



The Indianapolis Times

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INDIANAPOLIS, SATURDAY, MAY 9, 1931

NOON

Partly cloudy tonight and Sunday; somewhat cooler tonight.

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RAILROADS OF NATION UNITE TO END SLUMP

More Revenue, Pay Boosts Hinge on Readjustment of Freight Rates.

STAKE FATE ON PLAN

Cite 1921 Recovery to Back Their Plea; Fear Chaos if Rejected.

By FREDERICK C. OTHMAN
United Press Staff Correspondent

CHICAGO, May 9.—America's railroads started today on a concrete attempt to do their part in bringing prosperity back to the nation.

If the attempt fails, the country's most important railway executives predicted utter chaos in the transportation industry, with widespread wage cuts and other drastic operation economies affecting millions of workers.

The plan is contained in a resolution adopted by the Association of Railway Executives' advisory committee, composed of almost every important rail leader in the United States.

After deliberating for hours in a closed meeting at the Blackstone hotel here, the transportation chieftains recommended that the various railroad rate agencies examine the existing freight tariff structures with a view to leveling "the inequalities" now prevalent.

\$400,000,000 Income Boost

The more optimistic of the committee members hoped such an equalization would result in an average increase of about 10 per cent.

Such rate advance would boost railroad income by about \$400,000,000 a year, of which some \$120,000,000 would go to the wage earners, they said.

"It would give a very potent push to prosperity, similar to that of the 1921 rate increase," said one of the leaders.

The United Press learned that the railroads hope thereby to regain some of their lost revenue, and, as they did in 1921, when the country also was in a siege of depression, lead the way to general financial well being.

The rate increases granted to the railroads at that time aided in the start of a wave of buying which culminated in perhaps the greatest period of prosperity the world ever had known.

Helped End Depression

In the height of the 1920 depression, the railroads were granted a 40 per cent blanket freight rate increase. Although the rates were stepped up actually only about 25 per cent, the resultant spending of millions of dollars for higher wages, more employees and better equipment was credited in many quarters with bringing the nation out of its war-end doldrums.

Then, as it was discussed by the twenty-four railroad heads attending the Chicago meeting, a "whitening" process set in, whereby one freight rate and then another was reduced, until some 5,000 tariffs were lowered and today's rates approximately those in force in 1920.

The present lowered rates and the general depression thus are affecting seriously the railroads' credit, said the executives, who agreed that their problem, put simply, consists of increasing their income or decreasing their outgo.

Cut to the Limit

The roads already have laid off all possible men, reduced dividends, and curtailed purchases of equipment. If the outgo is to be reduced further, the conferees decided they must cut wages drastically.

With approximately 20 per cent of all workers in the country dependent directly or indirectly on the railroads, a general salary cut would mean another segment added to the vicious depression circle.

The only other solution, continued the transportation chieftains, is the raising of income, in the hope that railroad earnings may increase from the 3½ per cent on valuation reported in 1930 to something approaching the 5½ per cent term fair by law.

The railroad rate bodies, acting upon the resolution, are expected to complete their report in from three weeks to a month. The executives' association then will meet again to receive the report, and the recommendations will be turned over to the interstate commerce committee for action.

BANKRUPT: NO ASSETS

Winchester Dairy Director Lists Not One Cent of Assets.

Debt of \$748,476 and not a penny of assets have been listed by Julius Erb Jr. of Winchester in his voluntary bankruptcy petition filed in federal court here.

Erb, in the petition, declared that he is a director of the Joseph A. L. Long Company, operating dairy produce stations at Winchester and nearby cities and now is bankrupt. Erb as a director will be liable for debts of the company, he avers in the petition. These total \$754,455.

RACE DRIVERS TO MEET

Speedsters to Be Guests at Automobile Engineers' Session.

Drivers in the annual 500-mile race at the Speedway will be guests of the Indiana section of Automobile Engineers. Thursday night, May 21, at the annual pre-race meeting at the Sebring.

General discussion of the race, the cars and the rules will form the chief part of the program. Drivers will take part in the discussion.

Daughter of Morrow to Wed Pastor



Elizabeth Morrow

POLICE SMASH REMNANTS OF BURKE'S GANG

Scores of Officers Join in Swoop on Kidnapping Ring's Lair

UNDER HEAVY GUARD

Six Men in Springfield (III.)

Jail Surrounded by Machine Guns.

By United Press

SPRINGFIELD, Ill., May 9.—A desperate drive by Illinois police to stamp out kidnapping gangs which have terrorized the midwest for months centered today at the Springfield jail, as more than 100 officers stood guard over six men captured in a spectacular raid at East St. Louis.

