

BRIBERY CHARGED, BANKS CASE

MARTIN DELAYS DECISION AFTER BANKS HEARING

Refuses to Embroil State
by Calling Commission
for Further Probe

Hewitt, Kellaher and Mrs.
Pomeroy Lead Effort to
Get Slayer Free

When Governor Charles H. Martin at 6:30 p. m. yesterday adjourned a hearing relating to a pardon for L. A. Banks, life-terminer in the state penitentiary, he declared that he would "take the case under advisement" although it was plainly evident that chances for executive clemency for Banks were extremely remote.

From 2:30 o'clock in the afternoon the governor had listened to evidence in the Banks case.

Roy R. Hewitt, local attorney, representing Banks, declared that he had sought a thorough investigation of the Banks case. Hewitt suggested the appointment of a special commission.

Commission Proposal
Scored by Governor

"I do not propose to call any such commission or to put the matter before the legislature," Martin retorted. "I have given all the time desired to hear this case. I am competent to make the investigation and have done so. I do not propose to let the state of Oregon be embroiled in a matter through any further investigation."

"Then you have decided this case?" Hewitt inquired.

"No, I have not," said Martin. "I'm not calling on any commission for an investigation."

Mrs. Ariel B. Pomeroy of Central Point, appeared with Hewitt and Dan Kellaher, as chief proponents for an investigation of the Banks case. She declared that all she sought was an investigation; she denied that she or Banks wanted a pardon until a thorough investigation had been made.

Kellaher opened the hearing charging that "power trust kidnapers" were responsible for Banks' conviction and incarceration.

Liberal Leaders Are
Not at Hearing

Peter Zimmerman, Yamhill county senator, and Richard Neuberger, Portland "liberal," who signed petitions for Banks' hearing and for his release, did not attend the hearing. Nor did Dr. A. A. Slaughter of Portland, other leaders in the move to get Banks released from the state prison.

"What I want," Kellaher said, "is an open investigation. Banks should be called here to testify."

Governor Martin replied that he would listen to Banks' representatives, but that the prisoner would not be allowed to leave the penitentiary.

Kellaher then made the statement that William Levens, originally selected to prosecute Banks, had asserted that there was not a chance of getting a conviction. Levens died the "first day of the trial."

"The power interests then insisted that Ralph Moody be placed in charge of the prosecution," Kellaher said. "It was obvious that the power interests were in complete control."

Kellaher then charged that Banks was placed in a cell near a killer, and that his life has since been in danger.

Going to Bottom
Of Case, Says Kellaher

"Regardless of any decision you make in this case I am going to the bottom of this affair," Kellaher continued.

Mrs. Pomeroy alleged that Banks' conviction was due to mob hysteria and that he was the victim of a vicious condition.

Mrs. Pomeroy declared that Banks had written Governor Martin that he would not accept a

Peace Plan is Agreed Upon But Italy Plans Flight of Air Armada

Opinion in Rome is That Geneva Parley Will
Not Settle Question; Three-Point
Accord Reached by Leaders

ROME, Aug. 2.—(AP)—Plans for the greatest mass flight in history with at least 50 bombing planes flying to Africa were disclosed tonight by aeronautical circles, shortly after authoritative assertions had been heard that Italy would not let the League of Nations compromise her program in the region of Ethiopia.

World News at a Glance

(By The Associated Press)

Washington: Lobby investigators hear utilities official called proposed "whispering" campaign "pertinent"; Roosevelt chuckles at Cramer testimony.

House bickers on \$270,000,000 tax bill, virtually agreeing to boost rates on incomes over \$50,000.

President sees approval of AAA in report that some farmers plan court attacks against tariff; talk of compromise on AAA bill brings threat of flight from Senator Johnson.

President blames McCarl for delay in work relief projects, agrees to expedite procedure.

Other Domestic:
Chicago — Mondville Zenge, "Cicada," seized in Bauer's mutilation death; denies killing.

