

Valley News
Eighty correspondents for The Statesman located in all mid-Willamette valley communities write news of events in their areas.

The Weather
Unsettled, rains today and Sunday, moderate temperature. Max. Temp. Friday 50, Min. 40. River 5.1 feet. South wind.

EIGHTY-EIGHTH YEAR

US Note to Japan Disregards 'New Order'

Nazis Assert Ickes' Speech Hits Good Will

Press Says no Hope for Good Relations Until Protest Heeded

Official Statement Is First News People Hear of Affair

BERLIN, Dec. 30.—(AP)—Germany, through her official press agency, bluntly informed the United States tonight there was no hope for improving German-American relations as long as the state department defended Secretary of Interior Ickes.

The warning, issued in a communique by DNB, at the same time gave the German public its first knowledge of the rejection by Acting Secretary of State Sumner Welles of a German protest against Ickes' criticism of Germany, Dec. 18 in Cleveland.

The communique let the United States government know that Germany did not take Welles' diplomatic rebuke lying down. There apparently were no talks in Berlin with American embassy officials before it was issued, but responsible Germans seemed to have advanced knowledge of the move since DNB, immediately after the communique published copious excerpts of an inspired article from Voelkischer Beobachter, central official organ of Reichsfuehrer Adolf Hitler and the Nazi party.

The article asked "Does the United States want at all costs to provoke a conflict with the German people?" It charged President Roosevelt with forgetting that he assured Hitler before the Munich accord that hundreds of millions in the world would recognize it as a great historical service if he were to settle the Sudeten issue without resort to arms.

DNB's communique said that Ickes attacked Germany's leadership "in an unwarrantable manner" in his Cleveland speech and that "the sharpest protest" had been made in Washington by Dr. Hans Thomsen, German charge d'affaires, to acting Secretary of State Welles.

It then said: "The American foreign office, however, did not—as is a matter of self-evident procedure otherwise in matters of this kind in international relations—disassociate itself from the misdeeds of the American minister of the interior, but tried to defend them. It must therefore be stated that as long as such a procedure, which obviously serves Jewish interests and leaves out of account the real German-American interests, continues in the conduct of relations of the United States of North America with Germany, the hope expressed by the American foreign office to the German charge d'affaires for an improvement of mutual relationship lacks every foundation."

(State department officials received the statement in silence but it was noted that the department had given no indication it had expressed hope to Germany for improved mutual relations. Ickes, speaking before the Cleveland Zionist society, charged that Germany's treatment of Jews carried her back "to a period of history when man was unlettered, benighted and bestial." He criticized the acceptance by Henry Ford and Col. Charles A. Lindbergh of German decorations.)

Hitler apparently regards the American action as so serious he declined to cooperate for the improvement of relations until the state department changes its tone and attitude.

Dead Youth's Trail Scanned For Possible Poison Plots

Steps of Robert Thomas, 15-year-old Silverton youth who took a fatal dose of poison here Thursday night, were retraced by state police yesterday in an effort, mainly, to ascertain where he secured the poison and whether he planted any in the homes of persons against whom he may have held a grudge.

Officers said that Thomas had a set of keys, stolen in a Silverton, high school instructor, that would open a door in the school building and that he had buried a tin can and a fruit jar containing an assortment of powdered and tablet-form chemicals and two small vials of mercury in the garden at his home, 810 Oak street. It was believed that part but not all of these materials was taken from the school chemistry laboratory, from which small quantities of supplies had been missed.

Because Thomas was reported to have said after he swallowed the poison, in capsule form, that he "was going to get a lot more," and because of certain dislikes of persons he was believed to have harbored, the families of these persons were warned yesterday to examine their food supplies carefully to avert the possibility of being poisoned, police disclosed.

Jay Upton, Ex-Senate Chief Is Crash Victim

Turn to Right For New Deal Garner's Idea

Brake on US Spending Is Believed Goal of Vice-President

Cabinet Members, Mayor of New York, Others Call on Leader

WASHINGTON, Dec. 30.—(AP)—Vice President John Nance Garner, stepping out today as a leading figure of the coming congress, started what looked like a high-powered drive to swing the new deal to the right.

