

The Weather  
Fair Thursday, partly cloudy Friday and cooler. Max. Temp. Wednesday 75; Min. 48. River 3 foot. Rain 6, West wind.

## Litvinoff Out; Soviet Policy Change Seen

### His "Release" Adds to Enigma Of Soviet Position as to Pact



MAXIM LITVINOFF

### His Successor Said to Favor Defense Pact

### Change Will Delay Meet Aimed at Ironing out Alliance Barriers

### Hitler Seeks to Line up Group of "Neutrals" in North Europe

(By the Associated Press)  
The Soviet government in a surprise announcement Wednesday night disclosed that Maxim Litvinoff, long-time chief of Soviet foreign affairs and noted proponent of the collective security principle, had been "released" from his post.

The disclosure came with passing suddenness to Europe struggling through a continuing crisis in which the position of Soviet Russia already had been a major uncertainty.

Only a few hours before, British Foreign Secretary Viscount Halifax was said to have suggested a meeting of himself, Litvinoff and French Foreign Minister Georges Bonnet at Geneva May 15 in an effort to smash the deadlock British-French attempts to get Russia into a triple alliance with them.

Both Bonnet and Litvinoff had been understood to have agreed to the meeting. Successor Reported To Favor Coalition

The first impression in London diplomatic quarters was that replacement of Litvinoff might prevent bringing Russia into the British-French coalition. In Warsaw, however, Polish political quarters understood that Litvinoff's successor, Vyacheslav Molotov, apparently passed up attempts to get Russia into a triple alliance with them.

German morning papers declared the retirement of Litvinoff resulted from "failure of his policies" which they described as attempts to gain bolshevik footholds in other countries.

England hurried her moves to get Russia to join her as Germany made a swift step aimed to keep northern European states out of the British-French bloc and the diplomatic battle engaged in a diplomatic battle with the Reich over the Free City of Danzig.

Germany has sent proposals to Denmark, Sweden, Norway, Finland, Latvia and Estonia offering bilateral non-aggression pacts which were believed to involve pledges on the part of the smaller nations not to favor either the Paris-London or Rome-Berlin camps.

The German move was described in Berlin as a bold diplomatic offensive by Reichsfuehrer Hitler to destroy what he considers British and French efforts to "encircle" Germany.

Litvinoff's "release" was "at his own request," the Moscow government announced. He was (Turn to Page 2, Col. 6)

## Job Compensation Tax Slash, More Liberal Benefits Voted

### Chamber Boo's Drive Speaker Away in Huff

### Rep. Bloom Is "Insulted" by His Greeting as Invited Guest

### Statement US. Business Should Gladly Pay Taxes Is Bood

WASHINGTON, May 3.—(AP)—Rep. Sol Bloom (D-N.Y.) left a New York state dinner of the United States chamber of commerce abruptly and angrily tonight when booted from the dinner when he refused to pay taxes for the privilege of living in a free country.

He told reporters afterward that he and other congressmen had been "insulted" by being invited to the formal dinner, with their wives, and then being "put on the spot" as to their attitude toward tax revision and other legislation.

Bloom said he thought several persons booted his remarks at the dinner, but spokesmen for the chamber of commerce said they believed only one man was responsible.

Bloom said one of the business men at the New York gathering made a talk in which he attacked President Roosevelt and "wanted to know what we were going to do about taxes and other matters."

Senator Burke (D-Neb.), a critic of many new deal measures, touched off a businessmen's demonstration today in behalf of Vice-President Garner.

In the midst of a speech in which he denounced the Wagner labor relations act and the board which administers it as "public enemy number 1," the senator referred to the vice-president as one of the great men of the age.

At this there was a burst of applause through the huge hotel banquet room where members of the chamber were gathered in annual meeting.

Bloom spoke, W. Gibson Carey, jr., who is expected to be elected president of the chamber, told a meeting of the organization that the labor act had "induced unrest, built bad feeling, decreased productivity, and displaced thousands of men from private employment."