Cleveland — Woman, 40, held as "hex slayer" of neighbor she imagined was "witch."

Foreign:
Geneva — Italy, France, England agree to resume arbitration of Ethiopian dispute under neutral arbiter.

Addis Ababa — Two Italian nationals killed in train wreck.

Rome — Italy to send 50 bombers to Africa in September.

Berlin — Nazis set up stringent new definitions of treason, wage campaign against foreign correspondents writing "displeasing" news.

THOUSANDS ATTEND TOWNSEND SESSION

PORTLAND, Ore., Aug. 2.—(AP)—Townsend club members from all Pacific coast states, estimated to number around 15,000, attended the opening session of the three-day event honoring Dr. Francis Townsend, author of the pension plan, at Jantzen Beach here today.

Dr. Townsend gave the principal address.

His talk followed a parade through the business district of Portland earlier in the day.

Declaring that Henry Ford "has done more to make life liveable than any man since Christ," the Californian said that "the day is coming when the result of a short day's work will bring all the comforts we want."

"We are not going to really start until we restore buying power. We are out of balance as a people."

VICTIMS RECOVERING
BEND, Ore., Aug. 2.—(AP)—The 78 food poisoning victims from the Ochoco Civilian Conservation corps camp were reported today to be well on the road to recovery.

Oregon Briefs

SEASIDE, Aug. 2.—(AP)—Harry Sladen, 35, of Gladstone, Ore., drowned while swimming in the surf shortly after noon here today.

Reports indicated that Sladen, vacationing here, was seized with cramps and succumbed before his body was brought ashore by other bathers.

MILL ALSO DESTROYED
MARSHFIELD, Aug. 2.—(AP)—Fire destroyed three purse seine nets used in Pilchard fishing and valued at \$4000 each, in a blaze today at a former blacksmith shop on the waterfront here. The nets were insured.

The blaze supposedly started while tar was being heated to provide a protective covering for the nets.

The "old Marshfield" mill on the watershed belonging to the Oregon-Washington Water company west of Marshfield was destroyed by fire last night with negligible loss.

SOVIET PLANE OFF FOR POLAR JAUNT

Soars Early Today; Goal is
San Francisco; Expect
to Arrive Monday

MOSCOW, Aug. 3.—(Saturday)—(AP)—The Soviet polar plane, USSR 25, piloted by Sigmund Levanefsky, took off today at 6:03 a. m. (about 8 p. m. Friday EST) from the Sholokov airport in a driving rain for San Francisco, Cal., on a projected 6,000 mile non-stop flight across the North Pole.

The big plane soared away to a graceful takeoff despite a load of fuel and emergency equipment totalling six tons.

Accompanying Levanefsky were George Baldukov, co-pilot, and Victor Lichenko, navigator.

High soviet officials, including Commissar of War and Navy Voroshilov, Commissar of Home Affairs Hagoda, and Assistant Commissar of Heavy Industry Pyatakov, saw the plane leave.

Lavenefsky and his companions slept in the airplane until shortly before the takeoff. They estimated they would reach San Francisco in 62 hours, arriving about 8 a. m. Monday.

The red-winged ship would be forced to maintain an average of 96 miles per hour to maintain such a schedule.

BOHN PROPOSES TO BUILD MODEL CITY

BONNEVILLE, Ore., Aug. 2.—(AP)—Charles B. Bohn, of Detroit, president of the Bohn Aluminum and Brass corporation, was here today and viewed the rising \$42,000,000 Bonneville power and navigation dam whose total output of power he has proposed to use.

He was particularly interested that construction was ahead of schedule, and he also showed much interest in the intricate fishways being built to provide passage for salmon to their spawning grounds.

Bohn said he would like to purchase 600 or 700 acres within five or six miles of the dam to locate aluminum manufacturing plants which he said would utilize ore from Utah and New Zealand.

