

18 Americans Believed Lost As Plane Bombs Vessel Above Chinese Capital; 54 Are Saved

JAPANESE TAKE FULL BLAME FOR SINKING OF BOAT IN YANGTZE

British and American Vessels Speeding to Scene. SEVERAL ARE WOUNDED. Standard Oil Ships Are Also Sunk At Same Time—British Seaman Killed. NANKING BATTLE RAGES. Jap Navy Quickly Accepts Responsibility For Bombing and Tenders 'Regrets' For Grave Incident.

Shanghai, Dec. 13.—(AP)—Japanese bombs today sank the United States gunboat Panay in the Yangtze river 25 miles above Nanking. Eighteen Americans were unaccounted for. There were 54 known survivors, some of them wounded. The gunboat's normal complement was 55 officers and men. In addition the "money ship" carried at least nine American refugees, including four embassy officials. Several Standard Oil company ships were also sunk at the same time. The Japanese navy quickly accepted responsibility for the grave incident. A Japanese communique pledged immediate steps to place the blame on military and responsible, and regretted the bombing "most deeply."

Earlier, British naval reports said Colonel Hashimoto, senior Japanese officer, declared he had orders to "fire on every ship on the river." His statement was made in reply to a British protest against shelling of the British gunboat Ladybird and two British merchant ships killed and two other Britons wounded there. Officials of the United States fleet headquarters said the ill-fated gunboat. Those missing apparently were killed or drowned when the vessel sank. However, some might have reached land without communication facilities.

Both survivors were put ashore. (Continued On Page Two)

Four Lose Lives, Five Injured As 2 Trains Collide. Salvia, Ky., Dec. 12.—(AP)—Four railroad men were killed and five others injured in a head-on collision of two Southern Railway system freight trains near this little south central Kentucky town early today. Both engines, penetrating each other by the force of the impact, overturned and were buried under the debris of 10 telescoping freight cars.

The dead included the engineer and fireman of one of the locomotives, which was pulling an extra train, and two brakemen. They were: Engineer Valentine Summers, 64, of New Albany, Ind.; Fireman J. C. McGill, 38, of Louisville, Ky.; Brakemen C. L. Ludwig, 51, of Louisville, and C. J. Denny, 48, of Harrodsburg, Ky. Injured were James McAdams, 65, and E. F. Scott, 42, both of Louisville, engineer and fireman, respectively, of the second locomotive, which was drawing a regular train; Brakemen C. L. Leoney and C. J. Louville, and A. E. Knoeder, conductor of the extra train, all of Louisville. The trains were traveling east and west when they collided. The road bed was torn up for hundreds of feet, and merchandise from the cars of both trains littered the right-of-way.

An official statement of the company said the accident was caused by "conflicting train orders."

TAX OVERHAULING BY FEBRUARY PREDICTED. Harrison Believes Revision Legislation Will Be Completed in Congress By Feb. 1.

Washington, Dec. 12.—(AP)—Chairman Harrison, Democrat, of the senate finance committee, predicted today that Congress would enact legislation overhauling the tax structure by February 1.

He said the house ways and means committee probably would lay a tax modification program before the house during the first week of the regular session, which convenes January 3.

After the house acts, he continued, the senate undoubtedly will vote speedily, "and we will have a bill on the President's desk by the first of February."

Considerable sentiment developed early in the special session for immediate action to revamp the undistributed profits and capital gains taxes as a method of stimulating business.

A ways and means subcommittee studying the tax structure, however, decided that hurried action would be undesirable and proceeded to a detailed survey of the entire tax structure.

CONFUSION FORECAST WHEN WAGE-HOUR BILL COMES BEFORE HOUSE

Measure Expected to End In Conference If Passed. ADMINISTRATOR IS ISSUE. Barden Proposes Amendment to Regulate Rate of Ordered Wage Increases.

BACON SEEKING PROBE. By W. A. HILDBRAND. Daily News Bureau Staff Office 223 Alder Building (By) Licensed Writer Washington, Dec. 12.—(AP)—House undertakes, the first of the week, to dispose of what is generally termed the fair labor standards bill, it is suspected that the "red" element will be floundering by a greater degree of bewilderment and confusion than was observed before a vote was reached on the farm bill. When the house passes a labor bill it will doubtless be sent to conference, there to remain until the beginning of the regular session.

