



**Weather**  
Cloudy tonight and Wednesday, with light rain or snow, continued cold; moderate northwest wind. Yesterday: Max. 37.9. Min. 34.4. Rain .02 in. Riv. 7.3 ft. Northeast wind, cloudy.

**First in News Photos**

With the Associated Press exclusive Tele-Mat service, the Capital Journal is enabled to present photos of world events within a few hours of their occurrence.

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2

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## FDR Opposes Peace at Any Price Policy

### Fear Bombing of Seaports

#### Labor Peace Conference Collapses

**AFL and CIO Remain Enemies—President Gets Northwest Report**

Washington, Dec. 21 (AP)—The peace conference between the American Federation of Labor and the CIO collapsed today.

After a half-hour meeting, George M. Harrison, chairman of the AFL peace committee came from the conference room to tell the reporters:

"The conference is all off." The CIO delegation, Harrison asserted, had said they saw no use continuing.

"We had nothing new to offer," Harrison added, "and so we decided there was no use to discuss peace any further."

(Copyright by United Press)

Washington, Dec. 21 (AP)—President Roosevelt has received a special memorandum from Secretary of Labor Perkins on the American Federation of Labor and Committee for Industrial Organization dispute in the northwest lumber industry. It was learned today as the rival labor factions prepared to resume peace negotiations.

The report was prepared especially for Mr. Roosevelt. It was learned, and submitted to him at the last cabinet meeting, December 17. It concerns only the CIO-A.F. of L. (Concluded on Page 11, Column 6)

#### No Peace Effort By Japanese

London, Dec. 21 (AP)—Prime Minister Neville Chamberlain told the house of commons today that "no attempt has ever been made by Japan for peaceful settlement" of her war on China.

"It is time now for the Japanese government to show they are not unmindful of the rights and interests of foreigners and that their assurances and apologies meant something more than words," the prime minister declared.

Concerning the entire foreign situation, he said Great Britain's "definite objective" is the "settlement of the grievances of the world without war."

Chamberlain declined to be drawn into a discussion of the origin of the Chinese-Japanese war but dealt specifically with Japanese attacks on British ships.

"What we are doing now is awaiting proof of the determination of the Japanese government to prevent recurrence of these incidents x x x," he said.

"We still are anxious to serve the cause of peace by means open to us. But it must not be thought that our desire for peace and our patience under repeated provocation means we are indifferent to our international obligations or that we are forgetful of our duty to protect British interests."

#### How-de-Do!

**Sips for Supper**  
By Don Upjohn

We offer an apology to our customers for the remark in our inconsequential column of yesterday that there are four shopping days until Christmas. It was called to our attention today that in fact there are only three shopping days left. We suppose tomorrow somebody will call it to our attention again there are only two left. But rather than be misleading we set everybody right. And just to catch up we'll add that on Saturday there'll be no shopping days before Christmas.

So if you can't do your Christmas shopping early do it as early as you can.

Incidentally we were somewhat fussed up this a. m. on arising and remembering this is the shortest day in the year. It sure makes you hustle to get a column in the limited time allowed. It seems today is only nine hours, 14 minutes and a second (Concluded on Page 10, Column 1)

#### Show of Naval Might Likely by Great Britain

**Far Eastern Parade to Impress Japan Said Under Consideration**

(By Associated Press)

Great Britain is considering a show of naval might to impress Japan, at war with China, and hoped today American and French warships would join in a far eastern parade which might check "Japan's aim to dominate China to the complete exclusion of foreign interests."

Attacks against American and British gunboats are the current cause of resentment, but the basic cause is that Britain fears Japan will try to ease out other nations with economic interests in the Orient.

Britain concentrated her naval force in the Mediterranean in 1935, and inspired sanctions against Italy by 52 nations. Both actions roused Premier Mussolini's resentment but (Concluded on Page 11, Column 7)

#### Countess Bab Much Surprised

Cherbourg, France, Dec. 21 (AP)—Countess Barbara Haugwitz-Reventlow, heiress to the Woolworth millions, said today she renounced her United States citizenship because "it was quite the natural thing to do."

