

### Art Appreciation

Hundreds of sets of the famous paintings offered by the National Committee for Art Appreciation are being purchased by Statesman readers.

### Weather

Rain, somewhat warmer today and Monday, southerly wind; Max. Temp. Saturday 42, Min. 34, moderate southerly wind, cloudy.

EIGHTY-SEVENTH YEAR

# United States Accepts Tokyo Guarantees

## Seven Buffalo Aldermen Are Under Arrest

### Craft Extends Back for Years, Is Charge of Treasurer Hoban

### Perjury, Forgery, Other Charges Are Faced by 16; Probe Widens

BUFFALO, N. Y., Dec. 25.—(AP)—Administrators of New York's second largest city today awaited Governor Lehman's decision on a plan to widen a municipal affairs inquiry which already has placed nearly half the city council under arrest.

After an eight-week investigation, a grand jury asked appointment of a special prosecutor and an extraordinary grand jury to carry on the inquiry which they described as a "major task."

The grand jury's indictment is being considered by the governor. Before adjourning the grand jury showed its grim holiday mood by presenting 16 indictments resulting in the arrest of seven of the city's 15 councilmen, a former state senator, a councilman-elect, a city paymaster and six former city employees on felony counts. The indictments included charges of perjury, forgery or obtaining city funds through fraudulent claims.

The grand jury's indictments slashed through party lines by naming four democratic and three republican councilmen.

Much of the jury's investigation was based on information brought out in public hearings by a city council committee headed by direction of the committee's vigorous counsel, Frank G. Raichle.

By a paradox the jury almost destroyed the councilman committee by indicating two of its five members. Councilmen George J. Young and Anthony F. Trentis resigned from the committee after their arrest.

With only three members left the committee announced it would prepare a final report and recess for the year, leaving it up to the incoming council on January 1 to appoint a new body to carry on the work.

Raichle's star witness before the committee was City Treasurer, James D. Hoban who testified, "The city audit system is rotten. Stealing has been going on for 57 years. . . I could walk out of the city hall and take every cent of the city's \$8,000,000 in cash with me any time. . . The temptation of the present system affords employees should be removed."

## Patriot Guard to Boycott Japanese

NEW YORK, Dec. 25.—(AP)—Capt. Edward Page Gaston, national commander of the patriot guard, said today a move to embargo Japanese products would be launched at a conference of the national maritime union in San Francisco on January 17.

He said a "drastic policy" was expected to be adopted at the conference, declaring that "both William Green and John L. Lewis are in favor of strong action by their powerful unions."

As head of the non-political patriot guard, which he said enlisted the support of more than 1,000 U. S. army officers, Captain Gaston said his organization was "out to bankrupt Japan if it does not agree to early arbitration in China."

"We are pointing out to labor leaders that Japanese factory workers receive as low as two cents an hour. Imported coal-made products keep many thousands of American workers idle," he said.

## Daughter Queried In Shooting Case

YOUNGSTOWN, O., Dec. 25.—(AP)—Pros. Paul J. Reagan Trumbull county said tonight that Miss Louise Campbell, 28, was being detained in jail at Warren, O., while his office investigated the shooting of her mother, Mrs. Cordelia Campbell, 55, at a Christmas party last night.

Mrs. Campbell was in critical condition at a Youngstown hospital with a bullet wound in the abdomen. County Secret Service Officer Joseph Luard said Mrs. Campbell apparently was shot accidentally when she attempted to take the gun from her daughter.

"Four guests at the Campbell home said the shooting was accidental, but there are some things about it which need investigation," Reagan said.

The prosecutor said Miss Campbell produced a gun after some discussion with her mother about use of her car to take a ride.

## Tragedies Mar Christmas Day

### Weather Here To Moderate; Rain Forecast

### No Serious Accidents in Salem Region; Scores Occur in Portland

### Little Snow Here Though Hills Covered; East Oregon Blanketed

Rain and warmer weather were forecast for today following a Christmas day which caused Salem residents to shiver although the official thermometer revealed that the freezing point was not reached at any time. A driving wind had much to do with the apparent frigidty. Minimum for the day was 34 degrees.

Warmer temperatures had, in fact, already put in its appearance last night, with the thermometer standing at 10 o'clock at 42, highest point for the day.

Persons who were hoping for a "white Christmas" were either disappointed or easily satisfied in Salem, for just barely enough snow to whiten the ground appeared on the upper levels; snow fell but did not stay downtown.

