

DIAMOND IS SLAIN AFTER ACQUITTAL

DOYLE UPHELD IN DEFIANCE OF SEABURY PROBE

Appellate Court O.K.'s
Justice Dore's Purging
Former Horse Doctor
of Contempt—Seabury
to Appeal Decision

Dr. William F. Doyle gained the upper hand over Samuel Seabury for the first time today and Seabury promptly announced he will attempt to carry the fight to the Court of Appeals.

The Manhattan Appellate Division, in a unanimous decision and without opinion, sustained the contention of the \$2,000,000 horse doctor that he had purged himself of contempt of the Hofstadter Committee in denying he had bribed any public officials.

The Appellate Division upheld the findings of Supreme Court Justice Dore, who had ruled in favor of Doyle in the latter's six months battle to keep the secrets of his life splits and zoning violations safe from the Hofstadter probe.

As soon as Seabury was informed at the headquarters of the Hofstadter Committee of the Doyle victory, he announced he would ask the Appellate Division at the January term for the right to appeal to the Court of Appeals at Albany.

The principal issue before the court was Seabury's contention that Doyle had "perjured, not purged" himself before the committee when he denied having bribed officials or politicians out of the proceeds of his Board of Standards and Appeals fees.

Second Major Reversal
The Doyle legal battery argued that perjury had not been proved and that, even if it had, Doyle had obeyed the court order when he answered questions.

Seabury's principal victory in the Doyle case was the confining of the erstwhile horse doctor to jail for 18 days as a defiant witness.

The defeat was the second major reversal suffered by Seabury this week. Clarence J. Shearn, Appellate Division referee, recently cleared 12 of the 14 women's court lawyers whose disbarment Seabury sought.

Sherwood Case Put Over
Hearing on Seabury's application to have the missing Russell T. Sherwood fined \$10,000 for failure to heed the published call of the probe was today put over until

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Stocks and Bonds Advance Rapidly

The security markets got over their fright and rallied briskly. There was a close race between bonds and stocks, with the breadth of gains the objective. Many stocks were up two to five points, many bonds as much. Trading was fairly active, notably on the advance. Wheat recovered a cent or more.

By mid-afternoon American Telephone had recovered three points to 118. U. S. Steel as much to above 40, while Auburn was up seven points or so to above 131. Gains of three and four points were seen in New York Central, American Can, Chesapeake & Ohio, Woolworth, Consolidated Gas, D. & H., Northern Pacific and others.

An assuring statement by Thomas W. Lamont in Washington that the South African prime minister, warned the South African party to prepare for an early general election.

He launched another vigorous attack against remaining on the gold standard.

HOOPER HOST TO GANNETT
Washington, Dec. 18 (AP)—Frank E. Gannett, Rochester, N. Y., newspaper publisher, was a luncheon guest of President Hoover today at the White House.

Schoolboy's Death Laid
To Classroom Prank
East Orange, N. J., Dec. 18 (AP)—McQuillan, 15, of 19 East Orange Place, a freshman at East Orange High School, died today in Orange Memorial Hospital of blood poisoning which physicians said resulted from an intestinal injury received when he sat upon a lead pencil in school, Dec. 11.

John Meeker, 13, of 105 N. Arlington Ave., a classmate, was holding the pencil on the seat at the time, according to police. School authorities and police, however, decided the injury was accidental.

John McQuillan, father of the dead boy, said: "I hope his death will be a lesson to all boys and that it will teach them the seriousness of such pranks."

Groceries as Prizes
The feature prizes included 25 baskets of groceries donated by the

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Lamont Calls Reich Credits In U. S. Heavy

Cumbersome, but Do
Not Endanger Banks,
He Informs Senators

Washington, Dec. 18 (AP)—A member of J. P. Morgan & Co. said today there had been a cumbersome amount of German short term credit in this country, but that it did not endanger American banks.

Thomas W. Lamont, testifying before the Senate Finance Committee, he said probably 90 percent of American banks engaged in the process.

"The largest holding of such credits by any one bank is \$70,000,000, and that institution is so large that it is not a matter of danger or even of comment," he added.

Lamont told how his company had handled \$300,000,000 of loans for France and \$208,250,000 for Germany. He added that all but \$131,000,000 of the French loans had been repaid.

House Vote Due Tonight
As the committee recessed for lunch the House took up the moratorium measure with the expectation of ratifying it before adjournment, which may be deferred until late tonight.

"The banks are not loaded up with German bonds to the extent the people believe," stated Lamont.

"Yes," interrupted Senator Gore, Democrat, Oklahoma, "it is Tom, Dick and Harry who have taken the losses."

"It is true that upon the great investing public has fallen the brunt of the declines and not upon the banks," Lamont replied.

Lamont had said the first German issue bore 7 and the second 5 1/2 percent interest.

