

McMAHAN GIVEN WHITTEWASH BY GRAND JURORS

Five Matters Referred to in County Judge's Letter Bring no Action

W. S. Levens, as Special Prosecutor, Directs Probe At Meier's Request

Investigation by the grand jury of the conduct of the department of Marion county circuit court presided over by Judge L. H. McMahan revealed no cause for action on the part of the grand jury, that body reported yesterday afternoon after considering charges leveled at the circuit judge by County Judge J. C. Siegmund in a letter of May 6 addressed to the grand jury. Siegmund asked investigation of five specific matters.

In its report of its study of these matters, the grand jury indicated that a discussion of the points by the county judge with the circuit judge would likely have resulted in waste basket disposal of the letter to the grand jury.

The grand jury investigation was conducted by William S. Levens, assistant attorney general of Oregon, who was directed to the post by the attorney general after Judge McMahan had asked Governor Meier to send a special prosecutor to conduct a thorough examination into charges against McMahan made by Siegmund.

McMahan asked for the special prosecutor shortly after Siegmund submitted his letter to the grand jury. Siegmund's letter was generally taken as retaliation for the circuit judge's releasing findings of the grand jury relative to conduct of county court and other offices, the county judge's letter having been issued the day after McMahan gave his statement on the grand jury findings.

The five points which Siegmund asked the jury to consider included:

Excess in cost of law suits in McMahan's court as compared to costs in the same court when Judge Kelley was on the bench; condition of the criminal dockets with reference to number of paroles and suspended sentences; why probe into the Empire Holding company cases was asked of the Marion county grand jury with resultant indictment and costs to the county; bringing in of outside judges in the Manning, Ripley, Erpelding, Gley and Schwab and Archerd cases; and degree of efficiency of the court as conducted by Judge McMahan.

"Judge McMahan acted in good faith," Report

The full report of the grand jury follows:

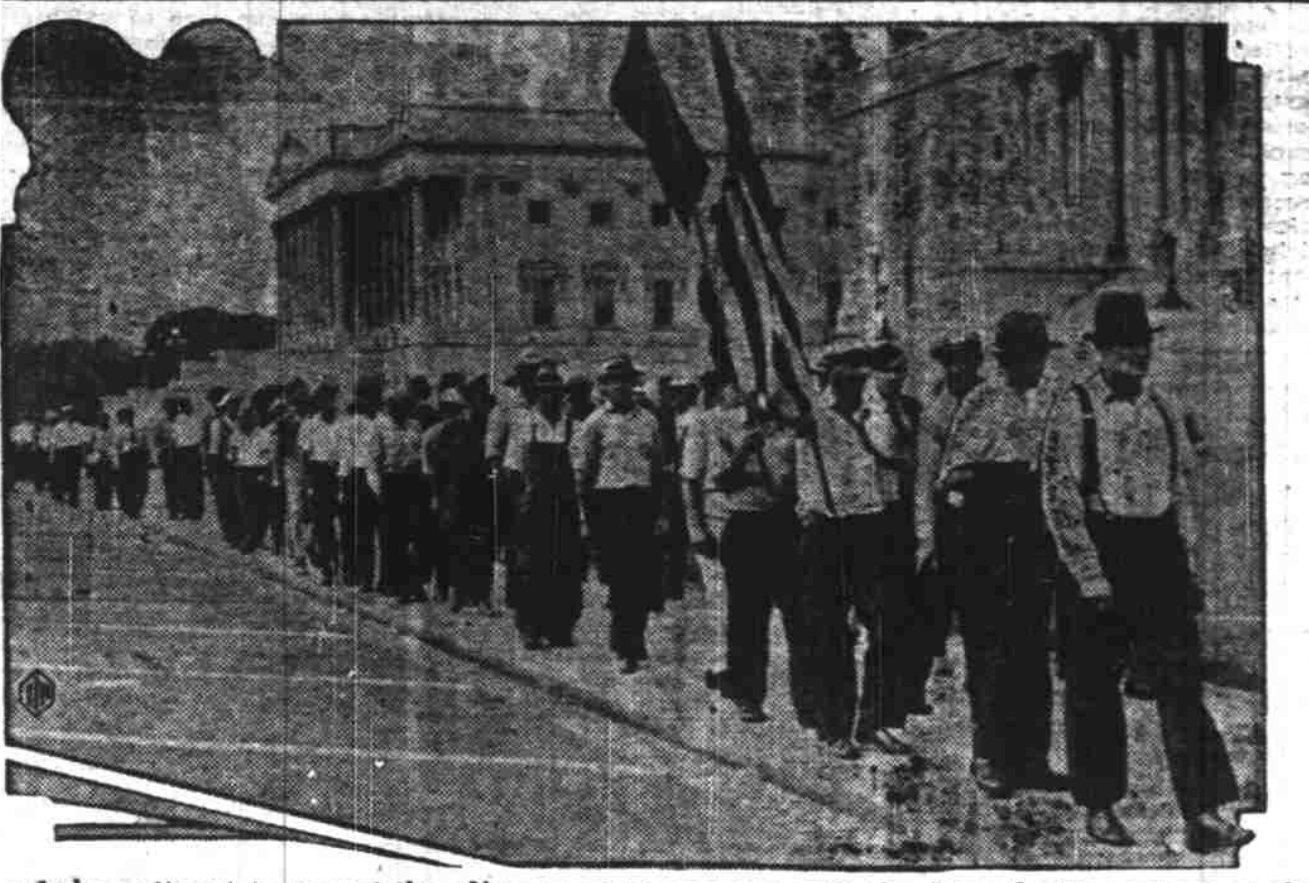
"We, the Marion county grand jury, have had under advisement and consideration the communication of County Judge J. C. Siegmund, under date of May 6, relative to the conduct of the circuit court of Judge L. H. McMahan. After due deliberation we have arrived at the conclusion that the matters referred to in the above mentioned communication do not warrant any action against Judge McMahan by this grand jury, and we find that in each instance set out Judge McMahan acted in good faith.

