

SCHWAB TAKES STAND IN TRIAL

Conduct of Mortgage Company Defended; Steady Pay to Public, Claimed

Zene Schwab, cashier of the defunct Aurora State bank and secretary of the insolvent Williamette Valley Mortgage Loan company, took the stand in circuit court yesterday to present the opening and most important testimony to be offered by the defense in its handling of Schwab and B. F. Giesey's prosecution by the state for alleged mismanagement of the bank's funds.

The state rested its case at 3 p. m. after a succession of witnesses had testified that Schwab had told them "the bank was behind" the securities sold by the Williamette Valley Mortgage Loan company.

Schwab had scarcely started his testimony when W. C. Winslow, his counsel, asked him if he had told customers that the bank was behind the loan company's notes. "I did not," Schwab said in a quiet manner which was used in all his testimony.

"He did," exclaimed one of the state's witnesses, sitting in the audience. Judge Wilson stopped the witness and said he could allow no such expressions from the audience.

Schwab drew \$225 Month in Joint Salary Schwab testified that he had been with the bank for more than a decade and with the loan company since 1919. He said he owned \$1600 par value stock in the bank and \$2500 par value in the loan concern. He received \$175 monthly as cashier of the bank and \$50 for acting as secretary of the loan concern. Schwab said before his banking work began, he was a rural mail carrier. He now manages his mother's farm at Gervais.

Schwab testified that the loan company had made money for a number of years but had passed dividends over an extended period in order to build up a surplus. Schwab went into detail regarding the conduct of the loan company's business. He said until 1931, no interest payments to customers had ever been passed.

Prior to Schwab's testimony, Fred Braly, Albany realtor, testified for the defense that \$25,000 was a fair value in 1929 of the Cockerham farm of \$1040, near that city, not counting the value of 300 acres of timber on the

FASTEST YET



After having crossed the continent faster than anyone has ever done before, Captain James G. Haislip is shown waving a greeting as he landed at Floyd Bennett Airport, New York. Haislip completed the 2,500-mile flight from Los Angeles in 19 hours and 16 minutes, clipping 56 minutes and 16 seconds from the former record of 11 hours, 15 minutes and 10 seconds, set by Major Jimmie Doolittle.

farm. Braly's testimony was introduced to offset state witness testimony concerning a \$25,000 mortgage on the place which was held to be excessive. Schwab will resume his testimony this morning. Giesey is expected to take the stand later in the trial.

Prune Drier Off To Season's Run

HAYESVILLE, Sept. 9.—Saucy Brothers have rented the Lloyd Reynolds prune drier on the highway here, and Friday morning started the season's run. They are handling their own crop and also doing commercial work.

WINES MADE HEAVIER

ROME, Sept. 9.—(AP)—Light wines were made a trifle heavier by government decree today. Beginning November white wines sold to the public must contain at least 9 per cent alcohol and red wine at least 10. This is an increase of one per cent.

BERN'S DEATH FROM TANGLES, IS BELIEF

(Continued from page 1) lived prior to his marriage to Miss Harlow.

Luggage of Titan Haired Mystery Woman Found Luggage and women's apparel believed to have belonged to the titan haired woman who purchased a ticket in the name of Dorothy Millette was found in a stateroom. A rubber bathing suit bag was found on the boat deck from which police inferred the woman may have swam ashore instead of ending her life.

Henry Bern, brother of the dead man, collapsed today when he was informed that a Dorothy Millette had disappeared from the river boat. He said he had arranged to bring Miss Millette from New York, where he said she had resided in the Algonquin hotel. "It's impossible—impossible," Bern cried when film studio officials told him of the Sacramento development. "She couldn't have done that. What are they going to do to him next?"

Joan's Parents, Film Notables at Funeral While authorities pushed their hunt for Miss Millette to determine if she could shed some light on the motive for Bern's suicide, Miss Harlow, her mother, stepfather and film notables attended brief funeral services for the film producer and writer.

Miss Harlow, in black, was in contrast to the many dazzling film roles she has played. Weeping and leaning heavily on the arm of her stepfather, Marion Bello, she entered the funeral chapel where Rabbi Edgar Magnin conducted simple services.

Mrs. William Marcus, a sister of Bern, who said Bern and Miss Millette never married because "they were both individualists and neither believed in marriage," fainted outside the chapel.

