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F. & S. Bank's Good Liquidation Taxes Law's Scope

Shareholders' Right to Interest on Assessments to be Tried

The exceptionally good liquidation of Farmers and Stockgrowers National bank of Heppner has apparently been responsible for raising an extra-legal point which may soon be decided in the United States district court, reports J. L. Gault, receiver.

The point to be determined thru suit instituted by those shareholders of the bank who paid the stock assessment made by the comptroller of the currency in 1933, is whether these shareholders shall receive interest on the extra assessment money for the time it was tied up in the liquidation proceedings.

The bank had paid depositors in full plus the legal rate of interest for the time their money was not available, and Mr. Gault recommended full repayment of assessments to shareholders plus interest at the legal rate, asking confirmation from Washington, D. C. His proceedings at that time were said to be correct. In the meantime, however, the receiver had been notified that as a "100 percent" bank Farmers and Stockgrowers was required to submit income tax reports covering the period of the bank's liquidation, and if it were determined that the bank was not subject to any tax, to secure clearance to that effect before making his final recommendation for distribution to shareholders. After considerable correspondence and delay such clearance was received. Then Mr. Gault recommended that shareholders be reimbursed for all assessments paid, plus interest thereon, with a further suggestion that an additional dividend to the shareholders of 3 percent be paid on the bank's original \$50,000 capitalization.

Between the times of Mr. Gault's two recommendations the comptroller of the currency apparently met with some situation that caused a change in viewpoint, as his office has now instructed Mr. Gault to advise those shareholders who paid assessments in full or in part that the comptroller and receiver propose to pay only the principal contributed to the double liability and that the distribution of available cash will be made upon such basis unless, after they are so notified, they promptly institute suit in the federal courts to avoid such basis of distribution.

Thus, contributing shareholders, believing they are entitled to interest upon their payments, will immediately file suit so that the matter may be quickly determined. The outcome will be watched with considerable interest, Mr. Gault believes, as apparently a decision is desired upon a point not covered by law or definitely passed upon by the courts.

IONE WINNERS NAMED

Poppy poster contest winners in the upper division in the Ione school were Marianne Corley first. Patricia Emert second and Lucille Reno third. Each was awarded a prize. The division included high school freshmen and seventh and eighth graders.

SPORTSMEN TO MEET

A meeting of Morrow County Hunters and Anglers club is called by Thos. J. Wells, vice-president, for next Thursday evening at the Elks club. A successor to President Jack Parsons, resigned, will be elected.

CLINICS POSTPONED

Dr. R. M. Rice, county health officer, announces that the infant and pre-school health clinics originally scheduled will not be held due to prevalence of scarlet fever at this time.

SCARLET FEVER WARNING ISSUED

County Health Association Gives Advice; Community Workers Named at Luncheon

Due to known cases of scarlet fever and those feared to be unreported, Morrow County Public Health association has issued a warning to parents to keep their children out of crowds and to watch for symptoms of the disease.

Scarlet fever is now prevalent over the state, and in its March bulletin the state board of health called attention to its dangers. The after effects are frequent and serious and may include not only rheumatism but heart disease and that dangerous disease of the kidneys, nephritis.

Officers of the county association met at dinner at the hotel Tuesday evening to discuss policies and also named chairmen of community committees. Dr. A. D. McMurdo was named chairman of the medical committee for the association.

Dr. R. M. Rice is county health officer who should be notified of any cases of contagious disease.

Boost Rodeo at Cattlemen's Meet

The coming Heppner Rodeo was given recognition at the Oregon Cattle and Horse Raisers association convention at Baker last Saturday when Miss Maxine McCurdy and Miss Harriet Hager of this city rode horseback in the parade and carried a Rodeo banner.

Henry Aiken, president, Harlan McCurdy, director, and Mrs. Aiken accompanied the girls to Baker, and all return with reports of a very successful meeting. Hospitality of the Baker people and cordiality toward the Rodeo was outstanding, Mr. Aiken said. Miss McCurdy and Miss Hager were appropriately clad in cowgirl attire and drew a hand all along the line of parade spectators, he commented.

Dates of the forthcoming Rodeo are August 18-19-20.

Students Get Awards At School closing

One member from each of the four high school classes received a medal for scholarship, and two high school students were given citizenship awards at high school closing exercises last Friday afternoon.

Harriet Hager for the girls and Paul McCarty for the boys received the citizenship awards. Those receiving class scholarship awards were Ruth Green, senior; Betty Hapgood, junior; Edna Stephens, sophomore, and Laura Warfield, freshman.

