

### MORGANS PAID NO INCOME TAX

#### Losses of Company in Last Two Years are Given as Cause of Failure

(Continued from page 1)  
that neither he nor the partners of the concern had paid income taxes for the last two years.

Throughout the thrill-packed day of cross examination, the usually confident and retiring banker sat comfortably in his witness chair and seemed to enjoy disclosing information never before told about the operation of his business.

He disclosed that the total assets of the private banking house at the close of 1932 were \$424,785.095 and that it had deposits of about \$340,000.000.

A list of more than 50 corporations doing business in interstate commerce that had deposits of more than \$1,000,000 each, in his bank, was given the committee by the gray haired, 66-year-old financier.

There was a mass of other information that even the famous Pujo "money trust" investigation of 21 years ago failed to develop from his father who handed the committee with a smile, but John W. Davis, counsel for the bankers intervened to prevent supplying the partnership agreement under which the firm operates.

Davis, a former presidential candidate, insisted this was a "private matter," but the committee later in executive session decided to ask for it anyway with the understanding that it would decide whether to make the agreement public.

### Daily Calls of School Bell Heard no More as Books Closed Until Fall

SCIO, May 23. — The program for the annual commencement for the Scio and community grade schools has been announced by E. P. Caldwell, Scio seventh and eighth grade teacher. The exercises will be held Wednesday night, May 31, at the Christian church at 8 p. m. Mr. Ray Purman, superintendent of schools at Albany will give the address, and James Bennett, county school superintendent, will present the diplomas.

The program includes: Processional, Ruby Rosprafka; invocation, Rev. Victor Loucks; salutatory, Ella Hall; class history, Alene McDonald; vocal duet, Miss Doris Clark and Miss Mildred Gardner; class prophecy, Velma Palms; class will, Lowell Mires; address, May 27, S. S. Valedictory, Lorin Hollis; address, superintendent Rex Purman; vocal duet, Mrs. Glenn Thurston and Miss Mary Lois Goar; presentation of class, E. P. Caldwell; presentation of diplomas, Mr. Bennett.

The class roll includes Leona Asp, Johnnie Beckica, Henry Chry, Anna Faltus, Ella Hall, Allen Hotendorf, Lorin Hollis, Allen McDonald, Alene McDonald, Lassel Myers, Velma Palms and Virginia Tichenor.

Since there will be no issue of the "Sphinx," Scio high school annual, this year, the seniors are working out a small typed annual that will include the class roll, individual activities, class activities and the class will, history and prophecy. Helen Miller was appointed editor by Veloris Crenshaw, senior class president.

School Closes Friday

CENTRAL HOWELL, May 23 — Friday, May 23 will be the last day of school and the annual all day picnic for patrons of the school. There will be a basket dinner at noon for all residents.

Prospect School Out

LIBERTY, May 23 — The Prospect school finished its year Friday and held its closing exercises that night. There was no eighth grade at this school this year. The program in charge of the teacher, Sabina Schmidt, was as follows: tap dance, Claudine Smith and Arka Surgeon; songs, Lillie May and Bertha Goettman; play, Cinderella; reading, Claudine Smith; Charleston in negro costume, Beverly Barnes and Arka Surgeon; reading, Beverly Barnes; negro minstrel, "The Meetin'," written by Miss Schmidt, made a great hit with the crowd. The following children took part: Billie Wane, Richard Stark, Betty Bradley, Walter Stark, Katherine Bradley, Raymond Smith, Leone Surgeon, Claudine Smith, Beverly Barnes, and Arka Surgeon.

A campfire community weiner roast was enjoyed.

Popcorn Pupils Done

ORCHARD HEIGHTS, May 23 — Popcorn school closed Friday with a picnic and weiner roast with mothers of pupils as guests. Friday night at the final P. T. A. meeting of the year, the two eighth grade graduates, Dorothy Southwick and Laurence Simmons were presented diplomas by County Superintendent Josiah Will.

Pupils on the roll of honor for the entire year were Ruth Wilson, Ross McDowell, Donald Wilson, Milton Southwick and Armon McDowell. Mrs. Cash Roberts recently donated to the school library a number of books. Friday night's program included readings by Mr. Leininger and Miss Lenon, of Salem, and numbers by the local orchestra. Miss Josephine Smith, teacher, returned Monday to her home in Portland. She will teach here next year.