SAMMONS TO LEAVE EDUCATION ACTIVITY

(Continued from page 1) loomed here last night. With only a minority of the board supporting the Kerr chancellorship and with Chairman Starr officially on the fence although known to be a Kerr supporter, it was thought possible that the board might be reconstituted by the governor to provide new support, free from past disharmonies, for the new chancellor.

Controversy With City Back of Sammons' Move Sammons' opposition to Kerr dates back to the former's activities as a member of the finance committee when certain carry-over funds at Oregon State college were to be distributed. Some controversy arose between Sammons and the college officials and it is thought that this matter may be alluded in Sammons' explanation of his resignation.

Mrs. Pierce is known to be strongly opposed to the board's action of Tuesday but whether she will dare to resign and thus effect her husband's campaign for congressional election, is problematical.

500 BACK TO WORK

LOUISVILLE, Ky., Sept. 9.—(AP)—About five hundred members of its car repair force in Louisville and other points in the south will be put back to work by the Louisville and Nashville railroad, John M. Scott, secretary announced today.

The Call Board . .

By OLIVE M. DOAK

WARNER BROS. ELGINORE Today—Chic Sale in "Stranger in Town"
Saturday—Midnight preview, Lionel Atwood in "Doctor X"

WARNER BROS. CAPITOL Saturday—Captain Edward A. Salisbury's "Gow."

THE GRAND Today—George O'Brien in "Mystery Ranch"

THE HOLLYWOOD Today—Monte Blue in "The Stoker"

Out of the farthest islands of the South Pacific, the home of the head-hunters and cannibals, Captain E. A. Salisbury has brought the breath taking picture called "Gow" which will be shown at the Capitol theatre on Saturday and Sunday. "Gow" himself is the great chief who has terrorized and subdued the peoples of the South Sea Islands. Through his friendship, Captain Salisbury was able to film the lives and wars of his people. Nevertheless he lived in mortal danger month after month, photographing sights never before recorded. One false move meant death. The result is a picture that the critics have declared surpasses in thrills even "Chang" and "Trader Horn." Everywhere it has been shown, as the New York Mirror says, "The Packed houses go cannibal and eat it up." "Gow" is different, surprising, fast moving, and instructive—a rare combination and a rare picture.

Obituary

Smith At 187 North High street, Wednesday, Sept. 7, Harold Halden Smith, aged 37 years. Survived by mother, Mrs. Mary Brannan, Long Beach, Wash.; brother, Newton B. Smith of Eugene; sisters, Mrs. Warren Burch of Rickreall, Mrs. Will Squires of Wheeler and Mrs. Elmer Bales of Long Beach, Wash. Remains in care of W. T. Rigdon and Son. Funeral services Saturday, Sept. 10 at 10:30 a. m. from the chapel of W. T. Rigdon and Son, Rev. Grover C. Birchet officiating. Interment I. O. O. F. cemetery.

Flake At the residence on the north Pacific highway Thursday, Sept. 8, Ernest Ben Flake, aged 43 years. Survived by widow, Edna; three children, Alvin, Ernestine and Vernon Flake; mother, Mrs. Mary Flake of Russell, Calif.; brothers and sisters, Frank Flake of Salem, Grant Flake of Portland, George Flake of Canada; Mrs. Viola Marrs of Los Angeles, Mrs. Minnie Whitcomb of Clatskanie, and Mrs. Addie Dause of Salem. Funeral services Saturday, Sept. 10, at 1:30 p. m. from the chapel of W. T. Rigdon and Son. Interment Cityview cemetery.

Fleener At the residence, 1825 N. 4th St., Sept. 9, Mrs. Sarah E. Fleener, aged 74 years. Mother of Mrs. Julia Terhune of Salem, Mrs. Marie Clark of Portland, Mrs. Hazel Binns of Seattle, Miss Etta Fleener of Salem and Damon and Archie Fleener of Salem. Funeral services Saturday, Sept. 10, at 3 p. m. from the chapel of W. T. Rigdon and Son. Interment Cityview cemetery.

38 MEN DIE WHEN BOILERS BLOW UP

(Continued from page 1) exploded," and then became unconscious.

Fire boats, police boats, ferries, coast guard cutters, barges, a navy boat and private rowboats converged on the scene. As the black figures were pulled from the water those showing signs of life were taken to an emergency field hospital set up in the dock in the center of a circle of ambulances.

The dead were placed in a row on the floor of the ferry office. When ambulances had departed with all the injured, police turned to this line of bodies. Pockets were searched. Union cards in most cases brought identifications.

