Peace, War in Balance in Anglo-Nazi Talk

Grand Jurors Will Disregard Walker Ruling

McMahan Instructs Jury Former Case Outside of Present Probe

Urges Statutes as Rule in Paying out of County Money

Judge L. H. McMahan instructed the grand jury yesterday that Judge Arlie G. Walker's ruling in the case of Carson vs. the Marion county commissioners, upholding the legality of payments made the district attorney for hire of a stenographer, should have no bearing on their present probe of the conduct of county busi-

Judge McMahan charged in his July 24 instructions to the grand jury that the county court has paid more than \$6000 in excess of the amount allowed by law to the district attorney and was adding to that amount at the rate of \$75 monthly.

McMahan gave his instructions in answer to a question from the grand jury, which filed into the circuit courtroom shortly after 5 adjourned to continue its sessions today.

Stenographic Hire Was Ruled Legal

The case at question was one in which John H. Carson, as dis- and was made state director in trict attorney, asked a declaratory judgment to ascertain legal- director in October, 1937. ity of stenographic hire payments made by the county court. Judge have jurisdiction over Oregon,

were legal. Judge McMahan, in explaining the case to the grand jury, said that there was no real issue between the parties in the case, since both the district attorney and the county court would have been liable to the taxpayers had the decision been that the payments were illegal.

"That decision of Walker's," the judge said, "was in a case where there was not diversity of interests. It does not stop the grand jury or hinder the grand jury in any way."

Judge McMahan again stated his thesis of strict adherence to statutes in the payment of county money in answer to a second question by the jury.

Referring to Walker's decision in the Carson case, the jury power plant, paper mill and conasked, "If the county officers sulting engineering. followed that decision would that "affect the payment of this money, even though a trial court should hold the Walker decision erro-

Judge McMahan told the jury that a mistaken interpretation of the law cannot be a valid excuse. "The county court," he said, "can pay out no money until the man who claims it can put his finger on the identical law that justifies it. If they plead a mistake in law it is no excuse."

McMahan has charged in his instructions to the jury that the county court has paid out thousands of dollars illegally.

McNutt Won't Be FDR's Opponent, **Manager Asserts**

an interviewer today. Frank M. McHale, Logansport,

Ind., lawyer and McNutt's man-". . . We are of the opinion that the president will not be a candidate."

Asked if McNutt would accept ning him for vice-president, we slightly but that his condition are running him for president!" was still critical.

To Leave PWA After 6 Years



CLAUDE C. HOCKLEY

Hockley to Quit PWA Next Month

Northwest Region Director Since 1937 Is Former State Engineer

PORTLAND, Aug. 28.-(AP)-C. C. Hockley, northwest regional PWA consulted other members of the director since 1937, will leave the congressional bloc and to be cono'clock. The jury subsequently PWA when the regional office is fident the current act would be merged September 15 with the San Francisco office, he nounced today.

He began with the PWA in August, 1933, as state engineer of Action, Belief May, 1936. He became regional

The San Francisco office will Walker maintained the payments | Washington, Idaho and Alaska under the merger.

> known in Salem through his guid- steel and other products. They ance of public bodies in obtaining also feel that shipments of such and spending millions of dollars products to any belligerent nation, on PWA projects such as the new even as peaceful exports, are just capitol, the senior high school, as likely to involve the nation in Bush grade school, the new addi- trouble as actual war commodition to Leslie junior high school, the new state hospital men's ward | velt's chief arguments. and the new state library building. He also assisted the county court in securing last-minute ap- strict terms, violations of which proval of the \$550,000 courthouse project, later abandoned when the voters rejected a tax measure designed to provide the county's

share of the cost. Before becoming Oregon PW director in 1933, Hockley engaged in railroad and municipal work,

Emil Roth Badly Injured in Blast

Ammonia in Lungs Cause for Concern; Salem Man in Hospital

LEBANON, Aug. 28—Emil J. ment of raw materia Roth, 1113 North Cottage street, vertible into arms." Salem, was in critical condition in the hospital here tonight as a result of burns suffered when an ammonia plate valve exploded Canada on Alert, while he was cleaning a refrigeration machine at the Pay'n Save store here Sunday morning. Mr. Roth, a member of the Willamette Grocery firm of Salem, suffered burns on the face and arm as well as internal burns PORTLAND. Ore., Aug. 28-(A) but ammonia inhaled into his lungs constituted the most serbut ammonia inhaled into his not run for the presidency if jous injury. He was placed under Roosevelt decides to seek a third an oxygen tent at the hospital. term, his campaign manager told Wrs. Roth and their children, Ed-win, Carlton and Mrs. Russell Pratt were called here.

