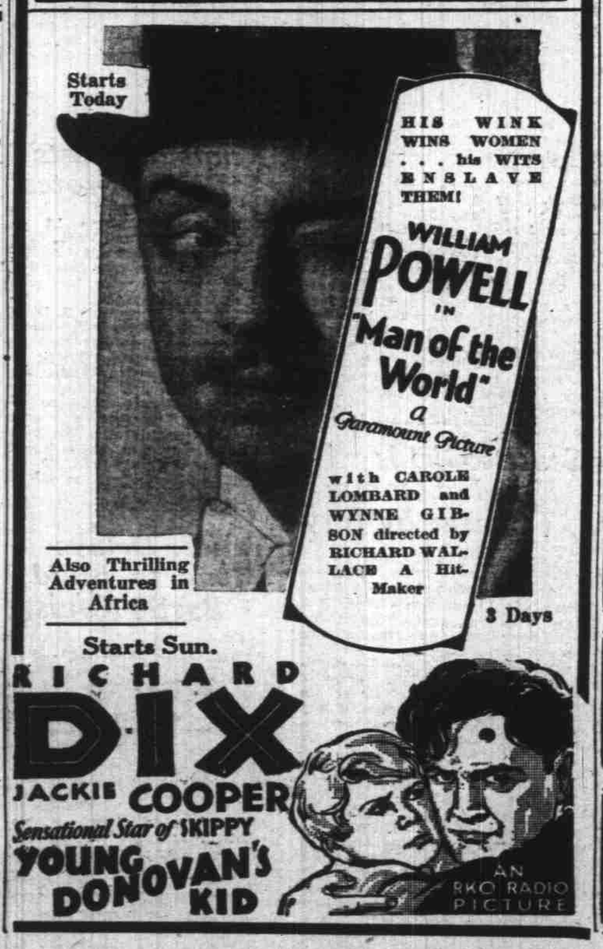
M M C

Let me see you all Saturday at Warner Bros. Elsinore Theatre.

So-Long,

Zollie.

Seventy-eight per cent of a large crop of beans this winter have been sold, according to the California Lima Bean Growers' association.

WARNER BROS. Elsinore


ENTERTAINMENT OF EDITORS OUTLINED

(Continued from page 1)

will be toastmaster, and Senator Charles McNary and Prof. Frederick Starr will be the speakers. Dr. Starr is a noted professor of anthropology, who is giving lectures at the university summer session.

Saturday there will be departmental sessions for dailies and weeklies. At noon there will be a luncheon with past presidents of the association as guests of President Cronise. A tour of Salem industries is planned for men in the afternoon, conducted by the chamber of commerce. Ladies will be entertained at a bridge tea at Illahee clubhouse. At night a "family party" will be enjoyed, with Secretary of State Hal Hoss presiding.

A golf tournament is scheduled with play going on in the afternoons, and prizes awarded at the Saturday night dinner.

Sunday's trip to the ocean will be the feature. The Taft chamber of commerce will serve a seafood dinner to the editors and their wives at noon.

George Putnam, editor of the Capital Journal, is chairman of the convention committee.

BOTH RE-ELECTED

CENTRAL HOWELL, June 18—At the annual school meeting held Monday evening, Clarence Simmons was re-elected director and Frank Way was re-elected clerk.

PEOPLE. . ..who are news

(Continued from page 1)

fell to pieces he patched them so that a duplicate could be tailor-made.

They are never equipped with lenses.

HIS idea of a great vacation is to go to New York and attend the theatre every available afternoon and night. He had been in pictures for years before he visited New York and even yet he has not been to Europe although he has threatened from time to time to go across.

His Beverly Hills home is one of the show places of southern California but there is nothing flamboyant about it. The estate includes a nine-hole golf course measuring 1,660 yards with 17 water hazards furnished by a canoe course running through it. There is also a swimming pool big enough for a championship meet.

The comedian is almost shy. More often he may be found playing backgammon in his dressing room with an extra boy or an assistant director than with another "big shot."

HE is, perhaps, the most enthusiastic golfer in the film colony, shooting consistently in the 80's, but he never touches a club during the making of a picture.

Mary Pickford chased him from the private course at Pickfair when he was loafing between pictures and Douglas Fairbanks was supposed to be making a picture instead of playing golf.

Lloyd can call the scientific name of every flower on his extensive grounds. He is a fancier of great Danes and at one time he had as many as 65 in his kennels but because the barking annoyed his neighbors he has weeded them to 20 of the finest.

He is proud of the fact he never has had a foot of film eliminated by a board of censorship in any country in the world.

Feed Prices Reasonable at White's
Millrun sack 60c
Linseed Oilmeal sack $2.00
Scratch Feed sack $1.50
Oyster Shell sack 95c
Ground Gray Oats, 80-lb. sack $1.00
THESE ARE CASH PRICES
Now is a good time to scatter Vigoro Fertilizer on the Lawn. It comes in 5 lb. pkgs., 25 lb., 50 lb., and 100 lb. bags.
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Save money on your short trips. Enjoy the greater comfort, speed and safety of train travel at new greatly reduced fares. One-way and round trips on sale DAILY. Stopovers permitted within limits. *Ask Agent for Details.*
Some Examples:

	One Way	Round Trip
ROSEBURG	$4.50	$ 8.05
GRANTS PASS	7.33	11.75
MEDFORD	8.29	13.50
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Southern Pacific
City Ticket Office, 184 N. Liberty Telephone 4642
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Coffee, Sandwiches, Cold Drinks
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Service with a Smile
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Modern, Hot and Cold Water
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or
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Fronting the Bathing Beach
2-3-4 Rooms — Garages
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New Games
Miniature Golf Course
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C. H. Bradshaw, Manager

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Tent City
2 & 3 room furnished; wood, water and lights; bring top bedding and table silver; open nites. A. J. Van Wassenhove, Newport, Phone 151

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