Cloudy tonight and Priday: little

50th Year, No. 304

Salem, Oregon, Thursday, December 22, 1938

Price Three Cents

McKesson and Robbins

"I have tried to hold it up to stave

off the inevitable," he wrote, "No man has ever worked harder or re-ceived less pay to make something work out for the interest of all,

"There has always been friction within the board of directors because the wholesale business is a rotten business at best—the wholesale part wrote off millions of bad debts and inventories. There was nothing said about that, just that the 1929 crash was responsible."

Attorney Publishes Note
The note exonerated his brothers

alcohol were involved in his deals and asserted "I have not tried to

ers."
"If I did." Coster-Musica wrote, "I would have sold my holdings in 1928 for over \$3,000,000 Instead, I am a ruined man through the treachery

of legal intrigue."

Regarding his concealment of his masquerade from his wife, Coster-Musica said he had "too much pride and regard for a lonely, devoted and sick wife to confide in her my inner heart."

He said any gifts or presents he

made to his wife or members of his family were "not company money," and his wife "had no knowledge of any nature or description of my sit-uation or operations."

after its reorganization."

## Coster-Musica Suicide Note Made Public

## US Apology Refused Nazis Japan Ready

### Cooperation by Franco Stages Americas Hangs Great Spy Hunt In Balance

Defiant Argentine Holds Over 1000 Arrests Among Up Agreement in Lima Conference

Lima, Peru, Dec. 22 (/P)-The issue of cooperative de- cial reports reaching London fense for the Americas hung today asserted "approximate-in the balance today between ly 1,000" arrests had occurred a defiant Argentine declara-in insurgent Spain in a great a defiant Argentine declara-tion thrown dramatically be-fore the Pan-American con-ference and a second declara-tion to which the United States and most of the other countries agreed.

The arrests were the sequel of what the London inform-

Countries agreed.

United States Secretary of State Cordell Hull arrived early at the conference hall and conferred with Dr. Carlos Concha of Feru, conference chairman, and Afranio Mello Franco, Brazilian delegation chief, in an endeavor to break the deadlock.

From Dr. Isidoro Ruiz Moreno, chairman of the Argentine delegantion.

chairman of the Argentine delega-tion, the other three leaders detion, the other three leaders de-manded official and exact informa-insurgent foreign ministry at Bur-

Indications continued that if Argentina refused to alter her position, the other 20 republics might act without her. This, however, would be an extreme procedure and, delegates said, hardly desirable in the interests of Pan-American tranquility.

Desmits the distribution of the content of the Burgos foreign ministry said preliminary inquiries disclosed the resistance with the enemy." It added British authorities were and, elegates said, hardly desirable in the interests of Pan-American tranquility.

ed on diplomatic urgings in Buenos Aires by the Brazilian and possibly other governments that Argentina

retary Hull, Dr. Carlos Concha of Peru, conference chairman, and Mello Franco talked in Hull's apart-ment, Later Concha, Mello Franco and the Uruguayan delegate, Pedro

Argentina specified aggression of some specified aggression but federal communications composed the federal communications composed to first state of the continents, but put within the continents, but put within the continents first. This was an indication, the conference spokesmen of the communications composed to first state of the communications composed to first state of the communications composed to the federal communications composed to the city yesterday of the federal communications composed to the federal comm

British Bomber

Approved by Pilot

Los Angeles, Dec. 2 (P—The
first of 200 bombing plane, being
built at the Lockheed factory her
for Great Britain at a cost of 121,
600 000 had the approval today of
the British ar ministry, said be
war well plane. Squadron Leader James Addams,
Squadron Leader James Addam

# **Among Forces**

Nationalists as Result of 'Dirty Shirt" Case

London, Dec. 22 (P)-Offi-

manded official and exact informa-tion about the Argentine position in gos said documents found in Good-the light of a telegram he received yesterday from Buenos Aires. The new impasse developed when the Argentine delegation withdraw Nationalist (insurgent) Spain about Nationalist (insurgent) Spain about College (insurgent) and the ma-

Franco Still Hopeful

The Argentines held the majority draft to be in effect a military alliance, which the delegation opposed from the start of the confersors.

