

INDIANAPOLIS, THURSDAY, APRIL 28, 1932

Entered as Second-Class Matter
at Postoffice, IndianapolisBANKS CALED
BEARS, PLAYED
BY NORBECKFinancial Institutions Are
Adding to Deflation,
Says Senator.

MAY WIDEN INQUIRY

Refusal to Give Loans Is
Ruining Property Value,
Committee Told.BY LYLE C. WILSON,
United Press Staff Correspondent

WASHINGTON, April 28.—Chairman Peter Norbeck of the senate banking committee today accused the banks of being "bears" and threatened to broaden the committee's stock market investigation to include them.

Banks, by refusing to grant new loans or extend well-secured old ones, are "adding to the force of the deflation and destroying the value of all property," Norbeck charged.

He said the banks had failed to pass along to the public the benefits of the administration's financial relief legislation and were not cooperating in the federal reserve's credit expansion program.

He cited federal reserve statistics showing that member banks in leading cities had reduced their loans on securities by \$300,000,000 since March 2, although an additional \$113,000,000 of reserve bank credit had been made available to them.

Banks Are Blamed

"These figures prove that part of the supply of securities which has been causing the decline in all the security markets, has been coming from these banks," Norbeck asserted, "and it is apparent that the action of the commercial banks in this respect is a major contribution to the present lack of confidence and crippled condition of business."

He said that if this condition continued, he was "going to recommend to the senate committee on banking that this matter be made into a bill. This can be done by bringing to Washington some of the bankers who have large cash reserves and more available credit and still are refusing to make new loans, and even refusing to grant extensions where the borrower is worthy and the security is satisfactory."

If liquidation continues, Norbeck said, "we must find out what part the bankers are playing in forcing down the value of American property to junk prices. The bear raiders are bad enough; the bankers should not help them."

Wall Street Hits Back

Wall Street, meantime, is striking back at the stock market investigation, challenging some of the witnesses before the senate committee.

"They are claiming," said Norbeck, "that Edward Knight was indicted and pleaded guilty in 1929 to some kind of a financial charge. We do not want to apologize. Mr. Knight was a volunteer witness. He did not testify against any one. He simply told us of general practices in the stock market. His friends accuse me that he was framed."

Knight testified last week. He formerly was brokerage accountant in New York and now is employed by the federal government.

Another Is Accused

An indictment figures, also, in the introduction to the committee of a potential witness, A. Newton Plummer, Representative La Guardia (Rep., N. Y.) submitted to the committee checks allegedly given by Plummer to newspaper and magazine writers in appreciation of news stories "ballyhooing" certain stocks.

La Guardia told the committee that, for revealing some of this information, Plummer had been persecuted and indicted. But the representative added that Plummer had been employed for stock publicity over a period of fifteen years, and his employers scarcely could challenge him under such circumstances.

The investigation board of strategy, from which President Hoover's spokesman, Senator Clegg (Rep., Conn.), has been excluded, was summoned to meet again today to discuss the inquiry with William A. Gray, committee counsel.

CUT THROUGH CEILING,
RIFLE STORE'S SAFEF. glars Get \$180 and Drugs at
at Haag Pharmacy.

Entering a Haag pharmacy at 349 South East street last night in ten days, burglars Wednesday night forced \$180 in cash, narcotics valued at \$7, pens and pencils valued at \$100 and an undetermined amount of candy.

In each case, entrance was gained by cutting through the ceiling of the store from a vacant room above, which is reached by a side stairway. The money and drugs were obtained from a safe, combination of which was battered.

PUPILS GET CHALLENGE

Must Solve Problems of Machine
Age, De Pauw Head Declares.

Establishment of an economic democracy and solution of unemployment in a machine age are the problems facing youth of today, according to Dr. G. Bromley Oxnam, president of the Shortridge high school Washington bicentennial program in Caleb Mills hall Wednesday.

"Washington is honored because he founded a political democracy," he said. "Today it remains for some one to unite the world in an economic democracy as he united the colonies politically."

Auto Strikes Safety Zone Guard

Driving his automobile into a safety zone guard at Southeastern avenue and Washington street on Wednesday night, Milton Smith, 29, of 332 Ridgeview drive, suffered a broken nose.

The Big Bully!

By United Press

CHICAGO, April 28.—A nervous bandit who robbed the Oak Glenn Trust and Savings bank, Lansing, of \$5,000 on Wednesday, was lectured for his mistakes by his companion, standing by with a submachine gun.

