

Weather
Unsettled with rains today and Friday, cooler; Max. Temp. Wednesday 70, Min. 50, river -2.6 feet, south-southwesterly wind.

Bargain Near End
Only for the remainder of this week may small subscriptions to The Statesman be obtained at the bargain rate of \$4 per year.

Reserve Board Acts to Curb Short Selling

Political Hitch-Hikers to Be Spurned by Townsend Forces

Direct Action Via Initiative Is New Policy

Petition Circulation to Be Ordered at Today's Meeting, Forecast

Candidates Forget Their Promises, Is Charge; Governor Praised

Politicians in Oregon are going to find it extremely difficult if not wholly impossible to hitchhike their way into public office on the Townsend pension vehicle. It was declared here Wednesday night by Glen C. Wade of Pendleton, second district representative of the committee which recently asked Governor Charles H. Martin to call a special session of the legislature. Governor Martin has declined to call the special session and with this decision Wade said he had no quarrel, pointing out that the Townsenders "must be Americans" and a reverence constituted authority. He praised the governor for giving the movement courteous and careful consideration.

Wade pointed out however that the request for a special session involved not only increased old-age assistance provisions, but endorsement of request for a federal constitutional amendment embodying the Townsend philosophy. "Promoters" Cited

Declaring that he was confident the committee, meeting here today, would vote to accept Governor Martin's advice and invoke the initiative to gain these two objectives, Wade said:

"The Townsend two-point program is going to mean that the Townsend forces in Oregon shall from here on find themselves interested in obtaining their legislation rather than in electing candidates to office, for we have had sad experience in that many candidates have not kept faith with the Townsenders.

We have therefore decided to carry our issues to the voters, believing that if the people have the opportunity, they will approve them at the polls."

Referring to statements of other Townsend club leaders indicating dissatisfaction with the governor's decision, Wade said: "It is altogether probable that many Townsenders are keenly disappointed at the decision of the governor, but it is also probable that they will welcome the opportunity to present the two-point program to the voters, believing that both measures will receive a (Turn to Page 12, Col. 4.)

Water System Opening Program Announced; Brief but Significant

Inspection of Reservoir, Pipeline and Source at Island to Be Stressed, Water Sampled With Souvenir Cups; Speaking Is Curtailed

Simple but significant ceremonies will mark the dedication of Salem's improved municipal water system Saturday, the chamber of commerce celebration committee decided last night. The formal program will be cut to a minimum and inspection of the recently-completed reservoir, supply line and underground source projects will be stressed.

Water Agency to Drop 7 Employees

Smaller Crew Is Required With End of Pumping; Services Praised

Seven employees of the Salem water department will be dropped from the payroll November 1 as a result of abandonment of the Willamette river pumping system, the water commission has decided. Two weeks' salary bonuses will be granted released employees who have been on a monthly salary basis and have been with the department for several years.

Main pumping station operators whose services will no longer be required are Guy C. Newgent, former mayor of West Salem; C. W. Russell and Charles Cray; Charles Nadvornik and Henry Helton, who have been employed recently in connection with low water season pumping on Minto island, and Clell Thomas and A. T. Witte of the maintenance department are the others to be released.

12 Miners Killed, Two More Sought

ANCHORAGE, Alaska, Oct. 27 (AP)—Muckers dug through debris tonight in the Evan Jones coal mine in search of two miners believed buried there after an explosion and cave-in which killed 12 men and injured one.

JURY WHICH DECIDES MONTAGUE INNOCENT



Scene in the courtroom at Elizabethtown, N.Y., where John Montague, alias LaVerne Moore, was on trial on a seven-year-old robbery charge. Arrow points to the defendant. James Noonan, Montague's counsel, is standing at left. The jury, shown at right, Tuesday night returned a verdict of not guilty, to which Presiding Judge Harry E. Owen took facile exception.

Shanghai Troops Digging in Again

US Marines Are Ordered to Shoot if Attack Is Made From Air

SHANGHAI, Oct. 28 (Thursday)—Shanghai's defenders fought today with their backs to the Szechow creek on the border of the international settlement.

Across the stream, at barricades on the south bank, US marines watched the shifting battlefront under orders to shoot in self defense at any airplane attacking them or noncombatants. Adm. Harry Yarnell, commander of the U. S. Asiatic fleet, authorized the protective orders when the Chinese retreat on the northern edge of the international settlement brought intense fighting close to the foreign zone.

Further upstream, to the west of the international settlement, the Chinese were entrenched on the south side of the creek, defending a narrow strip of the native city between the stream and the foreign area.

Hattie Lawrence Dies of Injuries

PORTLAND, Oct. 27 (AP)—Traffic accident brought death to two pedestrians today. Mrs. Hattie B. Lawrence, 78, manager of the Pisgah home for the aged near Scappoose and as "Mother Lawrence" widely known for her charities, succumbed at a local hospital from injuries received when struck by an automobile last night.

Governor Invited To See Cornhusk

Invitation to attend the 14th national cornhusking contest, to be held November 4 at Marshall, Mo., came to Governor Martin yesterday in a corn cob. The governor will be unable to attend because he will leave Tuesday for Tulsa, Okla., to attend the 20th anniversary reunion of the 90th US army division, which he commanded during the World war.