The hills near Salem snow fell in sufficient quantities to remain all day, and it reached several inches in depth in some places a few miles east of the city.

In contrast to other points in the northwest which had numerous accidents, none were reported for Christmas day either to city or state police up to late Saturday night.

PORTLAND, Dec. 25.—(AP)—More than 200 automobile mishaps in less than 10 hours marked Christmas eve traffic on slippery, snow crusted streets.

The most dangerous streets (Turn to Page 2, Col. 5)

## Auckland Reached By Samoa Clipper

### Southern Terminus of new Air Line Is Attained on First Flight

AUCKLAND, N. Z., Dec. 25.—(AP)—The Samoan Clipper landed here today at 3:57 p. m. (11:27 p. m. EST), completing the last phase of its flight from Honolulu to the southern terminus of a new ocean air line.

The glant Pan American Airways flying boat left Pago Pago today at 4:50 a. m. (11:20 a. m. EST). Capt. Edwin C. Musick and the crew of seven logged 1,810 miles in 12 hours, seven minutes.

PAGO PAGO, American Samoa, Dec. 25.—(AP)—The Samoan Clipper sailed today through tropical Pacific skies on the last phase of its flight from Honolulu to Auckland, N. Z., southern terminus of a new ocean air line.

Leaving Pago Pago at dawn, the plane bearing Capt. Edwin C. Musick and seven other Pan American Airways fliers had the prospect of good weather for the 1,806-mile hop.

Next Wednesday the clipper will leave Auckland for Honolulu with mail and express to inaugurate the new service between New Zealand and the United States. Soon thereafter British Imperial Airways will establish a line between Auckland and Sydney, Australia, 1,600 miles.

## Quarter Million In Jewels Taken

LUTON, England, Dec. 25.—(AP)—Jewels valued at \$250,000 were stolen from the home of Sir Felix Cassel while his guests danced at a Christmas eve party, it was learned tonight.

The thieves entered the house through an upstairs window and ransacked the guests' bedrooms.

The robbery was the largest of its kind in recent years and was regarded by police as the work of a well-organized gang thoroughly familiar with the layout of Sir Felix' estates and mansion.

The missing gems included valuable pearl necklaces and necklaces of rubies and diamonds.

Some of the jewels were understood to belong to Lady Helen Cassel, a sister of the Earl of Verulam.

## Lumber Firm Tug Cut Loose; Labor Trouble Involved

TOLEDO, Dec. 25.—(AP)—The C. D. Johnson Lumber company tug Go-Getter was floated from Yacquima bay tideflats today, state police sergeant W. J. Mulkey said. The boat, with two lighters and 500,000 board feet of lumber was cut loose from moorage beside the steamer Anna Schaefer Thursday night.

R. P. Richardson, mill superintendent, said the lighters would be refloated at high tide Tuesday.

The vessels, Mulkey said he believed, were cut loose in connection with a labor jurisdictional struggle.

## General Motors Secretary Dies

DETROIT, Dec. 25.—(AP)—Thomas S. Merrill, 59, secretary of General Motors corporation for the last 21 years, died here today following a five-day illness.

He was stricken with pneumonia last Monday. Members of the family said a blood clot developed on his brain.

## Man Who Mobilized United States' Greatest Army Called at Age 66



## Spanish Foes Are Locked in Combat

### Hand-to-Hand Fighting Is Marked on Christmas Day Near Teruel

HENDAYE, France—Spanish Frontiers, Dec. 25.—(AP)—Dawn of Christmas morning found insurgent and government troops in bloody hand-to-hand combat in the hills northwest of Teruel.

Squadrons of airplanes fought indecisive duels above soldiers who clashed with bayonets and grenades in the heavy snow and stinging cold.

Most government troops, who had participated in the swift drive through a blizzard to recapture Teruel, had left that city to meet the insurgent counter-offensive.

Within Teruel, barricaded behind thick walls of medieval masonry in an old quarter, a few hundred men fought on.

(Turn to Page 2, Col. 3)

## War Leader Dies Of Heart Attack

### Newton D. Baker Inactive in Public Affairs for Last Several Years

CLEVELAND, Dec. 25.—(AP)—Newton D. Baker, who as secretary of war mobilized the greatest army in the history of his country, died today after a heart attack.

The short, eloquent statesman who served in the World War cabinet of President Wilson, had been confined to his bed since shortly after his 68th birthday December 3. He was first stricken several months ago in Syracuse, N. Y.