The nervous bandit, armed with a pistol, fumbled with a drawer after tying up two bank employees and a customer.

"Open the door, you lug," said his companion, a swarthy man. "We can't stay here all day."

The nervous bandit's pistol was discharged accidentally. "You meat-head," roared the swarthy man. "Put that gun away before you shoot yourself."

The nervous bandit protested. "Quit picking on me," he whined. "I'm doing the best I can."

"Shut up; let's get out of here," the other retorted.

VOTE IN EAST
JARS BACKERS
OF ROOSEVELTBay State and Pennsylvania
Results Show Nomination
Is Not 'in the Bag.'BY LEO R. SACK,
Times Staff Writer

WASHINGTON, April 28.—Al Smith's drive for the Democratic presidential nomination is rehabilitated while Governor Franklin D. Roosevelt is warned that the prize, almost in his grasp, has not been clinched.

These, according to cautious Democratic politicians, are the outstanding developments of the presidential primaries in Massachusetts and Pennsylvania.

Smith's overwhelming victory in Massachusetts with thirty-six delegates and his possible seizure of sixteen delegates in Pennsylvania gives him a nucleus of fifty-two votes at the Chicago convention.

Next Test Tuesday
To this, it is predicted, he will add from New Jersey, and possibly ten from Connecticut and ten from Rhode Island.

The "Happy Warrior's" final test will come next Tuesday in California when he participates in a three-cornered contest with Speaker Garner and Roosevelt for forty delegates.

Should Smith win California, politicians concede, he may succeed in deadlocking the convention.

Roosevelt's senatorial friends, however, see some comfort in the Pennsylvania result, even though he failed to receive the sixty-six votes promised by Joseph P. Guffey, former national committeeman. He actually has obtained fifty-eight votes, which would elect him to the senate if he were running for that office.

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Help for Roosevelt

A result of Tuesday's Massachusetts balloting, senators predict, will be to persuade politicians in southern and western states, regarded as friendly to Roosevelt, to send instructed delegates to the convention instead of uninstructed as heretofore was contemplated. This will apply, it is said, in Kansas and in Mississippi, each with twenty delegates.

Roosevelt Sure of 50

By United Press

PHILADELPHIA, April 28.—There will be at least fifty of Pennsylvania's seventy-six delegates to the Democratic national convention pledged as friendly to Roosevelt, according to a statement of Governor Franklin D. Roosevelt of New York, tabulations of the Democratic presidential primary indicated today.

The total may go to sixty as a result of Roosevelt's victory over Alfred E. Smith.

Today, Roosevelt managers conceded twelve delegates to Smith.

Supporters of Smith, however, contended they would have a total of twenty delegates when the tabulation of the vote is completed.

Results of the voting still are in doubt on thirty-one of the sixty-eight district delegates.

The popular vote in 7,362 election districts: Davis, 817,919; Butler, 463,178.

APARTMENT IS LOOTED

Thief Gets Jewelry and Clothing
Valued at \$340.

Clothing and jewelry valued at \$340 was stolen Wednesday from Apartment 37, Fifteenth and Pennsylvania streets, the home of Mr. and Mrs. J. J. Hanlon, police were informed. Entrance was effected by breaking open a service door.

In addition, a building and loan savings book and stock certificates of a utility corporation were stolen.

NEW TAX LOAD
HITS MAN OF
SMALL MEANSNormal Income Levy Will
Be Nearly Doubled by
Senate Bill.

FIGHT STOCKS IMPOST

Roar of Protest Resounds
Through Wall Street
Over Proposal.BY MARSHALL McNEIL,
Times Staff Writer

WASHINGTON, April 28.—Having placed new and heavier tax burdens on persons of modest means, the senate finance committee today was expected to determine whether Wall Street stock transactions should also pay higher levies.

This source of revenue was tapped in the house bill to yield about \$99,000,000 annually.

But protests of stock exchange officials and brokers, combined with a sharp drop in market prices, blamed by some on the house levy, may result in lowering this impost.

In the house bill, the tax was fixed at one-fourth of 1 per cent of the selling price of stocks. An effort will be made in the senate committee today to reduce this at least to one-eighth of 1 per cent.

Committee decisions on important special excise taxes in the house bill, such as those on autos, radios, matches, wort, malt, etc., are also expected today.

If the committee progresses today as it did Wednesday, the tax may reach the senate early next week.

House Bill Rewritten

The house bill practically was rewritten by the committee Wednesday, to add burdens to persons of modest means.