Four days before the opening of the session, his spacious suite in the senate office building was the center of all congressional activity, the scene of continuing conferences dealing with the moment's lively subjects of legislation.

And the word went round that "Cactus Jack" was urging, among other things, that the brakes be applied to government expenditures and that local communities be given more control over spending of relief funds.

Just around the corner from Garner's suite, the office of Senator Barkley (D-Ky), the democratic leader, was barren of callers. Barkley, wearily worked away at a revision of the senate's democratic committee assignment, trying to evolve a list that would still the conflicting ambitions of all the senators of his party.

A democratic caucus was called for tomorrow to give approval—there is expected to be no row about it—to Barkley's selections and to name him again as democratic floor leader. His only possible opponent, Senator Harrison (D-Miss), withdrew today in his favor and in the interest of party harmony.

But it was Garner's office that newsmen watched, and they saw the unusual spectacle of two members of the cabinet, the mayor of New York and the leader of the majority in the house calling on a man whose office, by all the traditions of American politics, is one of futile gavel rapping.

Present Official Call on Garner
Garner, in whose behalf an influential Texas group recently started a presidential boom, was in high good spirits. Many a resounding vice presidential laugh could be heard in adjoining rooms as he received the following callers:

Secretary Wallace, whose crop control bill of last year has had rough sledding, due to the year's unusual yields of wheat and corn and the refusal of tobacco and rice farmers to accept marketing quotas proposed by his department.

Secretary Hopkins, just appointed to the head office of the commerce department, after taking a critical bombardment as head of the works progress administration. (Work relief is a foremost congressional topic, and in addition Hopkins' nomination must be passed on by the senate.)

State officers said they would not request Coroner L. E. Barkley, who took charge of the body at their suggestion, to have an autopsy performed to ascertain the nature of the poison taken by Thomas.

State officers discounted reports that Thomas had quarrelled with his father, A. H. Thomas, before leaving home Thursday night, presumably to go to a show. Instead he held up Joseph Erpelting, Silverton, and Velma Hopfer, Mt. Angel, forced them to drive him to Salem at gun's point, required Erpelting to unlock the bottle from which he took the poison capsules, and left them. While the couple were en route to police headquarters to report the incident, Thomas entered the sheriff's office and threatened to shoot Deputy Wayne Parker and H. H. Daniels, but left when Parker "got the drop" on him.

Found sitting on the Salem city hall steps a few minutes later, Thomas was taken to Salem Deaconess hospital where he died a short time later.

Former Senator Victim of Crash



JAY H. UPTON

First Passenger Airliner Arrives

Southbound Plane Is on Time but Northbound Fails to Stop

Leo Arany, Salem flying service proprietor, set his four-passenger monoplane down on schedule at the municipal airport here yesterday afternoon from Portland on the first local stop of the Oregon Air Lines daily two-way air transport service serving cities between Marshfield and Portland, Southbound, Arany took off for Albany, Eugene and Marshfield at 2:35 P. M.

No explanation was available other than possibly unfavorable weather for failure of yesterday's northbound plane to stop here. It passed over Salem at 10:30, nearly an hour late, and continued on toward Portland. Local persons interested in the new service said the northbound pilot may not have received Salem-stop orders in time.

Arany, flying the northbound trip, is due here from Marshfield at 9:35 o'clock this morning.

Rockets Betrayed Loyalist's Vessel

Neutral Gibraltar Used as Base to Set Off Warning to Ships

GIBRALTAR, Dec. 30.—(AP)—An investigation was started to ascertain whether the Spanish government destroyer Jose Luis Dies and touching off attack by insurgent warships.

British authorities removed the destroyer from Catalan bay beach where it ran aground in the darkness as it was shelled by insurgents. Five of the destroyer's crew were killed and 11 wounded. Insurgent casualties were believed to be considerable.