The six men, charged with robbing many banks, and suspected of kidnapping at least six wealthy bankers and gamblers for ransom, were accompanied into Springfield just before midnight by fifty state police, a dozen officers from St. Clair county, and a squad of picked men from the Chicago department.

The men were handcuffed together. Behind and in front of them rode officers with machine guns and shotguns ready. It had been feared an attempt would be made by gangsters to ambush the caravan. After their arrival, the jail here was turned into a fortress, with machine guns mounted all about and scores of officers standing guard.

Last of Burke's Gang

It was announced the warlike parade would move on today to Sterling, Ill., to be joined there by Governor Louis L. Emmerson and Walter Moody, chief of the state highway police.

It was planned then to take the men, said to be the "last of Fred Burke's gang," into Chicago.

Ten men were taken in the raid late Friday on a flat on Broadway, principal business street in East St. Louis. Three were released immediately and another, Dewey Sullivan, was turned over to city police.

The men held by the state were William McQuillen, Jack Britt, Howard Lee, Ed Hawks, Tommy Hayes and Thomas Connor.

Raid Lands Gangsters

Acting under orders from Governor Emerson that "the kidnappers must be stamped out," state police surrounded the block in which the men were gathered, apparently for some sort of conference. The block was cleared of all pedestrians and automobiles and roped off.

A hotel entrance across the street was blocked. Machine guns were mounted at four street corners and on several roofs.

Then the raiders swooped on the flat and made the wholesale captures without firing a shot. On either side, a block away from the flat, thousands of persons watched, awed by the unprecedented array of armed officials.

Hayes Believed Leader

Police said Tommy Hayes was a leader of the band. They said he formerly belonged to the gang of Fred Burke, recently sentenced in Michigan to life imprisonment for killing a policeman.

Hayes, they said, had organized former members of the Burke gang and the Shelton gang of southern Illinois into one desperate band to spread terror throughout several states by holdups and abductions.

Among the crimes which the men were suspected of were the kidnaps of Dr. Isaac Kelley Jr. of St. Louis, Fred Blumer of Monroe, Wis., and James Hackett of Chicago, and the killing of Mrs. Cora Garrison during an attempt to kidnap her husband, a wealthy Peoria (Ill.) gambler.

Britt and Connor once were identified as the slayers of Mrs. Garrison.

ISSUE REMARQUE NOVEL

"The Road Back" is released in 25 nations; follows "Ais Quiet."

By United Press

NEW YORK, May 9.—Eric Maria Remarque's second novel, "The Road Back," is published in the United States today by Little, Brown & Co., at the same time it is being issued in twenty-five other countries. Remarque's first book, "All Quiet on the Western Front," was an international best seller, reaching a total sale of more than 3,000,000 copies.

"The Road Back" is in the same vein as "All Quiet," and is concerned with the disillusionment suffered by a group of young German soldiers upon their return to their homes after the armistice.

Stricken more than a month ago by a paralytic attack, Dr. Michelson lapsed into a coma Thursday night and his death has been expected hourly since that time.

MA' WOLF SAVES CUBS

Zoo Captive Tosses Four Young From Path of Flood.

By United Press

DENVER, May 9.—A mother wolf saved her cubs from drowning at a city park zoo during a rain and hail storm.

She tossed her charges out of the den when a flood of water swept it and over the four little wolves, born last month.

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50,000 TO WATCH CLASSIC PREAKNESS

By United Press

BALTIMORE, May 9.—Twenty Grand, Green tree stable's show 3-year-old, and Equipoise, Cornelius Vanderbilt Whitney's hope for the Kentucky Derby, ruled as joint favorites today in the fortieth annual running of the \$50,000 Preakness Stakes.

Brilliant spring sunshine rapidly was drying out the course this morning, and a fast track seemed assured.

Track officials expect a record-breaking thong. A crowd of more than 50,000 was forecast.

"He took a bad turn last night," Dr. Duffy said. "His condition is serious, but not yet critical."

In the early betting, Surf Board and Anchors Aweigh, two other Green tree stable entrants, also were

backed heavily. With a firm track in prospect, Twenty Grand probably will hold a slight edge over Equipoise, the better mudder, when they take their positions for the mile and three-sixteenths race.

Five other horses in addition to Twenty Grand, Equipoise, Surf Board and Anchors Aweigh, will compete for the \$50,000. They are Soll Gills, Mate, Aegis, Clock Tower, and Ladder.

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