



The Indianapolis Times

HOME

Mostly cloudy tonight and Thursday, possibly some rain changing to snow; somewhat colder tonight and much colder Thursday, lowest temperature tonight somewhat above freezing.

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MELLON ASKS BILLION BOOST IN U. S. TAXES

Treasury Secretary Tells House Committee of Need for Increase.

INCOME LEVY RAISED

Real Economy in Spending of Government Money Is Held Essential.

WASHINGTON, Jan. 13.—The administration's program for levying nearly \$1,000,000,000 of added taxes, in an emergency effort to balance the national budget, was laid before the house today by Secretary of Treasury Mellon.

Mellon was the first witness called by the committee, as it began hearings on its unenviable task of drafting a bill to impose new and higher taxes on the nation.

The secretary, following out his earlier recommendations to congress, advocated a return to the income tax rates of 1924 and the imposition of new special taxes on automobiles, theater tickets, telephone and telegraphic messages, stamps and other items.

Figures Additional Yield

For the fiscal year beginning next July, Mellon estimated the increased and new taxes he proposed would yield additional revenue as follows:

Higher taxes on individual incomes	\$185,000,000
Higher tax on corporate income	40,000,000
Super tax on estates	11,000,000
Higher tax on tobacco	50,000,000
Higher tax on liquor	15,000,000
Realty transfers	15,000,000
Stock transfers	15,000,000
Automobiles and accessories	121,000,000
Theater tickets	135,000,000
Radio and phonographs	20,000,000
Telephone and telegraph messages	95,000,000
Checks and drafts	95,000,000
Increased postal revenue	150,000,000
Total	\$920,000,000

The proposed income tax schedule would require payments by all single individuals earning more than \$1,000, and by all married persons with an income over \$2,500. An additional exemption of \$400 would be allowed for each dependent.

On the first \$4,000 of taxable income, the tax would be 2 per cent instead of the present 1 1/2 per cent. On the next \$4,000 it would be 4 per cent instead of the present 3 per cent. On taxable income above \$8,000 the normal rate would be 6 per cent.

Few Pay for Government

In addition surtaxes, ranging up to 37 per cent, would be levied on incomes from \$10,000 to \$200,000. On incomes of more than \$500,000, the tax would reach a minimum of 40 per cent.

"The proposed revisions would bring back into the taxpaying group some 1,700,000," Secretary Mellon said. "Even so, our income tax law would still remain a tax paid by relatively few individuals. There would be only some 3,600,000 federal taxpayers in a nation of 120,000,000 people, and of this number less than 300,000 would contribute 80 per cent of the tax."

The secretary emphasized the advisability of balancing the budget in the next fiscal year. He estimated the treasury deficit for the fiscal year ending June 30 at \$2,123,000,000, and said this would cause an increase of \$1,500,000,000 in the public debt.

Economy Imperative

But co-incidental with tax increases, there must be real economy in government expenditures, Mellon warned.

"We are only justified in making this call if at the same time we eliminate every unnecessary expenditure, and see to it that just as enforced rigid economy prevails in every home in the land, so must it be observed in every operation of the federal government," the secretary said.

Bond Hearings Postponed

Absence of Chairman Smoot of the senate finance committee today forced postponement of the senate foreign bond hearings until Thursday.

Senator Hiram Johnson (Rep., Cal.), conductor of the inquiry, declined to go on without Smoot being present. He said he would welcome the recess to study a mass of documents furnished him by the National City bank in connection with the \$20,000,000 Colombian credit.

Hearings on the Vinson warship construction bill continued today before the house naval affairs committee, with bewildered committee members attempting to discover who, if any one, favors the measure.

Farm Bill Introduced

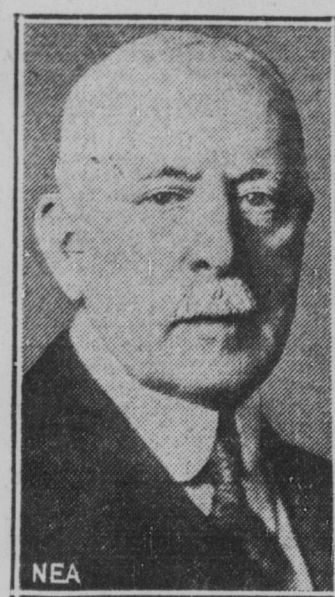
Representative Haugen (Rep., Ia.) today introduced a bill to authorize the federal farm board to employ the equalization fee system in its efforts to handle surplus farm crops.

