

Jones Announces Reappointment of Mundt

County Budget Gets Approval Of Committee

Increase of \$18,500 Is Well Within Law of Limitations

Page Queried on Payment of Special Attorney Services

The Marion county budget committee with a burst of speed which belied relatively slow progress made during sessions last Friday and Saturday and yesterday morning...

Pending completion of tabulation of the new totals resulting from consistent if not drastic revision by the budget committee, total expenditures and total tax levy as required by the revised budget were not available at the office of County Clerk U. G. Boyer last night.

As submitted to the committee, the budget showed total expenditures \$1,191,654.10, of which \$508,513.10 was to have been raised by the general property tax with the rest left to revenues other than taxation.

The original estimates, which showed an increase of some \$18,500 over last year's budget, were well within the six per cent limitations prescribed by law.

Heaviest work which the committee undertook yesterday was at least the amounts dealt with were the school, welfare and road appropriations.

The school budget, totalling \$198,000, was approved by a vote of 10-0.

Action Is Deferred On Ship Transfer

Vessels Seek Panamanian Registry to Carry Goods Abroad

WASHINGTON, Nov. 6-(AP)—The maritime commission announced tonight it was deferring "final action" on the United States flag application to transfer nine of its 11 transatlantic vessels to Panamanian registry.

Earlier information from the commission had indicated that it was approving the application to transfer eight of the ships, but after meeting all evening it issued a statement at midnight saying:

"The commission is exploring all the circumstances involved in the transfer, as is customary when such applications are filed."

Before the unusual night meeting, Commissioner Max O'Reilly told reporters approval would not contravene the new neutrality act, which forbids American-flag ships to go to the danger zones.

Pacific Coast Foreign Trade In September Is \$55,746,000

SAN FRANCISCO, Nov. 6-(AP)—The Pacific coast did \$55,746,000 worth of foreign trade in September, the first month of Europe's war.

It was the biggest month for the exporters and importers since the climax of the post-strike traffic boom in May, 1937.

September trade for this coast went \$19,000,000 higher than that of the preceding month and nearly \$18,000,000 higher than it had been two months earlier.

Lost Boy Is Back At Arizona Home



BRUCE CROZIER

Youth Little Worse For Experiences

Doctor Prescribes Plenty Of Rest After Six-Day Ordeal

WINSLOW, Ariz., Nov. 6-(AP)—Bruce Crozier, 7-year-old school boy who resisted hunger, exhaustion and exposure during a six-day ordeal while lost in a northern Arizona wilderness, was back at his home tonight, apparently little the worse for his hazardous experience.

His parents, Mr. and Mrs. R. E. Crozier, brought Bruce home from a Holbrook, Ariz., hospital where he was taken after finding the automobile of two game hunters Saturday.

He was allowed to walk around the house and appeared able to eat normally. Dr. R. L. Davis of Holbrook prescribed plenty of rest and recommended that Bruce remain away from school all this week.

Nazis Threatened To Sink Steamer

BERGEN, Nov. 6-(AP)—A threat by the German prize crew to sink the captive freighter City of Flint if her American sailors gave "any trouble" was disclosed today by Captain Joseph A. Gainard, skipper of the vessel.

In a broadcast, the 59-year-old captain said the lieutenant commanding the prize crew told the Americans in good English that "if you make trouble, I will put you in your boats and sink this ship."

"This is a war measure," he quoted the officer as saying, "and whether any of us like it or not, I must carry out my orders."

Billy Rose and Eleanor Holm To Marry on Friday

NEW YORK, Nov. 6-(AP)—Showman Billy Rose and Eleanor Holm, shapely aquatic queen, will be married here Friday.

Rose said tonight the ceremony would take place in the chambers of New York State Supreme Court Justice Ferdinand E. Pecora.

California Vote Tied on Ham, Egg Plan

Opponents Say Unless 75 Per Cent Vote, Idea Will Carry

Financial Chaos and State Bankruptcy Predicted if Event Wins

SAN FRANCISCO, Nov. 6-(AP)—The last words for and against the sweeping California "Ham and Eggs" pension plan were said today and two armies of campaign workers prepared for the showdown at tomorrow's election.

Opponents of the widely discussed plan openly declared that unless 75 per cent of the registered voters at the polls the plan would carry. They have repeatedly predicted financial chaos and state bankruptcy in the event of its final victory.

Although the odds in professional betting circles were against the "Ham and Egg" forces, they appeared quietly confident. G. V. Hankins, San Francisco manager for the pension plan, predicted the city would yield it a 30,000 majority.

No definite predictions were forthcoming from Los Angeles county, with its 1,510,524 registrants, more than 41 per cent of the entire state's potential vote of 3,605,907, but Hankins said he expected the whole southern area, home of the pension scheme as well as of the Townsend plan and other competing pension proposals, would favor it heavily.