Marvin Roth and E. E. Hamilton, who were working with Emil Roth when the explosion occurred, escaped injury, it was reported here. Word received by the nomination for vice-president, relatives in Salem Monday indi-McHale replied, "We're not run- cated Mr. Roth had improved

Bridges Returns to Stand, Tells Effort to Halt Strike Sweet Home Mill

SAN FRANCISCO, Aug. 28.-(AP) The witness said he visited Washington and talked with AFL witness stand at his deportation Teamster Union Leader Daniel hearing today and told of his un. hearing today and told of his un-successful efforts to delay the 1936 Pacific coast maritime tieup until after the November national until after the November national

The CIO west coast leader said west coast waterfront dispute ted at \$20,000 by Bert Smith, maritime unions fought the "lock- would be staved off until after the manager. out, which had great political im- November elections. portance. It was to be used to discredit the democratic party. . . · Bridges, fighting the labor de-

partment's efforts to deport him to his native Australia, denied he had attended communist party ous refusal to identify copies of Lumber company mill. Twenty mee' ags or that he was a member two letters.

waterfront strike.

Joseph P. Ryan, president of the The Sweet Home Lumber com would be staved off until after the manager.

Another repeat witness today was Harper Knowles, California anon fire department was called American Legion anti-radical to Sweet Home at 1:30 o'clock leader, who appeared with private this morning to help fight the fire counsel and reiterated Lis previ- which destroyed the Sweet Home

The labor leader also denied he legal means" had been employed action for five hours. red with Earl Browder, to obtain copies of the letters, one In addition to the mill buildsecretary of the communist party of which purported to be from ings, a half million feet of lumber of the United States, in June, him to Robert Thurston, Minne-in the yard was destroyed and 1936, at San Francisco, as stated sota member of the American Leby government witness, for on Sagion, and the other to him from damaged. Reports here indicated piro, attorney, or that the comism commission.

Con' & Bloc T Lacktrack 6. Neutrality

Washington Dispatches See FDR Program Gaining Favor

Foes Who Beat Plan May Reverse Ideas if War Comes

NEW YORK, Aug. 28-(A)-The Herald Tribune says in a Washington dispatch leading members of the republican-democratic bloc which defeated President Roose velt's neutrality legislation have decided to reverse their stand should war come to Europe.

Revocation of the existing neutrality act, which requires an embargo on all implements of war to belligerents as soon as the president has recognized formally that war is in progress, would give the president even more leeway than the so-called "Cash and Carry" legislation he sought before congress adjourned, the dispatch

says.
The leaders, whose names were not disclosed, were said to have eliminated at a special session which inevitably would be called should war break out. Nation in Support

The newspaper said these leaders explained their switch was based on their belief the nation as a whole desires such action.

"They point out," the dispatch continued, "that the mandatory embargo would affect American pay rolls and hit the country Claude C. Hockley became markets for cotton, oil, wheat, ties. This was one of Mr. Roose

". . . The present law long has been a sore point because of its are punishable by heavy fines and imprisonment. President Roosevelt insisted that such an act would leave his hands tied in many ways in such a situation as now prevails, and sought compromise legislation-although he refused to call it that-which would allow actual implements of war to be shipped to belligerents within

"Under the present alignment of forces in Europe revocation would mean little to Germany or Italy, but would be of the utmost importance to Great Britain and France, which look to this country for aid if they must fight. Technically, under the present law this nation could ship them nothing to help them fight, although there are numerous ways of circumventing the embargo through shipment of raw materials readily con-

Eyes Vital Spots

TORONTO, Ont., Aug. 28 .- (Caadian Press)-Four hundred volunteers and soldiers patrolled the Welland canal today as Canada put herself in a state of alertness during Europe's tension.

The government announced had assumed control of merchant vessels of Canadian registry to govern sailings and routine. Following the calling Friday of 10,000 members of the non-permanent militia to voluntary service, guards were posted at all vilocks, hydroelectric plants, docks and terminals, aimorts, ar

senals and radio stations. The \$130,000,000 Welland canal linking Lake Erie and Lake Ontario, was closed to the public. Barbed wire was strung about the locks, and machine guns posted at controlling points.

Goes up in Fire

AFL International Longshore-men's association and it was believed to have started in a saw-aggreed that a showdown in the dust burner. Damage was estima-

LEBANON, Aug. 28,-The Leb-Knowles formerly had said "ii scene. The fire company was in

out of employment.