He told the committee he was "a little mortified" to tell of the small commission that firm had received from floating foreign bonds in this country.

"I am afraid it will make the sympathy and pity of the committee too much," he said.

Lamont enumerated numerous bond issues the firm handled for Argentina, Canada, Austria and Belgium. The committee was making the study at the request of

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5 Million Home Aid Is Voted; Berry Objects

Prial, Speaking for
Controller, Voices
His Fear of Scandal

The \$5,000,000 home relief resolution the Board of Estimate has been considering three weeks was passed this afternoon after a discussion lasting two hours.

This appropriation is in addition to the \$15,000,000 unemployment fund the city already has voted and is to be used exclusively for destitute and needy families not eligible for the benefits of the other appropriation.

Considerable surprise was registered when Deputy Controller Prial stated that, on orders of Controller Berry, he would vote against the resolution.

Berry Fears Scandal
Prial said that Berry believed that "at best home relief plans presented a danger because of scandals in the past in the distribution of public money."

He said Berry also told him to state that he was in sympathy with the needy, but that he "eluded some restrictions should be placed on the expenditure of this money."

At the word "scandal" Mayor Walker interrupted and stated vehemently that there never had been

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Rich Woman Is Freed By Kansas City Gang; Fail to Get Ransom

Mrs. Donnelly and Chauffeur Left at Bridge
by Kidnapers—Tells How She Fought
and Screamed as Cars Streamed By

Kansas City, Dec. 18 (AP)—Nervous but unharmed after almost 36 hours in the "filthy" rendezvous of three kidnapers, Mrs. Nelly Donnelly, wealthy founder of a Kansas City garment company, and George Blair, her Negro chauffeur, were freed by their captors early today.

They were released from a motorcar near the Kansas Ave. bridge on the Kansas side of the city and soon were back at the Donnelly home. Their return marked the end of a period of anxious waiting by her husband, Paul Donnelly, and his attorneys, who were at a loss as to how to get in touch with the abductors for the delivery of \$75,000 in ransom, demanded under a threat of death to Blair and blindness for the woman.

Anonymous Call
James A. Reed, neighbor and counsel to Donnelly, said today no ransom had been paid for the release of his wife, Mrs. Nelly Donnelly.

"We did not arrange the matter. It happened. That is all."

He was referring to the most heavily insured woman in Kansas City, Mrs. Donnelly carries life insurance of approximately \$750,000, much of which is in favor of her company and her employees.

"It's wonderful," said Reed, who had spent a sleepless night. "Now

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2 Scientists to Get Rewards for Labors

Washington, Dec. 18 (AP)—Two scientists will be honored tonight by the Smithsonian Institution.

Dr. Andrew E. Douglass of Tucson, Ariz., and Dr. Ernst Antevs of the University of Stockholm will receive awards of \$2,500 each.

Dr. Douglass developed the "tree-ring" method of prehistoric chronology. Dr. Antevs worked out a similar chronology based on the annual layers of clay left in the wake of melting glaciers.

Jury at Odds In Ewald Case

The jury in the Federal Court, Manhattan, deadlocked over the fate of former Magistrate George F. Ewald and three others, resumed deliberation this afternoon after being taken to a hotel for lunch.

The jurors debated all night without reaching a decision on the alleged guilt of Ewald, Dr. Francis M. Schlip, Harry C. Cotter and Frank E. Mittlernecker, accused of fraudulent promotion of stock in the Colter Butte Mines Company.

Winston Churchill Rests Comfortably

Winston Churchill, British statesman, spent a very comfortable night. It was reported this morning at Lenox Hill Hospital, Manhattan, where he is recovering from injuries received last Sunday when he was struck by a taxicab. Mr. Churchill slept soundly through the night.

Needy Cases Benefit From Eagle Dinner

Entire Proceeds of Employees' Fete at Guild Contributed to Fund—Dealers Donate Food and Prizes

BY JANE CORRY
All promises of a good time were fulfilled at The Eagle's annual "50 Neediest Cases" party last night, held by Eagle employees at the Home Guild. The festivities began with a six-course duck dinner at 6 o'clock and continued with dancing and games, with substantial rewards for the winners. Through the courtesy of many manufacturers and retailers all proceeds of the affair are to be turned over to the Neediest Cases Fund.

Everything at the party was donated, from the services of the orchestra, Addy Amor and his Villanovans, to the last item in the menu, Mr. Amor's 10-piece collegiate orchestra, which had its origin in Villanova College, Philadelphia, is well known on the radio and is a feature at the Hotel Piccadilly Sunday nights. The piano was loaned by the Lester Company. Thanks are also due the Silver Key Orchestra for their services.

Hoffman's Beverages were sold at their booth and the proceeds donated to the cause.