The new "30 Dollars Every Thursday" plan, backed by the pennies and efforts of an army claimed by its leaders to number about 400,000 would make radical changes in the state's economic system, pay \$30 in citizen weekly to every unemployed citizen over 50, revise and add to the tax laws, virtually outlaw all government contracts, and declare private charity contrary to public policy.

It would confer great powers upon an "administrator" who would not be subject either to the governor, the courts or the legislature.

Government Wins Three Victories Supreme Court Upholds Technical Phases Of Tax Laws

WASHINGTON, Nov. 6-(AP)—The government won three victories in the supreme court today when the tribunal upheld technical phases of the income and social security taxes and affirmed a federal agency's exemption from state taxation.

With no dissenting opinions but with Justice Butler absent because of illness, the court ruled in its first decisions of the current term that:

1.—Mortgages of the home owners loan corporation are not subject to state documentary and recording taxes which are levied to raise revenue. (Decision read by Chief Justice Hughes.)

2.—Government contractors get refunds for federal social security and state unemployment compensation taxes under the clause, customarily inserted in government contracts, requiring the government to refund any tax it imposes on material after a contract is signed (by Justice Black).

3.—Companies which elect to list certain items as "development expenditures" rather than as depreciation in computing net incomes for tax purposes must also deduct the development expenditures when computing net income for the purpose of figuring percentage of depreciation (by Justice Douglas).

The justice department said the last decision would affect a hundred other cases involving about \$9,000,000 in taxes. It was returned in cases involving the Wilshire Oil company of Los Angeles and the F.H.E. Oil company of Fort Worth, Tex. The treasury sought \$73,532 income taxes for 1929 and 1930 from the Los Angeles company and \$5,419 for 1932 from the Fort Worth company.

Two Generators To Be Connected

PORTLAND, Nov. 6-(AP)—Bonville dam's first two generators will be connected in about 10 days with the "backbone" power line to Vancouver, Wash., dam officials said today.

The connection will permit Bonneville power to pass west near Camas and West through the "amperes" substation across the Columbia river from Portland. Power will be carried back to Oregon by lines soon to be erected.

This Isle, too, Is Among Demands Made on Finland by Soviet Russia



Among demands made upon Finland by Russia is transfer of the island of Hogland in the Gulf of Finland, shown above. According to officials, Finland is prepared "to make a far-reaching settlement" with Russia but will reject proposals which "would rob us of the possibility of defending the independence and neutrality of our land."

Defensive Measures Tightened by Finland

Censorship Placed on Mail, Telegraph Messages and Telephone Calls to Foreign Countries by Government

HELSINKI, Nov. 6-(AP)—Facing the critical stage in negotiations with soviet Russia, Finland will tighten her defensive measures still further tomorrow by placing a censorship on mail, telegraph messages and telephone calls to foreign countries.

The danger of spy activities, a government spokesman said, is the reason for the censorship, which also will apply to press telegrams and telephone calls.

The government still has taken no action on new instructions for the Finnish delegation which is waiting in Moscow to resume conversations with the Kremlin. The soviet is demanding, among other things, a naval base on the southern coast of Finland and border revisions to "protect" Leningrad.

Most diplomatic observers here expect a turn in the negotiations late this week.

In addition to the tightening of communications regulations, the government was empowered to confiscate any publication containing matter considered harmful to the nation.

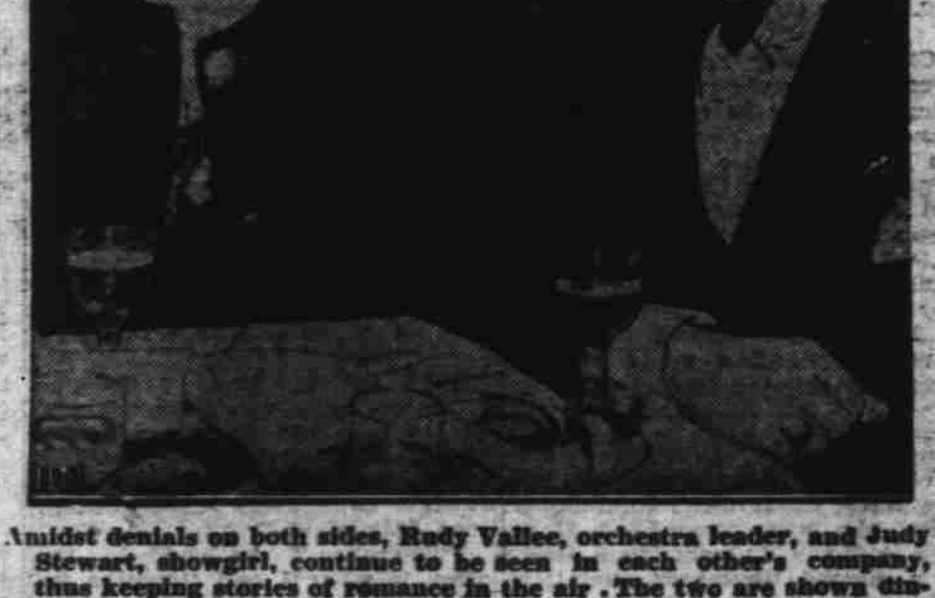
Another decree gave the government authority to present the movement of civilians in specified areas.