The senate committee deleted taxes amounting to approximately \$100,000,000, but at the same time added new taxes that will practically make up that amount.

The committee's chief changes follow:
1. It almost doubled normal income taxes. Instead of 1½ per cent as in the present law, or 2 per cent as in the house bill, it levied 3 per cent on the first \$4,000 of net income.

On the next \$4,000 it levied 6 per cent, as compared with 3 in the present law and 4 in the house bill. It levied 9½ per cent on all income in excess of \$8,000, as against 5 per cent in the present law and 7 per cent in the house bill.

Slightly Boosts Surtaxes
This is expected to raise about \$29,000,000 in the next fiscal year, or for half of the calendar year. It did not change personal exemptions of \$1,000 for a single person and \$2,500 for a married person.

It increased only slightly the surtaxes on the large incomes, after turning down the proposal of Senator James Couzens (Rep. Mich.), to reimpose war-time rates.

The new surtaxes levy a maximum of 45 per cent on net incomes in excess of \$100,000, meaning that persons with net incomes in excess of \$50,000 or \$100,000 will pay exactly the same percentage of tax. This will raise about \$4,000,000 next fiscal year.

3. It approved house estate and gift tax rates.

4. It placed a 2-cent stamp tax on all bank checks drawn for a sum in excess of \$5. This will raise about \$50,000,000.

5. It increased corporation and insurance company taxes by one-half of 1 per cent, from 13½ to 14. The rate is now 12 per cent. This will yield about \$8,000,000.

Tax President's Income

6. It reversed the house exempt dividends from normal income taxes, thus losing about \$89,000,000.

7. It over-rode the house and eliminated the 1½ per cent penalty for corporations filing consolidated returns and thus let another \$8,000,000.

8. It reduced the tax on lubricating oil of all grades from 4 to 2 cents a gallon, losing another \$17,000,000.

9. It provided that in the future salaries of the Presidents and federal judges, now exempt, shall be subject to income taxes.

10. It subjected payments by the government to ex-soldiers to the income tax.

UNHORSED BY TROLLEY

Rider Suffers Broken Arm; Animal
Is Killed in Collision.

A horse was killed and its rider incurred a broken arm in a traffic mishap Wednesday night near Sixteenth street and Roosevelt avenue. Clarence Ross, 18, of 1223 East Sixteenth street, was charged. He was hurled from the horse when the animal was struck by a street car. Ross was "just taking a ride" when the accident occurred, he told police.

FARM BOARD'S FATE IN DOUBT
Senate Quiz May Mean Doom of Federal Organization

Following is the first of three authoritative studies on the history of the federal farm board, which soon will be under investigation by a special United States senate committee.

BY RODNEY DUTCHER,
NEA Service Writer

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WASHINGTON, April 28.—The federal farm board, which has lost an estimated \$200,000,000 in public money during a three-year attempt to save the farmers, is about to go on trial before a senate committee which will try to decide whether it should be overhauled or simply junked.

It represents a government investment of a half billion dollars in a move that was designed to stop the terrific price decline.

The board and the agricultural marketing act, under which it operates, will be probed and prodded, assailed, and defended. Private dealers in grain and cotton lead those who propose abolition of the whole system, whereas the larger national organizations of farmers insist that it be preserved and be given greater powers to enable it to become useful to agriculture.

Scores of charges have been hurled at the board and its methods, but the underlying impetus to this investigation by the senate agriculture committee was furnished by the fact that whereas the board and the \$500,000,000 act were recommended by the Hoover administration as the best possible farm relief measure, they have been almost utterly impotent in the attempt to check to bogganing farm prices and have cost the taxpayers a huge sum of money.

SENATOR GEORGE W. NORRIS of Nebraska, sponsor of the investigation, says the senate "wants only to make an absolutely fair investigation for the truth."

He so framed his resolution that private grain and cotton dealers also will be investigated, with special reference to their alleged attempts to hinder or wreck the farm board.

Ten big questions Norris and other farm state senators want to determine are these:

1—Whether the board, regardless of its \$200,000,000 losses, has helped or hindered the farmers.

2—Whether it should be abolished, or continued with activities restricted to encouraging co-operative marketing and making loans or continued with power to use the equalization fee or the export debenture plan.

3—Whether the costly stabilization operations were in accordance with the law.

4—Whether the act has had a fair tryout or whether its successful operation was rendered impossible only by the protracted depression.