He recovered from this attack and resumed some of his law practice here. As counsel for a number of utilities he recently appeared in court at Chattanooga, Tenn., in a suit involving the utilities and the Tennessee valley authority.

In the later years of his life he had withdrawn gradually from the multiplicity of interests which he cultivated after leaving public service, living quietly at his home here and visiting his law office frequently.

Last year he resigned as chairman of the Cuyahoga county (Cleveland) democratic central committee, a position he had held for 26 years. He said then "it's up to our older men to give the young fellows their chance."

Baker is survived by his widow; one son, Newton D. Baker, 3rd; two daughters, Mrs. Margaret Wright of St. Louis, and Mrs. Elizabeth McGeon of Cleveland, and five grandchildren.

Members of the family said he made his last visit to his law office December 3, his birthday.

## Big Navy Advocates Prepare For Battle in 1938 Session

WASHINGTON, Dec. 25.—(AP)—Events are shaping to put "big navy" advocates, both in and out of congress, in a position they have not known since the end of the World War. Indications are that navy rebuilding will be a major item of debate in the regular session of congress.

Administration reluctance to disclose in advance specific plans it may be contemplating for new naval construction can be explained in part by apprehension that protracted public debate of the matter would arouse peace organizations to new activity. It might stimulate support of the Ludlow war-referendum resolution, vigorously opposed by President Roosevelt.

The naval construction question probably will come up as a move to meet the business recession. The idea behind it is to divert relief outlays to an undisclosed extent from other work-relief projects to naval construction either of combat or auxiliary craft because that course would give lagging heavy industry and unemployment a quick recovery stimulus.

President Roosevelt's letter to Chairman Cartwright of the house roads committee over congressional opposition to reducing highway appropriations in an effort to approach a budget balance is significant. It deals with job making "relativity."

"If I have to get the budget down to a certain figure, obviously, I must eliminate the proposed expenditures which provide the least work and favor those expenditures which give the most work," the president said.

Naval and other ship building, one group argues, falls within this rule.

The aspect of any proposal to (Turn to Page 2, Col. 8)

## Over 230 Are Day's Victims; Causes Varied

### Family of Five Snuffed out When Oil Heater in Home Explodes

### Late Shoppers, Children Enjoying new Toys, Traffic Victims

(By the Associated Press)

Violent death snuffed tragedy on the Christmas scene of scores of families across the nation today.

With more than 230 reported killed, the toll mounted hourly—fatal crashes on streets and highways, shootings, train wrecks; and flaming death in the night came to five members of a family gathering at Auburn, Me., when an oil heater exploded and destroyed a cottage. Two of the victims, trapped as they slept, were little girls.

Frosted windshields cost the lives of three persons in a head-on auto crash at Fort Dodge, Ia., and a railroad crossing collision near Danville, Ill., resulted in sudden death to Fred Carter, 52, Gates, Ind., coal mine operator, whose car was hit by a Wabash railroad freight train.

Illinois reported 25 Yuletide deaths, Pennsylvania 18, California 15, Maryland 14 and Ohio 16.

A collision between a 10-car mail and express train and an 11-car passenger train at Hopkinsville, Ky., caused injuries to 25 persons.

Santa Claus meant death to Jimmie Maloney, aged three, in Lancaster, Pa., as he displayed his Christmas gifts to neighbors, he was struck down by a car and instantly killed.

In Winchester, Va., James Corbin, 14, met violent death when struck down as he rode on a shiny new bicycle he had just received for Christmas.

In Weston, Mo., a quarrel around the family Christmas tree ended in swift tragedy when a (Turn to Page 2, Col. 7)

## Japanese Navy Puts Blockade Upon Tsingtao

### 300 Americans in City; US Will Soon Reopen Nanking Embassy

### Hangchow Fall Conceded by Chinese Who Say City Is in Ruins

SHANGHAI, Dec. 26.—(Sunday)—(AP)—The Japanese navy announced today that a blockade had been thrown around the industrial city of Tsingtao, where three United States warcraft were standing by to evacuate 300 Americans.

Japanese land forces pushing forward into north China previously had cut off communications between Tsinanfu, Shantung province capital and Tsingtao, which is on the coast 390 miles north of Shanghai.

With the Japanese widening their war fronts both in north and south China, there was little in the orient to mark the Christmas message of peace on earth.

