

# DUMMY SALARY SYSTEM EXPOSED IN UTILITY PROBE

## HOLDING FIRM'S REVENUE HIKE BY FIGUREHEADS

Plymouth Man Asserts He Turned Over All His President's Pay.

CUTHBERTSON 'PRISES'

Public Service Commission Delves Into Records of Goodrich Deals.

BY DANIEL M. KIDNEY  
How salaries from local telephone companies were pyramidied by payments to more or less figurehead officials to make revenues for the holding company was exposed dramatically today before the public service commission.

The event was the investigation of the former Goodrich telephone properties, recently sold to the United Corporation, Albion, Kan., for \$6,000,000.

Questioning of witnesses covered the period from June 1, 1930, to June 1, 1931, when the properties were owned by former Governor James P. Goodrich and the holding company headed by his son, Pierre T. Goodrich.

**Opposed Authority.**

Investigation was launched by a commission order written by Commissioner Harry K. Cuthbertson. As state senator, Cuthbertson opposed increasing power of the public service commission ever held companies on the ground that they can get all data now if willing to do so.

Conducting his case today, Cuthbertson proceeded to stress his point by prying into affairs of the thirteen operating companies, Intercommunications, Inc., which handled tolls, and the Interstate Telephone and Telegraph Company, the holding company which collected the salary checks among other revenues.

First witness was Sam Tomlinson, Poughkeepsie, who couldn't remember his position with some of the companies nor the salary received. Records disclosed that he was president of most of the companies involved in the inquiry at a salary of \$100 a month, paid to the holding company instead of to himself.

**Conducted Similarly.**

The secretary and treasurer similarly was conducted, a \$75 monthly check usually being turned over to the holding company, it was shown.

One of the most flagrant examples of the holding company system of building business by bookkeeping was shown when a report to the public service commission was introduced, bearing Tomlinson's name as president of the Newton and Benton County Telephone Company, and the auditor testified the \$100 monthly salary check had been made payable to P. F. Goodrich.

As with other companies, however, all the checks were turned over to the Interstate Holding company. Among them was a \$500 monthly check for Tomlinson as president of the Intercommunications company.

After all his presidential salary checks had been grabbed up by the holding company, he was then given a \$500 monthly check from the Interstate, he testified.

**Uncertain About Time.**

Tomlinson was uncertain about the time given in service to the various companies from which his presidential salary checks came, but outlined his service for the Intercommunications company for which the \$500 check was made out monthly for him to sign and turn over to the Interstate.

Added to those companies he could remember having been president of, to the records introduced upon Cuthbertson's order by J. L. Varyan, Warsaw, who was auditor for the organization during the period, Tomlinson was president at \$100 a month of the following:

Winona Telephone Company, Starke County Telephone Company, Pulaski County Telephone Company and St. Joseph County Telephone Company.

In addition to the controversial presidency of the Newton and Benton county company, P. F. Goodrich was president of these: Lagrange County Telephone Company at \$175 a month, Whitley County Telephone Company at \$175, and Jay County Telephone Company at \$250.

**Listed as Secretary.**

I. W. Frost was listed as Secretary of all operating companies at salaries from the usual \$75 to \$100 for Jay and Central Lake telephone companies, and \$200 for Johnson County Telephone Company.

Francis Dunn, Indianapolis, was down for \$100 a month as secretary-treasurer of the Intercommunications Company. E. C. Frazier was a \$100 monthly president of Central Lake and \$175 for Kosciusko County Telephone Company.

But all checks went to the holding company, with no exceptions to the rule, it was shown.

The case will continue this afternoon and probably Tuesday.

**THUG STEALS WATCH**

Negro Beats Victim Unconscious on Bank of Fall Creek.

A Negro thug beat Nick Schmidt, 54 North Temple avenue, unconscious and robbed him of a watch along the bank of Fall Creek Sunday.

Schmidt was fishing there when the Negro asked for a match, and then demanded the watch. In the fight that followed the thug was victor. Schmidt lay on the bank some time before he revived to call police.

**Boys Sent to State School**

EVANSVILLE, Ind., June 29.—Charles and Woodrow Britt, brothers, aged 12 and 14 years, respectively, have been committed to the Indiana boys school as a result of the death of Christi Eissler, 72. The boys and five others were present when a truck beneath which the aged man was working was started, crushing him to death.

## Sister, Wife Pose With Death Suspect



## ROBINSON GETS \$23,267 IN FEES

### No Hard Times Are Felt by County Treasurer.

These are not hard times for Marion county's highest salaried official, County Treasurer Clyde E. Robinson, who took to the bank today a check for \$23,267.76 paid him by the county as his personal share of delinquent tax collections.