A feeling of uneasiness in some Helsinki circles followed announcement of the new measures over the radio. Temporary suspension of negotiations in Moscow and the repeated announcement that the cabinet had not even considered the Russian government's word to the Finnish delegation, when viewed with the supplementary emergency measures, led many unofficial observers to believe the situation had changed for the worse.

Injuries Prove Fatal

NEWBERG, Nov. 6-(AP)—Ruth Kinsey, 8, struck by a car Saturday night, died yesterday. Police Chief Arthur Casteel said witnesses informed him the youngster ran between parked cars into the path of an automobile driven by Roy M. Koch, Newberg.

Showgirl and Orchestra Leader Say That This Is Not Romance



Amid scandals on both sides, Rudy Vallee, orchestra leader, and Judy Stewart, showgirl, continue to be seen in each other's company, thus keeping stories of romance in the air. The two are shown dining in New York.

Molotoff States Soviet to Keep Peace Policy

Attacks US, Britain and France on Jubilee of Revolution

Discontent of Masses Is Provoked by War Says Premier

MOSCOW, Nov. 6-(AP)—Soviet Russia will continue an "undeviating" policy of peace, Premier Molotoff declared today, while capitalistic countries "provoke the discontent of the masses" by their war policy.

Attacking the "capitalistic" United States, Great Britain and France, the premier in a strongly worded address on the 22nd anniversary of the red revolution, declared soviet Russia was now "solidly united and powerful" while "capitalism must perish because it is so old, weak and inefficient."

In Great Britain and France, he asserted, the "interior situation" is bad because deliberate prolongation of the war with Germany is "provoking the discontent of the masses and preparing new flames of anger against the capitalist power."

Likewise, he told a cheering throng of communist party members at Bolshoi Opera House, the United States repeat of the arms embargo simply is a "mask to cover their struggle for profit."

Molotoff's speech opening a three-day celebration coincided with a Communist international manifesto urging British and French workers to "go against those who favor continuing imperialistic war."

Molotoff minced no words in declaring the Russian foreign policy of peace would be continued.

Change in Party Line Is Confirmed

'Popular Front' Technique Formally Abandoned By Communists

NEW YORK, Nov. 6-(AP)—Communists confirmed today the adoption of an historic change in the party line which apparently means open soviet encouragement of party workers in this and other capitalistic countries and the formal abandonment of the technique of the "popular front."

This confirmation was made in Moscow by Premier Molotoff, in a speech saluting the 22nd anniversary of the red revolution, and by a manifesto of the communist international urging British and French workers to "go against those who favor continuing imperialistic war."

In New York, it came also in what was substantially a manifesto to the American party membership—the publication by the official organ, the Daily Worker, of the full text of a speech made last night by Earl Browder, national communist leader, in which he suggested the United States was "the country which is the most ripe, the most prepared, for a quick transition to socialism."

Speaking last night in Boston, Browder took the same tone taken a day later, across half the world in Moscow, by Molotoff. Both denounced Britain and France as "imperialists"; both struck at the United States, Browder asserting that the "bourgeoisie" here was "preparing to come to the rescue of their class brothers in Europe against the rise of the revolutionary working class."

German, French Planes in Combat

PARIS, Nov. 6-(AP)—A violent aerial combat between 27 German and nine French airplanes was reported by the general staff tonight, with the French claiming to have shot down nine of the enemy and escaped themselves without a loss.

The encounter was announced as German ground forces, supported by artillery, were reported increasing their pressure on the French frontier town of Forbach.

The French air squadron took the initiative against the German formation three times in six. The general staff said, and at least seven of the invading planes fell behind the French front lines.

14 Dead in Crash

MANILA, Nov. 7-(Tuesday)—Fourteen Filipinos were known dead, three, believed drowned, were missing and several others were badly injured when a passenger bus crashed through an old wooden bridge into the storm-swollen Obanban river yesterday near La Castellana, occidental negros province.