It was believed that before grounding, the cruiser, a virtual prisoner here since August, with insurgent warcraft waiting for it to nose out of the harbor, sank the 1,500-ton insurgent sloop Jupiter.

Bridges Will Get Review of Ruling

SAN FRANCISCO, Dec. 30.—(AP)—Harry Bridges, west coast CIO director, today won the right to a state supreme court review of his recent contempt conviction by charging the high tribunal with ruling differently on similar issues in a case involving the Los Angeles Times.

After having once refused to review the Bridges contempt case the high court vacated that ruling and agreed to hear his contentions at a sitting in Los Angeles next March 7.

Car Skids on Icy Loop Road And Is Burned

Victim Was Well-Known in Oregon Politics, Bend Attorney

Mrs. Upton and Bend Man Escape From Crash With Injuries

PORTLAND, Ore., Dec. 30.—(AP)—Jay H. Upton, 59, Bend attorney and former state senator who figured prominently in Oregon politics for a quarter century, was killed today when his automobile crashed and burned one mile east of Rhododendron on the Mount Hood Loop highway.

Upton died in an ambulance en route to a Portland hospital. Mrs. Upton, suffering from shock, and Ward H. Coble, 52, Bend insurance man whose leg was broken, were taken to the hospital after being pulled from the wreckage by a party of skiers.

The attorney, prominent republican and one-time primary candidate for governor, was at the wheel when the automobile struck an icy patch on the highway, skidded into a concrete culvert, overturned and caught fire.

Escaped Injury in Recent Accident
Only two days before, Upton escaped injury when his automobile skidded on wet pavement of McLoughlin boulevard, Portland, and was wrecked. The return trip to Bend was delayed until the car could be repaired.

Upton was born at Colfax, Wash., and was educated in Portland schools. He received a law degree from the University of Oregon in 1902 and practiced law here from 1903 to 1915, when he moved first to Prineville and then to Bend.

Jay H. Upton has been a prominent attorney of central Oregon since 1915, maintaining offices both in Prineville and in Bend part of that time. His home has been in Bend since about 1922. From 1903 until 1915 he practiced law in Portland, having (Turn to page 2, column 2)

Capitol Grounds Get WPA \$26,000

WASHINGTON, Dec. 30.—(AP)—The following Oregon allotments were announced today by the WPA: State capitol grounds improvement, drainage and curbs, \$26,000; Silverton water supply improvement, \$6800; Baker school improvement, \$3100, and John McLoughlin park improvement at Oregon City, \$1700.

'Impregnable' Mint Is Easy Mark For Adventurous 15-year old Boys

Seattle, Dec. 30.—(AP)—Regional Director Elynn J. Eagen announced tonight the national labor board had issued a complaint charging the Doernbecker Manufacturing company of Portland refused to bargain with furniture makers and finishers union, local 1090, AFL.

The complaint said the union represented the majority of employees. It also accused the company of dismissing Clifford La Rud and demoting Herman Haberman because of union membership.

A hearing was scheduled for January 22 at Portland, Eagen said. The trial examiner has not yet been named.

HOOD RIVER, Dec. 30.—(AP)—A railroad worker had to let state police in on his secret puzzle after he found himself parked off the Columbus River highway and his automobile ignition key missing. He had a bruise on his head, inflicted, he reasoned, by a hold-up man. Police found his automobile had collided with another and the other driver displayed good will toward him by removing the errant car and its celebrating driver from the road.

Loyalists Aim Drive to Split Rebels' Center

Insurgents, However, Say Northern, Southern Wings Advanced

Government Troops Said Routed on Northern Battle Lines

HENDAYE, France (At the Spanish Frontier), Dec. 30.—(AP)—Spanish government troops launched a counter-attack against the center of insurgent lines today in an effort to split two wings of the offensive Generalissimo Francisco Franco is aiming at Barcelona, government capital.

Insurgent reports reaching the border, however, said that the advance of both Franco's northern column against Artesa and the southern column beyond Granadella was increasing in intensity.