BOUNTY SYSTEM BEST

Foster Collins, Camas prairie resident who has drawn fire from a recent statement quoted in this paper against the government trapper system, still maintains the bounty system on coyotes is more effective and cheaper. In town yesterday, he exhibited support for his belief in the form of a letter from Jeff Martin of Grants Pass, a 50-year trapper. Mr. Martin said he had checked the cost of killing coyotes in Josephine county with hired trappers and found it to be \$28 per head. In Douglas county good hunters cost \$50 each and no one knows if they get any, he said. He enclosed a clipping of a letter from the Oregonian which he wrote recently in contention that a \$3 per head bounty would not only cut the cost but would result in getting a lot more of the predators; also cut the cost of relief. Martin said, "I am 71 years old and never been on relief or pension."

B. P. W. CLUB ELECTS

Business and Professional Women's club elected officers for the coming year at their meeting Monday evening as follows: Rose Leibbrand, president; Mary White, vice-president; Lorena Wilson, secretary, and Neva Neill, treasurer. Dinner was held at Hotel Heppner.

L. Van Marter, Miss Hager Honored at Commencement

27 Graduates Get Diplomas; Professor Thompson Speaks

La Verne Van Marter and Harriet Hager took high honors among the 27 high school graduates who received diplomas at commencement exercises at the gym-auditorium last Friday evening. Van Marter won the Norton Winnard memorial cup. Miss Hager won a place on the class honor plaque.

J. G. Barratt, member of the class of '18 who sponsor the Norton Winnard cup, presented it to Van Marter with due recognition of the high rating in leadership, character, co-operativeness, activities and scholarship which possession of the cup implies. Robert Knox, high school principal made the award to Miss Hager.

Charmingly presented on a stage set with spring flowers the class was inspired to further heights in accomplishment in the commencement address delivered by R. Franklin Thompson of Willamette university. Presentation of the class was made by Alden Blankenship, superintendent, and diplomas were received from Spencer Crawford, chairman of the school board.

The class was seated to strains of the processional, "Coronation March," Meyerbeer, played by Dorothy Howell, who gave as prelude, "Thine Own," by Lange. Rev. R. C. Young pronounced invocation, Harriet Hager and Jack Merrill sang "By the Waters of Minnetonka," Lieurance, in duet, and a quartet, Jack Merrill, Donald Bennett, La Verne Van Marter and Jackson Gilliam, sang "Sylvia," by Oley Speaks.

Members of the class are:
Hazel Adkins, Bertha Akers, Florence Becket, Bill Browning, Margaret Browning, Marvin Casebeer, Gladys Casebeer, Daniel Chinn, Rose Cunningham, Robert Davidson, Jackson Gilliam, Ruth Green, Harriet Hager, John Hays, Jack Healy, James Healy, Emmett Kenny, Evelyn Kirk, Vernon Knowles, Paul McCarty, Maxine McCurdy, Norma McFerrin, Irena McFerrin, Scott McMurdo, Arlene Morton, LaVerne Van Marter, Clayton Wright.

Car Breaker Gets Term at Reformatory

Ivan David Ryan, 16, CCC enrollee at Camp Heppner, was sentenced to the state reformatory by County Judge Johnson Tuesday upon conviction of petty larceny. Ryan was apprehended as the culprit who broke into cars belonging to Roy Johnson and Arnold Sprauer at Lexington Saturday night. His apprehension resulted from the good sleuth work of Sheriff Bauman and State Policeman Sauter, who, with the boy's fingerprints to start with, singled him out from a group who were in Lexington to attend the dance.

Ryan was at first convicted in justice court when he gave his age as 18. He later admitted that he was only 16, which required action in juvenile court. His home is at Portland.

SHOWERS GIVEN

Mrs. Raymond Huddleston, nee Jeanette Turner, was honoree at two showers this week tendered by friends preceding her early departure to join her husband at Valdez, Alaska. Miss Mary White and Virginia Dix sponsored a bathroom shower at the Dix home Saturday afternoon, and her cousin, Mrs. James Valentine, was sponsor for the second at her country home.

FFA BUILDING LET

Contract for construction of an FFA shop at the school was let by the board this week to T. Babb, contractor, for \$2150. The building, of wood and stucco with concrete base, will be located at the northeast corner of the school grounds.

Everybody May Know How at Least One Man Voted in County

A weakness in the Australian ballot system was revealed at the election in Morrow county last Friday, for with all the precautions of the system in keeping the ballot secret everybody may know how one man voted.

It so happens that Charles McElligott was the only democrat who voted in Gooseberry precinct as recorded by the poll books, and tabulation of only one democratic vote was given in the abstract. Therefore, anyone who cared to take the trouble could check on Mr. McElligott's vote.

This paper has no intention of putting Mr. McElligott's vote on the spot, but attention of the law-makers is called so they may correct the flaw.

Wheat Meeting at Walla Walla Called

A meeting of representative grain growers of the states of Oregon, Washington and Idaho will be held in the Grand hotel at Walla Walla on Friday, May 27, at 12 noon, according to George N. Peck, president of Eastern Oregon Wheat league. The Walla Walla meeting is really a follow-up of the meeting at Arlington on May 19 at which some 100 or more wheat growers from the Columbia basin met with George E. Farrell to discuss the wheat outlook situation.