## \$153,000,000 Arms Bill Becomes Law

WASHINGTON, May 3.—(AP)—A \$153,000,000 bill to provide miscellaneous fighting equipment for the army and to add new ships to the navy was signed into law by President Roosevelt today.

In addition to this, the house naval committee approved an expenditure of \$6,640,000, with which the navy would overhaul five old battleships—the Tennessee, California, Colorado, Maryland, and West Virginia—and make modern fighting craft of them.

At the same time, the navy, with an eye to an eventual increase in the efficiency of its enlisted personnel, increased the term of enlistment from four to six years. The order is to become effective on July 1, when the navy expects to have completed the enlistment of 5,000 new recruits with which to man its expanded fleet.

## Reorganization Plan's Effectiveness June 24 Assured FR by House

### Democrats, with GOP Aid, Ballot Down Proposals to Kill Projected Merger of Agencies; Only Adjournment Can Frustrate

WASHINGTON, May 3.—(AP)—House democrats, with some republican help, gave President Roosevelt a virtual guarantee today that his first plan for reorganization of the government would become effective June 24.

They killed, 264 to 128, a resolution by Rep. Taber (R-N.Y.) to reject the plan, which provides for merging a score of government agencies into three new bureaus handling welfare, works and lending activities.

Under the reorganization act, a presidential reorganization proposal becomes effective 60 days after the president submits it to congress, unless both houses disapprove. Rep. Warren (D-Conn.), sponsor of the act, said that today's vote clinched victory for the president's first plan, unless congress adjourns before June 24, the date the 60-day period expires.

If adjournment occurred before that date, he said, the president would be forced to submit the plan all over again next year.

Today's fight in the house was one of the most unusual of the year, because democrats were so confident of the results. Republican speakers shouted long and (Turn to Page 2, Col. 5)

## Missouri Capital Loses old Hotel 70-Year-Old Noted Hotel Madison Is Guttered; 4 Are Injured

JEFFERSON CITY, Mo., May 3.—(AP)—Jefferson City's grand old Madison hotel was gutted by fire that swept through the 70-year-old structure at the dinner hour tonight.

Within two hours the recently-remodeled four-story building was a gaunt ruin with flames licking from every window.

Four persons were taken to a hospital as guests clambered down fire escapes, ladders and improvised ropes. Among them was Fred Joseph, legislative representative for the St. Louis city administration. None was seriously injured. First reports that Joseph's leg was broken in a leap from a window proved false.

Leo Levy, manager of the hotel, estimated the building's value at \$135,000 and the contents in excess of \$80,000.

Levy said he believed the fire started either in a kitchen or in the elevator shaft.

Within minutes the flames were licking up the elevator shaft and popping out top floor windows.

Traffic through the capital (Turn to Page 2, Col. 6)

## Arizona Officials Scent Foul Play

PHOENIX, Ariz., May 3.—(AP)—Arizona authorities, fearing foul play, asked the police of 11 western states today to aid in the search for Jack Peterson and Ellis Koury, Phoenix automobile salesmen, and Robert M. Burgunder, a student at Arizona State Teachers college at Tempe, who have been missing four days.

Burgunder was identified today, police said, as the man who appeared at an automobile agency yesterday, told of an intention of trading in a 1929 model car for a new one, and drove off with Peterson and Koury. They have not been heard from since.

## Aged to Begin Receiving Aid In 1940, Plan

### House Committee Favors Eliminating Payroll Tax, big Incomes

### Lowered Rates in States That Have Adequate Reserves Voted

WASHINGTON, May 3.—(AP)—The house ways and means committee voted today to slash the unemployment compensation tax by many millions of dollars and to liberalize benefits under the social security act.

It decided that old age pensions, under the contributory system, should start in 1940 instead of 1942, and that the federal government should pay half, instead of a third, of the cost of state aid to dependent children.