In Spain nave fold of great insurgent preparations for a major offensive by which it was said General Pranco hoped to end the war. The offensive has been unaccountably delayed, although bad weather has been cited as an explanation.

Goodman had been absolved of guilt These hopes apparently were bas- in the affair, but that several emloyes of British consulates in insur-gent territory were "under suspicion." Several Spanish Nationals are em-ployed in British consular offices adopt a more conciliatory attitude, ployed in British consular offices.

There were conferences here until in Spain, but it was not known here. United States Sec- whether all those arrested

## Mrs. Honeyman

Manini Rios, conferred.

Argentina Suspicious

Delegates pointed out there were several appreciable differences between the Argentine text and the Mello Franco-Concha-Hull declaration.

Seattle, Dec. 22 (P)—Nan Wood her mother disappeared December 12.

Another son, Joseph. 20, CCC enwas recommended for a position on the federal communications commun

### **Duchess Loses Test Election**

lain's foreign policy, was beaten by 1313 votes in the parliamentary byelection she forced to test the issue

fority declaration and presented its own resolution upon instructions from its government.

Our future military operations."

For weeks reports from both sides she had represented the Kinross and West Pertih division for 15 years.

### Confesses to Slaying Wife

## said, of her continued suspicion that the United States might one day end the good neighbor policy. State Troopers Hunt

troopers were called into a search of this isolated, snow-cov-

complete returns showed today.

The "Red Duchess," so-called because of her support of the Spanish government cause, in yesterday's voting received 10.485 votes to 11.806 for William McNair Snadden, her conservative opponent, who cam-paigned as a hearty supporter of Chamberiain's policy of speasement. The wealthy duchess ran as an independent after resigning her seat

Her conservative Highland consti-tuents turned against her after she had broken formally with the prime minister's party after his Munich accord with the dictators for the

Despite the startling step by Argentina in publishing her project without submitting it officially to the conference, the Brazilian delegation chief. Afranio Mello Pranco indicated he still hoped for a settlement.

East on.

The statement charged insurgent military police had also found in confessed, police and, by her job-less bootblack husband—was planded ared. London informants here asid dismembered body was burned last

Detective Capt. Hubert J. Wallis announced William Spinelli, frail, middle-aged father of five children. broke under hours of questioning and confessed killing his wife.

and confessed killing his wife.
Confronted with teeth and pieces
of bone from the incinerated body.
Spinelli admitted committing the
homicide as a result of his wife's
threat to leave him, Wallis asid.
The diminutive, wrinkle-faced
suspect had been openly accused
by his son, William, Jr., 19, taken
into custody with him after a
daughter, Helen, reported to police
her mother disappeared December
12.

### The Argentine text omitted intention of the Pan-American nations to provide for their own defense, as contained in the majority rest. A contained in the majority rest. Tunkhannock, Pa., Dec. 22 (P)-A half a hundred state

The majority resolution contained two classifications of aggression, direct and indirect.

The general comment on the texts was that under the majority declaration continental defense tended to be more a common task, whereas under the Argentine declaration it tended to be individual.

The general comment on the texts was that under the majority declaration continental defense tended to be more a common task, whereas under the Argentine declaration it tended to be individual.

Investigators expressed belief the alayer who strangled attractive. 19-year-old Margaret Martin \* Coroner Ray W. Greenwood said Miss Martin "definitely was murdered." An autopay performed last light by Dr. G. G. Guyler, of Wilkeabarre, and A. B. Davenport, rate war today by agreeing unextended to be individual.