The bill was approved Tuesday by heads of the farm bureau, the National Grange and the Farmers' Co-operative union.

Prohibition was assailed today by Dr. Graham Lusk of the Cornell university medical center, New York City, in senate hearings on the 4 per cent beer bill.

Lusk produced before the committee a letter he wrote at the request of the director of prohibition, but suppressed by that office, apparently because of its firm anti-prohibition sentiments. The letter denied that moderate use of 6 to 10 per cent wine "possibly can be harmful to an individual."

FARRELL RESIGNS AS PRESIDENT OF U. S. STEEL CO.



James A. Farrell

BONES FOUND IN DEATH CELLAR

Police Seek Clues to Other Cincinnati Murders.

CINCINNATI, Jan. 13.—Fragments of bones unearthed in the musty cellar where Charles Bischoff, 45, left the body of Marian McLean, 6, after he attacked and killed her, today were said to resemble those of a child.

General hospital physicians, who examined the bones before sending them to a Cleveland expert on anatomy, announced belief they were part of a human skeleton. Fragments appeared to have come from a rib, a skull and a vertebra, the doctors said.

They emphasized, however, that they were not experts at such identifications. The bones were found shortly after a grand jury returned an indictment charging first degree murder against Bischoff, a whitewasher, who confessed he abducted, attacked and killed the child.

Bischoff once had access to another cellar, police said, and this, too, will be searched. They pointed out that within the last dozen years two children have disappeared in Cincinnati and no trace of them ever has been found.

JAPANESE IN DRIVE

Start Punitive Offensive Against Chinese.

MUKDEN, Jan. 13.—The Japanese army in Manchuria started a general punitive expedition today against Chinese irregulars over a great stretch of territory from the northern bend of the Liao river to Shanhai-kwan, 300 miles south.

The campaign centered along the Tahushan-Tungliang railway and the Mukden-Shanhai-kwan railway. Two divisions plus a brigade under General Mural and numerous airplanes participated. Considerable fighting was indicated.

TOKIO, Jan. 13.—The Japanese reply to Secretary Stimson's note on Manchuria will be forwarded to Washington Thursday, the note being speeded up because of delivery of the Chinese reply to the Stimson note.

NEW YORK GANGSTER HANGED IN IRELAND

Introduced Underworld "Ride" to Island and Paid Penalty.

BELFAST, Ireland, Jan. 13.—Eddie Cullen, 28-year-old New Yorker, was hanged today for the murder of Achmet Musa, young Turk, who helped Cullen exploit Zoro Agha, "oldest man in the world."

The appeals court previously rejected an appeal by Cullen's attorney, who at the time intimated that they might appeal to the house of lords for a stay of execution.

The murder aroused great interest in Ireland for the finding of Musa's body in a field indicated that he had been "taken for a ride," American fashion.

MEDICAL BOARD ELECTS

All Registration Officers Are Renamed at Session.

Officers of the state board of medical examination and registration were re-elected today at a meeting in the statehouse.

They are W. A. Spurgeon, Muncie, president; William R. Davidson, Evansville, secretary, and J. W. Bowers, Ft. Wayne, vice-president.

DIG FRANTICALLY TO RESCUE MINER, BURIED THREE TIMES BY SLIDES

SHAMOKIN, Pa., Jan. 13.—Rescue workers dug frantically in an abandoned colliery today in the forlorn hope that Edward Topolski, 22, buried under fifteen tons of rock, slate and coal still is alive.

They had dug all night. Twice they freed Topolski's face and arms only to have the trapped man buried again under a new

Executive Says He Should Step Aside to Make Way for Younger Man.

NEW YORK, Jan. 13.—James A. Farrell, who rose from a day laborer to become head of the world's largest corporation, has announced his resignation as president of the United States Steel Corporation, effective April 18.

Farrell, in announcing his retirement from the post he has held since 1911, declared he was stepping aside for younger men. He made known his action in an informal way, calling reporters to his home by telephone shortly before midnight.

When the newspaper men arrived, Farrell handed them a statement written in longhand. James A., Jr., having transcribed it as his father's dictation.

While the steel executive's action at this time was unexpected, it followed action by the stockholders last April, when a revised pension plan was adopted. This provided for automatic retirement of all employees at the age of 70.