5—Whether the board, by mistake or improper operation, has injured rather than helped the farmer co-operative movement and has entered into competition with the law.

Norris says he has received many complaints against the board and its operations which he has not made public, as he prefers not to give them publicity without proof.

John A. Simpson, president of the Farmers' union, has promised to bring and prove sensational charges.

FAT DUCKS IN
CAPONE'S SOUP'Confiscated' Birds Part of
Donation to Poor.

By United Press

CHICAGO, April 28.—Fat Christmas ducks for Al Capone's soup kitchen were part of the loot in the \$50,000,000 shortweight conspiracy charged against former City Sealer Dan Serritella and his deputy, Harry Hochstein, the state claimed today.

The pair, appointees of the "whoopie" era of former Mayor "Big Bill" Thompson, are on trial on charges of winking at short weights and measures that took the state contents, more than fifty million dollars from Chicago housewives in 1930.

In return for overlooking skimping practices by about a third of the city's retail stores, a stream of "donations" of cash and merchandise flowed to the sealer and his inspectors, according to prosecution evidence.

Assistant State's Attorney Harold Kell told the jury Serritella called on grocery and meat stores to supply food for Christmas baskets for poor families. Serritella is also a state senator.

In one instance, Kell said, a shipment of ducks was requisitioned from a firm with the order to "save them for Phil D'Andrea," Capone's bodyguard. Later, it was charged, the ducks appeared as part of the Christmas dinner served at Capone's soup kitchen.

Witnesses told also how inspectors from the sealer's office harassed merchants without cause.

It is debating a bill to cut the salaries of all government employees, some of them pitifully paid as it is.

It is considering knocking out the Saturday half-holiday, although it was introduced some time back on the ground that clerks would do as much work in a week if they got half a day off.

But it is not looking very hard around its own premises.

Senator Robinson, being official leader of the Democratic minority, is allowed one extra clerk. Ordinary senators must get along with four. But the actual work in Robinson's office is done by three persons, one of them being his nephew, Joe Brewer, a capable young man and a valuable personal secretary.

Mrs. Robinson's mother, an elderly woman, is on the pay roll as an assistant clerk to the "conference minority of the senate" at \$2,580 a year. She does not work, but lives with her relatives, either here or in Little Rock.

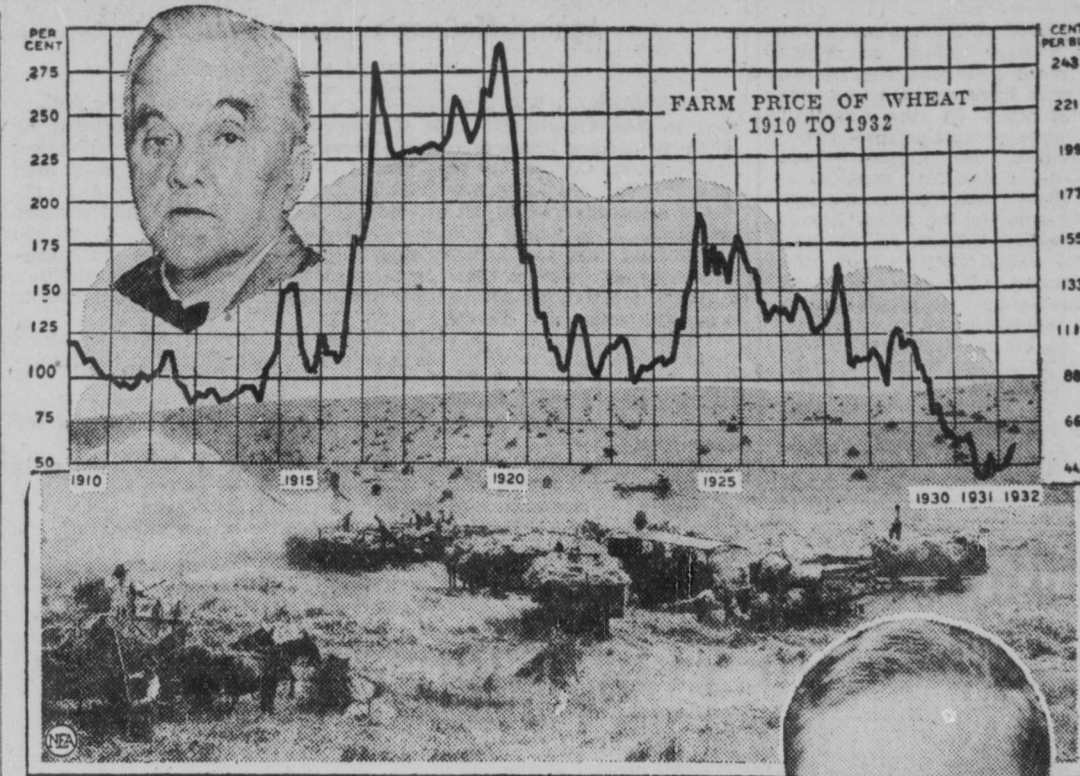
Another assistant clerk is H. Grady Miller, who receives \$2,220 a year. He is Senator Robinson's brother-in-law. He lives in Little Rock, where he is president of the Southwest Joint Stock Land bank. He spends most of his time in Little Rock. He came here on a visit in January.