"Furthermore, we believe that if the county judge had taken the trouble to consult with Circuit Judge McMahan on these matters, set forth in the communication, he would not have sought a grand jury investigation, entailing needless expense to Marion county.

"This investigation has been conducted by the office of the attorney general, with W. S. Levens, assistant attorney general, acting for that office. Mr. Levens has been fair and impartial in presenting the evidence and has been actuated only by the desire to have all facts pertaining to the case presented to the grand jury.

"In conclusion, we wish to express our confidence in the integrity of Judge McMahan and commend him for the conscientious manner in which he conducts his court."

Congress Picketed by Bonus Marchers



In a forlorn attempt to prevent the adjournment of congress until the demands for payment of the bonus have been met by the government, this picket of tired and hungry war veterans is shown parading about the national capitol buildings. Soon after this picture was made the marchers were called out to disperse the marchers, but the troops were almost immediately withdrawn and the picket continued.

WILLIAMS SOON TO TRY ATLANTIC HOP

Will Take Miss Elvy Kalep Along as Co-Pilot on Jaunt to Athens

NEW YORK, July 19—(AP)—Rogert Q. Williams, trans-Atlantic airman, will be accompanied by an Estonian woman flier when he takes off about August 15 for Athens with the hope of creating a new world's distance record.

Miss Elvy Kalep, only recognized Estonian aviator of her sex will share the controls, he said today, when he leaves Floyd Bennett field in an attempt to better the mark of 5014 miles established by Russell Boardman and John Bolando on a flight from New York to Istanbul.

Miss Kalep, 26, has flown two years and has 360 hours in the air to her credit—twenty hours of it blind flying. She was the first civilian flier in her country and the only woman to earn a license. She has acted as a relief pilot on the huge German air liners.

HIGHWAY POST YET UNDECIDED, MEIER

With a meeting of the Oregon state highway commission scheduled to be held in Portland today, Governor Meier last night had not yet appointed a successor to Leslie M. Scott, chairman, who resigned Monday.

The governor said he had given the matter little consideration. E. B. Aldrich, of Pendleton, and Carl G. Washburne, of Eugene, the other two members of the commission, will carry on the work of the road body in the meantime. Both were in conference with the governor here today but said they had no knowledge of whom the chief executive intended to name. Washburne said both he and Aldrich intended to retain their places on the commission if the governor wished them to do so and he said Governor Meier had assured them he wished them to continue.

LOGGING CAMP OPENS

EUGENE, July 19—(AP)—Fifty men were returned to work in the Booth-Kelly Lumber company's logging camp No. 3 above Wendling yesterday. The camp had been shut down for several weeks.

St. Lawrence Waterway Boon to Inland Empire

By ROY F. HENDRICKSON
ST. PAUL, July 19—(AP)—A new economic era was visualized tonight by a land locked empire in the signing of the St. Lawrence-Great Lakes waterways treaty.

It revived business hopes of 19 states with two fifths of the nation's population and replaced an economic landscape of somberness with a picture of a decade hence nautical 1,500 miles inland.