Has Best Record

BETHEL, May 23 — Lois Hamrick is the only pupil of the school who has a perfect attendance record for the entire year. Pupils with perfect attendance for the last month: Edward Schulz, Dean Landerback, Lois Hamrick, Gertrude Froehlich, Billy and Wallace Kirk, Leisla Darr, Wanda and Werna Friehtlich, Betty Bolling, Coralee Nichols, Alfred Bohansen, John Bucurenonch, Dorthea Froehlich, Lorraine Kirschner, Norma June Boles, Ila Mae Creech and Jean Hain.

Valley Bell Closes

SPRING VALLEY, May 23 — School here closed Saturday with an all day picnic on the school grounds. Eighth grade graduates were Juanita Counts, Clair Counts, Arthur Yungson, Ila Marie

Versteeg, and Arvella Snyder. County Superintendent Willis presented the diplomas. Program numbers were given by Ivy Swenwood, Blossom Counts, Jesse Sohn, Virginia Findley, Ausie Counts, Cloydine Davidson, Dorothy Wilson, Marjorie Matthews, Edna McClure, Gladys Crawford and Mrs. Wilson and Mrs. Stratton. Games were enjoyed in the afternoon, and a dance at Stratton's hall.

MIDDLE GROVE, May 23 — The annual eighth grade graduation exercises will be held at the Middle Grove church Wednesday at 8 p. m. The program: Invocation, Rev. H. B. Scherman; salutatory, Margaret Baker; class introduction, Norman McCallister; an appreciation, Elaine Edwards; class history, Charles Bengert; advice to seventh grade, Gertrude Steinka; seventh grade response, Leo Hammer; parting gifts, Earl Hammer; valedictory, David Bartruff; presentation of diplomas, Mary L. Fulkerson; acceptance of diplomas, Charles Steinka; address, Rev. Scherman; vocal solo, Katherine Scharf, accompanied by Genevieve Scharf; benediction, Rev. Scherman.

Graduates are Margaret Baker, Gertrude Steinka, Elaine Edwards, David Bartruff, Norman McCallister, Charles Bengert, Earl Hammer and Charles Steinka.

4-H Program Held

HAZEL GREEN, May 23 — School closed Monday with a program by the 4-H cooking club. The 4-H club presented the leader, Mrs. Louis Wampler, a gift. The community club financed awards, given as follows: first, Dorothy Dunninga; second, Bernice Johnson; third, Beatrice Johnson; boys', first, Donald Dunninga; second, Melvin Lehman; third, Clinton Wampler and Orville Dunninga tied. Cookies, first, Harriett Dunninga; second, Ralph Smith; third, Caroline Kasper. Judges for cakes: Mrs. Robert Massie, Mrs. Peter Woolke, Mrs. Alexander Scharf; cookies, Mrs. Edward Dunninga Sr., Mrs. Fred Chapman Sr., Mrs. A. Van Cleave.

The teachers, Mrs. Veda Miller, principal, Miss Margaret Barquist, primary, were given gifts by the school. Ralph Smith made the presentation. A ball game was partly played between the boys and married men. Maroon Van Cleave was hurt. The game was not finished.

A capacity crowd greeted the eighth grade graduates Friday night when Dr. Schultz of Willamette university, gave the address. Frank Johnson Jr. gave the valedictory. The graduates are: Kimi Yada, Tom and Kay Mio, Charles Shelly, Frank Johnson Jr., Bernard Zielinski, Ralph Lehman, Ralph Lehman, Grand Ronde, gave harmonica solos.

SCHOOL ELECTION INSTRUCTION SENT

Instructions for the annual school election to be held in the majority of districts in Marion county Monday, June 19, were sent out yesterday by Mrs. Mary L. Fulkerson, county school superintendent.

The chairman of each board, under the Oregon law, serves as judge of election and other members of the board act as clerks.

The notices of the meeting must set a specific time for the gathering and election polls must be open for at least one hour on election day.