Bodies Put in Pine Boxes, Side by Side The bodies were put in pine boxes, side by side, box on box. Out on the river the scene had changed. The living had all been brought ashore. Now it was the dead they hunted. Grappling hooks were distributed. More than a dozen row boats set out. Then a large city barge was anchored and a diver went down to wander along the river bottom looking for more dead.

When Police Commissioner Edward P. Mulrooney arrived he recalled that at almost the exact spot the General Slocum, an excursion steamer, sank in 1904, with a loss of 1021 lives.

MURDERED



A recent photo of Jeanne Ibershoff, Cleveland, Ohio, society girl and student at Smith College, whose body was found on a lonely Alpine mountain road near Viege, Switzerland. The girl, who had been on a cycling tour of Europe, had been attacked and murdered. A Swiss ex-convict and an Austrian youth are suspected of the crime.

Mrs. Ethel Miller and Miss Blanche Radley at the children's Farm Home near Corvallis, and Miss Jeanne Hagemeier near Astoria. Miss Alice Burton, a Spokane teacher who has spent the summer with her brother-in-law and sister, Mr. and Mrs. R. B. Swenson here, left Monday for Spokane.

Many Teachers To Resume Work After Vacation

MONMOUTH—Many Monmouth folk who return here for the summer vacations, annually are leaving now for their teaching positions throughout the state. Miss Jo and Miss Florence Heffly, Miss Edna Scott, Miss Mabel Johnson and Miss Helen De Armond have gone to Portland where they teach in the city schools.

Ex-Chief Mexico Greeted by Allan Hoover for 'Dad'

SAN DIEGO, Calif., Sept. 9.—(AP)—Carrying a personal welcome and expression of good wishes from his father, President Herbert Hoover, Allan Hoover, former Mexican president, now resting at La Jolla, Calif. Young Hoover motored from Los Angeles and after the visit returned north.

Young Hoover told Ortiz Rubio he brought the personal best wishes of his father and mother and insisted that if Ortiz Rubio and his wife travel east they visit his parents at Washington. Ortiz Rubio expressed his sincere thanks and said Mr. Hoover was admired by every one in Mexico.

Penalties on Old Taxes Remitted

AUSTIN, Texas, Sept. 9.—(AP)—The Texas legislature today passed a bill for relief of delinquent taxpayers through remission of their penalties and interest. The bill needed only Governor Ross Sterling's signature to make its provisions immediately effective. The law would provide that penalties and interest be charged off on all state, county and school district taxes December 31 this year, no matter how

HOLLYWOOD

Home of 25c Talkies LAST TIMES TODAY Special Mickey Mouse Matinee Today 1:30 P. M. First Showing in Salem of this wonderful story by PETER B. KYNE

MONTE BLUE IN THE STOKER

with Noah Beery and Dorothy Burgess Also Paramount comedy, News, Cartoon Comedy "Minnie the Moocher" and serial, "The Shadow of the Eagle" Attend our Saturday 9 o'clock show and remain for the preview FREE on

THE MIRACLE MAN

Coming Sunday, Mon., Tues. The Miracle Story—The Miracle Picture! No other story or film can equal its brilliant record

WARNER BROS. Elsinore
LAST TIMES TODAY
GRANDEST SHOW IN TOWN

The PERFECT PICTURE *Great Swell*
Stranger IN TOWN
CHARLES 'Chic' SALE

Selected PROGRAM OF SCREEN NOVELTIES
 Mickey Mouse Cartoon "Mickey in Arabia"
 News-Snapshots-Comedy

Tonite at 11:30

The Most THRILLING! GRIPPING! SENSATIONAL! MYSTERIOUS! STUPENDOUS! TERRIFYING! HORROR STORY OF ALL TIME

YOU'LL NEVER FORGET IT! as long as you live!

ADDED **BING CROSBY** in "THE BILL BOARD GIRL"

"DOCTOR X"
 Filmed in Weird and Gorgeous Color!
 with 22 important players in the cast including **Lee Tracy - Fay Wray**
 Warner Bros. News-Novelly

WARNER BROS. CAPITOL
 STARTS TODAY
Captain EDWARD A. SALISBURY
 Noted Explorer and Radio Adventurer of KEX Portland Presents

GO WEST

Entertaining! Startling! Sensational! Gripping! The years greatest adventure thriller!

He lived among the head hunters and cannibals of the South Seas!

All Seats 25c Children 10c

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The Most Economical Performance Gasoline

76 is Always Fresh
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