Incidental benefits, employment of thousands of men in carrying out a channel through the St. Lawrence rapids section and deepening harbors at lake ports now limited to fresh water commerce, struck home with force to thousands now hard pressed for jobs. Duluth, Superior, Milwaukee, Chicago, Detroit, Toledo, Cleveland, Buffalo and other cities on the five Great Lakes quickened with the promise of a trans-shipment from domestic to world ports.

Up to 24,000,000 long tons of foreign and domestic cargo were available for movement through the seaway based on survey conducted by the department of commerce. Of this, up to 17,000,000 represents potential foreign trade, previously limited largely to rail movement.

The lower cost of water transportation is the key to the revived hopes.

From Duluth-Superior, twin ports now second only to New York in the aggregate tonnage of annual water shipments, from Chicago and other grain terminals, wheat and other grains could be shipped to Liverpool for from 8 to 11.3 cents a bushel compared with the present cheapest water-rail combination rates of 17.6 cents.

White House Bonus Picket Group Halted

WASHINGTON, July 19—(AP)—While scores of veterans here seeking the bonus were in line today at the veterans administration, a waiting transportation home, police reserves were rushed to the White House two blocks away to guard against a demonstration.

A few minutes later a group of about 60 members of the left wing of the bonus army was dispersed without disorder as they neared the executive mansion.

Police were uncertain tonight whether they had stopped a demonstration or delayed the noon day meal of the group. The veterans vigorously denied any intent to picket and insisted they were merely going to new quarters for their march.

Anyway, most of the gates to the White House grounds were shut and those that were not were heavily guarded for the rest of the day. Police announced "There is to be no demonstration of any kind within two blocks of the executive mansion."

Later, Urban Ledoux, known as "Mr. Zero," who was arrested in connection with a demonstration in front of the White House Saturday night, delivered there a petition asking for the reconvening of congress to pass a bonus bill.

LeDoux saw one of Mr. Hoover's secretaries. He said he told him that unless Mr. Hoover took action within 24 hours he would seek to have the bonus expeditionary force picket the White House.

John Capone Last Of Brothers to Go Before Jury

CHICAGO, July 19—(AP)—John Capone, member of Chicago's notorious gangster family, was ordered today to appear before a federal grand jury considering evidence against the Capone liquor syndicate.

Arrested with \$4,300 in cash in his pockets, Capone has been held by Chicago police on disorderly conduct charges. Assuming an uncommunicative air often used by his older brothers, Al and Ralph, the younger Capone said he had just returned from Florida and that he had been in the automobile business until four years ago, but refused to answer questions about his present business.

Reports were current the government had mapped a program to put out of business the \$10,000,000 a year liquor syndicate, conducted by less prominent gangsters since Al and Ralph Capone went to prison for income tax violations.

HOPE REVIVED FOR PLANE PASSENGERS

SANTIAGO, Chile, July 19—(AP)—Hope for the safety of six passengers and three members of the crew of the Pan-American Airways plane which has been missing since Saturday over the Andes was revived late tonight and plans were made for a new search at dawn.

The railway station telegraph operator at Ison, a small town near La Serena, capital of Coquimbo province advised his superiors he was certain the plane was down at a place called Los Trinites, high up in the mountains.

The plane was wrecked, he said, but all the occupants were safe. He insisted the report was true in the face of a general belief which prevailed here today, following investigation of another such report, that the plane had not been found.

JONES WINNER OF TITLE BELT WITH DECISION

He and Reed Each Take One Fall, Utah man Shows Best, Final Round

Record Crowd for Armory Gets Money's Worth; Over 2400 There

By RALPH CURTIS
Henry Jones of Provo, Utah, grizzled veteran of the grappling wars won the crown he has been seeking for many years, the world welterweight championship, when he was awarded a decision last night at the armory over Robin Reed of Reedsport, holder of the title for the past year.

Each had won a fall and 17 minutes remained for the final round in the Jones-Reed bout with all the fury of which he was capable during those 17 minutes and there was no doubt that on that basis he was entitled to a decision. Fans here were surprised that a decision was given, as it was something new to them. However, decisions are recognized under the Police Gazette rules, which prevailed for this match.

Referee Vern Harrington said he had told both grapplers he would award a draw.

Third Attempt to Wrestle With Championship
"Third time's the charm" proved true in this case as it was Jones' third attempt to wrestle the Midwest Wrestling association belt from Reed's possession. Last night in Portland Jones won the bout but failed to take the belt because he was overweight. Here two weeks ago, on July Fourth, they wrestled a draw.