The government counter-attack developed south of Lerida in the direction of Sarroca, an important communication center three miles behind insurgent lines.

On Italian Troops (Dispatches from government general headquarters said the counter-attack was directed against a sector which was believed to be held largely by Italian troops.)

In the north, insurgents reported they had pinned down the government's shock troops by cutting important communication lines. Insurgent dispatches said the highways were under such heavy artillery fire that government troops had lost all freedom to maneuver.

Insurgents reported they had broken the government's strong line of fortifications along the border of Tarragona province in the southern sector of the eastern Spanish front.

Government Reported Fleeing Granadella
The fifth Navarrese division under General Bautista Sanchez was said to have turned the government retreat south of Granadella into a rout, capturing the villages of Poble De Granadella and Robbers.

The insurgent dispatches indicated the offensive was driving along highway to Falset and Tarragona, opened up by a hard day's fighting.

The Spanish insurgents in their Barcelona offensive drove through strong government defense lines at Camarasa today after 24 hours of hand-to-hand fighting over a 500-yard stretch of frozen no-man's land.

The insurgents reported they occupied Camarasa, 22 miles northeast of Lerida, putting themselves within ten miles of strategic Artesa, "gateway to Catalonia," and about 75 miles from the ultimate objective, the government capital of Barcelona.

At the same time a second column pushed south toward Artesa, fighting to form a junction with the Camarasa unit before this key industrial town.

Ex-Ashland Resident's Slaying Prompts Quest of Missing Man



This picture of Mrs. Daisy Tillotson, found slain near Auburn, Wash., was made from a roll of film found among her belongings. She was the daughter of an Ashland couple.—H.N. photo.

Nazis Plan Huge Submarine Fleet

Great Britain Informed Germany Will Build up to Parity

BERLIN, Dec. 30.—(AP)—Germany informed Great Britain today that she intended to build up to parity with the British fleet in submarines, the dreaded German World War weapon which was completely banned by the treaty of Versailles.

When Germany signed a naval treaty with Britain in 1935 she agreed to limit her shiny new U-boat fleet—which has sprung from nowhere in the last three years—to 45 per cent of Britain's submarine tonnage.

The pact with Britain, however, recognized Germany's right to parity, and there was an escape clause which permitted the reich to build beyond the 45 per cent "in the event of a situation arising which in its (the German government's) opinion makes it necessary."

Today's announcement means Germany intends to more than double her present submarine tonnage of about 31,000 tons, in construction or complete, since Britain's is about 70,000.

(London political observers felt Germany's demand was a hard jolt to Prime Minister Chamberlain's appeasement policy. British officials explained Germany was taking advantage of a loophole in the 1935 treaty. They said Germany's reasons were "very general.")

(British naval circles feared that Germany was building a vast fleet of ingenious "minnow" submarines in preparation for a possible war of destruction against merchant shipping.)

Doernbecker Held Disregarding AFL

SEATTLE, Dec. 30.—(AP)—Regional Director Elynn J. Eagen announced tonight the national labor board had issued a complaint charging the Doernbecker Manufacturing company of Portland refused to bargain with furniture makers and finishers union, local 1090, AFL.

The complaint said the union represented the majority of employees. It also accused the company of dismissing Clifford La Rud and demoting Herman Haberman because of union membership.

A hearing was scheduled for January 22 at Portland, Eagen said. The trial examiner has not yet been named.

Accused Man Is Said 'Revengeful'

Mother of Slain Woman Says She Dislikes Leslie Wheeler

ASHLAND, Ore., Dec. 30.—(AP)—Mrs. George Allen, mother of Mrs. Daisy Mae Tillotson Moore who was found slain near Auburn, Wash., yesterday, declared today she "disliked" Leslie Thomas Wheeler, the man accused of the slaying in a murder charge filed at Seattle.

Mrs. Allen asserted she had disliked Wheeler because he was "revengeful."