Within five days after election, the ballots and the tabulations of results made by the election boards, are to be forwarded to the county seat where the district boundary board canvasses the vote.

This year, for the first time, a board of education for non-high school districts is to be elected. Five members from the non-high school area will comprise the board, one being elected from each of five zones which constitute the non-high school

### JUSTICES HIGHEST PAID STATE GROUP

#### Governor and Thomas Next; List of Reductions is Now Made Public

State supreme court justices who have taken reductions of either 15 or 20 per cent from their base pay of \$7500 annually are the highest paid officials in Oregon's official family, revised records at the statehouse reveal after recent salary cuts.

Next in line comes the governor with a salary of \$6325 a month reduced to \$437.50 and Utilities Commissioner Thomas who also has been reduced from \$225 to \$437. Second high is R. H. Baldock who as state highway engineer has been reduced from \$600 to \$430. The lowest compensation for executives under the new scale is received by Clara C. Patterson, head of the girls' training school and Sam Laughlin, head of the boys' school, each of which have been reduced from \$150 to \$125.

The old and new salary scales at the statehouse follow:

NAME	OLD	NEW
Max Gehlbach, agr. dir.	\$276.07	\$220.84
George general	415.07	328.04
A. A. Schramm	500.00	375.00
Henry M. Hansen	500.00	375.00
Chas. H. Carey	500.00	375.00
Chas. E. Commissioner	500.00	346.00
C. A. Howard	333.33	266.66
Public Inspec.	333.33	266.66
Chas. E. Strickland	375.00	296.25
Lynn F. Cronmiller	333.33	266.66
A. A. Avarill	300.00	240.00
R. E. Marshall	300.00	240.00
George C. Holman	150.00	120.00
treasurer	150.00	120.00
Jerold Owen	150.00	120.00
O. D. Adams	333.33	266.67
state commissioner	300.00	240.00
M. T. Hoy	300.00	240.00
master of prison	300.00	240.00
F. B. Wire	315.00	252.00
Charles Pool	415.07	328.05
R. E. Lee Steiner	333.33	266.67
J. W. Lewis	300.00	240.00
state prison	300.00	240.00
A. R. Hunter	300.00	240.00
Industrial accident	300.00	240.00
O. M. Hartwig	300.00	240.00
Industrial accident	300.00	240.00
J. M. Dumas	300.00	240.00
Industrial accident	300.00	240.00
Charles V. Galloway	400.00	320.00
tax commission	400.00	320.00
Erri L. Fisher	400.00	320.00
tax commission	400.00	320.00
John R. Carlin	400.00	320.00
tax commission	400.00	320.00
Art. E. Benson	350.00	280.00
superior court clerk	350.00	280.00
Howard C. French	350.00	280.00
personnel	350.00	280.00
J. M. Devera	414.67	328.00
highway agent	414.67	328.00
William R. Wainwright	414.67	328.00
highway agent	414.67	328.00
G. C. Bellinger	350.00	280.00
T. B. hospital	350.00	280.00
Frederick D. Striker	400.00	320.00
health	400.00	320.00

### The Call Board

By OLIVE M. DOAK

ELISINORE Today—Ramon Novarro in "The Barbarian."

Friday—Double bill: Clyde Beatty in "The Big Cage"; and Nancy Carroll and Paul Lukas in "The Kiss Before the Mirror."

HOLLYWOOD Today—Anna Harding and Leslie Howard in "Animal Kingdom."

Friday—Wallace Beery in "Fish."

THE GRAND Today—Elissa Landi in "Warrior's Husband."

Thursday—Will Rogers in "State Fair."

Although the Chamaketa Players' season closed with the presentation last Saturday night of "Harvest of Lies," lively farce comedy that entertained four audiences, there have been many inquiries concerning next season.

After the presentation of "Harvest of Lies" next Friday night in Monmouth as a benefit for the Dorcas society of the Christian church, the membership of Chamaketa Players will hold a business meeting at which future plans will be discussed.

Presentation of "Harvest of Lies" in Monmouth is in the nature of a return engagement. Last December the group took the mystery-drama, "The Ghost Bird," to that city and were well received. Thursday night a special dress rehearsal will be held in Nelson auditorium and Friday afternoon the scene-set will be shipped to Monmouth by truck.