"It seems surprising that my adoption of my husband's nationality caused comment in the United States," said the former "Babs" Hutton as she disembarked here from the Europa.

"It is quite natural that a woman should take the nationality of her husband. It makes it easier to regulate life and iron out traveling troubles. It is important in business too."

(The Countess was married in May, 1935, in Reno to Count Haugwitz-Reventlow of Denmark. Last week, in a surprise visit to New York, she renounced her American citizenship to become a subject of Denmark.

(She inherited some \$20,000,000 of the great fortune accumulated by F. W. Woolworth, 5-and-10-cent store magnate.)

The 37-year-old heiress, smartly dressed, said she was "very tired" from her rush trip to the United States. She watched her dozen trunks pass through customs and then took the boat train to Paris, where she intended to rest several days before joining her husband at Saint Moritz.

#### Japanese Launch Pacifists' Purge

Tokyo, Dec. 21 (AP)—It was authoritatively disclosed today that the arrest of 370 pacifists and leftists since last Wednesday probably would be announced tomorrow.

Those jailed included professors, writers and politicians. They will be charged with violating the Japanese-Italian-German anti-communism pact and similar offenses.

#### Mrs. Honeyman for Road Fund Slash

Nan Wood Honeyman, congresswoman from Portland, apparently will stand behind the president in his request to cut down federal road funds to assist in balancing the federal budget. At least, a letter received from her by Marion county court members indicates her swing in that direction in the concluding paragraph of her letter in which she says:

"The only way the government can balance the budget is to curtail expenditures. If assistance toward balancing the budget is to be given by retrenchment in road appropriations and at the same time a desirable road program is to be carried on, it would be better for the states to take up the slack because of the important fact that the national debt affects the soundness of money, whereas the state debt does not."

(Concluded on Page 10, Column 1)

#### Robin Reed Divorced

Eva I. Reed was today granted a divorce from Robin Reed, former national amateur middleweight wrestling champion and also Olympic holder of that title. The decree was handed down from the bench by Judge L. G. Lewelling today who has had it under consideration for several months. The divorce proceedings were instituted by the wife who alleged cruel and inhuman treatment and contested by the husband at a trial last summer which consumed several days when alleged troubles of the two were aired at length as well as the financial status of the respective parties. Mrs. Reed is a daughter of Warren Reed, founder of Reedsport, and long (Concluded on Page 10, Column 6)

#### 9 Destroyers At San Pedro

San Pedro, Calif., Dec. 21 (AP)—Fleet organization and training was the official explanation in the United States fleet today for the sudden transfer of nine destroyers from San Diego base to San Pedro.

The United States fleet is said by staff officers to be in the highest state of efficiency and training in its history, ready for instant action in any emergency.

Admiral Arthur Japy Hepburn is one of the hardest taskmasters the fleet ever had. His methods of training are the most realistic ever put into effect in time of peace. He is secretive, placing much emphasis on the evaluation of surprise, one of the cardinal principles of war.

For the past four years the United States fleet had been drawn away from routine functioning and subject to emergency and unexpected orders. Admiral J. M. Reeves initiated this four years ago. In his two years of duty as commander-in-chief, there were many sudden orders, some affecting the whole fleet.

The ships of the fleet are completing their gunnery schedules of the year and soon will go into the maintenance and repair stage prior to the change of command January 29, when Admiral Claude C. Bloch will succeed Admiral Hepburn.

#### Liner Hamburg Collides at Sea

London, Dec. 21 (AP)—The United States liner City of Hamburg collided with the Italian steamer Confindere during fog off Terschelling in the North sea today and was damaged heavily but was trying to make port under her own power.

Two holds of the City of Hamburg were flooded.

The motor lifeboat Brandaris and the tug Holland steamed from Terschelling harbor, The Netherlands, to answer distress calls but found it unnecessary to remove the lone passenger, Miss Herta Peters of New York City, or any of the crew, at least for the time being.