In announcing the committee action on taxes, Chairman Doughton (D-N.C.), said:

"We are going to try to relieve the taxpayers in every state of an unnecessary tax—that's the important thing."

The committee decided that the 3 per cent federal unemployment compensation tax, paid entirely by employers, should not apply to individual incomes in excess of \$2,000 a year. Under the law now, the tax is paid on total incomes. Sixty Million Saving

Doughton said that change would cut employers' tax bills \$60,000,000 a year and Representative McCormack (D-Mass.) added that it would mean a 7 to 15 per cent reduction in the tax paid by the average corporation.

The committee also worked out a complicated arrangement by which states with "adequate" reserves to back up their unemployment insurance programs may lower their tax rates. The committee probably will define an adequate reserve as not less than 150 per cent of the highest amount paid into or out of a state unemployment fund. (Turn to Page 2, Col. 5)

## Pistol Contests Set for Weekend

### Contact Camp of Reserve Officers to Draw 200 Throughout State

Ten pistol matches will be conducted at the government range at Turner Saturday and Sunday, May 6 and 7, in connection with the contact camp which is to be sponsored by the Marine-Polk chapter of the Reserve Officers association. It was announced Wednesday.

Col. Carl Abrams and his staff of the 52nd infantry will direct the contact camp. It is expected that 200 reserve officers from all over Oregon will participate.

In addition to government medals which are to be awarded, ten local merchants have put up merchandise prizes for the contests.

This will be the largest affair of this type which has ever been held in Salem, and the general public is invited to attend. Those who feel that they are especially good shots are invited to participate in the matches. The matches will include six (Turn to Page 2, Col. 5)

## US Neutrality Gone, Landon To Aid Anyway

### Supports FDR Move for Peace Talks, Though Some Hope Lost

### Sees United States as Only Power Able to Make Peace Bid

KANSAS CITY, May 3.—(AP)—Alfred M. Landon declared tonight he was crossing "party lines . . . to support my president" in a world peace conference move, but at the same time he charged Roosevelt had "abandoned neutrality for the United States."

In a nationally broadcast address on foreign affairs prepared for delivery at the Methodist uniting conference, the 1936 republican presidential nominee said:

"I think we can and should support the president's appeal for a peace conference and urge him to take such advantages of further discussion as Mr. Hitler's reply offers."

Without particularizing, he commented: "The president, in so far as he speaks and is able to do so, has abandoned neutrality for the United States."

While asserting "a great war threatens," Landon saw Hitler's speech to the reichstag last Friday as leaving "the door slightly open for further discussion of the common destiny of the common people of this world."

He warned "we are heading into dangerous paths," and urged his listeners to "remember that we were involved in the world war by another president who attempted to act as a mediator . . ."

"To Remain Calm  
"Notwithstanding this danger," he saw the United States as "the one great power which has the chance to offer something other (Turn to Page 2, Col. 1)

## Robertson Heads Students of WU

### Frantz, June Brasted and Carol Read Win Other Runoff Elections

Final student body elections at Willamette university were held Wednesday with Dayton Robertson of Salem named president of the associated students for the coming year. Robertson is a graduate of Salem high school, a member of Blue Key and Sigma Tau fraternities and president of the YMCA. Opposing Robertson in the finals was Wally Turner.

Henry Frantz defeated Winston Bunnell for second vice president and June Brasted won over Irma Calvert for first vice president. Carol Read was elected song queen defeating Mary Hensley. Other officers elected in the first election were Verna Vosper, secretary; Fred Bernau, (Turn to Page 2, Col. 1)

## Witness of Leap Dies From Shock

MILWAUKEE, May 3.—(AP)—A witness to a death plunge in the rotunda of the city hall today died of shock an hour later.

Harry L. Kumelski, 23, dropped within a few feet of Albert Pauly, 42, a milkman, in his leap from an eighth floor railing.