Groceries as Prizes
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BEFORE GANGLAND 'RUBBED HIM OUT'



Jack (Legs) Diamond, right, with his counsel, Daniel A. Prior, shown yesterday after his acquittal in Troy of kidnaping.

IN RE POCKETS

How to replace man's customary 12 or more pockets in the costume of the woman legislator has been solved by Representative Ruth Bryan Owen (Dem.) of Florida. Her invention is a handbag sling from one shoulder. She contends the lawmakers' hands must be free for handling bills and briefs, without mentioning oratorical gestures. All the necessities go in the handbag.

Obregon's Daughter Wedded to Engineer

Paris, Dec. 18 (AP)—Senorita Serafina Obregon, daughter of the former Mexican President, was married yesterday at Passy in the Church of Notre Dame de Grace to Pierre Lakhovski, son of a prominent French engineer.

Benefit Review Tonight

The 105th Artillery review for the 50 Neediest Cases takes place at the armory, 171 Clermont Ave., this evening. See Page 19.

Coast Guard Speeds Woman To Her Dying Father's Side

Mrs. John J. Mealey was at the bedside of her dying father, George Mancuso of 1080 78th St., today through the good offices of the United States Coast Guard and the Massachusetts State police.

On Monday afternoon Mrs. Mealey, who was with her husband on Nantucket Island, received word that her father had suffered a stroke and was seriously ill. She appealed to authorities for aid in getting off the

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Pola Negri Facing Crisis in 72 Hours

Santa Monica, Cal., Dec. 18 (AP)—A rising temperature marked the condition of Pola Negri, film actress, today, but her physicians were not alarmed.

They said it was a reaction to an operation for removal of an intestinal obstruction she underwent Wednesday.

A crisis is expected within 72 hours.

Christmas CHURCH NUMBER

ALL of Brooklyn's churches will celebrate Christmas with their most beautiful services of the year. And the Christmas Church Number of The Eagle, out tomorrow, will publish complete details of special programs and sermons for the guidance of its readers. This is an annual editorial feature and the largest newspaper church section in the entire country.

TOMORROW
in
Saturday's
EAGLE

Tipsy After Party, Trapped In Albany Room

One Holds 'Legs' Down
on Bed as the Other
Pumps Lead Into Him

Albany, Dec. 18—Cornered like a rat in his own bedroom, Jack (Legs) Diamond was shot and killed in a lodging house here at 4:45 a.m. today.

While one of two men who had followed the slightly intoxicated gangster from a speakeasy where he had been celebrating his kidnaping acquittal yesterday held him on the bed, the other pumped three bullets into his head.

"Oh, hell, that's enough!" Laura Woods, proprietor of the rooming house, heard one of them exclaim after the third shot.

She looked out of a front window in time to see two men climb into a motorcar and speed away.

Carefully Planned
The murder gun and a flashlight, carefully wrapped in a handkerchief, found on a vacant lot a block away, are the only tangible clues in the hands of the police.

They were investigating a report current in New York City that two gunmen had been hired by a Manhattan gambler to "get" Diamond.

The motive, according to this report, was that the gambler suspected the racketeer of being involved in a plot to extort \$25,000 from him.

Several New York City detectives attended the kidnaping trial but the State took no special precautions to guard Diamond in the courtroom.

A brief investigation convinced the authorities that the killing was a carefully planned underworld crime. They were not notified of the shooting until two hours after it occurred.

Meanwhile, newspapers and press associations in Albany received long distance telephone inquiries from unidentified persons in Chicago, Cleveland and New York City, asking if it were true that Diamond had been shot.

Three former Diamond gangsters, who attended his trial and the subsequent celebration tour of speakeasies are being sought in New York City.

Near State Capitol

The lodging house in which the shooting occurred is at 67 Dove St., not far from the State Capitol. Diamond had the front room on the second floor. His sister-in-law, Mrs. Eddie Diamond, and her 5-year-old son had engaged a rear room on the same floor but were not in the house when the shooting occurred.

So far as the police have been able to learn, Diamond, after his acquittal in Troy yesterday, came to Albany with his wife, his sister-in-law, Daniel Prior, his counsel, and Mrs. Prior.

The celebration began in a speakeasy on Broadway. Who the celebrators were other than "Legs," his wife and his sister-in-law the police have not learned. Diamond left about midnight to continue the celebration in another speakeasy on Penrose St. Mrs. Diamond remained at the Broadway place and was there when notified of the shooting.

Fired From Front
Diamond's chauffeur said he drove her to the Dove St. house after she had been told her husband had been wounded.

Contrary to earlier reports, all three of the bullets that tore through Diamond's head had been fired from the front and slightly to one side. The first report was that one of the bullets had been fired into the back of his skull.

He was befuddled with liquor and unsteady on his feet when he summoned a taxicab to go to his lodging house.

He came in somewhere around 4:30 a.m. She did not hear his assailants.

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