Unsettled with rains to-day and Friday, cooler; Max. Temp. Wednesday 70, Min. 50, river -2.6 feet, outh-southwesterly wind.

On Purchases

50 per Cent Required on

Short Sale as First

Such Regulation

Stimulate Buying and

Control Declines

WASHINGTON, Oct. 27 .- (AP)-

The federal reserve board an-

nounced tonight a drastic revision

in its stock market margin re-

quirements. The move was expect-

ed by many Washington author-

ities to bolster sagging security

The board, after extended con-

ferences regarding the stock mar-

ket down-trend, announced #

would make a two-way change in

the margin requirement effective

purchasers of securities must put

up 55 per cent of the price in eash

was changed to reduce the margin

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

This is expected to act as a

powerful brake against short sell-

ng. The reduction in the margin

for security purchases, on the

other hand, may tend to encourage

Although federal reserve board

on the effects of the new program,

other officials generally believed

it would tend to increase security

It was understood that the

The action was interpreted by

some informed persons as mean-

ing that the board would make

margins more flexible in the fu-

ture, adapting them to changing

The 55 per cent margin on se

The margin on short sales was

regulations, no margins of this

kind having been imposed in the

The New York stock exchange,

The official margin for short

sales, authorities said, was im-

posed after the reserve board's

In connection with the lowering

of the buying margin for securi-

ties traders, the board also whit-

tled the margin which securities

brokers and dealers must put up

with banks from which they bar-

row on securities. This margin

Brussels Meeting

TOKYO, Oct. 27 - (AP) - Japan

formally rejected an invitation

oday to attend the Brussels nine-

was cut from 40 to 25 per cent.

Japanese Decline,

ers to post a 10-point margin.

Is Also Reduced

curity purchases had been in ef-

board conferred with the securi-

ties commission before acting.

and selling more difficult.

put up 50 per cent of the value.

The existing requirements that

November 1.

to 40 per cent.

Expected to Serve

As Powerful Brake

Action Is Calculated to

Also Decreed

No. 184

EIGHTY-SEVENTH YEAR

Salem, Oregon, Thursday Morning, October 28, 1937

Price 3c; Newsstands 5c

Reserve Board Acts to Curb Short Selling Lower Margin

Political Hitch-Hikers to Be Spurned by Townsend Forces

Be Ordered at Today's Meeting, Forecast

Candidates Forget Their Promises, Is Charge; Governor Praised

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 Pendle ton, second district manager and special 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 reverence constituted authority. He praised the governor for

and careful consideration. the request for a special session involved not only increased old-age assistance provisions, but en-who have been on a monthly saldorsement of request for a federal ary basis and have been with the US Marines Are Ordered constitutional amendment em- department for several years, bodying the Townsend philosophy. Sad Experience With

"Promisers" Cited the committee, meeting here to- former mayor of West Salem; C. day, would vote to accept Governor Martin's advice and invoke Charles Nadvornik and Henry

objectives, Wade said: gram is going to mean that the island, and Clell Thomas and A. Townsend forces in Oregon shall T. Witte of the maintenance defrom here on find themselves in- partment are the others to be reterested in obtaining their legislation rather than in electing with the Townsenders.

carry our issues to the voters, believing that if the people have the

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.)

... in the News

OMAHA, Oct. 27-(AP)-Mrs. Lil-lian 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, III., Oct. 27-(P) -If you want to get on the Evanston police force, you bet-

ter go to college, Among applicants for jobs are six members of the Northwestern university football squad — Captain Don Heap, Quarterback Fred Vanzo, Guard Mike Calvano, End John Ko-vatch, and Centers Irv Wegner and Ed Klamm-and Fred Renkle and Robert Carter of the basketball and track teams,

TULSA, Okla., Oct. 27-(A)-A Tulsa attorney returned 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. Hickman inspected the land and gathered some pecans. He introduced them in evidence. Midway in the trial, after the nuts had been handed the jury for inspection, Hickman heard a crunching in the jury box. The jurymen were gnawing the nuts. And Hickman's defense suc

Direct Action Water Syste Opening Via Initiative Program Announced; Is new Policy Brief but Significant Near Collapse

Petition Circulation to 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 Politicians in Oregon are going and underground source projects will be stressed.

The dedication program proper

of Fairmount hill at Rural ave-

nue and John street at 2 p. m.

There the water coming 18 miles

from isolated Stayton island in

seen through the windows of the

overflow house before it is di-

verted into the new 10,000,000

gallon reservoir. Pumps which

supply the 10,000 gallon tank on

the supply line and the reservoir

(Turn to Page 12, Col. 2.)

Shanghai Troops

to Shoot if Attack Is

Made From Air

SHANGHAI, Oct. 28 -(Thurs-

day) -(P)- Shanghai's defenders

fought today with their backs to

the Soochow creek on the border

Across the stream, at barri-

cades on the south bank, US mar-

tacking them or noncombatants.