His first proposed unit would use 65,000 horsepower, slightly more than half of the 120,000 horsepower to be developed by the first two powerhouse units of the dam. Eight more power units may be added to the dam when demand warrants, and Bohn proposes to build 10 units to his plant. He said he would be interested in obtaining a large block of power even if not all of it.

DEBT LOAD HEAVY

PORTLAND, Aug. 2.—(AP)—Federal Judge John McNary today granted the Willamette Valley Southern Railway permission to file a plan for easing its debt load.

The plan will be given a hearing September 3. The company pleaded indebtedness of approximately \$400,000.

WANT MORE PAY

COTTAGE GROVE, Aug. 2.—(AP)—Sawmill and Timber Workers' union members of the J. H. Chambers & Son company and W. A. Woodard & Co., struck today. The Chambers plant continued to operate.

Workers of the Bohemia Lumber company struck yesterday, but the planer was operating. Union forces were to meet tonight and map the next action in their efforts to obtain wage increase and guarantee of collective bargaining.

Gladstone Man Drowns Pilchard Nets Burn Up Railroad Seeks Relief Mill Workers Walk Out

WATER BOARD'S WORK STARTED; FOUND ARDUOUS

Lengthy Session Held; New
Signs to Be Placed Soon
on Central Offices

Delaney Not to Remain as
Temporary Aide Due to
Pay Disagreement

A three-hour session last night indicated the arduous duties ahead of the Salem water commission. A mass of detail business was waded through and numerous small matters continued or referred to committees or the manager.

Inasmuch as J. T. Delaney, district manager for the Oregon-Washington Water Service company, declined to remain here in an advisory capacity to Manager Cuyler Van Patten on the terms offered by the commission—\$300 a month—the members rescinded their proposal. Herbert K. Griffin, company vice-president, this week informed Chairman Edward Rosten that Delaney would remain on the company payroll but if the city desired his services, he would be paid through company channels and the water commission billed for his salary, which would have been in excess of the commission's offer.

"Water Department" Signs Will Appear

All of the commissioners expressed confidence in Van Patten's ability to carry out his duties unassisted.

Signs soon will be placed on the water offices and on the system's equipment bearing the inscription, "City of Salem Water Department" as a result of a suggestion by Commissioner William Gahlsdorf. No definite name for the system was specified in the charter water amendment.

Department checks will be signed, "Salem Water Commission."

Fairgrounds Main Project Rejected

The commission rejected a request from Frank G. Deckebach, sr., representing the state fair management, that the department lay 1100 feet of six-inch main to connect a second city main with the fairgrounds network. It was pointed out that the city main now runs to the edge of the state-owned fairgrounds property. Instead the commission offered to lay the line at cost, plus 5 per cent overhead, the state to foot the bill.

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Elopement's Windup Is in Local Court

An elopement of two juveniles struck a snag yesterday noon when Fred Woods, 17, was charged into justice court here on charge of contributing to delinquency of a minor.

Complaint against Woods was signed by Mrs. Mettie Roberts, mother of Ila Mae Lair, 16, to whom Woods claimed he was married in Portland yesterday morning.

The mother accuses young Woods of taking the girl to Vancouver, Wash., for purpose of marriage without first gaining consent of the girl's parents.

According to the story told the officers, Woods and Ila Mae apparently went to Vancouver late Thursday afternoon and attempted to get a license to marry, but the license clerk turned them down there because of their youth.

Young Woods asked until 10 o'clock this morning in which city water plus to be charged, and was released to his mother. He claimed he and the girl obtained a license in Portland. The Associated Press last night was unable to verify this.

Patrons Gaining Steadily, Water Records Reveal

An average of ten new water users a month is noted in a study of water company records dating back to September, 1934. It was reported at the city water commission last night by Manager Cuyler Van Patten. The report was made in explanation of a request for permission to purchase 60 new meters, which will cost \$9.45 with couplings.

The system has approximately 6600 metered water connections and about 400 more on flat rate basis.