Makes Way for Younger Man

Farrell, 69 now, could have retained his post until Feb. 15, 1933, under this plan, but, as he explained in the statement, he believed the "time has arrived for my successor to be appointed, to establish the management upon a more permanent foundation composed of younger men."

Under the revised pension plan Farrell will receive 1 per cent of his average salary for the last ten years, multiplied by the total number of years of service. His salary as president and general executive officer of the corporation had not been made public.

Began as Laborer

Farrell began his career in steel in New Haven, Conn., at the age of 16. His first job was in a wire mill there at a reported wage of \$5 weekly. Later he became a laborer in the Pittsburgh Wire Company plant at Pittsburgh. Advancing through a series of lesser jobs, he rose to superintendent, then manager.

He became general superintendent of the Oliver Iron and Steel Company, of which he was general manager of exports until 1903. In that year he was made president of the United States Steel Products Company, remaining there until he was named president of United States Steel in 1911.

2 PARTY CANDIDATES ARE PRIMARY VICTORS

Democrat, Republican to Race for Cleveland Mayor's Post.

CLEVELAND, Jan. 13.—Two party candidates, former City Manager Daniel E. Morgan, Republican and County Prosecutor Ray T. Miller, Democrat, were nominated in Tuesday's primary to run for mayor in the general election Feb. 15, complete count showed today.

They won impressive victories over two independents, Peter Witt and Dr. F. W. Walk, and the Communist candidate, I. O. Ford, who polled, however, the largest vote ever recorded by the Communist party in Cleveland. Morgan's vote was 59,348, a plurality of 10,046 over Miller. Ford's vote was 5,241.

The primary, Cleveland's first since 1921, resulted from the abolition of the city manager plan of government last November. It registered the largest turnout of primary voters in history.

DELAY ATTACK TRIAL OF NEGRO MOTORISTS

One Charged With Slugging White Woman With Pliers.

Trial of Herman Suggs, 22, and Charles DeGrathenreed, Negroes, both of 2409 Northwestern avenue, charged with assault on a woman motorist last month, was continued until Jan. 26 in municipal court today.

Suggs is alleged to have beaten Mrs. Ethel Kitis, 1350 Commerce avenue, on the head with a pair of pliers and knocked her to the street Dec. 18 at Eighteenth street and Roosevelt avenue.

At the time of the attack, officers were told Suggs and DeGrathenreed had followed the car in which Mrs. Kitis was riding with another woman and crowded it to the curb.

PUT ROOSEVELT IN RACE

Oregon Democrats Enter New York Governor in Primaries.

PORTLAND, Ore., Jan. 13.—Distinction as the first state in which a presidential aspirant has made formal application was claimed by Oregon today. Governor Franklin D. Roosevelt of New York was entered in the Oregon Democratic primaries when petitions bearing 11,000 signatures were filed with Secretary of State H. E. Ross.

LABOR MAKES SACRIFICE FOR U. S. RAIL LINES

Workers Link Hands With Capital to Avert Ruin; Take Wage Cuts.

INSIDE STORY IS TOLD

More Men Will Get Work and Revenue Will Be Increased.

BY FREDERICK C. OTHMAN

United Press Staff Correspondent

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CHICAGO, Jan. 13.—Thursday's unprecedented parley here between railroad labor and capital finds both sides agreed upon a temporary wage cut to "save the railroads." They agree also that there must be greatly increased employment, "to save the railroad men."

The 1,900,000 railroad workers will accept voluntarily a 10 per cent slash in their pay, the United Press has learned from an unimpeachable source, in exchange for the promise on the part of the railroads to put as many of their 500,000 unemployed workers as they can back on their jobs.

For the first-time since the mystery-shrouded negotiations between the workers and owners started last year, a man high in the realm of railroading has consented to tell the "lowdown" on the situation, affecting virtually every city and hamlet in the country.

Tells Inside Story

He spoke frankly in a hotel room high above Lake Michigan, after he had exacted a promise that his name would not be mentioned. He said he believed the story of the dealings between the two groups should be made public.

"It is an honorable story," he said, "the story of sensible men doing what they think best. I don't want to be mentioned, simply because some of the delegates on each side still believe in the railroad president's custom of keeping private all negotiations between the railroads and their men."

"But when David Robertson of the locomotive engineers goes in with twenty other union leaders to meet Daniel Willard of the B. & O., and eight more railroad presidents, it will not be a case of wild-eyed labor agitators battling stubborn capitalists."