The mother indicated she did not believe her daughter was killed through robbery as the motive. The 56-year-old daughter, she said, had no jewelry or valuables other than an automobile, fur coat and wrist watch.

Mrs. Allen and her husband started north today to claim the body of her daughter. The mother said she was not positive whether Mrs. Moore had divorced Bill Moore, her third husband, before she was slain. About a month ago she wrote her mother she would "divorce Moore and marry Wheeler soon."

Mail Fraud Case Investigation Set

NEW YORK, Dec. 30.—(AP)—Federal officials, ignoring the holiday season, worked tonight to complete their case against William P. Buckner, 31, scheduled to be arraigned next Wednesday on an indictment charging him with mail fraud in the promotion of Philippine railway bonds.

Assistant U. S. Attorney William Power Maloney and Postal Inspector Charles H. Claraham, the complainant, said they wanted to "iron out a few more details" concerning the persons connected with the case.

Movie actors who allegedly were duped by Buckner, congressmen he allegedly tried to use in manipulating the railway stock and chorus girls he reportedly took to Washington parties have been mentioned in the investigation.

Talk About Isms in School, State Teachers Are Advised

PORTLAND, Dec. 30.—(AP)—The time has come to "talk about fascism and communism in the classroom," Dr. W. Ballentine Henley of the University of Southern California told the Oregon state teachers association today.

"If we can't talk about fascism and communism in the classroom, where can we talk about them? We should discuss them not to indoctrinate but merely to present the facts. When that happens we have nothing to fear for the future of constitutional representative democracy," he said.

Nippon Plans In China Are Unrecognized

Missive Is in Reply to Japanese Note 'Open Door' Obsolete

Message Is Written In Firm Tone, Without Belligerency

WASHINGTON, Dec. 31.—(Saturday)—(AP)—The state department this morning announced that Ambassador Joseph C. Grew today delivered a new note to the Japanese government at Tokyo which it was understood here contained a firm but flat refusal to recognize Japan's effort to establish a "new order" in war-torn China.

The note replied to a Japanese note of November 18 in which Japan attempted to maintain that the principle of equal opportunity and the "open door" in China had become obsolete there in view of changing conditions. Japanese Contention Flatly Rejected

It was understood the United States flatly rejected the Japanese contention that obligations of treaties to which this country is a party could be unilaterally broken and that the only way treaties could be brought up to date was by international agreement.

The note, which it was understood stated the United States' fundamental position to Japan, carried a tone of finality to that government.

It followed repeated protests, representations and notes to the Japanese government with respect to American property, rights and interests which had been discriminated against in China since hostilities began in July, 1937.

The Japanese government in several recent statements on its effort to establish a "new order" in China replacing the "open door" principle has said conditions of the past could not apply today and tomorrow.

No Discrimination Japan's Promise
At the same time Japanese government officials have stated that there would be no discrimination against other governments which recognized this situation.

This information has been officially conveyed to Ambassador Grew by Foreign Minister Arita in Tokyo and was fully considered when the state department drafted today's note which had been under preparation here for more than a month.

It was understood the note, though drafted in strong tones, carried no air of belligerency. A somewhat similar note which reserved American rights was delivered to the Japanese government in February, 1932, following the campaign in Manchuria which led to the establishment of the puppet state of Manchoukuo.

'Strip Tease' Act Halts Fire Panic

NEW YORK, Dec. 30.—(AP)—Broadway's "strip tease" act, though toned down by the city fathers, still proved entertaining enough today to help avert a possible panic when a fire broke out in the basement of the Republic theater off Times Square.

The revealing artistry of Ruth Donald, burlesque dancer, and the puns of three comedians diverted the attention of 800 patrons from the smoke that drifted through the auditorium.

Finally, Comedian Thomas Bundy suggested that the patrons leave in an orderly manner, picking up "refunds" at the box office. The theater was emptied in 10 minutes.

Mrs. Myrtle Hooper Dahl, president of the Minneapolis Education association, came to the defense of the married school teacher.