Tuesday night's bout was lacking in the fireworks that characterized the fight of July 4th, but featured hard, straight wrestling most of the time. There appeared little advantage either way until, after an hour, 12 minutes and 32 seconds, Jones managed to (Turn to page 2, col. 1)

SWART SEES WORK SOON ON SANTIAGO

Hedda Swart, Marion county engineer, will represent the county court at today's meeting of the state highway commission in Portland. Swart's principal business will be to confer with W. H. Lynch, district engineer for the U. S. bureau of public roads. Swart will have charge of letting contracts for the North Santiam construction.

The federal road bureau in Portland announced yesterday that the last congress had appropriated \$1,996,000 for federal aid on Oregon road work and an additional sum of \$774,000 for forest highways. From these sources will come the \$100,000 the federal government will match this year with the county's \$100,000 for North Santiam construction.

It is hopeful that within a month dirt can be flying on the stretch of grading from Whitewater creek, south. Specifications for the contractors to use in making their bids are ready in Portland, Swart said. He thinks a call for bids will be made within a few days. Delay by congress in making the appropriation held up construction this summer.

SEA ISLAND CARGO OF LIQUOR DUMPED

PORTLAND, July 19—(AP)—The twice-seized liquor cargo of the Canadian motorship Sea Island, which was wrecked and burned at Whale Cove last February 7, was destroyed in the basement of the United States customs house here today.

There were 301 cases—3612 bottles—of bonded whiskey and rum. The bottles were removed one by one, their straw covering removed, and the bottles buried against the elevator shaft. Then the liquor was pumped to the gutter outside.

The liquor was buried in the beach sands at Whale Cove following the wrecking of the Sea Island. It was found, however, and stored in the county jail at Toledo. Later it was hi-jacked during a fall delivery but was taken within a few hours.

PRESBYTERIANS OF STATE HOLD SYNOD

ALBANY, Ore., July 19—(AP)—Spurred at the 42nd annual session of the synod of Oregon, Presbyterian church, here today said the paramount need of the church today is evangelism.

Reports revealed that there had been no increase in membership during the past year and speakers urged that each church sponsor an evangelistic campaign in the near future. A full time evangelist to serve the small churches also was recommended. Active support to international peace movements was urged upon the church by the Rev. J. H. Rev. Dr. A. Thompson, synodical executive, reported a 10 per cent decline in the churches income throughout the nation.

Lad Held Up By Yegg Who Wields Knife

Clifford Smith, husky 14 year old youth of Salem, was held up at the point of a knife blade Tuesday night on South 12th street near the cannery by a large dirty-appearing man who scratched the boy's abdomen with the tip of the blade and demanded his money.

"I'm hungry and I want your money," the ill dressed desperado grunted. Clifford gave him all of his money, 25 cents, and proceeded a distance to his home at 252 South Cottage.

His mother sent him to the police station to report the affair, and he described the man as about six feet tall and poorly dressed. "He probably wouldn't have done it if I'd have been a big man," mediated the lad at the station.

The knife was thrust close up against the boy's abdomen on the right side and made a scratch, though nothing serious. Police believe the offender to be a transient. No trace had been found of him late last night.

SOL PUTS NATION ON SPOT TUESDAY

Ten More Dead, Fatalities From Heat in Recent Wave Reach 150

(By the Associated Press)
Old Sol put the nation on the spot Tuesday.

Ten more persons died and hundreds were prostrated as smothering heat made most of the country gasp. The casualty list for the past week's heat wave neared the 150 mark.

Only a few isolated sections, notably the head of the Great Lakes region, were in comfort, most states recording temperatures near 100 degrees.

Detroit blistered as the mercury soared to 97, a new July 19 record, and four persons died there. Milwaukee had a similar temperature and two deaths while inland Wisconsin sweated under temperatures of 100 degrees.

Paris, Minnesota saw a 97-degree sun that killed two persons while at Duluth citizens were in comfort at 69.

The Chicago area suffered in 96 degrees and two persons died. Indiana and Ohio saw 102 and 103 at South Bend, Ind., and Findley, O., had a like reading.

In Nebraska it was 98 at Omaha, four degrees above Monday, and 99 at Lincoln. The Iowa corn belt dropped with 100 degrees.

Portland, Ore., recorded 90 degrees and 100 temperatures remained in the high 90s.

STARK MURDER IS LAID TO OFFICERS

NEW YORK, July 19—(AP)—Murder indictments loomed as the next step today in the investigation of the slaying of a 30-year-old prisoner, Hyman Stark, who died with a broken larynx after eight hours questioning about an attack on a detective's mother.