As a change from the overflow of stories concerned with city life, Metro-Goldwyn-Mayer brings to the Elsinore today "The Barbarian," starring Ramon Novarro and described as a romantic comedy laid in the colorful, atmospheric background of the Nile river and Egyptian desert.

Novarro is seen as a resourceful roguishly occupied in the legitimate business of guiding tourists through the picturesque pyramid sight-seeing country, but more subtly engaged in the more romantic activity of impressing wealthy widows with his charms.

It is a new kind of "racket" and one said to be as diverting as it is ingenious. Into the story enters Myrna Loy as a young English girl who has come to Cairo to marry the somewhat slow-witted engineer of a new aqueduct.

Novarro enters her employ as a guide and from there on one exciting happening follows upon another with lightning-like rapidity.

Lucas Funeral Set for Today

Funeral services for Claude R. Lucas, statehouse correspondent and free-lance news writer, who died here Sunday will be held from Rigdon's mortuary today at 10:30 a. m. Interment will follow at the City View cemetery.

Novarro is survived by his mother, Mrs. Clara Lucas of Salem; a brother, Harry Lucas and sister, Mrs. Clifford Brank, both of Marshfield.

go, N. D., and Christens Aldrich of Portland.

### SCHOOL GROUNDS BEING IMPROVED

(Continued from page 1)  
structed to notify the Salem library board that cooperative contract would be terminated July 1.

The supply committee was empowered to purchase supplies for next year in time to take advantage of the low market.

Matter of a readjustment in position of J. C. Barnes, janitor at Grant school against whom some complaint has been made, was discussed and G. W. Smalley, head janitor, was instructed to retain the man at work on the Grant school grounds.

The board accepted written agreement of the high school Crescendo club to make down payment of \$125 and at least \$50 annual payment for purchase of a piano for the high school.

Superintendent Hag announced that 378 seniors would be graduated, and the board authorized necessary signatures for same.

A year's leave of absence was granted to Ruth Marie Brauti, senior high art teacher, who plans to study in Europe next year, with understanding that she be reemployed at end of the year with a substitute to be hired on this basis.

Crawford's Case Comes Up Today, Initial Hearing

Preliminary hearing for Aubrey C. Crawford, who pleaded not guilty in Judge Hayden's court yesterday to a manslaughter charge, will be held Wednesday afternoon, May 31, at 2 o'clock. Meantime, Crawford is at liberty, having put up under-taking on \$3000 bail.

Crawford is held on the charge as result of automobile accident early Sunday morning in which Roy B. Gilbert was instantly killed.

Defendant has retained two attorneys, Guy Smith and Fred Williams.

Those Planning Four-H Courses Asked to Report

Four-H clubs in Marion county are being asked this week to notify Wayne D. Harding, county club leader, about the number of members who will attend the summer school session to be held

### CHAMBER CROWDED AT BIG RECEPTION

The auditorium of the chamber of commerce was crowded to its utmost capacity last night at the reception and program of music presented by the chamber to those who had taken part in rural community programs during the past winter.

Dr. David B. Hill, general chairman of the winter programs was introduced by B. E. Bliston, president of the chamber, with the statement that through the cooperation of several clubs and organizations, 32 programs in Marion and Polk counties had been presented, attend by more than 4000.

Closing number was presented by the now famous Haywire orchestra, consisting of Dr. A. D. Woodmansee, H. R. White, Frank Zinn and Dr. S. F. Scott.

jury during the war from which he never fully recovered. He had spent several months of the past year at the Veterans' hospital in Portland.

Leo Huddleston Paid Honors by Legion Members

Appropriate funeral services were held yesterday for Leo Huddleston, 33, Salem Legion drum corps member who died in Portland Sunday, from the Rigdon chapel at 1:30 p. m., with Rev. Hugh McCullum officiating, in conjunction with the Elk's lodge.

Members of the drum corps marched with the funeral procession and legion members acted as pall bearers. Interment was made in Belmont Memorial park.

Huddleston received a back injury during the war from which he never fully recovered. He had spent several months of the past year at the Veterans' hospital in Portland.