The strip had been alashed across Brazil coffee shipments to Calif-

### **Berlin Protests** Ickes Speech On Dictators

Welles Says Request Improper as Secretary Voiced Opinion of Americans

Washington, Dec. 22 (P)-Sumner Welles, acting secre-tary of state, disclosed today the United States had rejected Germany's demand for an official apology for Secretary Ickes' speech in Cleveland last Sunday attacking dictator-

Welles told Dr. Hans Thomsen, the German charge d'af-faires, the request came with singularly ill grace and im-propriety from a government which had so persistently permitted its controlled press and officials to at-difference of the first settlements, matters which ecssary for the full indepen-tation. tack American leaders including Presidents Wilson and Roosevelt and present members of the cab-

Americans Shocked

The acting secretary of state advised Thomson Ickes' remarks represented the feeling of an over-whelming majority of the American people who had been profoundly shocked by recent events in Germany.

Welles' statement to the German at Chungking. welles statement to the German are considered uncompromising terms which the United States rarely uses in diplomatic discussions with a friendly spergovernment organ for prosegovernment.

Konoye's statement was believed to embody decision reached in No-uncompromising terms which the compression of the China war, meeting in

with the recent policy pursued in Germany had shocked and confounded public opinion in the United States more profoundly than anything that had taken place in many decades. government must now surely know the recent policy pursued in Ger-many had shocked and confounded public opinion in the United States had taken place in many decades. Welles warned Thomsen expressions of public indignation such as Ickes' were inevitable.

What Ickes Said

Ickes had said Germany's treat-ment of Jews carried that nation back to "a period of history when man was unlettered, benighted and bestial." The interior secretary also criticized acceptance of German de-corations by Henry Ford and Char-les A. Lindbergh, Welles said in taking to Thomson

Welles said in talking to Thomser this criticism of Ford and Lind-bergh was a purely domestic ques-tion in which Germany could have no concern whatever and which he would not discuss.

And, Welles added, so long as at tacks against American officials continued in Germany the German government had no right to suppose attacks of the same character would not continue in the United States.

New Sharp Strain

The exchange brought an extre-mely sharp new strain on German-American relations already tense from the recent withdrawal of am-bassadors of both evantries and Germany's response to increasingly

and abiding by conference rates on Brazil coffee shipments to Calif-fornia and the northwest. The two lines — Osaks Syosen Kaubsike Kaisya and Yamashita

## To Help China **Oust Foreigners**

Prince Konoye Announces Program to Abolish Concessions

Tokyo, Dec. 22 (P)—Pre-mier Prince Fumimaro Kon-oye declared today that Japan was prepared to help China abolish the foreign concessions and extra-territoriality, the system of special privileges enjoyed by some foreigners

in China for nearly a century.
In a formal statement on the future of Japanese-Chinese relations the premier

concluded:
"Japan not only respects the sovereignty of China but is prepared to give positive consideration to the question of the abolition of extraterritoriality and of concessions and settlements, matters which are ne-cessary for the full independence of

By China the premier manifestly referred to the state Japan already has announced she expects to emerge from her current conquests, linked in a strong political, economic and cultural bloc with Japan and her reviewlessia. Marybelling and her reviewlessia. protectorate, Manchoukuo.

Such a state, under Japanese direction, is expected by Japanese leaders to replace the Chinese government of Generalissimo Chiang Kai-Shek, which now has its capital

The statement reiterated the gov-

ernment announcement of Novem-ber 3 that Japan proposed to form "Japan-China-Manchonkuo bloo "for common defense against com-munism and for economic coopera-Italy Awaiting

French Reply Rome, Dec. 22 (49)-Italy waited today for France to offer concessions after giving notice the fascist

concerning Tunista.

The authoritative fascist editor,
Virginio Gayda, warned the French
that Rome would meet "with equal arguments and equal force" France's insidious fury" if France wanted to

fight.
The firm Italian stand considerably impressed diplomatic quarters, where it was felt Premier Mussolini,

The state department considered the latter unsatisfactory.

Thomsen had told Welles he trusted the government of the United States would make public an started a campaign November 30— Indical states would make public an official expression of regret for official expression of regret for lickes' statement. This Welles flatly refused to do.

Japanese Ships

Japanese Ships

In more language of the right to Italian citizenship undiplomatic experts consider that it has been in force since it was signed in Rome January 7, 1935).