"The men who killed Stark are no less murderers because they are officers," declared District Attorney Elvin N. Edwards at Minnola.

Justice Meier Steinbrink, who presided at an open John Doe hearing yesterday and declared all the testimony of police and detectives "obviously and unmaneuvered perjury," will report tomorrow.

The testimony was being sifted today to fixing responsibility for Stark's death. Thirteen policemen, suspended from service, waited the outcome of the probe.

Mrs. Fannie Tropp, sister of Stark, filed an application for letters of administration in her brother's estate. She will sue Nassau county for \$100,000 damages for his death, it was said.

KERR DEADLOCK FORCES CHOICE TO EASTERNERS

Board of Higher Education to Invite Leading Educators to Come West to Look Over Situation Here; Stalemate of 4-4 Continues Tuesday at Portland Meeting; Threats of Board Dissolution Prevent Swing to Corvallis Head

Student Fees Boosted From \$12 to \$17 at Normal Schools, From \$34 to \$38 at University and College; Student Autos on Campuses Bother Board Members; Sammons Reports Fund of \$135,000 in Reserve, end School Year

THE state board of higher education came out of a two-day stalemate and an executive session huddle Tuesday night at Portland with a decision to invite "certain eastern educators" to come to Oregon with a view of becoming chancellor of the state system of higher education.

Thus ended a two months' boom for President W. J. Kerr of Oregon State college for chancellor. For two days the board is known to have been deadlocked with four votes lined up for Kerr and four votes opposed to him, with C. L. Starr, president, holding the deciding ballot but unwilling to use it.

The board's sole statement was: "The board this evening has directed that certain eastern educators be invited to visit Oregon in the very near future with regard to the position of chancellor of the Oregon state system of higher education, to give them an opportunity to become acquainted with the members of the board and inspect the system."

Board members refused to enlarge on this statement and Dr. E. E. Lindsay, secretary, had nothing to release but information had been gained earlier in the day that election of Dr. Kerr would have precipitated an uprising in the board and the resignation of several members. Objection to Dr. Kerr was made by these members on the grounds that the board had announced several months ago that it would not consider an Oregon educator for the post of chancellor because hard feelings and jealousies might be aroused.

Friends of Dr. Kerr on the board, unable to swing enough votes to insure a strong majority, gave way rather than precipitate a public dispute over the chancellor's selection.

New Student Fee Arrangement Made
Earlier in the day's sessions normal student fees for the 1932-1933 year were established. Normal school fees will be \$17 and college and university fees will be \$38.

Normal school students have been paying \$12, while college and university students have been paying from \$34 to \$38. The new fee of \$18, however, includes all minor fees which formerly have been charged. Students, however, will be required to post a \$10 guarantee against breakage as before. The sum will be returned to them at the end of the school year, less deductions for breakage, if any.

From its wampy executives came petitions to the board yesterday for the right to pass on certain matters of curricula, plant operation and similar items before they were presented to the board. The petitions were tabled.

E. C. Sammons, chairman of the finance committee, reported to the board the reserve fund contained \$135,000 at the end of the fiscal year as compared to \$438,000 at the beginning of the year.

The board spent considerable time in study of its order of some months ago banning student automobiles. It had left to the presidents of the university and state college the task of devising a plan of control and regulation.

The presidents reported to the board it would cost about \$20,000 a year to enforce the ruling on the various campuses if the best system were used. They proposed an alternative plan which they estimated would cost only about \$5000 a year.

(Turn to page 2, col. 5)

Butter up 2 Cents In Frisco as Big Order Received

SAN FRANCISCO, July 19—(AP)—The advance in commodity prices hit the first of the Pacific coast agricultural products today when butterfat jumped 2 cents a pound on the San Francisco market, going to 20 cents.

The immediate cause of the climb was an order for 50,000 pounds of butterfat, placed by the Golden State company to fill increased demands.

The gain, which was regarded in trade circles as an indication of a permanent turn, rather than a temporary spurt, was the largest rise in many months.

Unusual Bargains to Be Offered Here On Dollar Day

Dollar Day bargains, in a large number of Salem's stores, will be offered here tomorrow, to augment unusual values now available due to the lowest retail prices in a decade. The Bargain Day on Thursday is the second of its kind to be held by Salem merchants who are compensating in this method of speeding up business by offering substantial reductions from preceding low prices.

Windows today and tomorrow as well as newspaper advertisements will be utilized by the stores to announce Dollar Day values.