

# HIGHWAY ECONOMY CLAIMS CHALLENGED

## OVERHEAD HELD MUCH GREATER THAN REPORTED

Cost Placed at 32 Cents on \$100 Should Be \$4, Checkup Shows.

### METHODS ARE ASSAILED

System of Computing Is Called 'Coverup' by Legislators.

BY BEN STERN

Claims of the Indiana highway commission that it operated last year with an administration overhead of 32 cents on every \$100 expended, were challenged today, when a check of the commission's own annual report showed that the actual overhead on each \$100 was \$4 plus.

And for the eleven-year period since creation of the commission the overhead has averaged \$3.43 per \$100 spent.

Members of the seventy-seventh general assembly now in session are amazed at the high administration costs, and feel they should be brought to the attention of the highway commission probe committee, headed by Senator Charles Strey (Rep., Kosciusko and Wabash).

#### Method Called Deceit

The method by which the commission attempts to spread the thought that its overhead is low was branded as "deceit" by several members, who turned to the page in the report which sets out the commission's version of how each dollar is spent and saw the very thin segment representing administration costs.

To accountants who, for years, have questioned the highway department's method of computing administrative overhead, the department has explained that the salaries of officers for each department are added to the costs of each of these departments.

Under the highway board's computations, these departmental overhead costs were not figured into the commission's boasted low "administrative overhead."

In the administrative overhead, as the commission figures it, come only the salaries of the commission members, the director, main office personnel, and main office expenses.

#### Other Departments Protest

This practice of "spreading out" overhead has existed for years and has occasioned protest by accounts board members, who felt that it amounts to concealment, reflecting discredit on other departments, where the administration overhead is shown as it actually exists and is not concealed in the statistics of subordinate divisions.

Of the \$12,562,136.04 expended by the highway commission since its inception in 1919, administration overhead actually totaled \$4,897,205.96, although, according to the commission's figures, it was but \$568,169.88.

In the fiscal year ended Sept. 30, 1930, the highway department spent \$22,569,171.12. Of this amount, \$908,764.85 was actual administration cost. The highway department, in its report, however, says, that it spent only \$7,291.82 for administration overhead during the year.

#### More Than \$4

In other words, the commission claims that out of every \$100 expended, only 32 cents went for administration; whereas the report itself reveals that the actual administration expenditure was \$4 plus for each \$100.

It is said that the \$4 plus is a higher percentage of overhead than that of any preceding commission administration.

The highway department's method of adding the overhead to the general expenditures of subordinate divisions is regarded as a system of "robbing Peter to pay Paul" and in this manner make a showing of economy.

In this case, however, it does not work out as in the past, because the commission's own administrative figure is higher for the fiscal year of 1929-1930 than in previous years.

#### Highest for Construction

Overhead is greater in the construction division than in any of the others because the major portion of the department's work is concentrated there. In the last fiscal year this division's administration overhead totaled \$677,799.22, and over the period 1919-1930 it was \$3,484,166.66.

These figures do not include charges for cement, contract payments, labor and material, capital expenditures, right-of-way, motor equipment or miscellaneous expenditures. If these were added, the total figure for construction for the ten-year period would be \$98,125,729.89.

#### Plant Chief Transferred

GREENCASTLE, Ind., Jan. 26.—R. J. Eledge, for several years superintendent of the Lone Star Cement Corporation's plant here, has been transferred to Argentina, South America.

#### Shuns Women

By United Press LIVINGSTON, N. J., Jan. 26.—Jack Farrell, gray-haired hermit of the Orange mountains, refused to go to a hospital because "there would be too many women around."

Possibly found him in his tiny hut, groaning with rheumatism. His black pup, Miss Flora, sat on her haunches beside the bed howling.

"I would have to leave the dog, too," Farrell explained. "If I went to a hospital, I know what a hospital is like; I went to one two years ago. Just give me the solitude of my hut and the companionship of my dog."

## Skyscraper Rises Fast



## SIX PERSONS HURT IN AUTO ACCIDENTS

### Two Are Arrested After Crashes in City Over Week-End.

Six persons were hurt in weekend accidents, according to police and hospital records today. Two persons, one of whom was injured in a crash, were arrested.

Mrs. Lola May Brame, 32, of 530 Holly street, and her 4-year-old daughter, were injured Sunday when the car in which they were riding was struck by another driven by C. O. Antrim, 36, R. R. 4, Box 337. The accident occurred on South Harding street near White river.

Antrim was held on charges of drunkenness and operating a motor vehicle while drunk. Mrs. Brame and her daughter are at city hospital recovering from bruises and cuts.

The youths today faced vehicle taking charges after a car they admitted having stolen collided with another Saturday night at New York and Alabama streets. The youths are Thomas Griffin, 1226 North Tacoma street, and Alfred Wenz, 909 North Keystone avenue. Wenz sustained a broken arm and head cuts in the accident.

They struck a car driven by Robert Price, 35, of 535 Moreland avenue. Police said the youths admitted stealing the car, owned by Bryce Park R. R. 7, Box 209, from a downtown parking place. Others were arrested.

John Scott, 50, of 443 North Oakland avenue, face lacerations; James H. Miller, 37, of 1350 Kappes street, left leg broken, and Robert Woodward, 24, of 1428 West Court street, bruised.

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#### 50,000 Users Publicly Endorse Doan's:

JOHN G. SMITH, 615 S. BELNORD AVE., BALTIMORE, MD., says: "I am glad to recommend Doan's Pills because they did fine for me. My kidneys didn't act properly and I was worried. The administration was regular and painless. I had sharp pains in my back and aches of all kinds. Doan's Pills soothed me. Just give me the solace of my hut and the companionship of my dog."

Doan's Pills

A. Diuretic  
for  
the Kidneys

## RUSS PUNISH 'DESERTERS ON LABOR FRONT'

### Technical Experts Who Quit Jobs Are Sentenced to Compulsory Work.

By United Press

MOSCOW, Jan. 26.—Desperate need for technical specialists in connection with the immense industrialization schemes here was illustrated dramatically in a trial against a group of young graduates of technical schools charged with "deserting the labor front."

The case against them was brought to the Moscow district court by a government construction company, Sosyuzstrol.

It is alleged, for instance, that P. Elisarov, upon graduation, deserted his specialty, which would have taken him to distant coal fields, and found himself a soft berth at a good salary in the capital.

Another young man, N. Andrianis, was assigned by the supreme council of economy to work in the Bashkir republic, even accepting 400 rubles advance on his salary. After a few days among the Bashkirs, he "deserted" to Moscow and found employment here.

The other defendants faced similar charges. They were all found guilty and strongly reprimanded by the court.

They were sentenced to compulsory labor for short terms in the industries to which they had originally been assigned and for which they especially are educated.

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