This is one of the few offices in this state in which the fee system still exists and in which individual profit for the officeholder remains uppermost. The check represents Robinson's 6 per cent of all delinquent taxes collected since Jan. 1, as allowed by law.

During 1930, a report reveals, the Marion county treasurer received \$32,785.39 as his share of delinquent taxes in addition to his statutory salary of \$5,000.

Besides this he received \$41,939.97 for demand fees for collection of delinquent taxes, costs accruing to the treasurer and \$7,708.53 for collection of delinquent Barrett law assessments. All of this totaled \$83,433.89 as the yearly salary for the treasurer.

**U. S. WHEAT BOARD IS BRANDED MENACE**

McCord Wires 'Jim' Watson to Advise Hoover to Abolish Group.

"As a result of the action of the federal farm board the wheat market of America nearly is destroyed, as well as the foreign market," Chairman John W. McCord of the public service commission has charged in a telegram sent to Senator James E. Watson.

The message from McCord, a grain elevator operator for more than thirty years, urged the senior Indiana senator to advise President Hoover to have the board abolished.

It had been a menace rather than an aid to the country, McCord contends, and cited figures to prove that the board, despite huge expenditures, has been unable to prevent a price drop in wheat or other farm produce.

**CADETS GREET 'FOLKS'**

C. M. T. C. Youths Enter Second Week of Training at Fort.

Undaunted by the heat wave, C. M. T. C. cadets at Ft. Benjamin Harrison today entered on the second week of their training.

Most of the youths enrolled at the camp attended church services Sunday, parents and friends visiting the fort in the afternoon. Health of the cadets was reported excellent by Colonel Craig R. Snyder, camp surgeon.

**Heat Victim Crazed**

MARION, Ind., June 29.—Fighting viciously, Marion's first heat victim, who said his name is Martin, was removed from the county laws to the county jail. The man, who appeared to be about 45 years old, maimed incoherently, and was semi-conscious for two hours. An attending physician said the attack was probably superinduced by a dose of morphine or a like drug.

## About This Depression

That's a question everybody asks and for which there is no positive answer. How long do business depressions last on the average? How often do they occur? How many times has the United States had a depression? Are they all alike? In what do they differ? What are their causes? What remedies have been applied? How does the present depression differ from others?

These are questions to which there are more or less complete answers, and they are many other similar questions are answered in our Washington bureau's latest bulletin—*HISTORY OF INDUSTRIAL DEPRESSIONS*. This bulletin contains interesting and informative material of an authoritative kind on business cycles, crises, panics and industrial depressions in the United States. You will want to read it and keep it for reference purposes. Fill out the coupon below and send for it.

### CLIP COUPON HERE

Dept. 134, Washington Bureau, The Indianapolis Times, 1322 New York avenue, Washington, D. C.

I want a copy of the bulletin *HISTORY OF INDUSTRIAL DEPRESSIONS*, and enclose herewith five cents in coin, or loose, uncancelled, United States postage stamps, to cover return postage and handling costs:

Name .....  
Street and Number .....  
City ..... State .....  
I am a reader of The Indianapolis Times.

## JACKSON DEATH TRIAL IS SET FOR JULY 13

### Murder Confession Signed by Lewis Hamilton, Police Claim.

(Continued from Page 1)

with him as he and Witt were returned to jail under guard of several detectives.

Mrs. Hamilton threw her arms around her husband and kissed him. "Don't worry, honey, everything will be all right," she murmured. "We're here now and will do all we can. I love you, Louis."

### On Verge of Tears

His sister also kissed him, both women on the verge of tears as he was led away.

During this scene, Witt, had pulled down over his eyes, stood on one side, apparently disinterested in the proceedings.

Hamilton cracked under questioning of detectives early Sunday and signed a statement in which he admits that he fired several shots at men, including Mr. Jackson.

According to Hamilton's purported confession, Witt plotted with him to rob the store during the morning, after they had learned that the money truck was due.

Witt, in a statement to detectives, assigned no motive for the shooting and placing the blame for the murder on Hamilton in his alleged admissions, denied he knew the purpose of their armed visit to the store.

### Says Memory Failed

Already Witt is denying he made a confession and Hamilton, in his statement, says his memory failed him after he was struck in the head by a bullet fired by Mr. Jackson.

Hamilton relates that Witt, a friend of his in the Kansas state penitentiary at Lansing, Kan., came to his home in Iola, Kan., in a stolen car and they came to Indianapolis. Hamilton also declares that a few days before the Jackson shooting, they stole at Shelbyville the car they used in the holdup.

According to Hamilton, he had a clip of eight cartridges in his automatic pistol when he entered the store, followed by Witt, who police say, carried a sawed-off shotgun.