(Turn to Page 12, Col. 1.)

Mrs. Hattie B. Lawrence, 78.

Hattie Lawrence

pedestrians today.

close to the foreign zone.

of the international settlement.

Water Agency to **Drop 7 Employes**

Smaller Crew Is Required With End of Pumping: Services Praised

Seven employes of the Salem water department will be dropped from the payroll November 1 as a result of abandonment of the ving the movement courteous Willamette river pumping system, the water commission has decid-Wade pointed out however that ed. Two weeks' salary bonuses will be granted released employes

Main pumping station operators whose services will no longer Declaring that he was confident be required are Guy C. Newgent, W. Russell and Charles Crary. the initiative to gain these two Helton, who have been employed recently in connection with low "The Townsend two-point pro- water season pumping on Minto

In recognition of their many candidates to office, for we have years' service with the water syshad sad experience in that many tem, God Martin and Norman candidates have not kept faith Smith, who are in charge of the Minto island operations, will be We have therefore decided to retained and assigned to the maintenance department.

Manager Cuyler VanPatten yesopportunity, they will approve terday commended the seven men them at the polls." for their service to the depart-Referring to statements of ment and expressed regret at having to let them go.

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.

Except for Pete Olson and Joe Lucas, the rest of a crew of 19 at work when the explosion occurred yesterday were accounted for. Four men escaped unhurt. The body of Augustine Urbich

was recovered late today. The blackened remains of 11 other men were taken to Anchorage. Mine officials said they had found no explanation for the blast miles from here.

Labor's Peace Conference Is

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 will take place at the new reservoir located on the south side

collapse tonight. Only extensive concessions from both sides, which neither seemed willing to make, could, it was believed generally, keep the the North Santiam river may be 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, No-

the crown of the hill directly from In fact, the federation issued a statement late in the day asserting it had received no help from the CIO delegates "in com- the children's stomachs. posing existing differences." It which "seriously jeopardizes" the Digging in Again 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

rines watched the shifting battle-PORTLAND, Oct. 27 -(AP)-The West Oregon Lumber company front under orders to shoot in self defense at any girplane at advised employes today its Linnton plant would close Thursday Adm. Harry Yarnell, comman- night for an indefinite period. der of the U.S. Asiatic fleet, auth-The closure, marking the com-

plete tieup of major sawing operorized the protective orders when the Chinese retreat on the north- ations here, will affect the Flora ern edge of the International set- Logging company at Carlton, emtlement brought intense fighting ploying 500 men, which was ordered to curtail "heavy produc-Further upstream, to the west

The company's announcement of the international settlement, the Chinese were entrenched on said the shutdown was the result the south side of the creek, de- of poor market conditions, but offending a narrow strip of the na- ficials of the CIO sawmill union tive city between the stream and immediately charged "collusion" by the management with the AFL The Chinese dug in on their and AFL officials hailed the denew line after withdrawing from velopment as a victory for its boycott on CIO products.

The mill opened on a half-time basis with 350 CIO employes following the successful moving of a cargo of CIO lumber to Califor-Dies of Injuries all ports despite early this month. nia ports despite AFL picketing

PORTLAND, Oct. 27-(P)-Traffic accidents brought death to two To See Cornhusk

manager of the Pisgah home for Invitation to attend the 14th the aged near Scappoose and, as "Mother Lawrence" widely known national cornhusking contest, to be held November 4 at Marshall, for her charities, succumbed at a Mo., came to Governor Martin yeslocal hospital from injuries received when struck by an automobile terday in a corn cob. The governor will be unable to attend because he will leave Tuesday for Tulsa, Okla., to attend the 20th Frank William Hahnen, 65, was anniversary reunion of the 90th which tore through the mine, 60 struck by a car and injured Oc- US army division, which he commanded during the World war.

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

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 groceryman.

Dist. Atty. David Bennott, 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 prosecutor asserted accused the CIO men of procedure 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 expressed the belief 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 gantritis, 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 school district levy. golfing triumphs to play some more golf, but not, apparently, for that another call for school disa million Collars.

Montague, who, under his true name of LaVerne Moore, was freed yesterday in Elizabethtown, N. Y. of a seven-year-old read-house robbery charge, is returning to Mott Won't Enter 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

"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 on for some magazine stuff, pictures and life stories. I guess he'll go on Bing's radio program. He'll probably get a thousand or so for

Ulterior Motive Denied, Windsor

PARIS, Oct. 27-(P)-The Duke of Windsor declared 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 eset the world today." The duke described himself as

"a very happily married man" and announced he would sail with the duchess November 6 on the liner Bremen to spend about five weeks in the United States. In his first public speech since 000 kilowatts. his abdication last December, the The basis, which Ross described against any region.