### CHEMEKETANS WILL VISIT BREITENBUSH

The Chemeketans announces the first trip of the season to their lodge on the Breitenbush river one and one half miles below the hot springs, for next week end, May 27 and 28.

Cars will leave the Jennie Lind at 1:30 Saturday afternoon, and the transportation charge for the round trip will be \$1.50. Beds and eating equipment must be taken by individuals; the club will furnish the food and Burt Cray will have there to serve three hearty meals at a price of 25 cents each.

Dr. C. A. Downs, president, requests the attendance of as many persons as possible as at this time the attractive lodge, which has been loaned to the club by Dr. Laban Steeves, is to be opened and put into condition for an active season.

Warm clothing and beds should be taken, as winter conditions may linger, but assurance has been given that the road will be open. There will be plenty of snow for those who wish to play in it.

Registration at the Jennie Lind is necessary before Friday night. W. M. Hamilton will have charge of the trip.

### WATER POLLUTION CASE IS REPORTED

(Continued from page 1)  
were found dead in the water shed on Silver creek leading into the intake.

Mr. McCleary said late Tuesday afternoon that he had received oral instructions from District Attorney Trindle to inspect the disposal of the carcasses and see that they had been properly disposed of by Thursday night of this week.

Mr. McCleary also admitted that due to existing conditions there has been a water shortage in the supply at Silverton. Water from the Silver creek source has been unfit for use, he said, and only water from the Abiqua supply has been used. After Mr. Porter has taken care of the disposal of the carcasses the water system from Silver creek will be flushed for a week before being used.

DAYTON DROPS GAME DAYTON, May 22 — The Dayton town baseball team lost to the Grand Ronde Indians here Sunday 8 to 0.

### DOLLAR DAYS ARE HERE AGAIN!

Here's another of our popular "Dollar Day" excursions over the Decoration Day holidays. Roundtrips to almost everywhere in the West for about 14 a mile—good on all trains. Start your trip on one of these dates:

**MAY 26 • 27 • 28 • 29 • 30**  
Be back by midnight, June 6th.

**ROUNDTrip EXAMPLES**  
Portland ..... \$1.15 Spokane ..... \$ 9.25  
Klamath Falls ..... 6.50 Seattle ..... 5.10  
Roseburg ..... 3.15 Los Angeles ..... 23.40  
Medford ..... 6.00 Bakersfield ..... 19.70  
Grants Pass ..... 5.30 San Francisco ..... 15.05  
Marshfield ..... 5.05 Sacramento ..... 13.65

**Southern Pacific**  
A. F. Noth, Agent  
Passenger Depot, 13th and Oak Tel. 4408

### GRAND TOMORROW STATE FAIR

WILL ROGERS JANET GAYNOR TODAY ONLY ELISSA LANDI DAVID MANNERS

WARRIOR'S HUSBAND BARGAIN MATINEE

**10c** Tonight—Pal Night Bring This Coupon

Pal Ticket ADMIT ONE when presented with one 25c paid admission Good Tonight Only - May 24 Grand Theatre

### Be a Guest of the Statesman at the Elsinore

Sun. - Mon. Tues. May 28, 29 30

THEY COULDN'T MAKE A DUMMY OUT OF ELMER... Nature beat them to it!



**JOE E. BROWN** as **"ELMER THE GREAT"**

**FREE!** One 3 Months Subscription to The Statesman Will Entitle You To 2 Tickets to See

**JOE E. BROWN in "Elmer the Great"**

USE THIS COUPON All subscriptions must be in by 6 o'clock Saturday evening, May 27.

SUBSCRIPTION BLANK AND TICKET COUPON

Please enter my subscription to The Oregon Statesman, for three months and thereafter until ordered to discontinue, by me. I agree to pay your carrier the regular rate of 45 cents per month. I have not been a subscriber for the past thirty days.

Signed .....

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Mail or bring this order to The Statesman. As soon as the order is verified you will be given two admission tickets to the Elsinore theatre. **ADMISSION TICKETS GOOD FROM MAY 29 TO JUNE 2, EXCEPT SATURDAYS, SUNDAYS AND HOLIDAYS.** (Note: Mail subscriptions must be paid in advance.)

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