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GOOD WILL NOT WATCHWORD ON ORIENT WASTES

Goatskin-Clad Japanese on Grim Drive Southward Toward Chinchow

Soldiers and Bandits Look Alike to Them, Reply To Stimson's Plea

(By the Associated Press) When the Liao river winds across the frozen plains of Manchuria there was no Christmas eve good will and peace last night. Columns of Japanese troops, clad in heavy winter uniforms augmented by goatskin coats and great goatskin hoods, pressed forward under orders to sweep 100,000 Chinese "bandits" from the area west of the Liao.

At one point Chinese artillery churned up the ice that would have served as a convenient bridge for the attackers. It was not yet apparent whether the long-heralded drive on Chinchow was under way for operations along the Liao were kept as a military secret by the Japanese hands. See no Difference in Bandits, Soldiers

While the columns of soldiers marched forward in the cold, the negotiations of the diplomats continued. In response to "expressions of apprehension" from the United States, France and Great Britain, Japan will declare informal notes to the three governments tomorrow that there is little difference between Chinese bandits and regular troops in the Chinchow area of Manchuria.

A memorandum indicating renewed concern about the developments at Chinchow was presented to Premier Inukai by American Ambassador Forbes yesterday.

In the memorandum Secretary of State Stimson mentioned treaties in general, but did not specify the nine power pact, which China contends Japan has violated by aggression.

Japanese Winners
Chinese artillery broke up the ice on the Liao river near Tient-Chungtun to prevent the Japanese from reinforcing their battalion there. Spirited fighting was going on.

In two other minor clashes the Chinese were bested by Japanese regulars.

Nationalist leaders in Nanking sent a telegram to former President Chiang Kai-Shek, who gave up politics and went back to his farm the other day, asking him to assist in the formation of a new government.

PAPER MILLS IDLE UNTIL JANUARY 4
Employees of the Oregon Pulp and Paper company and of the Western Converting company went home yesterday for at least a 12-day holiday. The two plants will be shut down until January 4.

General business conditions were given as the reason for the shutdown by Karl W. Heinlein, resident manager of the pulp company. "As far as we know, we will open up again on January 4," he said.

At the Converting company plant, where a three-day shutdown is customary at this time of year, new paper, bag and stationery-manufacturing machinery will be installed during the 12-day period. General repairs will be made at both plants.

Williams Free On \$5000 Bond
SEATTLE, Dec. 24 (AP)—Paul E. Williams, former head of a brokerage firm bearing his name who is awaiting trial on a charge of fraudulent use of the mails, was released today on a \$5,000 surety bond and later left to fly to Los Angeles.

Freight Rate Increase January 4 is Permitted
WASHINGTON, Dec. 24 (AP)—The railroad and the country will increase freight rates January fourth under an interstate commerce commission emergency order issued today.

The commission granted the carriers special permission to file a blanket tariff applying surcharges on freight bills. It also authorized them to put the increase in effect on five days' notice instead of the usual 30 days. Immediately after the order came down representatives of the association of railway executives announced that the notices would be filed December 30 to become effective January 4.

Carols Usher in Christmas; Salem Observes Festive Day In Most Appropriate Manner

"Hark, the Herald Angels Sing" Heard Once More on Every Hand

FRIDAY
Christmas Matin service of carols, 8:30 o'clock in morning, Elsinore theatre, open to public.
American Lutheran church, 11 o'clock, program of music, readings and sermon.
Christ Lutheran church, 9:45 o'clock, German services with special music; 11 o'clock, English services, special music; 7:30 o'clock, German services and Christmas carols.

SUNDAY
First Christian church choir, assisted by Madrigal club and Salem Civic Male Chorus, Christmas concert in church, 7:30 o'clock.
"The Other Wise Man," four-act drama, at First Methodist church, 7:30 o'clock.
Presbyterian choir will repeat concert of last Sunday at 7:30 o'clock.