Labor's Peace Conference Is Near Collapse

Delegates Quit for Week After They Find no Common Ground

Meeting Deemed Failure Unless Concessions Made by Both

WASHINGTON, Oct. 27 (AP)—The peace conference of the AFL and the CIO obviously was near collapse tonight.

Only extensive concessions from both sides, which neither seemed willing to make, could, it was believed generally, keep the meetings alive much longer.

Finding their respective peace proposals devoid of any common ground that could be made a basis for compromise, the conferees adjourned today until Thursday, November 4.

In fact, the federation issued a statement late in the day asserting it had received no help from the CIO delegates "in composing existing differences." It accused the CIO men of procedure which "seriously jeopardizes" the possibility of success.

Federation Stands On Earlier Terms

"Unless there is a change in their attitude," it said, "and complete willingness to approach the consideration of the problems at (Turn to page 8, col. 5.)

Last Sawmill at Portland Closes

PORTLAND, Oct. 27 (AP)—The West Oregon Lumber company advised employees today its Linton plant would close Thursday night for an indefinite period.

The closure, marking the complete tieup of major sawing operations here, will affect the Flora Logging company at Carlton, employing 500 men, which was ordered to curtail "heavy production."

The company's announcement said the shutdown was the result of poor market conditions, but officials of the CIO sawmill union immediately charged "collusion" by the management with the AFL and AFL officials hailed the development as a victory for its boycott on CIO products.

The mill opened on a half-time basis with 350 CIO employees following the successful moving of a cargo of CIO lumber to California ports despite AFL picketing early this month.

Matson Death Also Scanned, Ledford Case

Murder of two Girls Is Formally Charged to Their Stepmother

Guilt Denied; Insurance Policy Is Made out to Accused, Revealed

ST. HELENS, Ore., Oct. 27 (AP)—A twice-married mother of two children, quietly but firmly defending her innocence, was held in jail at Portland without bail today while officers investigated three deaths—those of two stepdaughters and the woman's first husband.

The prisoner, 35-year-old Agnes Joan Ledford, was arrested last night on an information filed by Sheriff M. R. Calhoun, accusing her of first degree murder in the deaths of Dorothy, 15, and Ruth Ledford, 13, who had been all but forgotten publicly as the girls who died because they liked berries.

No charge had been filed concerning the third death, that of John Matson, who died in 1932 as the husband of Mrs. Ledford, now the wife of George Ledford, a Columbia county grocerman.

Dist. Atty. David Bennett, claiming a purchase of poison on the alleged pretense of using it to kill earwigs had been traced to Mrs. Ledford, asserted the lethal mixture had been found in her home and that the equivalent of an amount missing was found in the children's stomachs.

The prosecutor asserted that Mrs. Ledford was named beneficiary in an insurance policy for the children, daughters of George Ledford and his first wife, now Mrs. Pearl Turner, Los Angeles. Denial Is Made by Woman in Portland

"I didn't do it; I couldn't have done such a thing," Mrs. Ledford told a reporter in Portland, where she was taken because there were no jail facilities here for women. Behind her she left two infant boys, one six months and other 21 months, the children of herself and George Ledford.

Ruth and Dorothy died last month within two days of each other. At the time, sheriff's officers had been hoping the children had been poisoned by eating berries in a patch onto which a poisonous spray from a nearby orchard had been blown by wind.

Bennett disclosed that the body of Matson, whose death was ascribed to acute gastritis, had been (Turn to Page 12, Col. 1.)

Million Doubtful, Montague Earning

HOLLYWOOD, Oct. 27 (AP)—John Montague is coming back to the scene of his unconventional golfing triumphs to play a some more golf, but not, apparently, for a million dollars.

Montague, who, under his true name of LaVerne Moore, was freed yesterday in Elizabethtown, N. Y., of a seven-year-old road-house robbery charge, is returning to Hollywood to fulfill the terms of a contract with Everett Crosby, Bing's brother.

"How's he going to make that million dollars?" was asked of Larry Crosby, who is associated with his brother in an agency business.

"Million dollars?" gasped Larry. "He's going to make a couple of shorts, showing how he plays golf, but they won't bring in more than \$20,000. There's a deal for some magazine, the pictures and life stories. I guess he'll go on Bing's radio program. He'll probably get a thousand or so for that."

Ulterior Motive Denied, Windsor

PARIS, Oct. 27 (AP)—The Duke of Windsor declares today he and his American-born wife were going to the United States without political designs.

He said they were only trying to aid in finding a solution to "some of the vital problems that beset the world today."

Dog That Saved Tiny Girl's Life Given Hero's Burial at Medford



Stubby, an Australian Shepherd dog that dashed into the burning home of Mr. and Mrs. A. R. Mansfield and carried their daughter, Shirley, 2½, through the flames to safety, was recently given a hero's burial at Medford. The child was only slightly injured, but Stubby died of burns shortly after the rescue. Photo shows Shirley and her mother standing beside the grave of her pet. Rev. William B. Hamilton of Yreka, Cal., conducted the unusual services.—IIN photo.