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, 21/4, 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

Silverton Budget Reduced by \$2000

District Amount Also Finally Approved

SILVERTON, Oct. 27 - Silverton's city budget, completed tonight but subject to final ratifiber 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 ation of the park police expense, ation oft he 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 \$89,298.10, which is an increase of \$4847.60 over the present year. Since non-tax receipts were estimated at \$2700 higher, the increased tax will be only about \$2100 in advance of the 1937

Supt. Robert Goetz pointed out trict warrants amounting to \$8200 had reduced the outstanding warrant debt to \$23,298.

Senate Race, Says

EUGENE, Oct. 27-(AP)-Congress man 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 meet ing of the chamber of commerce and the Lions club, the congressman indicated he would seek reelection to his present post.

IEU Interference it would tend to increase security values by making buying easier

Visit Potlatch Plant Mentioned, Claim

PORTLAND, Oct. 27-(AP)-Two letters, which national labor re- market trends. mitted as evidence in the labor an innovation in reserve board

Jack Ziemer and Jack Wolfe, which claims 12,000 sawmill and items of correspondence from have admitted as evidence.

legal staff had made a thorough survey of the reserve system act. tonight and adopted the budget of ger of Potlatch Forests, Inc., of to ascertain whether authority for (Turn to Page 12, Col. 1.) such action existed.

Elixir Death Toll

The total was an increase of six verified elixir deaths occurred at boro and Dahlonega, Ga.; Wichita

Dr. Leech said that probably only five or six more deaths would be verified as resulting from the elixir, containing a drug commonly used in industry but not rec-The federal food and drug administration has confiscated vir-

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 oth-

er signatories of the 1922 Washington treaty guaranteeing China's territorial integrity was handed by Japanese foreign minister Koki Hirota to Baron Albert de Bassompierre, Belgian ambas-Hirota previously had received

imperial sanction for the reply. After making Japan's decision known in a lengthy, informal statement accompanying the refusal, he summoned U.S. Ambassador Joseph C. Grew and British Ambassador Sir Robert Leslie Cragie to explain the nation's at-

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, upless the date's been changed, but on Friday night out at Leslie high it's reported "A Murder Has Been Arranged...

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 the right, Tuesday night returned a verdict of not guilty, to which Presiding Judge Harry E. Owen took futile exception,

Letters Cited for

Total Is \$14,540; School Request for Organizer to

lations board attorney John Babe said showed interference by em-

cation at the citizen's meeting ployers on behalf of the Industriwhich was scheduled for Novem- al Employes' union, were adboard hearing on charges of company-unionism here today. The letters were written by

field organizers for the union however, has required short selltimber-workers in the northwest as members, and were among 530 IEU files which Babe sought to One letter stated that Tom Kenney, assistant general mana-

At 57 and Rising

CHICAGO, Oct. 27-(AP)-Death attributed by the American Medical association to an elixir of sulfanilamide reached 57 tonight. for the day. Dr. P. M. Leech, secretary of pharmacy and chemistry for the association, said the latest Collins and Magee, Miss.; Swains-Falls, Tex., and Arab, Ala.

ommended for internal use. tually all of the drug.

Bonneville Yardstick Hasis Set up; Pay off in 40 Years

for all federal electricity.

the Bonneville, Ore., power dam years. project, announced that Mr. Roosevelt had approved a 3 1/2 per cent interest rate and 40-year Bonneville basis be used on all

amortization plan for Bonneville, On that basis, taken in connection with the number of kilowatts said that would be placing all the

duke said at a luffcheon of the as a "yard stick" for all federal Boulder has a four per cent in-Anglo-American Press association power projects, will be applied to terest rate. There is no fixed inthat "my wife and I neither are that part of the cost of Bonne-terest charge for TVA. None has content nor willing to lead a pure-ville that is charged against pro-been fixed yet for Grand Coulee. In the leading that the proposal that Ross are the proposal that Ro The former king admonished power commission, he said, is now made was the immediate joining the press not to seek "ulterior breaking down the more than of Bonneville and Grand Coulee motives in regard to our doings." \$50,000,000 the government is by a power distribution line.

HYDE PARK, N. Y., Oct. 27- spending at Bonneville into two (P)-President Roosevelt took the items—power and navigation. first step today toward the goal of cost is determined, he disclosed, one of his principal power ad- the federal treasury will be paid visers—a uniform system of rates 3 % per cent interest annually on that sum and plans will be made to J. D. Ross, administrator of repay the capital cost over 40

> Ross said he hoped for, and proposed to the president, that the federal power developments. The Bonneville administrator

produced at the dam, Ross will government's projects, including determine the rates to be charged TVA, Boulder and Grand Coulee for Bonneville power. The dam's on " a strictly financial basis," steady, running capacity is 430,- and at the same time would insure against discrimination for or