GRAND ISLAND PUT IN AMITY DISTRICT
Dayton Loses Contest Over Union School Setup; no Appeal Announced

GRAND ISLAND, Dec. 24 (Special)—After an all-day hearing at McMinnville today in the Dayton-Amity controversy over taking Grand Island into one of the two high school districts, Judge George R. Bagley of Washington county declared in favor of Amity. The injunction obtained by Dayton early in November, enjoining the Amity district from taking in Grand Island students, was declared withdrawn.

The Dayton district applied for the injunction directly after the Amity district election November 2, when the Amity citizens voted to include Grand Island in its union district.

Whether or not the Dayton faction would appeal the case to the state supreme court was not announced today. Fifty-eight days are allowed in which to file the appeal.

Witnesses for the two districts at today's hearing were:

For Dayton—C. A. LaFollette of Wheatland, Roy E. Will of Grand Island and Professor D. Lynn Guibor of Dayton; for Amity—E. A. Leslie and Mrs. Arthur Lawrence, both of Grand Island.

GIBSON SELECTED AS U. S. DELEGATE
WASHINGTON, Dec. 24 (AP)—Hugh S. Gibson, America's ambassador-at-large, was selected today as the fourth member of the delegation which will speak for the United States at the Geneva arms limitation conference.

The ambassador to Belgium, who has had wide experience in international parleys, was chosen by President Hoover to accompany Charles G. Dawes, ambassador to Great Britain, Senator Swanson, democrat, Virginia; and Mary Emma Woolley, president of Mt. Holyoke college.

'Mother Ash' is Paid Honor for Christmas Help
POCATELLO, Idaho, Dec. 24 (AP)—Mrs. Hannah Ash, known as Mother Ash for her charity work, was tonsured in the International association of fire chiefs and the Pacific Coast Fire Chiefs' association.

The award was made upon recommendation of the state organization. Members said, they believed she was the only woman ever to be so honored.

Mother Ash each year aids firemen in rehabilitating toys for children and filling baskets for the poor.

products excluded. They are in the form of surcharges and will remain in effect only so long as needed to help carriers unable to earn interest on their bonds over the financial crisis. The extreme limit set by the commission is March 31, 1933.

The money derived from the raises will be collected from eligible carriers by the railroad credit corporation recently organized in Delaware. This company will then make loans to roads needing assistance. Eventually however, all money will find its way back to the roads originally collecting it.

World Appeal on Reparation Change Issued

Basel Report Urges Quick Action to Alleviate Depression

Basel Report Urges Quick Action to Alleviate Depression
Infers all of Young Plan Annuities Should be Cut or Canceled

BASEL, Switzerland, Dec. 24 (AP)—Fifty one pages of economics and politics interwoven in one document—the Young plan advisory committee's report on reparations were given to the world here on Christmas eve.

Summarizing the financial and economic situation of Germany and the world business depression in general, the experts' report, extracts of which were given out yesterday, was accepted by authorities as the best available collection of information about reparations questions and kindred subjects.

Concluding with an appeal to the governments to act immediately to alleviate the world depression, the documents accept Germany's plea of inability to make conditional reparations transfer after the end of the Hoover debt holiday.

It infers also the unconditional annuities provided by the Young plan should be reduced or suspended.

While the document is valuable only as a guide for the forthcoming conference of the governments on reparations, the opinion was that it would aid in clarification of the various attitudes on the debt and reparations questions.

Bourbon Program on Taxation Told

Oppose Lower Exemptions; Administration Gives Out its Defense

WASHINGTON, Dec. 24 (AP)—A democratic tax program, directly opposing Secretary Mellon's plan to swell the number of taxpayers by nearly two million persons, is outlining itself on Capitol Hill.

It was reaffirmed emphatically today by senate and house party leaders as an elaborate defense of the administration proposal was issued from the treasury, denying that smaller incomes would supply most of the \$220,000,000 new revenue desired annually.

Chairman Collier of the house ways and means committee which originates all revenue laws, and Senator Harrison of Mississippi, ranking democrat of the finance committee mined no words on this phase of the treasury plan.

