

Thorough Service
Local news and pictures?
Turn to The Oregon Statesman.
The Statesman tells it all in accurate, speedily handled AF dispatches.

The Weather
Partly cloudy, unsettled probably with rains today and Wednesday. Max temp. 69, min. 47. River -3.9 ft. Southwest wind.

EIGHTY-NINTH YEAR

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 business.

Judge McMahan charged in his July 24 instruction 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 o'clock. The jury subsequently adjourned to continue its sessions today.

Stenographic Hire Was Ruled Legal
The case at question was one in which John H. Carson, as district attorney, asked a declaratory judgment to ascertain legality of stenographic hire payments made by the county court. Judge Walker maintained the payments 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 judge asked, "If the county officers followed that decision would that affect the payment of this money, even though a trial court should hold the Walker decision erroneous?"

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 it pleads 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.

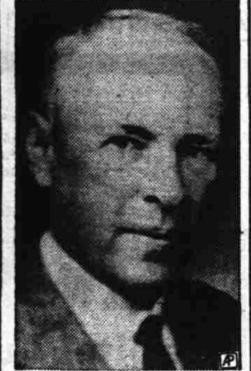
McNutt Won't Be FDR's Opponent, Manager Asserts

PORTLAND, Ore., Aug. 28.—(AP)—Paul V. McNutt of Indiana will not run for the presidency if Roosevelt decides to seek a third term, his campaign manager told an interviewer today.

Frank M. McHale, Logansport, Ind., lawyer and McNutt's manager, added "... We are of the opinion that the president will not be a candidate."

Asked if McNutt would accept the nomination for vice-president, McHale replied, "We're not running him for vice-president, we are running him for president!"

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 director since 1937, will leave the PWA when the regional office is merged September 15 with the San Francisco office, he announced today.

He began with the PWA in August, 1933, as state engineer and was made state director in May, 1936. He became regional director in October, 1937.

The San Francisco office will have jurisdiction over Oregon, Washington, Idaho and Alaska under the merger.

Claude C. Hockley became known in Salem through his guidance of public bodies in obtaining and spending millions of dollars on PWA projects such as the new capitol, the senior-high school, Bush grade school, the new addition to Leslie junior high school, the new state hospital men's ward and the new state library building.

He also assisted the county court in securing last-minute approval 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 PWA director in 1933, Hockley engaged in railroad and municipal work, power plant, paper mill and consulting engineering.

Emil Roth Badly Injured in Blast

Ammonia in Lungs Cause for Concern; Salem Man in Hospital

LEBANON, Aug. 28.—Emil J. Roth, 1113 North Cottage street, Salem, was in critical condition in the hospital today as a result of burns suffered when an ammonia plate valve exploded while he was cleaning a refrigeration machine at the Pay'n Save store here Sunday morning.

Mr. Roth, 40, owner of the Willamette Grocery firm of Salem, suffered burns on the face and arm as well as internal burns but ammonia inhaled into his lungs constituted the most serious injury. He was placed under an oxygen tent at the hospital.

Mr. Roth and his children, Edwin, 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 relatives in Salem Monday indicated Mr. Roth had improved slightly but that his condition was still critical.

Con's Bloc Trackback to Neutrality

Washington Dispatches See FDR Program Gaining Favor

Foes Who Beat Plan May Reverse Ideas if War Comes

NEW YORK, Aug. 28.—(AP)—The Herald Tribune says in a Washington dispatch leading members of the republican-democratic bloc which defeated President Roosevelt'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 a belligerent 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 consulted other members of the congressional bloc and to be confident the current act would be eliminated at a special session which inevitably would be called should war break out.

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

"They point out," the dispatch continued, "that the mandatory embargo would affect American pay rolls and hit the country's markets for cotton, oil, wheat, steel and other products. They also fear that shipments of such products to any belligerent nation, even as peaceful exports, are just as likely to involve the nation in trouble as actual war commodities. This was one of Mr. Roosevelt's chief arguments."

"... The present law long has been a sore point because of its strict terms, violations of which 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 his discretion."

"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, a nation could ship them nothing to help them fight, although there are numerous ways of circumventing the embargo through shipment of raw materials readily convertible into arms."

Following the calling Friday of 10,000 members of the non-permanent militia to voluntary service, guards were posted at all vital locks, hydroelectric plants, docks and terminals, airports, arsenals 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.