Kumelski, third person to make the death leap in 11 months, died instantly. Pauly's death was attributed to cerebral hemorrhage.

## Prison Stretches End Gunmen Trail

### Army Deserters Who Made Northwest Jumpy Get 5 to 15 Years

PORTLAND, Ore., May 3.—(AP)—Prison terms ranging from five to 15 years were pronounced today upon three army deserters from the San Francisco Presidio whose trail of crime with three school girls ended in Boise, Idaho, April 17.

The alleged ringleader, Donald Bailey, 37, who had two previous convictions, was sentenced to 15 years after he and his companions, Vera Jensen, 30, and Edward Klaus, 21, suddenly reversed their pleas of innocence.

Bailey was sentenced for assault with intent to rob, while Jensen and Klaus, pleading guilty to assault with a dangerous weapon, were given five years each.

Preceding them in juvenile court by 24 hours, their girl friends, Cleone Ayles, Edna Mallspin and Jewell Smith, each 17-year-old San Francisco high school students, were ordered confined in a state industrial school until they reach the age of 21.

The men, although accused of petty party robberies in San Francisco, auto thefts and arson, were sentenced for invading a suburban home here with the girls and robbing and holding five persons captive for five hours while they partied.

## Crickets Halt to Lunch on Wheat

MORO, Ore., May 3.—(AP)—The advance of Mormon crickets in rich northeast Sherman county slowed down today as the insects reached green wheat and spent more time eating than traveling.

Farmers banded together in the afflicted sections to help spread poison dust when it arrives Thursday morning. Federal entomologist Mort Ever surveyed the infestation today and said that dust and spraying equipment was on its way.

The wingless ravagers that spilled into the cropland after a dusty migration across sage lands from the vicinity of the John Day river broke up into swarms around each green wheat stalk, devouring each individual sprout clear to the ground before scurrying on to another.

## Liverpool Cinema Blasts Injure 15

LIVERPOOL, May 3.—(AP)—Tear gas bombs believed by police to have been planted by Irish republican army agitators exploded tonight in two crowded movie theatres. Fifteen persons were taken to hospitals.

Investigators expressed the opinion that the bombs were replicas for the sentences imposed on two IRA members in London today.

## Coal Compromise Legality Is Eyed

### Operators' Proposal on Collection of Dues Draws Attorneys

NEW YORK, May 3.—(AP)—Legal questions arose today around the compromise proposal made by soft coal operators to the United Mine Workers in their two months old negotiations toward a new labor contract that would reopen the idle mines of the eight-state Appalachian area.

The proposal, while stopping short of the closed shop demanded by John L. Lewis in behalf of the union, would permit the installation of a checkoff system to collect dues from both union and non-union members.

As its terms were threshed over, first the union and then the operators summoned attorneys (Turn to Page 2, Col. 6)

## Meals Slip Past, Fishermen's Fear

ASTORIA, Ore., May 3.—(AP)—Columbia river fishermen learned with dismay today that the spring run of Chinook salmon, their livelihood, apparently passed upstream about a week before the commercial fishing season opened Monday.

Seven days before the season opening, 5220 Chinooks, or about 120,000 pounds of fish, were counted at Bonneville dam. Since then the count has declined steadily.

Gilnet catches continued good, however, with mid-river fishermen in the St. Helens and Kalama areas getting the biggest hauls.

Meantime deep sea trolling of the Pacific coast fishermen's union fleet was suspended with termination of spring price contracts when an impasse was reached over union demands for increased trout prices. Packers offered the 1938 scale and declined to deal exclusively with any one union, claiming such would be a violation of anti-trust laws.

## Severe Earth Shocks Recorded in California

PASADENA, Calif., May 3.—(AP)—A strong earthquake was recorded at 3:55.52 p.m. (PST) today by the California Institute of Technology seismological laboratory.

Distance of the earthquake from Pasadena was estimated at "about 100 miles." Direction was unknown. The tremor was severe enough to have caused damage in a populous area.