The Oregon growers at the Arlington meeting were strongly of the opinion that congress should make money available for price adjustment payments to cooperators so that the loans already authorized for wheat might be low enough to encourage exports but that the total price received by cooperators under the farm program might be large enough to pay cost of production and avoid the repetition of the serious price situation of 1932, said Mr. Peck. It is hoped by the wheat league that the Walla Walla meeting will result in unified action by Idaho, Washington and Oregon.

First Tanker of Boat Gas Comes Here

The first railroad tank car of gasoline loaded out of The Dalles from the first boat tanker, which arrived there last Friday evening, was received by Ferguson Motor company, Shell distributors, yesterday.

The boat load of gas containing 300,000 gallons was the first such cargo making its way through Bonneville locks to The Dalles. A celebration in honor of its coming was attended by Mr. and Mrs. E. O. Ferguson and Mr. and Mrs. J. O. Turner from here. Mr. Ferguson said storage facilities for more than a million gallons of gasoline have been installed at the port of The Dalles. It just so happened that the local company's order was timed just right for it to receive the first tank car loaded out of the boat cargo. Having already effected a half-cent a gallon saving on freight between Portland and Heppner, the service from The Dalles will also speed up delivery to interior points, Mr. Ferguson said.

Valuable Cows Killed When Hit by Auto

Two of Wightman Bros.' purebred Guernsey cows were killed and several others were injured when they were struck by a pick-up driven by Don Pointer of Lexington at the highway crossing at the Wightman ranch three miles below Heppner last Friday morning. Mr. Wightman valued the two cows slain at more than \$600.

Pointer had a load of eight youngsters in the pick-up on their way to a picnic, and all occupants of the pick-up escaped injury. Pointer failed to see the stock in time to avert hitting them, investigation revealed.

Peck, Wells Win Local Contests as Light Vote is Cast

County Supports Martin, Sprague for Governor

Only 48 percent of the qualified voters of Morrow county visited the polls at the primary nominating election last Friday, the percentage holding about equal for republicans and democrats, evidencing a lethargic interest in the few contests of note.

In the two county contests, a one-sided victory for assessor was won by Thos. J. Wells over Edw. D. Clark in the democratic ranks, and Geo. N. Peck outran George Bleakman for commissioner on the republican ticket by a neat majority. Wells and Peck took the nominations of both parties, gaining the majority write-in vote of the opposite party in each instance.

Hess, the democratic choice for governor over the state, ran second to Governor Martin in this county, while Mahoney for the long-term U. S. senatorship received this county's endorsement along with the state's.

Sprague for governor and Holman for the long-term U. S. senate seat gained majorities here as they did over the state in the republican voting.

Rex Ellis outran Hawley J. Bean heavily in Union county to receive republican endorsement for joint state senator, as Bean carried Umatilla county and was only a slight loser in this county. Sirrine of Union took the democratic contest from Lewis of Pendleton.

Pierce, democrat, and Balentine, republican, won easy victories for congressional nominations and will square off in the November general election.

The heaviest pre-election registration shift to democratic ranks occurred at Boardman where Hess's lead over Martin for governor indicated opposition to Martin as the reason.

The three incumbent supreme court justices ran ahead of their fields as they did over the state, and Chief Justice Bean is the only nominee who failed to gain a clear majority to receive election. He will be opposed in November by the second highest candidate, Zimmerman.

Total vote for governor on the democratic ticket, the highest recorded for any office for the county, was 361. Earl Snell, unopposed for secretary of state, received the highest vote recorded for any office in the republican ranks, 660.

Vote for the various offices here showed:

Republican

U. S. Senator (short term): Barry 186 (state nominee), Ireland 127, Weed 225.

U. S. Senator (long term): Holman 419 (state nominee), Stanfield 212.

Rep. in Congress: Balentine 220 (dist. nominee), Merrill 163, Tull 141.

Governor: Brown 131, Hanzen 27, Hendricks 14, Morton 77, Paine 67, Schrock 25, Sprague 220 (state nominee), Wagoner 26.

Secretary of State: Snell 660.
Supt. of Public Instruction: Rice 512.

Com. Bureau of Labor: Graham 241, Gram 309 (state nominee).

State Senator: Bean 288, Ellis 347 (dist. nominee).

State Representative (two to nominate): Fatland 442, French 357.

County Commissioner: Bleakman 293, Peck 392.

Treasurer: Briggs 598.

Justices of Peace: J. O. Hager, Heppner, both Dem. and Rep. nominations; A. B. Chaffee, Boardman
Constable: Homer Hayes, Heppner, both party nominations.

County Central Committeemen and Committeewomen: Alpine, W. J. Continued on Page Eight