The Brandaris returned to harbor, but the tug remained with the damaged ship which United States lines in Hamburg said was making for Cuxhaven.

The 6458 ton Italian ship, registered out of Genoa, suffered slight damage.

Although the City of Hamburg first radioed she was "sinking fast" it was ascertained later that she was in no immediate danger.

The green steamer Hokies, nearby when the collision occurred, was reported standing by. A German tug also left Hoek-Van-Holland to go to the liner's assistance.

The lumber dispute remained quiet today with two mills out of seven operating while a report from Washington, D. C., indicated President Roosevelt was making a personal study of the A. F. of L. - C.I.O. dispute which has shut down the Portland lumber industry.

#### 100,000 Mongols To Aid Chinese

Shanghai, Dec. 21 (AP)—Chinese press reports said today that Commander Chiang Kuo, son of Generalissimo Chiang Kai-Shek, had organized 100,000 Mongolian troops.

The reports said a mechanized vanguard of the Mongolians, with supporting airplanes, had arrived at Lanchow in Yunnan province preparatory to joining forces with General Chu Teh's former communist army.

#### Great Coastal Cities of China Menaced

**Hangchow, Canton and Tsingtao to be Attacked—Panay Story Changed**

Shanghai, Dec. 21 (AP)—Japanese troop and warship movements today aroused Chinese fears that three of the nation's great coastal cities would suffer the fate of fallen Nanking.

The Chinese expected Japanese to drive against Hangchow, Chekiang Province seaport some 110 miles south and west of Shanghai, Canton, China's southern metropolis, and Tsingtao, Shantung Province seaport to the north.

There were authoritative reports that 11,000 Japanese soldiers withdrawn from the Nanking area embarked last night from Shanghai, apparently bound for Canton.

A party of 300 American and British women and children attempting to flee war threats in central China were turned back toward Hankow, one of China's three temporary capitals.

A military boom across the Yangtze river at Matsung, 100 miles above (Concluded on Page 11, Column 8)

#### \$9,000,000 Job WPA Record

Seattle, Dec. 21 (AP)—State WPA Director Don G. Abel today announced the largest WPA project in the nation, with a federal appropriation of more than \$9,000,000, was being prepared to clear the area that will be flooded when Grand Coulee dam is completed.

Three thousand men will be employed on the project for three years, Abel said. The project will cover an area from the dam to the Canadian border, a distance of approximately 150 miles. More than 28,000 acres of land will be cleared for a reservoir site.

Two hundred and fifty miles of fencing 100 miles of telephone lines and 1,200 buildings and three cemeteries will be removed.

Seventy-seven miles of primary state highway and 68 miles of secondary county highway will be constructed. Twenty-five miles of railway track will be removed, then re-laid. Twenty-five miles of telegraph line also will be taken up. More than 150 miles of barbed-wire fence will be built.

#### Labor Vandalism Renewed in City

Portland, Ore., Dec. 21 (AP)—Vandalism again broke out today in Portland's labor war which has paralyzed the lumber industry all but paralyzed for nearly five months.

Police were informed someone armed with an ice pick punctured 20 tires on 12 automobiles parked near the labor temple after midnight. The cars were owned by members of the Motion Picture Operators' union which meets in the temple after midnight. Police, however, believe it was more of an attack on the American Federation of Labor than a specific attack on the motion picture operators, who have been experiencing no labor difficulties.

The lumber dispute remained quiet today with two mills out of seven operating while a report from Washington, D. C., indicated President Roosevelt was making a personal study of the A. F. of L. - C.I.O. dispute which has shut down the Portland lumber industry.

#### Windsors to Spend Holidays at Cannes

Paris, Dec. 21 (AP)—The Duke and Duchess of Windsor, smiling happily, left Paris' freezing weather today to pass the Christmas holidays on the sunny Riviera at the villa of Mr. and Mrs. Herman Rogers of New York.