"We are not going to lower the exemptions," Collier said definitely. Harrison was equally firm and predicted a majority of both parties would unite against such a move.

Roosevelt is Safe After Hope Lost

PORT ANGELES, Dec. 24 (AP)—Seven hours after she was believed lost in one of the worst storms off the north Pacific coast in many years, the historic tug Roosevelt, crewed by the shoemaker Neah bay west of here today.

Her wireless cabin was stove in and flooded which explained her silence after frantic SOS calls last night which sent three Canadian and U. S. patrol boats speeding to her aid.

News of the Roosevelt's conquest of the storm came as a welcome Christmas surprise to Seattle families of the eleven men aboard. It was 12 hours after she was believed lost before word of her safe arrival was transmitted through to Seattle.

Yuletide Blessing is Shared

When Homes are Illuminated



Salem's outdoor Christmas illumination program was entered into extensively this year as many citizens responded to the Ad club's suggestion that Christmas joys be shared with the public through lighting plans, and were taken Wednesday night while the judging was under way, by Ward H. Prescott of the Kennel-Elis studio, using a panchromatic lens especially adapted to night photography. Each picture was exposed two minutes, and any business in them may be blamed to motion caused by wind. Top picture, the home of Dr. H. C. Epley, 798 North Summer street; center picture, home of Mrs. Marie Cordy, 1000 North 17th, a display which won first prize in District No. 2; bottom picture, home of Harry W. Scott, 900 North Fifth.

'GOOD WILL FUND' TO AFFORD CHEER

Final day Brings Biggest Addition; Many Given Christmas Help

SALVATION ARMY "GOOD WILL FUND"	
Previously reported	\$581.28
Miller Merc. Co.	10.00
A. Friend	5.00
E. P. Boise	10.00
W. C. Kantner	6.00
Anonymous	1.02
Kettles Thursday	62.46
Final Total	\$676.76

The Salvation Army "good will" campaign, while not over as far as the Army is concerned is over as far as the kettles and the public donations are concerned. In the present economic conditions the Salvation Army workers appreciate the happy, helpful and interested response from the public—a response which has been easily routed with any special request, each of which has been granted within a few hours after having been made through the press, and the general response to the plea for money in the kettles and for donations of necessary things to be bought to fill the many peculiar needs of the many individual cases to come before the Army.

Kilauea Quieter; Many See Crater

HILO, Hawaii, Dec. 24 (AP)—Temperamental Kilauea, world's largest volcano, lifted its suffocating cloak of sulphur fumes tonight to permit visitors from all corners of Hawaii island to peer into the crater of Hawaii man, the crater's "house of everlasting fire."

The 48-acre floor of the pit was covered with molten lava to a depth of 76 feet, through which blazing columns of molten rock speuted. One large fountain was still throwing lava tonight between 100 and 200 feet high, but the height of most of the other half hundred fountains had been cut down by the thickening layer of flame-colored lava.

Oregon Myrtle Gavel Going to Speaker Garner

REEDSPORT, Ore., Dec. 24 (AP)—Speaker Garner hereafter may rap for order as hard as he pleases and have no fear of breaking his gavel, says John Unger of Reedsport.

Hearing that the Texas democrat had broken several gavels in trying to maintain order in the house, Unger, a woodworker, fashioned a gavel from charity committee. The donations included large quantities of staple foods, fruits, jellies, candy and cookies. Toys brought to the luncheon meeting yesterday noon also were distributed.

BETHLEHEM IS NATIVITY DAY MECCA AGAIN

Thousands of Pilgrims Will Visit Spot of Savior's Birth in Manger



Thousands of pilgrims will visit the spot where the infant Jesus, bearing gifts of gold and myrrh and frankincense. So, in many lands on Christmas eve the old young recalled in worship, in feasting, in song, in giving—each according to his lights—to herald the nativity of Christ. In this manner: Bethlehem—all the world's trails seems to converge toward this tiny Palestine village. Thousands of pilgrims, many from America, gathered at the spot where the Savior was born in a manger. The church of the nativity was illuminated with electric lights and decorated with relics of the ages. Spirit Epitomized by Dickens Prevails

London—England observed the event in the spirit of Dickens. The royal family was assembled in the palace at Sandringham. In homes everywhere the celebration centered around the Christmas tree and the yuletide log.