## Japanese Envoy Portland Guest

PORTLAND, May 3.—(AP)—The door in China will swing open again as soon as the war ends. Kenseku Horinouchi, Japanese ambassador to the United States, declared today.

He arrived in Portland from the San Francisco fair, en route to Washington, D. C.

"In my opinion the doors in China are always open and will be always open. Because of military operations there are some difficulties in trade now. When these military operations are over, we are hoping trade will resume as formerly," he said.

He said the end of the Oriental fight depended on "the attitude of the Chinese government. . . our ultimate object is to secure cooperation between China and Japan."

## Trio Arrested in Detroit in Chicago Tavern Slaying

DETROIT, May 4.—(Thursday)—(AP)—Two men and a woman arrested in Detroit Wednesday night as suspects in a Chicago tavern shooting Tuesday night agreed to waive extradition to Illinois although police said they appeared dazed and were unable to give a clear account of their activities.

Lieut. Leo Doyle of the homicide squad said the prisoners were involved in a Tuesday night hold-up in which a Chicago tavern patron was killed and two policemen injured.

The prisoners were booked as Orville Watson, 39; Edward Riley, 27, and Susanna Smith, 23. Watson was suffering from an abdominal wound.

Lieut. Doyle said the trio admitted they had just arrived here from Chicago. Doyle said both Riley and Watson had Michigan prison records.

CHICAGO, May 3.—(AP)—An aged physician operated upon a wounded robber with a razor blade to drive while in the shadows of a dim room another gunman killed a pistol and warned: "You better fix him right or else . . ."

Shortly before Dr. Siegmund Hirschfeld, 58, was called out on (Turn to Page 14, Col. 4)

## Prune Marketing Issue Eyed At Statewide Parley Friday

Final decision upon an issue which has occupied the attention of prune growers in Oregon for several months is expected to follow the growers' meeting which will be held in the state department of agriculture offices here Friday, and it was indicated yesterday that virtually all prune growing districts in the state would be represented. Processors also were expected to attend.

Tea public hearings were held in various prune-producing sections earlier this year, upon the proposal of a special prune growers' committee to apply the 1925 state agricultural marketing act to this industry. At the conclusion of these hearings Director J. D. Mickle ruled that the department would take no action at the time,

but suggested the holding of the meeting which is scheduled here Friday.

It was expected that lively discussion would center about the proposal, since the marketing standards will be applicable to all growers in the industry if the marketing agreement is approved. The proposed order which the state director is asked to approve, provides for an advisory board of 15 to serve as intermediary between the director and persons engaged in the industry. Seven of the board members would be growers, elected in the seven districts set up.

All growers and processors of prunes would be licensed and subject to revocation or suspension (Turn to Page 14, Col. 2)

## Holmstrom to Try Going up Rivers

COQUILLE, Ore., May 3.—(AP)—Raiding "Buz" Holmstrom, America's ace river runner, who was the first man in history to "solo" the fearsome Colorado, will try going up rivers instead of down for a change.

At the request of Mrs. E. B. Clegg, Vancouver, B.C., Holmstrom organized a party to travel up the Columbia and Snake rivers to study river lore.

Mrs. Clegg, Earl Hamilton and Clarence Bean, Coquille; William Johnson, Thistle, and Holmstrom left Portland to arrive today in two 12-foot skiffs.

## Typist Announces Plans to Wed Son of Former Russian Princess

Irma Derby, who makes her living as a typist in Mill Valley, Calif., who recently announced her intention to wed Paul Crowley, whose kinship to royalty wasn't generally known until he deserted from the United States army. At a court martial trial, it developed that he went AWOL to look for his mother, the former Russian Princess Thais Vladimir. He was honorably discharged from the army after serving a short sentence following conviction. Crowley is making his royal mother's disappearance in marrying an American girl, he revealed.—IN photo.