CIVIL SERVANT SUMMONED



(Jesten Miller photo) WILLIAM H. BURGHARDT

By FBI in East

Last of West Coast Gang Merchant Served Schools, Wanted for Portland Robbery, Reported

WASHINGTON, Aug. 28.-(AP)-The federal bureau of investigation announced tonight its Chicago agents had captured Joseph of bank robbers.

He was wanted, the FBI said, for seven bank robberies in Portland, Ore., Los Angeles and Oakland, Calif., and Seattle, Wash., in

The bureau said that two other alleged members of the gang, John Oscar Hetzer and Arnold Thomas Kyle, alias Shorty McKay, already have been apprehended. Another, James D. Courey, committed suicide in a Los Angeles hotel when agents sought to ar-

rest him in 1937. The bureau would not reveal how it had captured Cretzer. FBI officials said they intended to arraign the pair before the United States commissioner at Chicago tomorrow.

PORTLAND, Ore., Aug. 28-(AP) J. Douglas Swenson, Portland FBI agent, said Cretzer was wanted here in connection with the robbery of the United States National bank, Union and Killingsworth avenues branch, Jan. 31, 1935, when \$3,396 was taken.

Boat Racer Killed

DETROIT, Aug. 28.-(AP)-Joe Schaeffer of Detroit, pilot of the gold cup challenger Delphine IX, was killed tonight when the boat leaped from the water and sank

Cretzer Captured | William Burghardt

Library of City as Clerks for Years

William H, Burghardt, Salem's clerk, died Sunday morning at the Paul Cretzer, who it said was the Dante hospital in San Francisco last of a notorious west coast gang | where he had been since undergoing an emergency operation on August 21. He was 69 years old. He leaves only his wife, Emme-

> line Ludii Burghardt. She returned to Salem yesterday. Funeral services will be held at St. Paul's Episcopal church at 2 m. Wednesday with Rev. George H. Swift officiating. Arrangements are in charge of the

Clough-Barrick company. William H. Burghardt was born in Tennessee April 10, 1870, the son of Mr. and Mrs. W. H. Burghardt.

Following his graduation from the University of Kansas at Lawrence, Burghardt, jr., came west to Oregon City in 1893 and became associated with the Huntley Brothers drug store.

Buying the Commercial Book store in 1900, he moved to Salem and conducted that business until he joined the Thielsen - Rowland Insurance agency. Later he set up an insurance agency of his own As a sideline he served as Salem circulation representative of the Morring Oregonian for 25 years,

Mr. B. ghardt served as clerk of the Salem school board for 28 years, the past year also as school business manager, and was for many years clerk of the Salem public library board. He was a Mississippi Vote charter me ber of the old Illihee during a test run on the Detroit Apollo club, the Elks, the Masons and the Shrine.

European Sidelights

NEW YORK, Aug. 28-(P)-British army and navy reservists in New York disclosed tonight that the London war office had cabled them to return to England at once.

COPENHAGEN, Aug. 28-(AP)-The German minister assured Denmark tonight the integrity of her territories would be respected fully in event of war provided the Danes remain strictly neutral.

OSLO, Norway, Aug. 28-(AP) -Secretary of Treasury Henry S. Morgenthau cancelled a tour today and proceeded to Bergen.

HELSINKI, Finland, Aug. 28 (P)-The Bank of Finland decided to release the mark from the British pound to safeguard Finnish currency on foreign ex-CRISOBAL, CZ, Aug. 28-(A)

-For the first time in many years, not a single German vessel was in Panama Canal Zone waters late tonight. The small coastwise freight-er Durazzo sailed tonight for "the high seas for orders" after

taking on a large cargo of coal. OSLO, Norway, Aug. 28 .- (AP)seen off Haugesund speeding ed."

southward. One German ship, loaded with 8,000 tons of ore stopped off Haugesund yesterday and painted over all identity signs before proceeding southward.

LONDON, Aug. 28 .- (AP)-London university announced that if a state of national emergency were declared no examinations would be held until further no-

VIENNA, Aug. 28.-(AP)-Man former socialists have been arrested here the last few days, it became known today. The home of the last socialist mayor of Vienna, Karl Seitz, was searched but he was not held.

HAIFA, Aug. 28.-(P)-Pales-tine's first major blackout was held tonight to test possibilities for concealment of the Haifa harbor area in event of air raids. Authorities expressed satsfaction with the demonstra-

WASHINGTON, Aug. 28-(P)-The Polish embassy made public

In 'Showdown' Note to Nazis

Points of Peaceor War, Is Offer of Democracy

Polish Pledge Repeated as Nation Apparently Expects "Worst"

LONDON, Aug. 29.-(Tuesday) -(AP)-Great Britain's "showdown" message to Adolf Hitler was said authoritatively today to contain a flat warning that a German thres. to Polish independence would find Great Britain and France "fighting from the first day on the side of Poland."