Charles Magee Dies of Injury

McMINNVILLE, Ore., Aug. 2.—(AP)—Charles S. Magee, 69, prominent Yamhill county farmer who was injured July 24, died at a hospital here late yesterday. He was seriously hurt when a bridge gave way, precipitating his wagon and four-horse team into Baker creek near here.

Mystery Wreck Causes Ethiopia To Guard Outlet

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ADDIS ABABA, Ethiopia, Aug. 2.—Emergency precautionary measures to keep open the Addis Ababa-Kijibouti railway line, this capital's only outlet to the world, were taken today after two Italian subjects, natives of the Dodecanese islands, were killed in an unexplained wreck.

Emperor Haile Selassie and his advisers were authoritatively reported ready to impose martial law in the capital, if need be, to guarantee order, guard against espionage and control the wild tribesmen rushing to answer yesterday's call for recruits.

Kellaher Holds Contract to Aid Slayer's Release, Claim

TRINDLE PLANS ON IMMEDIATE PROBE OF CASE

Public Policy Demands Full
Investigation, District
Attorney Declares

Circuit Judge Uncertain on
Calling Grand Jury for
August, Indicates

District Attorney William H. Trindle declared promptly last night that he would act "immediately" to place before a Marion county grand jury every available piece of evidence relative to the allegedly illegal contract between Dan Kellaher, former state parole officer, and L. A. Banks, life-terminer at the state penitentiary, wherein Kellaher for \$50,000 was to aid in securing Banks' release.

"I propose that every angle of this case be investigated," Trindle declared. "Public policy demands that there must be no delay and a complete investigation."

Judge L. H. McMahan, presiding jurist of the first department here, was uncertain when reached last night of the exact time when he would call a new grand jury. He dismissed the former jury after an indictment brought against Sheriff A. C. Burk was ruled out by Circuit Judge Fred Wilson.

Had Not Intended
To Call Grand Jury

McMahan said he had not planned to convene the grand jury before September since most of the members of the panel of 24, from which the jury will be

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Three Alleged Present at Signing Of Contract in Case of L. A. Banks



Above, left, Lewelyn A. Banks, convicted slayer; right, Dan Kellaher, alleged to have obtained Banks' release from prison; below, M. Clifford Moynihan, Salem lawyer, whose name appears as witness and notary on the purported contract.



KELLAHER NOTABLE IN STATE POLITICS

Former State Senator and
Portland Councilman;
Aids Meier Drive

Dan Kellaher, involved in a contract to free L. A. Banks from the Oregon penitentiary, has for many years been a prominent figure in Oregon public affairs. He became parole officer of the state when Governor Meier came to office, being rewarded with the appointment because of his friendship for the governor's great friend, the late George W. Joseph.

Long active in Portland politics, he served that city as councilman, city commissioner, state senator, member of the dock commission and manager of numerous political campaigns.

Kellaher was elected to the Portland city council in 1905, the year of the Lewis & Clark centennial exposition.

Was Commissioner of Public Docks

In 1912, A. G. Rushlight, then mayor, appointed him to the commission of public docks. In the meantime, Kellaher had been elected state senator from Multnomah county in 1909, and he was elected to the same office again in 1915.

Kellaher returned to the multnomah county board of supervisors last year.

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Water Users to Pay But One Bill At End of Month

Customers of the new city water department will be put to no unusual inconvenience in the manner of paying their August water bills, Manager Cuyler Van Patten stated last night.

Although the old company will receive a portion of the rentals due from August meter readings, the division will be made by the department so that water users need pay but one bill, that to the department under department heading.

First meter readings under city ownership were made yesterday.

Taxing Bill Moves Toward Vote Amid Heated Debate

WASHINGTON, Aug. 2.—(AP)—A shower of projected amendments today descended upon the \$270,000,000 tax bill as it moved through republican political attacks and democratic praise to the voting stage.