One of the most troublesome questions will relate to the proposal, as approved by a majority of the labor committee, to establish an industrial relations commission with the labor department, in lieu of the five-man board, as originally proposed. The labor committee members generally agree that the one-man idea, or czar over industry, would be more objectionable than the five-man board.

Barden Urges Amendment. In his message to Congress President Roosevelt said that the primary objective of the labor legislation which he believed was the underprivileged, should be reached by easy stages, in harmony with the idea of the National Industrial Conference of the labor committee, urging the adoption of this amendment.

In the case of an order declaring the existence of substantial wages said order shall not require the increase in wages to be in excess of one-tenth of the present rate. The bill, passed by the house as an example of wishful legislation, intended to bring about regulation of American agriculture.

HUGE VOTE IS CAST IN SOVIET ELECTION. Ninety Million Russians Vote For Supreme Soviet—Stalin On Ballot.

Moscow, Dec. 12.—(AP)—With bands playing and red banners flying, the soviet masses literally paraded to the polls today and elected a supreme soviet with Joseph Stalin, their undisputed leader, the unanimous choice for one of the seats.

The first secret direct election in the history of Russia brought out 90,000,000 qualified electors. The voting for 1,143 members of the two-chamber parliament virtually was a ratification of gominolism, made to order. Few candidates were opposed.

An announcement after the polls closed said the electorate in some districts of Moscow and the soviet far east voted 100 per cent except for those who ill to go to the polls. In the Moscow district where (Continued On Page Two)

SEEK QUICK ACTION ON FARM MEASURE. Senate Sponsors to Try Hard For Vote On Bill This Week. Leaders Optimistic.

Washington, Dec. 12.—(AP)—Senate sponsors of the new farm bill indicated today they would try hard to get a vote on crop control legislation this week.

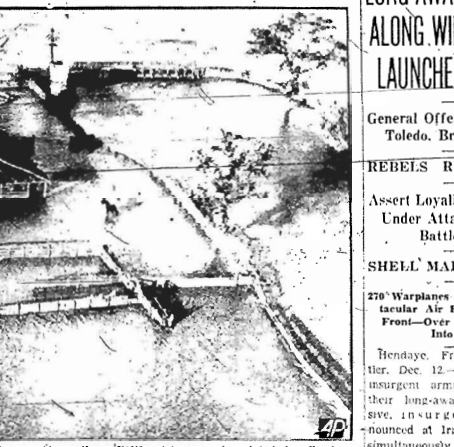
The house adopted a companion measure last week. Congress expects to wind up its special session December 22, and administration leaders are eager to perform as expected on President Roosevelt's leadership legislative item before they go home.

Majority Leader Barkley, of Kentucky, said he expects to call for a vote on the bill not later than Wednesday.

The senate is certain to pass the bill this week, said Chairman Smith, Democrat, South Carolina, of the agriculture committee.

Senator Ellender, Democrat, Louisiana, and the co-authors of the measure, Senators Pope, Democrat, Idaho, and McGill, Democrat, Kansas, also predicted quick action.

Swirling Flood Waters Isolate Farms In California



Numerous farm homes in the fertile Sacramento valley (California) were inundated by floods as rivers throughout northern California swelled over their banks following heavy rains brought by the storm which is sweeping the Pacific coast. This farm, with its horse and bull knee deep in water, is located between Sacramento and Davis, Calif.

5,000 HOMELESS IN CALIFORNIA FLOODS

Property Damage Runs Into Millions—Extreme Conditions Moderating. SOUTH IS WARMING UP. San Francisco, Dec. 12.—(AP)—Flood-burdened rivers of northern California threatened new destruction to homes and agricultural lands today as the run-off from three days' torrential rain coursed seaward.

Red Cross officials estimated that 5,000 persons were homeless. Thousands of acres of fertile lands were under water. Three deaths were recorded and property damage was expected to run into the millions.

Clearing weather, after a night of moderate to heavy rainfall, however, gave promise of relief. The Sacramento river and its tributaries were receding in the upper valleys but between Red Bluff and Princeton it was above flood level.