Their luggage, already arrived at Cannes, included two turkeys sent by air from Belgrade to Paris by a Yugoslavian schoolgirl for their Christmas dinner.

A small group saw the duke and duchess off at the Paris railway station. The duchess wore a brown ensemble with mink coat. The duke wore a heavy blue coat with a fur collar.



Six Die As Auto Rockets Into A Tree—Death wiped out a gay party of six young National Guardsmen when their automobile careened with sickening force into a tree 12 miles east of Lodi, Calif. Five of the bodies were found in the back part of the car which was wrapped around the tree. The sixth was found some distance away. (Associated Press Photo.)

#### Suspect Foul Play In Chaffee Death

Suspicion that George D. Chaffee, 62, found dead in the city jail early Saturday afternoon, died from other than natural causes, raised itself today following an autopsy last night. District Attorney Lyle J. Page, after conferring with Coroner L. E. Barrick, announced today that results would be ready in a few days.

That every angle was being thoroughly investigated and that foul play is suspected.

Samples of all vital organs have been sent to a pathologist at the state hospital and a complete analysis of the condition of each will be made.

Chaffee was found on the sidewalk on the south side of Ferry street in the 209 block at 2:45 o'clock and, according to the report of Officers Paul Nicholson and Kesley, was "arrested for being drunk and we had to borrow Harry Scott's trailer to get him to the station."

A supplementary report, filed Saturday afternoon after Chaffee's death, gave the address and more detail.

#### Japan Adopts Policy in China

London, Dec. 21 (AP)—The proposal that Britain move more warships "within range of China" was made in commons today after Prime Minister Neville Chamberlain declared "No attempt has ever been made by Japan for peaceful settlement" of her war on China.

Sir Archibald Sinclair, liberal leader favoring greater British naval strength in the far east, went on to urge the British government to "make it clear to the United States government that Britain will stand by them in any effort which the United States makes to defend sanctity of the nine power treaty."

He went on to advocate that Britain tell the United States exactly what contribution the British government is prepared to make to a common effort "if the United States takes the lead."

He stressed, however, that if the nine powers acted to uphold the treaty, "America would have to take the lead."

"Those who want to see us working with the United States must not make the mistake of asking the United States to come in and defend purely British interests," Sir Archibald said.

"Nevertheless, so long as close consultation was proceeding between the two countries, there could be no misunderstanding in the United States of our motives."

He added that the United States would always sympathize with ideals of the League and respect those who defend them.

#### Courts Empowered to Order Physical Exams

The state supreme court ruled today that lower court judges have authority to require persons involved in personal injury suits to give a physical examination. Reversing a Yamhill county court judgment awarding \$5000 damages to Emma Carnine for injuries received when riding at Ocean Lake in an automobile driven by Roscoe S. Steward, the court ordered a new trial. The judgment was against Steward and E. N. Tibbets, whose car was involved in a collision with the Steward car.

Judge Artie G. Walker, presiding in the trial court, refused to grant the motion of Tibbets and Steward that the plaintiff be required to have a physical examination by doctors appointed by the court.

Today's opinion was the first in the history of the state that ruled on the question. "If the plaintiff has any objection to being examined by the doctor suggested by the defendant," the high court opinion said, "the court should designate some physician of competent skill, indifferent between the parties. The refusal of the trial court to grant defendant's motion to require the plaintiff to submit to a physical examination amounted to such an abuse of discretion as to necessitate that the judgment be reversed and the cause remanded for further proceedings." (Concluded on Page 10, Column 8)

#### Labor Spying Universal

Washington, Dec. 21 (AP)—The senate civil liberties committee, completing its inquiry into industrial espionage, reported to congress today that labor spying is an "almost universal practice" in American industry.

The committee, headed by Senator Robert M. LaFollette, (R., Wis.), said its "known census" revealed 3871 working spies during 1933 to 1936 and the "census is far from complete." The report charged that one-third of the spies used by one agency operated as union officials.