Silverton Budget Reduced by \$2000

Total Is \$14,540; School District Amount Also Finally Approved

SILVERTON, Oct. 27 (AP)—Silverton's city budget, completed tonight but subject to final ratification at the citizen's meeting which was scheduled for November 8 at 8 p. m. in the city hall, reveals a reduction of \$2000 below the 1937 figure. The total of estimated expenditures is \$14,540.

The reductions effected by the action of the park police expense, ation of the park police expense; transferred to the park fund; labor and supplies reduced \$500, street cleaning \$150, lighting \$100 and emergency fund \$250.

The school district budget committee also completed its work tonight and adopted the budget of \$89,298.10, which is an increase of \$4847.60 over the present year. Since non-tax receipts were estimated at \$700 higher, the increased tax will be only about \$2100 in advance of the 1937 school district levy.

Supt. Robert Goetz pointed out that another call for school district warrants amounting to \$8200 had reduced the outstanding warrant debt to \$23,298.

Mott Won't Enter Senate Race, Says

EUGENE, Oct. 27 (AP)—Congressman James W. Mott of Salem is not considering running for the United States senate in 1938, he informed friends here today.

Here to speak at a joint meeting of the chamber of commerce and the Lions club, the congressman indicated he would seek reelection to his present post.

Bonneville Yardstick Basis Set up; Pay off in 40 Years

HYDE PARK, N. Y., Oct. 27 (AP)—President Roosevelt took the first step today toward the goal of one of his principal power advisers—a uniform system of rates for all federal electricity.

J. D. Ross, administrator of the Bonneville, Ore., power dam project, announced that Mr. Roosevelt had approved a 3½ per cent interest rate and 40-year amortization plan for Bonneville.

Lower Margin On Purchases Also Decreed

50 per Cent Required on Short Sale as First Such Regulation

Action Is Calculated to Stimulate Buying and Control Declines

WASHINGTON, Oct. 27 (AP)—The federal reserve board announced tonight a drastic revision in its stock market margin requirements. The move was expected by many Washington authorities to bolster sagging security prices.

The board, after extended conference yesterday, the stock market down-trend, announced it would make a two-way change in the margin requirement effective November 1.

The existing requirements that purchasers of securities must put up 55 per cent of the price in cash was changed to reduce the margin to 40 per cent.

In addition, the board imposed a 50 per cent margin in short sales of securities. This means that a person selling a stock short must put up 50 per cent of the value. Expected to Serve As Powerful Brake

This is expected to act as a powerful brake against short selling. The reduction in the margin for security purchases, on the other hand, may tend to encourage buying.

Although federal reserve board officials flatly declined comment on the effects of the new program, other officials generally believed it would tend to increase security values by making buying easier and selling more difficult.

It was understood that the board conferred with the securities commission before acting. The action was interpreted by some informed persons as meaning that the board would make margins more flexible in the future, adapting them to changing market trends.

The 55 per cent margin on security purchases had been in effect since February, 1936.

The margin on short sales was an innovation in reserve board regulations, no margins of this kind having been imposed in the past.

The New York stock exchange, however, has required short sellers to post a 10-point margin. Collateral Margin Is Also Reduced

The official margin for short sales, authorities said, was imposed after the reserve board's legal staff had made a thorough survey of the reserve system act to ascertain whether authority for such action existed.

In connection with the lowering of the buying margin for securities traders, the board also whittled the margin which securities brokers and dealers must put up with when they finance the narrow on securities. This margin was cut from 40 to 25 per cent.

Japanese Decline, Brussels Meeting

TOKYO, Oct. 27 (AP)—Japan formally rejected an invitation today to attend the Brussels nine-power conference declaring the meeting was inspired by the League of Nations and would "put serious obstacles in the path of a just and proper solution" of the far eastern situation.

The refusal to confer with other signatories of the 1922 Washington treaty, which the Chinese government's territorial integrity was handed by Japanese foreign minister Koki Hirota to Baron Albert de Bassompierre, Belgian ambassador.

Lincoln County Leader Editor Dies Wednesday

TOLEDO, Oct. 27 (AP)—A heart attack claimed the life today of Henry Howell, 65, pioneer resident and editor of the Lincoln County Leader.

The Hallowe'en season is drawing nigh—it's Sunday, unless the date's been changed, but on Friday night out at Leslie high it's reported a Murder Has Been Arranged.

Oddities in the News

OMAHA, Oct. 27 (AP)—Mrs. Lillian Phillips of Omaha, seeking a divorce from her husband, Herbert, testified in district court today they lived together for a year without speaking to each other.

They ate their meals in silence, sat and read evenings in the same room without a word being said, and listened to the radio without comment, Mrs. Phillips stated. They were married in 1932.

EVANSTON, Ill., Oct. 27 (AP)—If you want to get on today from a trial at nearby Claremore and told of a jury that ate the evidence.

The lawyer, Frank Hickman, represented the Converse Oil company in a suit brought against it by Dan House, of Chelsea, who charged oil had polluted his land and killed his pecan crop.