"Instead, the stable, sober heads of the unions will be conferring amicably with the owners of the railroads on problems which vitally affect the interests of both sides."

Railroads Face Crisis

"The crux of the matter is that the railroads are hard-pressed to meet their fixed charges. Many of them are not even paying their bills. The railroad workers likewise have been hit by the depression so that about half a million of them are out of work."

"The remedy which was demanded has been provided. The workers will take a 10 per cent cut in their salaries for one year. That will save the roads approximately \$250,000,000."

"Recent freight rate increases will give the lines about \$100,000,000 more. They will use the total of \$350,000,000 to meet fixed charges and to increase employment."

"Business will have to pick up so that more trains can be run, before the trainmen will benefit. But the roads will rehire immediately thousands of workers to repair their run-down equipment and trackage."

Likened to Snowball

"It will be comparable to a snowball increasing in size along with the expected general business improvement. Rehiring of men will help business and better business will take the life of more men."

"We all hope and believe that by the end of the year former wage levels may be re-established."

"Rumors of strikes, of arbitrary wage threats and of possible disavowal to the steam carriers are twaddle. It is to the benefit of the worker to keep the roads out of the hands of the sheriff's hands. And it is to the benefit of the roads to see that as many of their loyal employees as possible are given steady work."

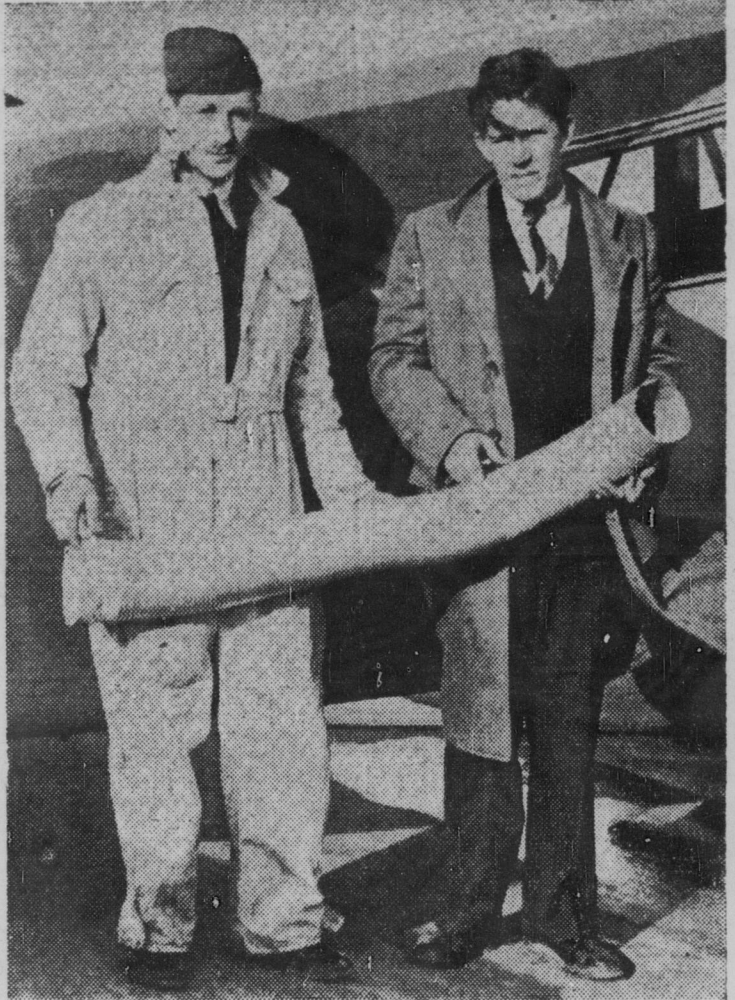
DOUMER HURRIES TO REFORM GOVERNMENT

France Expected to Resist German Reparations Cancellation.

PARIS, Jan. 13.—President Paul Doumer hurried through traditional conferences with political leaders today discussing a new cabinet to maintain the French stand against Germany's plea for reparations cancellations.

Florent Laval, who resigned as premier last night with his cabinet, was expected to succeed himself as premier. He also may replace the veteran Aristide Briand as foreign minister, a post he held six years.