The navy announcement said the blockade was directed at Chinese ships only and that foreign shipping would not be affected.

The steamer Shaking, which left Tsingtao before the blockade was established, arrived in Shanghai with a number of foreign refugees, including 15 Americans. Half of Chinese Population Gone

They said approximately one-half the Chinese population had fled and that many foreigners were preparing to leave as soon as they could.

Preparing to defend the city, the Chinese sank numerous vessels, including a large Japanese-owned drifter, in the inner harbor to prevent entrance of Japanese warships.

News from the Hangchow area, south of Shanghai, was meager because of disrupted communications, but foreign sources reported stiff fighting was going on in the suburbs northwest of the captured city and the Chinese still were resisting to the north-east.

The Chinese Premier-Generalissimo Chiang Kai-Shek and Mme Chiang, both Christians, (Turn to Page 2, Col. 4)

## Freighter Sends Call of Distress

### Small Vessel Off Canada Coast Breaks or Loses Its Steering Gear

SEATTLE, Dec. 25.—(AP)—The small freighter Beulah of Panama sent out distress calls late today from off the gale-swept Vancouver Island coast, and the coast guard cutter Redwing left Port Angeles to aid the vessel.

Coast guard headquarters here said they were informed the Beulah had either broken or lost its steering gear, and that it was keeping from beaching by use of its own engines.

While the cutter Redwing already had departed, the speeder cutter Samuel D. Ingham had steam up at Port Angeles and was (Turn to Page 2, Col. 2)

## Even Floods Can't Keep Santa Away



Recent heavy rains and windstorms, which turned Downsville, Cal., into a veritable lake, failed to hinder Santa Claus, who appeared to bring cheer to the children of the stricken Sierra community. Photo shows Santa with John Selus (left), George Selus and their sister, Betty, of Downsville. Note how Betty herself looks like one of the Christmas dolls.—IIN photo.

## Panay Incident Is Considered Ended; Hull's Reply Sent

### Amount of Indemnification Still to Be Settled; Promise to Avoid Infringement Main Point

### US Government Relies Upon Reports of Navy; Steps Taken by Japan to Avoid Trouble Are Cited

WASHINGTON, Dec. 25.—(AP)—The United States accepted today Japan's guarantees "against infringement of, or unwarranted interference with, the rights and interests of the United States" in China.

The Panay incident, which threatened to create serious diplomatic trouble, if not worse, between the two countries, was considered closed as to its general lines. Some technical points, chiefly the amount of the indemnification, remain to be worked out.

Secretary Hull, in a formal reply to the Japanese note of yesterday, said:

"The government of the United States regards the Japanese government's account, as set forth in the Japanese government's note of December 24, of action taken by it, as responsive to the request made by the government of the United States in this government's note of December 14."

After accepting Japan's note, Hull said in his reply:

"It is the earnest hope of the government of the United States that the steps which the Japanese government has taken to avoid trouble are cited."

## Holy Land Bloody On Christmas Day

### 43 Arabs Killed, Tiberias Region; Christians Pay Visit to Birthplace

JERUSALEM, Dec. 25.—(AP)—Christian faithful knelt at the birthplace of the Christ Child today in prayer for peace in the holy land, but even as they prayed British troops moved to quell new violence.

Forty-three Arabs were killed and more than 20 wounded in battle the past two days in the Tiberias region. Three among the British troops were reported wounded.

Ten Arabs were killed in battle with military police in the village of Yacoub, southeast of Nazareth, this afternoon when a wandering Arab band encountered three British regiments.

Fearful that hostilities might break out elsewhere, 4,000 British troops guarded Christians who trekked to Bethlehem for political mass in the Church of the Nativity.

Pealing bells summoned war (Turn to Page 2, Col. 1)

## Memorial Chapel Of College Burns

PARKVILLE, Mo., Dec. 25.—(AP)—Fire destroyed the \$100,000 Park college memorial chapel here tonight.

Other buildings on the campus were reported saved. Fire apparatus from Kansas City was rushed here to aid in fighting the flames.

There were no reports of injured.

The blaze broke out about 8:30 p. m. and was still burning more than an hour later.

The building was of stone construction and was erected in 1932.

Cause of the fire was not known.

## Ballade of Today

By R. C.

'Twas the day after Christmas and all through the land people nodded their heads as the headlines they scanned; for the row with Japan was apparently o'er and there seemed to be vastly less prospect of (mustn't say the naughty word)