



The Indianapolis Times

EXTRA

Mostly cloudy and somewhat colder tonight and Sunday; lowest temperature tonight, 25 to 30.

VOLUME 43—NUMBER 203

INDIANAPOLIS, SATURDAY, JANUARY 2, 1932

Entered as Second-Class Matter
at Postoffice Indianapolis, Ind.

TWO CENTS Outside Marion County 3 Cents

VEHLING INDICTED ON BRIBE CHARGE

HUGE PROFITS REVEALED ON FOREIGN LOANS

Rich Harvest Reaped by
U. S. Bankers, Senate
Group Is Told.

ASSAILED BY JOHNSON

Californian Charges Small
Investor Is 'Holding
the Bag.'

BY RAY TUCKER

Times Staff Correspondent

WASHINGTON, Jan. 2.—Bankers' profits of more than \$122,000,000 from handling \$6,205,662,000 worth of foreign loans, and a default of \$815,000,000 worth of South American securities were revealed today by the senate finance committee, in a summary of testimony taken in its inquiry.

Failure of J. P. Morgan & Co. to submit detailed figures on its profits, as requested by the committee, prevented an exact estimate of the commissions paid to the several banking houses. Further computations may bring their profits as high as \$140,000,000.

Senator Johnson of California, who denounced the "excessive rates" charged in view of the fact that the securities have been "unloaded" on small purchasers throughout the country, will insist on additional details.

Profits Called Amazing

Although some members of the committee, including Chairman Reed Smoot (Rep., Utah), point out that the interest rate is proportionately small, about 3 percent or less, Johnson retorted with the statement that it actually was an "amazing profit."

The bankers, according to the Californian, took comparatively little risk, acting only as "merchants," and received their millions in commissions simply for serving as middlemen.

Johnson also pointed out that the story is only begun, as but three banking representatives have been heard. They are Thomas W. Lamont of J. P. Morgan & Co., Charles E. Mitchell of the National City bank and Otto P. Kahn of Kuhn, Loeb & Co. The inquiry will resume Monday with Kahn, on the stand.

Other houses originated or participated in the flotation of the issues already described, but these three firms handled the largest part of the total.

Cash Harvest Reaped

The National City Company acted as manager for \$1,071,935,000 worth, and made a profit of \$13,392,000 for its financial services with respect to \$653,365,100 of the total. Other houses who helped to handle these issues profited to the extent of \$24,167,841.

The National City company, as well as other firms, collected commissions in their various capacities as originators, participants, underwriters and distributors. In each step of the transaction a profit was taken.

Firms which acted as managers for this group of securities included: J. P. Morgan & Co., Chatham Phoenix Corporation, Lee, Higginson & Co., Dillon, Read & Co., White Weld Company, Speyer & Co., Kidder Peabody Company, Kuhn, Loeb & Co., Field, Glore & Co., and Potter Bros. & Co.

A total of \$577,750,000 in loans was handled by Kuhn, Loeb & Co., but has told only part of his firm's transactions. Profits on this amount were \$1,532,231. The National City company acted as manager in floating \$500,255,000 worth Cuban and Canadian issues, and profits from handling about one-third of the total was \$1,315,414.

In this basis, the commissions to the bankers for the whole issue were approximately \$3,946,242.

Some Cities Default

Other houses originated \$795,295,000 worth of Cuban and Canadian securities, with profits of about \$6,000,000. The firms which managed these loans were Harris Forbes, W. A. Read Company, the Morgan house, Dillon Read, Lee Higginson, the First National bank and the Union Trust Title Company.

The defaulted South American issues consist of bonds of cities, states and federal governments of Bolivia, Peru, Brazil and Chile. Cities of Colombia and Uruguay also have defaulted.

RESCUE 45 SAILORS

Japanese Ship Left to Founder
After Crew Is Removed.

SAN FRANCISCO, Jan. 2.—Forty-five Japanese sailors were removed from the distressed freighter Tama-ho Maru, south of the Pribiloff islands, today by the steamer Relyo Maru and the abandoned ship was messages to founder, according to radio messages received here.

The Relyo Maru reported that huge seas had been opened in the Tamah-o hull during a storm and that the vessel was expected to sink in a few hours.

The crew abandoned ship a few hours after sending out SOS calls for the second time this week. The Relyo was one of three vessels which went to her assistance. The Haku-ka Maru and Taskuha Maru reported they also were standing by.

'Regular Guy' Is
Found at Last
by Elsie Janis



We'll Probably Marry,' Is
Word to World From
Film Actress.

By United Press

NEW YORK, Jan. 2.—Elsie Janis, actress, admits she has found a "regular fellow" in Gilbert Wilson, motion picture actor, and they may be married soon.

"It's quite probable," was the way Miss Janis put it, when asked about reports she was to wed Wilson.

"As it stands at the moment, my friendship with Mr. Wilson has progressed farther in the direction of matrimony than any other friendship I've had or been accused of having," she said. "It's quite probable Mr. Wilson and I will be married within the next few weeks or months."

"Perhaps I'll have an interesting and official announcement to make within a week or so."