HIGH WINDS FOUGHT BY OXYGEN PLANE RACING WITH DEATH



Racing death across the continent, from New York to Tucson, Ariz., Stuart A. Reiss (left) and C. H. Pickup, co-pilots, arrived at municipal airport this morning, refueled their plane, and sped westward. They are carrying a collapsible oxygen room to be used in the treatment of Miss Alice Hilliard, member of a prominent Louisville family, who is near death of pneumonia.

In the picture, the pilots are holding part of the oxygen apparatus.

RUSH CHOICE OF JACKSON JURY

Attorney Predicts Box Will Be Filled Today.

By United Press

LEBANON, Ind., Jan. 13.—Swearing of a jury to try Charles Vernon Witt on the charge of murder of L. A. Jackson, Indianapolis chain store head, on May 27, 1931, was expected momentarily this afternoon.

Defense attorneys had accepted the jury shortly before Judge John W. Hornaday adjourned court at noon. State's attorneys told the court they accepted the jurors tentatively, but wanted to confer on selection during noon adjournment.

It was reported one of the prospective jurors might be removed by the state, which has exercised nine peremptory challenges.

Talesmen in the jury box at noon included two business men and ten farmers.

They are Claude Crooks, Lebanon merchant; Charles Gaddis of Thorn-ton, business man; and Joseph Dunn, Charles Schenck, C. M. Crawford, Bert Culley, Lawrence H. Anderson, Clint Cassidy, George S. Nichols, Ora J. Adams, Bert Swails and J. L. Imbler, farmers.

The jury's tentative acceptance came after attorneys had questioned ten of the thirty venire of fifty residents of the county, called for service since the trial started Monday.

Hornaday has not acted on the state's petition that Witt, former Bainbridge (Ind.) youth, be manacled throughout the court proceedings. It is said he murdered a Kansas sheriff four years ago when the latter released him for a short time during a hearing.

MRS. CARAWAY WINS

57 Counties Give Her Big Lead in Senate Race.

By United Press

LITTLE ROCK, Ark., Jan. 13.—Mrs. Hattie W. Caraway today held the honor of being the first woman ever chosen a United States senator by popular vote.

The widow of the late Democratic Senator Thaddeus H. Caraway, in incomplete returns from fifty-seven of the state's seventy-five counties in Tuesday's special election, had a lead of approximately fifteen to one over her nearest opponent, Rex Floyd, independent Democrat, and son of the late Congressman John Floyd. Trailing far behind was Sam D. Carson, Saline county farmer.

With two-thirds of all precincts reporting, the vote was: Mrs. Caraway, 14,943; Floyd, independent Democrat, 987; Carlton, independent Democrat, 452.

Airmen Stop Here to Refuel and Continue West on Rescue Mission.

By United Press

CURTIS STEINBERG AIRPORT, EAST ST. LOUIS, Ill., Jan. 13.—The cabin monoplane carrying an "oxygen room" that may save the life of Alice Hilliard, young pneumonia victim, landed here at 11:55 a. m. today on its cross-country dash to Tucson, Ariz.

The two-man crew of the "Mercy Ship" snatched a cup of coffee and a ham sandwich apiece, supervised refueling of the plane and left at 12:23 p. m. for Springfield, Mo.

Bucking high winds, Pilot Stuart Reiss and a flying companion sped westward after leaving here, early today in their race from New York with an oxygen room to save the life of Alice Hilliard, 25, near death at Tucson, Ariz.

Leaving Columbus this morning, the plane "hopped" most of the way to Indianapolis to escape headwinds at high altitudes of gale proportions.

Reiss, accompanied by C. H. Pickup of Pittsburgh, co-pilot, who boarded the plane Tuesday, arrived here at 8:50 a. m. and, after refueling, flew on to St. Louis.

Pass Over Terre Haute

Although the pilot had expected to stop at Terre Haute to refuel, gas supply, dispatches from there said that the plane passed low over that city, fighting a high wind. The weather was clear and visibility was good.

On reaching municipal airport here, Reiss immediately asked for information about the condition of the Tucson patient, daughter of a prominent Louisville family, critically ill.

Physicians attending Miss Hilliard, Tucson dispatches said, were hopeful that necessity for the portable oxygen room, carried by the plane, would not arise before the plane's arrival.

The girl contracted pneumonia after three years' treatment for a pulmonary ailment.

Pilot Reiss displayed concern over the delay encountered Tuesday and Tuesday night because of inclement weather.

However, he stated that he expects to reach Tucson within twenty-one hours after leaving the airport here. He hopes to continue his flight west throughout the night, reaching Tucson early Thursday.

