

TESTIMONY IS TO END TODAY

McCallister Says Original Understanding was That Officers Paid Cash

(Continued from page 1)

subsidary company would be formed when the company had secured \$150,000 to use in starting the subsidiary. He had worked in Marion county and had sold four shares of Empire stock and had received about \$325 in commissions. MacLead also stated that he had asked about salaries and that Dr. W. R. Adams had told him that he was drawing very little cash and that the balance of the \$7500 or \$10,000 he was receiving was applied on his note for his 200 shares.

Ben Fairhurst, of Portland, testified that he had sold Empire stock in Baker and Union counties. He said that he received his information about the company from talks made at the office and stated that he had never heard mention made of the three main points of the state's case in these talks. He said that he had mentioned to making any false statements to prospects as the firm would not be responsible for such statements. He also stated that the officers were drawing modest salaries. Fairhurst sold two shares of the Empire stock to his father and made no other sales during the time he was with the concern. He received \$135 from the corporation.

W. B. Fellows, of Portland, stated that he had worked in Baker county for the Empire company but during most of the time he had been driving another salesman over the county for \$5 a day and expense. He said that about 25 shares were sold while he was assisting in the work and that he received \$7.50 for one sale that he made himself.

E. P. Scherer, of Eugene, testified that he had worked in Lane county and had sold nearly \$50,000 worth of stock. For this he received \$800 in commissions. The principal point brought out in Scherer's testimony was that Frank Keller had stated to him that he would be allowed \$3000 commission on his own subscription for \$20,000 if C. J. Keller would waive this commission and that this could be applied on his note. According to the contract outlined by Frank Keller, the witness would only have to pay \$3000 cash on a subscription of \$20,000.

Gwendolyn Weaver, of Portland, was called and identified signatures on Frank Keller's contract with the Empire corporation and on Keller's note for \$20,000 as his subscription and which was marked "cancelled." These were introduced as evidence, the note being dated November 14, 1930, and the contract dated the "blank day" of December 1, 1930. The contract was made employing Keller as sales director for a period of 10 years at a salary of \$10,000 the first year and yearly increases of \$1000 each year. The contract was signed by Judge Coshaw as president and Dr. W. R. Adams, secretary. After this the state introduced the note of Keller's dated November 14, 1930, for \$15,000 with credits bringing the total to \$12,000.

Mrs. I. H. Petty was called to testify about the time the Fetty came to Portland. In his testimony, George Robinson, first president of the Empire corporation, stated that Fetty was present when he signed a contract for him on October 16, 1930. Mrs. Fetty stated that they left Georgia October 18, 1930, and arrived in Portland October 24.

Charles Goodwin, of the state corporation commission, was called by the defense to identify a receipt for corporation fees of dues.

LOGGING FIRMS TO COOPERATE, WORD

(Continued from page 1)

the limitation of speed, would reduce the profits of the operators, and eventually put them out of business. He also objected to limiting the length of a log to 30 feet.