### Struck by Bullet

Hamilton said he aimed his gun at Jackson and store employees behind the cage and ordered them to "stick 'em up." He said after he was struck in the head by a bullet he did not recall what happened, except that he reloaded his gun as he fled from the store.

Hamilton relates he did not regain consciousness until he was in a car with Witt and his bride of a few days on the way to Witt's home near Roachdale. He said they left there and went to Iola a few days later and that he hurled the pistol in a river en route to his home.

Hamilton is on parole from the Kansas penitentiary. Witt is an escaped convict from the same penitentiary.

Witt's parents in Roachdale, Ind., also are expected to arrive here to aid their son in his fight against conviction in connection with the accident.

Sheehan brought Simmons to police headquarters, preparing to slate him on charge of driving on the wrong side of the street. However, when he learned Simmons' identity and his troubles, Sheehan said: "The poor fellow's having enough trouble and I didn't have the heart to slate him."

Simmons said he was en route to see Detective Chief Fred Simon. Simon appealed to Simon Sunday for aid in the poison probe that followed the strychnine deaths of his daughter. Simon said he was unable to assign detectives to a case outside Indianapolis.

**FISH THIEF TO PRISON**

Bruno Hirsch Starts 2-14 Year Term for Embezzlement.

Bruno Hirsch, "embezzler" of this afternoon started a vacation of from two to four years away from mackerel markets, where he is said to have picked up more than \$2,000 in recent years.

He was charged with taking fish valued at \$531 from a fish store here, and his employers said he had been engaged in a similar practice in St. Louis and Springfield, Ill., before coming to Indianapolis.

He pleaded guilty before Criminal Judge Frank P. Baker, who sentenced him to state prison for a year.

**ANDERSON WINS TITLE**

Post Again Takes State Drum Corps Championship Here.

The Anderson American Legion post drum corps today began its second consecutive year as Indiana state champion. The corps retained the title, which it won in 1930, in the competition held at Broad Ripple during the annual seventh district roundup Sunday.

Approximately 12,000 persons gathered from all sections of the state, and the Anderson corps eked out a victory over Tipton, which finished in second place.

**Bond Signers Banned**

SOUTH BEND, Ind., June 29.—Signings of bonds in city court by Harold T. Miller, young attorney, and his wife, Mrs. Viola Miller, has been forbidden by Judge Al Hosinski on evidence that Miller failed to turn into the court \$75 of a \$130 fine paid by Jack Dalton, a client.

The fine had been stayed for ninety days with a bond signed by Mrs. Miller.

**Bandits Shoot Aged Man**

ELWOOD, Ind., June 29.—J. B. Colvin, 70, Curtisville postmaster and merchant, is recovering in a hospital here from a bullet wound suffered when two men attempted to rob him. He carried \$100, but it was not taken, the bandits having been frightened away by noise of the shot.

**Change in Express Rates**

EFFECTIVE JUNE 15th, several changes

have been made in Express Rates covering shipments of Bread, Ice Cream and general merchandise carried on passenger cars.

The MINIMUM CHARGE ON ALL SHIPMENTS WEIGHING LESS THAN 25 POUNDS

WILL BE 25c.

Consult Local T. H. I. & E. Agent for further

information regarding these reductions.

**TERRE HAUTE, INDIANAPOLIS AND EASTERN TRACTION CO.**

## GOODRICH FORMS CIVIL LEGION UNIT

### Noncombatants Who Aided in Winning World War Are Eligible.

Noncombatants of the World war met in the house of representatives today to organize an Indiana division of the Civil Legion.

Former war Governor James P. Goodrich called the meeting, which was attended by about 300. War days and the part played by the organized civilians were recalled by Michael E. Foley, who urged similar civil service and loyalty now.

### Purpose Is Explained

Earl J. Smith, Detroit, national vice-president of the Civil Legion, explained the purpose of the organization, principal objective of which is to put down radicals and protect the Constitution.

Some attending commented officially, that since many eligible served under Hoover, they might be used again effectively when the campaign comes next year.

Goodrich is the original Hoover man in Indiana.

### Labor Conciliator Active

Harry Dryns, labor conciliator under Hoover's secretary of labor, was also a prime mover in arousing interest in the organization.

L. O. Chasey, secretary to Governor Harry G. Leslie, welcomed the group to the statehouse in the presence of the chief executive.

Goodrich appointed Congressman Fred S. Purnell (Rep., Attica) chairman of the committee to nominate state officers: William Fortune, chairman of the committee on organization and personnel and E. V. Knight, New Albany, chairman of the committee on resolutions and programs.

### BETSY ROSS CLAIMED AS KIN BY HOOVER

Wh