Paris—The Elysee palace resounded to the merriment of children for the first time in many years. President Doumer was entertaining his many grandchildren. In the provinces the children placed their "sabots" on the hearthstone in expectation of a visit by "Pere Noel."

Berlin—Paul Von Hindenburg forgot the presidency and became a family man for a night. The Wilhelmstrasse palace was ablaze with light as children and grandchildren frolicked through its halls. "St. Nicholas" or "Sinter Kios" or "Christ Kind" came to children in all the land.

Vatican City—Pope Pius planned a mass in his private chapel. Many cardinals called to congratulate him on the end of another year as head of the Catholic church.

Rome—Holiday joy was tempered with sorrow for Premier Mussolini and much of the Fascist Italy. He and his family were at the old Mussolini home in Forlì where they buried the Brother Arnaldo. The bells of St. Peter's, newly electrified and those of Rome's four hundred churches tolled a requiem.

Moscow—It was just the night of December 24 in Russia, and Santa Claus was just a capitalist myth. The government frowns on religious holidays and the people follow its bidding.

Streams in Mississippi are Raging; Convicts Sent to Patrol Levees

CLARKSDALE, Miss., Dec. 24 (AP)—Persistent rumors that human life has been claimed contributed to the gloom of Christmas eve in the Tallahatchie river valley as flood waters crept higher around sand-bagged stores and homes.

Streams in the Mississippi delta, already at high stage, were rising tonight in the wake of last night's cloudbursts. Workers were recruited to strengthen sorely strained levees against increasing pressure.

Two hundred convicts from the Mississippi prison farm at Parchman were hurried to Tallahatchie county today to strengthen crumbling levees on Cassidy bayou at Bladon and Sumner.

An exodus of refugees began (Turn to page 2, col. 1)

Tax Delinquency Gain is Reported On by Holman

PORTLAND, Ore., Dec. 24 (AP)—Official figures released today by Rufus Holman, state treasurer, show a big increase in tax delinquencies in Oregon.

In eight counties, the tabulation shows the percentage of tax delinquencies has approximately doubled while in 20 other counties the delinquency increase was at least half again as much as it was in 1930.

Other counties with high in the total rate reported with 31.93 per cent. Curry county reported 35.13 per cent increased delinquency, the highest of all counties. Lake county showed decreased delinquency of 4.57 per cent, although the county's delinquency rate was 25.98 per cent.

Contract is Let For Federal Job

Senator Steiwer Thursday advised Governor Marks that the contract for the new federal building in Portland has been awarded to Murch Brothers.

The telegram did not divulge the cost of the building nor when construction operations would begin.

Basel Report Has Varied Reactions

(By the Associated Press) The report of the Young plan advisory committee, made at Basel aroused comment in capitals throughout the world.

Berlin—Satisfactory, although it fell short of being a large-minded solution of the finance problem.

Paris—Not so bad as had been feared.

London—Batters the outlook for the impending international conference on reparations.

Geneva—the experts did their work well, but only the governments can work out remedies when political questions dominate the international situation so completely.

Vienna—At least another step in the right direction.

Washington—Despite the committee's findings, congress has made it impossible for the administration to take any further action on debts.

City Employees To Rest Today, Some Saturday

Today will be a holiday for employees in municipal offices at the city hall, other than policemen and firemen. The county health unit also will be closed, but a nurse will remain on duty.

Tomorrow the offices of the city engineer, building inspector, and recorder will be open until noon as usual, but the office heads will be on duty.

The public library, closed today, will be open as usual tomorrow.

Saturday clinics at the health unit have been postponed. A nurse and physician will be on call.