Democratic chiefs still openly professed determination to push the measure through by tomorrow night, if possible, but privately conceded they had little chance of achieving that objective. They kept the house in session today, however, until it had finished its debate on the 93-page measure.

The house debate, far from sprightly most of the time, began while some senate finance committee members were reacting sympathetically to a suggestion that

SUM OF \$50,000 WOULD BE PAID IF SUCCESSFUL

Agreement Entered While
Kellaher Was Parole
Officer, Alleged

Name of M. C. Moynihan is
Brought Into Case as
Notary, Witness

A tale of purported bribery, in which Dan Kellaher, state parole officer to June 1, 1935, agreed to use his best efforts to free L. A. Banks from the state penitentiary, for a consideration up to \$50,000, the contact between Kellaher and Banks being made May 16, 1935, was thrown before Governor Charles H. Martin late yesterday afternoon while friends of Banks were pressing for a new investigation of the case and the release of the convicted Medford murderer from the state penitentiary.

With dramatic effectiveness, Ralph Moody, deputy attorney-general, shifted from his recitation of the facts of the Banks trial to point an accusing finger at Kellaher, sitting at the hearing, and to declare that Kellaher, in plain violation of his oath of office had entered into an "unholy contract" to free Banks for a sum up to \$50,000.

"I propose to refer this entire transaction to the district attorney, the circuit judge and the grand jury of Marion county," Moody shouted.

Action Taken While
Officer, Declares

"We have the spectacle of a state parole officer, being paid through the secretary of state's office for his services, contracting while he was an executive officer of the state to free a man from the state penitentiary."

Kellaher, pale and silent, listened as Moody unfolded the details of the alleged illegal plot to get Banks from prison.

"I am satisfied there are others connected with this contract," Moody continued. "The jury must inquire into the relationship of M. Clifford Moynihan who as a notary made affidavit to this contract and signed as one of the witnesses."

"Whoever induced Banks to sign this contract must be brought before the bar of justice," Moody introduced in evidence before Governor Martin photostatic copies of the contract between Kellaher and Banks. He declared that the contract was executed at the state penitentiary, while Kellaher was parole officer, and that Moynihan, local attorney, signed the contract as notary and also signed as witness. Joe Murray, secretary of the state parole board attended the meeting, as did Banks, said Moody, but Murray refused to sign as a witness.

Would Gain Large
Sum if Successful

The contract provided that if Kellaher was successful in obtaining a pardon for Banks he would receive \$50,000, less expenses. In case Kellaher failed, he was to receive as compensation such amount as would be agreed upon between Banks and Kellaher.

In another part of the contract it was provided that Kellaher was to receive \$200,000 provided he recovered assets belonging to Banks in the estimated value of \$715,000.

Moody, holding the evidence before the governor in close attention, proceeded to exhort the drawers of the contract. He pointed to a clause which, he said, indicated that Banks and Kellaher knew the agreement was illegal.

"It is distinctly in the minds of said Lewelyn A. Banks and Dan Kellaher that there is a possibility of claims or contentions being made that the herein contract is against public policy . . . and therefore, at no time . . . shall the claim or attempted claim of such a nature be grounds for . . . nullification of the terms of this contract," the instrument read.

"I want to say that when Kellaher executed this contract he prostituted his oath of office," Moody declared. This contract plainly shows that Kellaher, as parole officer, was interested in getting Banks out of the penitentiary. He was not acting because of any particular love for the prisoner.

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Peaches Topic Next Week For Recipes; Uses Are Varied

Peach cobbler, peach pie, sherbet or ice cream . . . many are the uses of peaches in cooking. Any peach recipe, whether it calls for fresh, canned or dried fruit, is eligible in the Round Table contest this week.

Please list all the ingredients of the recipe before describing how they are put together. Check your recipe carefully before sending it in to be sure you have omitted nothing. Sign with your name and address and bring or mail to The Statesman office before Thursday noon, August 8. More than one recipe may be submitted.