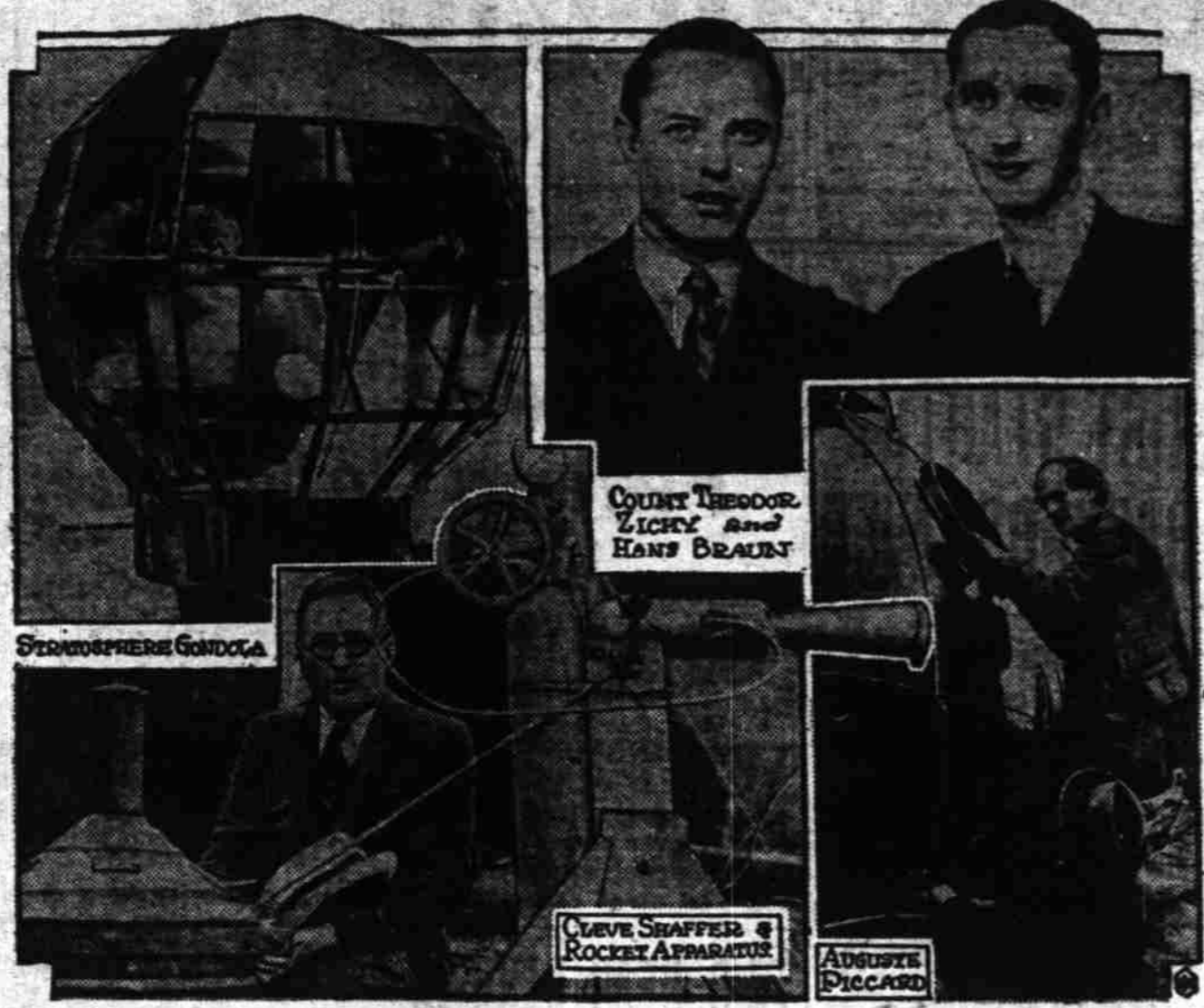
Leslie J. Scott, chairman of the state highway commission, said the damage to highways depended to a large extent upon the season of the year and the condition of the roads.

"If the present unsatisfactory conditions continue," Scott declared, "the highways will be destroyed and the logging industry will suffer. The people of Oregon will not permit a continuance of the present abuses. Most of the money for highway construction comes from sources other than the logging truck operators, and any subsidy they now enjoy because of this fact, should be handled carefully."

E. Werners Move to Farm Near Silverton

CENTRAL HOWELL, April 22—Mr. and Mrs. Werner, Jr., moved from Silverton the first of the week to their newly acquired property. They bought 40 acres of the Shannon farm from Lawrence Simmons of Eugene. The Central Howell church and parsonage which was turned over to Mr. Simmons some time ago are included in this property. Henry Bye, father of R. H. Bye and Mrs. Chris Leichy of this community, went back to Canada recently after spending the winter here with his son and family.

PLAN STRATOSPHERE FLIGHT IN GLASS BALL



Sometimes this month, if plans work out according to schedule, Count Theodor Zichy and Hans Braun, of Vienna, will take off from Manor, Austria, in an attempt to duplicate, and perhaps improve on, the stratosphere flight of Professor Augustus Piccard, who flew ten miles above the earth's surface last year. The balloons they will use is similar to that employed by Piccard, but instead of the hermetically-sealed aluminum ball which formed the gondola of Piccard's craft they will use a glass gondola, resembling a gigantic lamp. Before Piccard made his flight, very little was known about the stratosphere. But inventors following his adventure showed that the stratosphere holds wonderful possibilities for the future of aviation. In the United States, experiments are being conducted in an effort to acquire more information about the little-known region that begins ten miles above the earth. Cleve F. Shaffer, San Francisco inventor, is reputed to be one of four men in America actively experimenting with rocket propulsion with a view to conquering the upper air. Shaffer, a member of the American Interplanetary Society, predicts that within the next ten years men will be flying in rockets to Paris and Berlin in half-hour flights from New York at a distance of 300 miles above the earth. Already Shaffer has designed an apparatus which, using liquid oxygen and high test gasoline, has a potential speed of 3,000 miles an hour, according to the inventor. It is only in the stratosphere, where there is little or no air resistance, that such a speed could be used. And it is away up there that aviation will take its next big step forward.