Canada on Alert, Eyes Vital Spots

TORONTO, Ont., Aug. 28.—(Canadian 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 it had assumed control of merchant vessels of Canadian registry to govern the calling Friday of 10,000 members of the non-permanent militia to voluntary service, guards were posted at all vital locks, hydroelectric plants, docks and terminals, airports, arsenals 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.

The witness said he visited Washington and talked with AFL Teamster Union Leader Daniel Tobin, labor chairman of the 1936 democratic party campaign, and Joseph P. Ryan, president of the AFL International Longshoremen's association and was agreed that a showdown in the west coast waterfront dispute would be staged off until after the November elections.

CIVIL SERVANT SUMMONED



WILLIAM H. BURGHARDT (Jesten Miller photo)

Cretzer Captured By FBI in East

Last of West Coast Gang Wanted for Portland Robbery, Reported

WASHINGTON, Aug. 28.—(AP)—The federal bureau of investigation announced tonight its Chicago agents had captured Joseph Paul Cretzer, who it said was the last of a notorious west coast gang 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 1935 and 1936.

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. Courcy, committed suicide in a Los Angeles hotel when agents sought to arrest 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.

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 during a test run on the Detroit river.

European Sidelights

NEW YORK, Aug. 28.—(AP)—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.

British Terse In 'Showdown' Note to Nazis

3 Points of Peace—or 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 threat 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 Neville Henderson. Its general tone was described in usually reliable quarters, however, as aimed at putting a definite end to European uncertainties—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 believed in circles close to the government to have restated British policy in terms which left Hitler these choices:

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 any settlement and afterward.

2. Enter into negotiations with Great Britain and other powers for a general political and economic settlement which would restore normal conditions to Europe, allow nations large and small to live in peace, and insure Germany a so-called "living space" for her people.

3. Postpone any decision on his claims against Poland for return of Danzig and the Polish corridor to Germany.

4. Or face the combined forces of Great Britain, France and Poland 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 preparing 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 reliably to be fully united on the stand it had taken and in circles 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 Chamberlain would reconstruct his cabinet, bringing in such "anti-appeasement" conservatives as Winston Churchill, Anthony Eden and Alfred Duff Cooper.

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

Mississippi Vote Today Crucial One

JACKSON, Miss., Aug. 28.—(AP)—A gubernatorial campaign carrying national overtones closed tonight, and tomorrow Mississippi will choose between candidates backed by the state's two feuding democratic senators.

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 Neville Henderson, discussed the grave possibility of war in Europe for an hour and twenty minutes last night at the reich's chancellery, 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.

After presenting the note from the British government, Henderson made verbal explanations. It was reported that neither the fuhrer nor the ambassador banged the door on further discussions at their historic meeting last night.

But there was absolutely no official or even reasonably well informed comment to support this slightly optimistic report. The Germans contented themselves with an official news agency report which merely stated Sir Neville had visited the fuhrer and that the ambassador discussed the Polish-German quarrel after handing over the British note.

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 chancellery, sitting upright and in a serious mood as his big black limousine passed the silent crowd 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 yesterday 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 Tempelhof airport, in the glare of landing lights last night, Sir Neville 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 chancellery.

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 Neville hurriedly entered the residential chancellery 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 said.

Shot Victim Limping Miles To Obtain Medical Aid

PENDLETON, Aug. 28.—(AP)—David Allen, Umatilla Indian, who shot himself while hunting and walked a mile and rode horseback 16 miles to an ambulance, was given a good chance to recover today. The accident occurred yesterday near Kamela.

Japanese World Flyers Tell Struggle for Air at Heights

NOME, Alaska, Aug. 28.—(AP)—A harrowing experience at more than 20,000 feet altitude, in which two crew members lost consciousness and the others "threw up" were "gonaers," was described today 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 in a twin-motored land plane, was held here today by unfavorable weather. They set tomorrow morning for the takeoff to Whitehorse, Yukon territory, if flying conditions improve.

"At one period during the trip we had to climb out of thick water which forced us above 20,000 feet," said Takao O'Hara, special

good-will envoy and chief of the aviation department of Osaka Mainichi and Tetsuichi Niimi, sponsors of the flight.

"Before we could release the special oxygen tanks two of our crew had become unconscious and we thought we were gonaers because all the windows of the plane became fogged and we couldn't see out. For more than an hour we worked over the unlovely two before we revived them."

Sumitoshi Nakao, the expedition pilot and nicknamed "the Lindbergh of Japan," paid a tribute to his radiomen for keeping in contact with ground stations throughout the hop, and O'Hara said the navigator kept the course true to calculations for the full distance across the north.