She Confers With King of Belgians



QUEEN WILHELMINA

Leopold and Dutch Queen Have Talk

Belgian Foreign Minister Sits in to Discuss Situation

THE HAGUE, Nov. 7-(Tuesday)—King Leopold of the Belgians hurried here on a sudden motor trip last night and conferred with Queen Wilhelmina of The Netherlands at her palace until after midnight.

Leopold brought his foreign minister, Henri Spaak, with him, and Spaak and The Netherlands foreign minister, Eelco Van Lefens, joined in the palace consultations.

Everything pointed to urgency in the talks, although official circles gave no indication of their specific nature. Official sources said only that Leopold came here to "discuss some aspects of the international situation" with the queen.

Informed circles here disclaimed knowledge of any new move by Germany which might have caused the urgent conversations. On the other hand, competent sources said it was unlikely the sovereigns were considering any peace move. The entire question of keeping the low countries out of war and of defending their vital interests was believed under discussion.

Lights gleamed from the Noordeinde palace until 1:30 o'clock this morning as the conference met. It was reported from Brussels that the Belgian foreign office also worked far into the night. It was learned Leopold said only that Leopold came here to "discuss some aspects of the international situation" with the queen.

There were suggestions, entirely without confirmation, that the foreign policies of Belgium and the Netherlands were being discussed.

Control Projects Will Be Rejected

PORTLAND, Nov. 6-(AP)—Three applications for control projects on the Oregon coast have been submitted by the U. S. engineers with the recommendation they be rejected "at the present time," Col. C. H. Lee, division engineer, said today.

Lee said the benefits did not justify the cost of the projects. Applications were made for improvement of the Miami, Trask, Tillamook, Wilson, Nestucca and Alsea rivers.

Pensions, Betting, Prohibition Confront Voters in Elections

(By Associated Press) Old age pensioners, part-time betting, prohibition and a few contests indirectly involving Roosevelt policies confront the voters with a miscellany of issues in today's nation-wide elections.

To complicate still further the task of discerning national trends after the ballots have been counted, this hodge-podge of questions is blanketed with a crazy-quilt of local issues almost as numerous as the candidates themselves.

But while mayoral elections in several cities may provide some indications of national sentiment, national interest is fastened first of all upon the question of old age pensions. In two states, California and Ohio, that issue is up for settlement by referendum.

Aldermen Take No Action on Recorder Post

Decide to Let Grand Jury Do Investigation of Audit Disclosure

Sum Reported Short Week ago Made up by 3rd Turnover Monday

The city council evidenced no intention of asking Recorder A. Warren Jones to resign as it ground through an agenda of routine business last night and adjourned early.

The aldermen at a caucus yesterday afternoon had discussed the status of Jones' office, on the basis of the special auditor's report of a week ago showing a \$401.39 unbalance in his books, but, contrary to published predictions, as to their course, had decided to leave further responsibility to the Marion county grand jury in investigating the matter.

Jones announced after the council session last night that he had reappointed Alfred Mundt as his bookkeeper, rescinding his action of Saturday in discharging him.

"In order that there may be no misunderstanding I wish to state that my action in relieving Mr. Mundt of his duties as bookkeeper was not motivated by any desire on my part to blame him for any alleged errors of the city council in connection with the office of recorder," Jones explained in a written statement.

"Mr. Mundt has at all times been honest and efficient in his work. After several conferences with members of the city council and the mayor I have decided that it perhaps is best, taking all things into consideration, that I restore him to his former position."

I do this in the spirit of cooperation in the sincere desire to see the books of the city kept in the best possible manner.

The statement reiterated Jones' previous assertions that he was "assuming full responsibility for the affairs of the office."

Signal Given for Park Completion

City Council Grants Change Of Building Zone to Speed Action

"Go" signal for completion of Salem's new baseball park, George E. Waters field on South 25th street, was given by the city council last night when it unanimously granted a needed change of building zone after suspending its rules to speed the action. No protests of the change were made at a public hearing held earlier in the meeting.

Another zone change measure, applying to the Graber and Goebel properties immediately north of the new high school, was tabled until next meeting.

Backers of an ordinance prohibiting operation of tobacco vending machines within the city yielded a point, on the advice of City Attorney Paul R. Hendricks, and agreed informally that he might compromise in a pending injunction suit against the measure. He said a recent amendment designated to tighten the ban on the machines appeared to be unconstitutional but the original ordinance, allowing use of the machines in buildings under supervision, in buildings under supervision, in buildings under supervision, in buildings under supervision.

Opponents of the pension plan, including Gov. Culbert T. Olson (who acknowledged he was elected last year with the assistance of "ham and egg" votes), have condemned the scheme as unworkable and a burden on the very people it is intended to help. Opposition arguments in Ohio (Turn to page 2, col. 5)