Deep fog grounded the plane Tuesday night at Columbus.

Weather reports to the west are not encouraging. Storms of blizzard intensity raged over the Rocky mountain area.

CONFERENCE IGNORED

U. S. Will Not Attend Lousanne Meeting, Says Stimson.

By United Press

WASHINGTON, Jan. 13.—Secretary of State Stimson, in reply to questions, today said that the United States would not be represented at the proposed Lousanne conference on reparations.

TORNADOES KILL THIRTEEN; GALE RAKES CITY, LEAVING HEAVY LOSS IN ITS WAKE

Ten Negroes Reported Dead in Alabama; Mississippi Area Ravaged.

PROPERTY TOLL IS HIGH

Snow Blankets West; Winds Swamp Boats; Fishermen Are Missing.

By United Press

Thirteen persons were reported dead today in tornadoes, as mid-winter storms swept eastward today across the nation, with a blizzard, high winds and bitter cold in its wake.

Areas from the Washash valley to the Pacific coast felt the fury of what threatened to be the major storm thus far in the season. Meanwhile, the Atlantic seaboard and the east generally basked under spring-like sunshine.

Three deaths were known to have occurred in the tornadoes and upwards of 100 were injured. Property damage was incalculable, because of wrecked communication services.

Ten Reported Killed

A woman was killed by a tornado that dipped to cut a swath across northeastern Mississippi. A Mexican woman and her child were killed when wind razed their home near Eagle Lake, Tex.

Ten Negroes were reported killed by a tornado that struck near Moundville, Ala. It was believed the same gale that had caused the death of the woman, injuries to 100 persons, and heavy property damage in Mississippi.

Houses were crumpled and power and communication lines torn down. Rescue parties sought other possible victims.

Gales whipped snow into drifts in the Rockies and damaged homes and communication lines in the plains states surrounding them. Montana, Colorado, Texas, and Nevada reported damage from wind.

Buildings toppled before an eighty-mile gale at Boulder City, near Boulder dam. Tents housing workers on the big project were whipped from their stakes.

Boats Are Swamped

Giant waves swamped water craft in southern California. Fishermen were missing in their boats. Snow mantled the Sierras and fell for the first time in ten years in the San Francisco bay region.

The San Juan river, blocked by ice, menaced the Indian Navajo Indian agency at Shiprock, N. M. High winds injured several persons and caused property damage in southern Illinois and Indiana.

The Chicago area, as was the case with numerous other midwest districts, remained warm and sunny. In New York, the temperature was 60 degrees above zero.

DROP IMPEACHMENT

Johnson County Not to Act on Coroner's Case.

Impeachment proceedings against Coroner Fred W. Vehling in the Johnson county court at Franklin were dismissed today by Judge Charles B. Staff.

The suit was filed by James Holland of Indianapolis, who charged Vehling with improper activities in a death case of a friend. The court held the proceedings were invalid because Prosecutor Herbert E. Wilson of Marion county had not approved them.

Vehling, under charges in criminal court of alleged solicitation of a bribe, also is the target of impeachment charges in the Marion circuit court. These charges were filed ten days ago by Wilson.

NEWTON BAKER LAUDED

Liberalism, International Outlook Praised by Frazier Hunt.

NEW YORK, Jan. 13.—Newton D. Baker, former secretary of war, was praised as an outstanding liberal and man of international outlook by Frazier Hunt in a radio "personality sketch" Tuesday night.

He attributed Baker's liberal views and intellectual and civic achievements to his training under three men—his father; the late Tom Johnson of Cleveland, and President Woodrow Wilson, in whose cabinet he served.

DURANT HOP IS HELD UP

Detroit Girl Flier Kept at Paris by Bad Weather.

By United Press

PARIS, Jan. 13.—Unfavorable flying weather today prevented Miss Marjorie Durant of Detroit, from beginning a projected flight to South America.

She plans the flight by easy stages.

I See By—

Today's Times Want Ads That

BOLTON, N.—Irvington: attractive 5-ft. mod. brunette; fireplace; private new Chambers bed; cook; hardwood floor. Full basement. Only \$150.00. See Classification 23

LOST—On Washington St., near Columbia fish market, pocketbook containing 3 dollars, 25 cents and money. Keep money, return rings to S. Morrison.

SPANISH—This dress coat, 36; others 28. Overstuffed suite. N. Eudice. See Classification 34.