Strictest silence was maintained about other angles of the communication handed the German chancellor in Berlin last night by the British ambassador Nevil Henderson. Its general tone was described in usually reliable quarters, however, as aimed at putting a definite end to European uncer tainties-preferably by negotiation but by war if Hitler should choose that course.

The communication, which was in reply to one received from Hitler last Saturday, also was be-lieved in circles close to the government to have restated British policy in terms which left Hitler these choices: Three Ways To Peace

And One To War 1. Agree to negotiate the German-Polish dispute in a peaceful atmosphere and in a manner giving assurance Poland's independence would be respected both in to mediate the diplomatic con- Sir Nevile had visited the fuehrer any settlement and afterward.

Dies at Age 69 with Great Britain and other powland. ers for a general political and ec- Italian newspapers reported "a onomic settlement which would government," which they did not restore normal conditions to Eu- name, had appealed to the Duce

veteran school and library board of Danzig and the Polish corridor to Germany. 4. Or face the combined forces of Great Britain, France and Po-

> land if he attempts to settle these claims by force. What Hitler's choice would be no one pretended to know. But the swift tempo of Britain's military preparations showed she was pre-

paring for the worst, Parliament was summoned for another emergency session tomorrow to hear speeches by Prime Minister Chamberlain and leaders

of the opposition. The British cabinet was said restand it had taken and in circles the Suez canal and Jibuti. close to the government there was said to be a complete absence of sentiment within the cabinet for any form of "appeasement" unless Germany showed a willingness to

abandon her present policy. There was talk in political quarters about a possibility Chamber lain would reconstruct his cabinet bringing in such "anti-appease ment" conservatives as Winston Churchill, Anthony Eden and Al-

fred Duff Cooper. But the best informed opinion was that such a reconstruction would await the actual outbreak of war-if war came-and that leaders of the labor and liberal opposition parties likewise would join any "war cabinet."

country club, a member of the Apollo club, the Elks, the Mason:

democratic senators.

Paul Johnson bore the endorse ment of Theo (the man) Bilbo, junior senator and staunch new dealer, in this democratic runoff primary. Former Governor Sennett Conner was the choice of Pat Harrison, senate veteran and occasional administration oppo-

Johnson led the field in the August 8 primary with 103,099 votes but failed of a majority while Conner was a strong second at 79,305. About 125,000 ballots were spread among the five other aspirants. Tomorrow's test will be conclusive since democratic nomination means election.

Recall of Smith Runs Into Snag

KANSAS CITY, Aug. 28-(AP) Recall petitions against Mayor Bryce B. Smith and four city councilmen were declared insuf- in a twin-motored land plane, was before we revived them." ficient today by City Clerk held here today by unfavorable Sumitoshi Nakao, the expedi-Charles W. Regan.

Clark and Alfred Phillips,

British Terse Hitler, Henderson Leave World Dark On Parley Result

Diplomatic Door May Still Be Open; Henderson Presents British **Answer in Polish Issue**

Conversation Lasts Over Hour While **Anxious World Hears Hitler's Adamant Stand on Danzig**

By ALVIN STEINKOPF

BERLIN, Aug. 29—(Tuesday)—(AP)—Adolf Hitler and the British ambassador to Germany, Sir Nevile Henderson, discussed the grave possibility of war in Europe for an hour and twenty minutes last night at the reich's chancellory, but left the world completely in the dark as to the nature of their talks.

Henderson flew from London and presented to Hitler written conclusions from the British government on the violent quarrel between Germany and Poland over the Danzig and Polish corridor issues.

Mussolini Hopes He'll Be Arbiter the fuehrer nor the ambassador banged the door on further dis-

Duce Ready to Step in When Berlin, London Need Third Party

Mussolini stood by tonight ready cy report which merely stated flict between Berlin and London and that the ambassador dis-Enter also into negotiations over Germany's demands on Po- cuss

rope, allow nations large and to intervene. At the same time small to live in peace, and insure they reported an "increased doubt of a negotiated solution."

Space" for her people.