"Gilbert is just a wonderful guy and not a 'big shot' in the ordinary sense of the word. I've spent most of my life in the company of the so-called 'big shots' and they all failed to interest me. So now I've picked out a regular fellow."

FRUIT AREA RAVAGED

Snow, Sleet, Rain Spread
Havoc Near Toronto.

By United Press

TORONTO, Jan. 2.—Snow, sleet, rain and high winds isolated many towns in Ontario today.

Fruit areas were damaged. Telephone and telegraph lines and traffic in business centers were paralyzed.

The storm centered around Hamilton, Galt, Guelph and Windsor. The Niagara fruit area suffered the heaviest damage.

Part of Toronto was plunged into darkness Friday night when ice snared wires in the city proper. A trail of smashed auto cars, deserted by their drivers, marked the streets.

Dominion and provincial roads almost were impassable, motorists on the highways taking refuge in farmhouses and barns until conditions improved.

Bell Telephone Company officials estimated at least \$300,000 damage was done to telephone wires.

BISHOP MAKES ADDRESS

Louisville Cleric Is Speaker at
A. M. E. Zion Church.

Bishop George Clement of Louisville, senior bishop of the A. M. E. Zion church, was the principal speaker at the Emancipation day services Friday at Mt. Paran Baptist church, Twelfth and Missouri streets.

He spoke on "The Negro and Present-Day Problems." Approximately 1,200 persons attended. The meeting was held under the auspices of the Interdenominational Alliance.

Hourly Temperatures

6 a. m. 36 9 a. m. 36
7 a. m. 36 10 a. m. 37
8 a. m. 36

MINE MURDER CASE TEST OF FREE SPEECH

Kentucky Court Is Defied by
Newspaper; Ruling Slated
Monday.

FLOUT APOLOGY ORDER

Alleged Threat by Union
Head Bared at Trial for
Deputy Killing.

By United Press

MT. STERLING, Ky., Jan. 2.—Constitutional rights to freedom of speech and freedom of the press will be tested Monday in Kentucky courts in connection with the trial of William Hightower, charged with conspiracy to murder during the Harlan county labor war.

John T. Moutoux, staff writer for the Knoxville (Tenn.) News-Sentinel, has been barred from reporting the trial, pending decision of a prosecution motion to exclude him.

Judge Henry T. Prewitt is scheduled to decide the issue.

Judge Prewitt dismissed the original contempt charge against Moutoux, but ordered the News-Sentinel to "apologize for and correct alleged attacks published by it," before a representative would be permitted in the courtroom. He decided Moutoux's dispatches were not objectionable.

The News-Sentinel replied to the judge's order by publishing an editorial in which it asserted it had no apology to make.

"The News-Sentinel will give complete news reports of the happenings in the trial," the editorial stated. "It will continue to comment editorially in accordance with the rights bestowed by the Constitution of the United States."

Contempt Dismissed

The new action against Moutoux was taken when he appeared in court, after dismissal of the contempt citation as a representative of the United Press. He had agreed not to send any dispatches to the News-Sentinel.

Commonwealth Attorney W. G. Hamilton presented an affidavit by J. R. Snyder, member of the prosecution counsel, charging Moutoux with statements "demonstrative of the court" and "very antagonistic to the prosecution."

Judge Prewitt was to have heard argument on the show cause order Friday, but postponed it at the request of W. H. Townsend, Lexington (Ky.) attorney retained to represent Baker, Hostetler, Sido & Patterson of Cleveland, counsel for the News-Sentinel.

The second step of the terrorists, agents believe, was the mailing in Easton of five infernal machines. The men marked for death in this case were saved at the cost of three lives.

They are alleged to have stolen a safe at the fort after kidnapping George Albrecht, 23, of 1406 North Tremont street, a cab driver.

Albrecht was knocked unconscious after obeying an order to drive north on Noblesville road.

When he woke, he said, he was laying in his cab, with the safe beside him, and the auto in a ditch. He was bound and gagged.

Albrecht said the safe later was dropped into the canal near Indiana avenue. The men then left the cab, ordering Albrecht to "keep your mouth shut," he said.

By United Press

NEW YORK, Jan. 2.—The stock market opened irregular on the first day of the new year with trading dull.

The first stock to make its appearance in 1932 was Continental shares. The transaction involved 100 shares at 50 cents a share, unchanged from the previous close.

Last year the issue ranged between a high of \$12 and a low of 25 cents. In 1931 it reached 40%.

United States Steel opened at 39, up 1%; Woolworth, up 1%; Radio 5%, up 1%, and American Can 60%, up 1%.

Western Union dipped to 37 1/2, off 1 an 1/2 new low, while Standard Oil was noted in Transamerica, Standard Brands, Commercial Solvents, Packard, Union Carbide, Standard Oil of California and Texas Corporation.

Union Pacific led the railroad group into higher ground with a rise of 3 points, to 74 1/2. General Motors was steady in its division while Auburn spurted 3 points, to 134. American Smelting was unchanged in the copper division, while Socony-Vacuum was firm in the oils.

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