MOTHER'S CLUB HAS NEW QUILT PROJECT

GRAND ISLAND, April 22—Mrs. C. A. Rockhill entertained a small group of little girls Tuesday afternoon in compliment to the fifth birthday anniversary of her little daughter, Myrtle. The guest list included Dorothy and Wilma Lefley, Mrs. Mercy Tompkins and niece Lina Miller, Mrs. Charles Ferguson and two daughters, Muriel and Nellie, the honored guest and her two little sisters Lois and Iva.

WEATHER DEFERS REPAIR ON ROADS

VALSETZ, April 22—No repair work was started on the mountain road last week as was planned. Heavy rains, sleet and snow fell in and around Valseltz from Saturday until Wednesday.

TWO BEAR RAIDERS REPORTED MISSING

former member of the New York stock exchange—William B. Cravath—proposed that short sales be prohibited.

The Call Board

- By OLIVE M. DOAK
CAPITOL
Today—"Platinum Blonde", Jean Harlow.
HOLLYWOOD
Today—"Oklahoma Jim", Bill Cody.
GRAND
Today—"The One Way Trail" with Jim McCoy.
ELSINORE
Today—"The Heart of New York", Ruth Hall.

CASCADE LEAGUERS IN ACTION SUNDAY

WOODBURN, April 22—Woodburn's entry in the Cascade independent league makes its initial appearance here at 2:30 o'clock Sunday afternoon when the Woodburn team plays the team representing Dayton, Ore. The game will be played at the city park ball diamond. The Amity team has entered into the Cascade league, as St. Paul, until recently a member of the circuit, has dropped out.

NEW DOCTOR COMES

WOODBURN, April 22—Dr. J. E. Myers, who formerly lived in Portland, has arrived in Woodburn to take over the practice of Dr. F. I. Hutchinson, who left for California Saturday. Both Dr. Myers and Dr. Hutchinson are chiropractors. Reports are that Dr. Hutchinson does not intend to return to Woodburn.

Grand Theatre
LAST DAY
THE ONE WAY TRAIL
and Tuesday Only
JAMES DUNN
SALLY EILERS
in "DANCE TEAM"
WHEELER - WOOLSEY
OH! OH! CLOPATER

HICKS EXCHANGE FARM FOR ACREAGE

PRATUM, April 22—Mr. and Mrs. W. R. Hicks have traded their 20 acre farm here for a smaller farm at Eldridge. They will take possession of their new Eldridge home in the near future and Mr. Bruce with whom they traded will move his family here as soon as school closes. A farewell meeting was held at the church basement Wednesday evening for the Hicks family.

Gehlhar and Hoss Address Woodburn Community Group

WOODBURN, April 22—An unusually large crowd of people attended the monthly meeting of the Woodburn chamber of commerce, held in the St. Luke's community hall Wednesday night. A number of women were present. The members of the women's auxiliary unit of the Woodburn American Legion post No. 46, had charge of the program and Miss Lorena Thompson, hostess. A. L. Bowen is president and John Jones secretary.

EVERYONE... Last Times TODAY

That has seen this Glorious Picture in Raving about it! Don't Miss... PLATINUM BLONDE with LORETTA YOUNG ROBERT WILLIAMS - JEAN HARLOW

Tomorrow AT 2 P. M.

Warner Bros. Capitol
EVERYONE... Last Times TODAY
That has seen this Glorious Picture in Raving about it! Don't Miss... PLATINUM BLONDE with LORETTA YOUNG ROBERT WILLIAMS - JEAN HARLOW

HARVEST FESTIVAL PLANS ARE STARTED

WEST STATTON, April 22—The committees from the various clubs, to plan a "Harvest Festival" met at the Elmer Ascho home Wednesday evening. Ed Clark was chosen as the general chairman. The time and place were discussed but not decided upon. If all clubs and growers cooperate this will be a great success as almost every conceivable vegetable is grown in this district.

Donald Hankel, young son of Mr. and Mrs. Edward O. Hankel, and an eighth grade student in the West Statton school, met with a painful accident at school Thursday morning. While practicing some contest notes, for a track meet that takes place at the West Statton school next week, he caught his toe, while running, and fell in such a manner as to break his left arm above the wrist.

Hulet Fails to Speak; Walker Late to Arrive

When advised that Fred Walker, secretary of the communist party of Oregon, had been engaged to speak at the International Labor-Defense forum in Labor hall last night, C. C. Hulet, candidate for republican nomination, for congressional representative, yesterday accepted an invitation to speak before the Young Men's Republican club at Eugene.

Liquor Sale by Physicians Said Likely Solution

WASHINGTON, Apr. 22 (AP)—Placing regulation of liquor sales in the hands of physicians was advocated today by Claudius H. Huston of Tennessee, former chairman of the republican national committee.