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be considering the use of force to achieve some striking success.

They added II Duce had paid no regard to French sasertions that italy had occupied French territory ceded under the 1935 sarcement, which defined borders between Tunkis and Italian Libys and between Italian Eritres and French Somaliand in East Africa.

Article two of the budget bill by 322 thrown I would have demanded in mediate dissolution" of parliament. An analysis of the vote showed Daladier had won approval from 47 per cent of the chamber's full members full members full members for the complete said most of the sampler of 517.

Observers said most of the sween that italian Eritres and French Somaliand in East Africa.

Article two of the budget bill by 322 thrown I would have demanded in mediate dissolution" of parliament. An analysis of the vote showed Daladier had won approval from 47 per cent of the chamber's full members full members for central figure in a \$1,000,000 awindle in 1913.

Observers said most of the sween with his new identity by stiling five fake birth certificates in the same of t



ers and others in protest picketing of the loading of scrap iron on two boats on the San Francisco water-front, and longshoremer have refused to pass their lines. Banners carried by the children explain their attitude toward the shipments. The pickets halted

## Many Volunteer To Aid Santa

The note exonerated his brothers in masquerade and asserted he was the "victim of Wall street plunder and blackmail in a swuggle for hen-est existence."

The note was made public by Sa-muel Reich, Coster-Musica's attor-The Capital Journal Christmas cheer campaign is going over the top in a large way and the Santa Claus editor's de-partment is busy sorting food, clothing and toys for needy families. There are still many uncared for and Christmas eve is just 48 hours away. If you'll do your share just call the \*Santa Claus editor, 3573, and you'll

Yochow, 122 miles up the Yang-ize river from Hankow, is the base from which the Japanese launched their Hunan campaign shortly af-ter the fall of Hankow.

Another Chinese column was re-ported pushing northward from Tungcheng, 40 miles east of Yo-chow, in an effort to cut the Canton-Hankow line at Puchl and force Japanese withdrawal toward Han-

government considers invalid the government considers invalid the tivities in north Honan province—1935 Mussolini-Laval convention in the Yellow river zone—had caused 2000 Japanese casualties during the past two weeks.

The note asked "the world to judge if bankers, lawyers, auditors and appraisers that got millions out of the company knew nothing."

Coster-Musica denied narcotics or

Chinese Claim

Japanese Rout

Shanghal, Dec. 22 (P)—Chinese reported today that their forces smashed through the defenses at the east gate of Yochow, only important city held by the Japanese in Hunan province, and street fighting was in progress.

Yochow, 122 miles up the Yangter river from Hankow, is the base from which the Japanese launched dentist presented brushes and holders for distribution

to needy youngsters—and tucked in a few Seven Dwarf dolls for good measure. Another kind person pre-sented six turkeys to needy families. Checks and cash donations have added to the fund materially and hour by hour a Merry, Merry Christ-

Japanese withdrawal toward Hankow.

Chinese advices said guerrilla activities in north Homan province—in the Yellow river zone—had caused 2009 Japanese casualties during the past two weeks.

From Chungking, Gen, Chen Chen, Chien, chief of the Chinese national military council's political department, announced that 250,000 wounded Chinese soldiers had returned to the army following returned to the army following recovery.

He minimized the importance of Japanese efforts to cut Chinese covery.

He minimized the importance of Japanese efforts to cut Chinese communication lines, declaring Chinese and an ample supply of food in a man and machine-guins to man and machine-guins to small arms and machine-guins to the small arms and machine-guins to small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and machine-guins to the control of the small arms and the control of the control of the small arms and the control of the control of the small arms and the control of the

While investigators studied Coster-Musica's suicide note Benjamin Si-mon, allegedly associated with Mc-Kesson and Robbins in negotiations for the sale of arms and munitions, was taken before the federal grand

Paris, Dec. 22 (AP)—The chamber of deputies, which nearly defeated the Daladier government on a vote of configurement on the division of Czechodovakia September 29 and might be considering the use of force to achieve some striking success.

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BUY CHRISTMAS SEALS