On the basis of evidence produced in a series of hearings, the committee said that the known total of business firms receiving spy services totals 2500 and "reads like a Blue Book of American industry."

The report described labor spies as follows: "Spies are members of unions in name only. Their oath to support and uphold the union is meaningless. They reveal union secrets; they steal union records; they aid in blacklisting their own fellows."

#### 78 Killed in Japanese Fire

Tokyo, Dec. 21 (AP)—Seventy-eight persons were killed today in a fire which started as they were watching a news reel of the Chinese war, hoping to see their friends or relatives among the Japanese troops in action.

There were 500 villagers of Nishimuro, in Wakayama prefecture, in the primary school to see the film. They took their children with them.

Fire started as the reel was being run. There was a stampede and hours later firemen had recovered bodies of 78 persons, including 27 children and 21 women, from the ruins.

#### Russia Strengthens Far East Forces

London, Dec. 21 (AP)—Persistent reports were heard today that Russia was strengthening her far east air and sea forces on a large scale.

Latest advices said Russia was moving part of the Black Sea fleet to Vladivostok. The battleship Lieutenant Schmidt, not listed in the navy roster, and the armored cruiser Red Ukraine, accompanied by destroyers and 20 submarines, were reported to have been ordered from Sebastopol.

#### Novelties In the News

(By the Associated Press)

#### Bomerang

Laurinburg, N. C.—Church officials asked police to patrol a dangerous curve near the church during worship; the reason—there was too much noise.

The police obliged. The first speeder stopped was a preacher; the second, the county judge; the third, a deacon. The curve is patrolled no longer.

#### If at First—

Albuquerque, N. M.—Last New Year's Justice L. M. Tartaglia offered to perform a marriage ceremony free. There were no takers.

Today, as an added incentive, he offered also to provide a license free to the first couple asking his services in 1938. (Concluded on Page 10, Column 8)

#### Can't Close Eyes To Events in Rest of World

**Landon Wires Support Of President in Dealing With Foreign Affairs**

Washington, Dec. 21 (AP)—President Roosevelt today in a telegram to former Governor Alf M. Landon of Kansas declared the United States rejects a foreign policy of peace at any price.

Responding to a telegram from Landon pledging his support to the president's foreign policy, particularly in the present far eastern crisis, President Roosevelt said that while the American people want peace they have "rejected every suggestion that ultimate security can be assured by closing our eyes" to events taking place in other parts of the world.

The correspondence between the president and the republican candidate for president in the last national election was made public at the state department upon instructions from the White House.

Mr. Roosevelt was at the time lunching with Secretary of State Cordell Hull and had just finished a conference with Chinese Ambassador C. T. Wan.

Landon apparently inspired by the present tense situation between Japan and the United States, wired the president the following message: (Concluded on Page 3, Column 4)

#### Teruel Battle Rages Furiously

Paris, Dec. 21 (AP)—The official Spanish government "Agence Espagne" received a dispatch this afternoon from Barcelona reporting the "fall" of Teruel insurgent strong point on the extreme southern Aragon line where a major battle has been raging for days.

Hendaye, Franco-Spanish Frontier, Dec. 21 (AP)—The Spanish government today hurled 20,000 more men into the fierce struggle for strategic Teruel, radio advices said, and the reinforced army of 50,000 was ordered to take the provincial capital "at all costs."

This tremendous force and the insurgent defenders were locked in a sanguinary hand-to-hand contest within the city on the seventh day of the government's offensive. Insurgent reports said the Teruel garrison still was holding out.

Thousands of attackers and defenders alike were reported to have fallen. Teruel's radio was silenced and the city's other communications were cut off.

Through last night, while the civilian population of the battered Spanish provincial capital covered in underground tunnels awaiting word of the city's fate, giant field searchlights illuminated scattered battle areas.

The chatter of machine-guns and the ping-pong fire of rifles echoed through the streets.

At times the government attackers and the stubborn insurgent defenders fought hand-to-hand in the narrow thoroughfares.

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