Bud Hoffnell is Home From Sea

Edwin "Bud" Hoffnell, Salem boy who is serving as a cadet on the Dollar steamship lines, will arrive here Sunday from Shanghai to remain until May 5, before sailing again May 10. Young Hoffnell is being transferred from the President Wilson to another Dollar ship, and hence is getting a short vacation. The Wilson arrived in San Francisco Tuesday from Shanghai.

Marion County W. C. T. U. Will Observe 40th Year

WOODBURN, April 22—Plans for the 40th anniversary celebration of the founding of the W. C. T. U. movement in Marion county have virtually been completed. The first W. C. T. U. chapter in the county was formed in Woodburn December 1, 1892. The special county-wide meeting will be held in the Methodist Episcopal church here all day Wednesday, April 27. An evening session at 7:30 promises to be of unusual interest. The public has been invited to attend all meetings.

TWO BRIDGES UNDER CONSTRUCTION NOW

MEHAMA, April 22—Work was started Thursday on both the small bridge and the main bridge over Stout Creek on the Fern Ridge road. Both will be replaced with entirely new bridges. This work has been needed for a number of months as high water had damaged the main bridge.

Compromise on Dismarming Plan Given Approval

GENEVA, April 22 (AP)—The world disarmament conference today approved the principle of qualitative disarmament as presented by deciding it should be achieved either by prohibition or internationalization of certain aggressive arms.

Youth Held For Theft of Cycle

John Mannell of Portland was being held in the city jail last night for the state police, who charge him with the theft of a bicycle. Chief Frank Minto of city police said the bicycle had been stolen here.

FRUIT BLOSSOMS DECLARED UNHURT

LIBERTY, April 22.—There was some concern in this section about the recent rains hurting the fruit blossoms. Reports now indicate that the blossoms were not damaged. The blossoms are now in full bloom and the fruit is beginning to set. The main lecture will be given at 3 p. m. by Mrs. C. E. Andrews, state director of young people's branch work.

COMEDY PRESENTED AT INDIAN SCHOOL

CHEMAWA, April 22—"A Pair of Sixes" was presented here tonight by the senior class to a capacity crowd of 800 in the auditorium. The three act play was coached by Antonette White, sponsor of the senior class.

Talk Plans of Conference on Child Welfare

Members of the committee from Marion county dealing with the state conference on child health and protection, met last night in the chamber of commerce and heard Mrs. Saitte Orr Dunbar outline the work of the conference and tell what was expected of the Marion county committee.

ORIGON ENTHUSIASTS AURORA, April 22 Judge Julius Green and wife of Los Angeles, were dinner guests of Mrs. Francis Green and Mrs. E. G. Robinson's mother and sister of the judge, Wednesday night.

They were enroute to northern points but will return for a more lengthy stay next week. The Greens' take flying trips to Oregon at different seasons and find the Oregon country more delightful each trip. They think they never saw it so beautiful as now, and quite a contrast to their home where the thermometer registered 91 degrees the day they left.

Large Crowd at 'Jym Jamboree' Enjoys Program

"The Cruise of the Good Ship G. L. C." Jym Jamboree program presented by girls of Salem high school, physical education department last night, proved an entertaining exhibition of the gymnastic work regularly engaged in by the girls, interspersed lively, well-executed folk dances. The performance revealed the exacting routine of practice the girls went through in preparing for it.

Bridge Star at Tennis Tourney Loses Love Set

DALLAS, Tex., Apr. 22 (AP)—Cupid scored a grand slam in hearts when Oswald Jacoby left the bridge table for the tennis court. It was love at first sight. The New York bridge expert saw Miss Mary Zita McHale, Dallas tennis star, in action five days ago. His heart did a topspin.

Hundred Million To Finance Sale Of Wheat Asked

WASHINGTON, April 22.—(AP)—A recommendation that the rough spots of international trade be greased with a \$100,000,000 fund which would finance foreign sales of wheat and cotton was made today by Chairman Stone of the farm board.

WARNER BROS. Elsinore
LAST TIMES TODAY
NEVER A PICTURE WITH SO MANY LAUGHS NEVER A PICTURE WITH SUCH HUMAN INTEREST
GEORGE SIDNEY
THE HEART OF NEW YORK

Every woman in town will leave her husband tonight at 11:30 P. M.
to see... MAURICE CHEVALIER.
"ONE HOUR WITH YOU"
with Jeanette MacDonald
GENEVIEVE TOBIN
CHARLES RUGGLES
COLANDRONE
a LUBITSCH production

Tomorrow AT 2 P. M.
Warner Bros. Capitol
EVERYONE... Last Times TODAY
That has seen this Glorious Picture in Raving about it! Don't Miss... PLATINUM BLONDE with LORETTA YOUNG ROBERT WILLIAMS - JEAN HARLOW