"Critical stages" were predicted late today and tonight. The Sacramento smashed through the levee at Butte City at three places today and inundated the entire river settlement of about 1,200 population. Three miles down stream Princeton valley residents threw up sandbag embankments to hold back the water. A new break in the levee also was reported near Colusa and authorities feared the river would widen the break and submerge additional thousands of acres.

MODERATION IN WEATHER CONDITIONS IS FORECAST. Extensive clearing forecast of several days duration throughout the country—frosts in the west, heavy snows in the east, and fresh cold waves in the south—lessened in intensity last night.

In northern New York state hundreds of snow drifts attacked and killed livestock as the snow lay down by a three-day blizzard which (Continued On Page Two)

TAR HEEL SAHOR IS KILLED IN ACCIDENT. Cristhian C. De la Cruz, 42, of Massachusetts, was killed today when he was struck by a trolley car in New York City.

Two thousand bars of steel, including much Chinese plate, were in the loading dock and ready to be shipped to the shipyard of the 408 ton tugboat when it was struck by a crane. Some salvagers had expressed surprise salvage facilities had not been summoned to the scene immediately.

How the liner could be so damaged passengers were told today. The vessel was struck by a crane near the shore on the 25th day of the voyage. The liner was damaged and allowed them to make a safe shelter of the hull.

LONG-AWAITED DRIVE ALONG WIDE FRONT IS LAUNCHED BY FRANCO

General Offensive Started At Toledo, Brunete, Teruel. REBELS REPORT GAINS. Assert Loyalist Lines Collapse Under Attack—Great Air Battle Fought.

SHELL MADRID HEAVILY. 270 Warplanes Take Part In Spectacular Air Fight On Zaragoza Front—Over 500 Shells Fired Into Madrid.

Tenday, Franco-Spanish Front. Dec. 12.—(AP)—The Spanish insurgent armies today launched their long-awaited general offensive, in urgent authorities announced at Iruin. They struck simultaneously on the Toledo, Brunete and Teruel fronts.

An insurgent communique announced the government lines had collapsed under the offensive, which was "like a bolt of lightning."

The offensive at Brunete and Toledo directed at Madrid, Spain's long besieged capital, which first drive on the Teruel front faced toward Valencia.

Insurgent dispatches reported the government lines had collapsed under the offensive, which was "like a bolt of lightning."

In full accounts of Friday's spectacular campaign in the clouds over reaching the border, insurgents said 20 government planes were shot down and only one insurgent plane was lost.

The great air battle coincided with the holiday of Notre Dame de Lorette patron saint. Under her auspices, insurgent dispatches said, 20 insurgent planes (Continued On Page Two)

STATISTICS FOR YESTERDAY. Temperature 72 F. Relative Humidity 74. State of Weather Cloudy. 24 HOURS ENDING AT 7:30 P. M. Maximum Temperature 72 F. Minimum Temperature 52 F. Wind Velocity 10 m.p.h. Rainfall 0.00 in.

ONE PERSON INJURED. Scotland News. Dec. 12.—(AP)—Two persons were killed and another injured today when a light truck in which they were riding crashed into a parked automobile in Bertie county, about two miles north of Oak City. The dead are Ernest Davis, about 38, his wife Mrs. Minnie Davis, and their four-year-old son Charles, all of Scotland News. Jasper Davis, a brother of Ernest, was reported recovering late today at Edgemont hospital. Treatment by passing motorcars.

Whether the parked car, which was struck by the Davis truck, was negligently being parked could not be determined. The accident occurred at about 10:30 p. m. on the highway. The bodies of the child and the mother were returned to Scotland News by ambulance late today.

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JUSTICE CARDOZO ILL. Supreme Court Jurist Reported Confined to Home By Grippe. Washington Dec. 12.—(AP)—Associate Justice Benjamin N. Cardozo of the Supreme Court is ill at his residence here.

Dr. John Paul Ernest, Jr., the attending physician, said today that the justice has been confined to his bed by a severe grippe which will probably keep him indoors for several weeks. He was usually in good health for some time, though, he was able to attend all proceedings of the court since his illness.