3. Postpone any decision on his claims against Poland for return British reply to Adolf Hitler's Postpone and the Police considers. peace proposals to London. Europe, they said, was awaiting an

be drawn from the present wait-Virginio Gayda, who often speaks the mind of Mussolini, wrote in Il Giornale D'Italia Il Duce could not perform the "miracle" of averting war alone. He said any appeal for mediation must entail "understanding and respect' of the needs and

rights of all. Hitler has demanded Danzig and the Polish Corridor. Italy has been demanding, as a need liably to be fully united on the and right, advantages in Tunisia,

Japanese Cabinet **Rebuilding Starts**

General Abe Sets Forth to Steer new Course of Nation's Policy

By RUSSELI, BRINES TOKYO, Aug. 29.-(Tuesday)-(AP)-General Nobuyuki Abe, a moderate, called from three years' retirement, began today constructing a new government to carry out the isolationist policy to which Japan turned after Germany concluded her non-aggression pact with soviet Russia. Emperor Hirohito last night called on the 64 year old Abe

(pronounced Ah-beh, without accent) to form a cabinet to replace JACKSON, Miss., Aug. 28.-(P) that of Baron Kiichiro Hiranuma. A gubernatorial campaign carry- The latter stepped down because ing national overtones closed to- of the empire's about-face from night, and tomorrow Mississippi the old foreign policy-symbolized will choose between candidates by the Japanese-German-Italian backed by the state's two feuding anti-commintern pact-which he and his ministers championed. With Japan's attention centering on soviet Russia for any possible major move against Man-

Japanese campaign in China.

After presenting the note from the British government, Henderson made verbal explanations. It was reported that neither

last night. But there was absolutely no official or even reasonably well informed comment to support this slightly optimistic report.

cussions at their historic meeting

The Germans contented them-ROME, Aug. 28-(A)-Premier selves with an official news agenafter handing over the British

The British embassy here said that any comment would have to come from the foreign office in London.

Henderson Grim;

No Cheers Heard Henderson rode alone to the chancellory, sitting upright and in a serious mood as his big black "act of mediation," but they limousine passed the silent crowd warned "no bright hope" should which had gathered hours before in front of Hitler's official residence in the Wilhelmstrasse.

There was no cheering for either Hitler or the ambassador. The quiet Germans, all of whom got certificates vesterday rationing food on a wartime basis, were deeply impressed by the seriousness of the event.

The British embassy, where everyone was in a sober mood, could say nothing of the ambassador's plans. But immediately after arriving at the Tempelhoff airport, in the

glare of landing lights last night, Sir Nevile asked that his plane be kept in readiness for a return to London, possibly today. At the airport he was smiling

and composed. He was most serious when he went to the chancel-The huge doors to the court yard swung open for the black car carrying the envoy and then quickly closed again. Inside the spacious entry an honor guard was drawn up. There was a roll of drums as Sir Nevile hurriedly

entered the resplendent chancellory to meet Hitler. Foreign Minister Joachim von Ribbentrop participated in the interview. Dr. Paul Schmidt was

interpreter. Nazi political circles had said last night Hitler has made up his mind to be adamant in his demand for Danzig and the entire

Polish corridor. "If others want peace they will have to bring it," these quarters

Shot Victim Limps Miles To Obtain Medical Aid

PENDLETON, Aug. 28.-(A)-David Allen, Umatilla Indian, who shot himself while hunting and choukuo or North China, Abe walked a mile and rode horseback faces a difficult task in keeping 16 miles to an ambulance, was clear of international complica- given a good chance to recover totions which might threaten the day. The accident occurred yester-

Japanese World Flyers Tell Struggle for Air at Heights

than 20,000 feet altitude, in which two crew members lost conscious ness and the others "thought we were goners," was described to-day by a member of the Japanese around-the-world flight party. The good-will aerial expedition

which arrived here yesterday after a 2,400-mile flight over water

NOME, Alaska, Aug. 28 .- (AP)-A good-will envoy and chief of the harrowing experience at more aviation department of Osaka Mainichi and Tokyo Nichi Nichi, sponsors of the flight. "Before we could release the

special oxygen tanks two of our crew had become unconscious and we thought we were goners because all the windows of the plane became iced and we couldn't see out. For more than an hour we worked over the unlucky two

Leaders of the recall forces ing for the takeoff to Whitehorse | Lindbergh of Japan," paid a tribtonight a communique from the have 10 days to obtain additional Yukon territory, if flying condi- ute to his radiomen for keeping in Warsaw government declaring names on petitions for a recall tions improve.

"all the recently reported stories of atrocities" against Germans in Smith are Councilmen Ruby D. we had to climb out of thick weamunist party had guided the 1936 the Legion's national American- known. Fifty men were thrown Thirty-five German trawlers were Poland "are completely unfound- Garrett, Chester Cooke, Charles ther which forced us above 20,000 true to calculations for the full feet," said Takeo O'Hara, special distance across the north.