Miller formerly was Robinson's secretary here. Now he is described as the senator's "contact man" in Arkansas. He handles, the United Press was told, hundreds of telegrams and letters for Senator Robinson.

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Fluctuations in the price of wheat since the federal farm board started its unsuccessful \$102,000,000 attempt to halt falling prices in 1929 is shown in the chart above. The chart is based on data compiled by the United States department of agriculture on farm prices for wheat since 1910.

Just shows Senator George W. Norris, sponsor of pending senate investigation of the farm board. James C. Stone, farm board chairman, is shown at right.

petition with previously established co-operatives.

6—Whether the status of the \$500,000,000 given to the board indicates the need of a change in the board's membership.

7—Whether there is justification for the \$75,000 salary paid one executive of a co-operative financially aided by the farm board or the \$50,000 salary paid to another.

8—Whether any exchanges, boards of trade or private dealers have hampered or interfered with the board's activities.

9—Whether politics has entered into the affairs of the board and its sponsored co-operatives and whether there has been speculation with federal funds lent to co-operatives.

10—Whether and why the individual farmer pays from 7 to 10 per cent interest on farm road money originally advanced to the co-operatives at an average of 3 per cent.

NEARLY every one concerned has favored this investigation. It has been opposed by none.

Norris says he has received many complaints against the board and its operations which he has not made public, as he prefers not to give them publicity without proof.

John A. Simpson, president of the Farmers' union, has promised to bring and prove sensational charges.

THEY TELL ME
Gen. Stern

BECAUSE Marion county was placed in two congressional districts by the reapportionment bill passed by the 1931 general assembly, residents of the county are confused by the large number of names mentioned in discussions of primary candidates.

Until this year Marion county alone constituted the Seventh district. The reapportionment made the Eleventh district consist of Hancock and Madison counties and that part of Marion composed of Lawrence, Warren, Franklin and Perry townships and the First, Ninth and Tenth wards.

The remainder of the county constitutes the Twelfth district.

Six are seeking the Republican nomination in the Eleventh. The two leading contenders are Fred Dickerman of Irvington and Dale Spencer of Greendale.

Dickerman was the Coffin messenger boy during the St. Stephen regime while a member of the state senate. He is pinning his hope for nomination on the avowed Coffin support and on his dry stand.

Fighting against him for the Klan vote in the county is Frank Borna, "wet," also state representative during the power of the "Old Man."

Spencer is more or less new in politics. Republicans of Hancock county asked him to run when they learned of the caliber of those who had filed for the post. He is a legionnaire, editor of the Greenfield Republican, and has been in the hottest part of the fight against utility domination.

The dopesters believe that, with the united support of his county and Madison, and a good slice of the respectable element of the east side Republicans, he can make the grade.

The Democratic contest in the Eleventh is among three—Dr. William H. Larabee of Hancock county, incumbent, who is said to have weakened himself when he voted against the Beck-Linthicum resolution; Willis S. Ellis, former Madison county superior court judge, and Frank J. McCarthy, one of the younger Democratic leaders. Ellis and McCarthy are reported as against prohibition.

The battle ground will be Marion county where is located the largest number of votes in the district. It is understood that both Ellis and Larabee have been in here pitching against McCarthy.

Because of Ellis' avowed wet stand and his judicial record, he may get the call, it is said.

The Twelfth district race are not quite so complicated. Louis Ludlow, incumbent congressman, is being opposed by Thomas D. McGee.

The issue is said to be efficient service against an avowed wet. The organization, it is reported, will recommend the re-nomination of Ludlow, who also voted against the Beck-Linthicum resolution.

The Republicans have four contestants. They are William Henry Harrison, descendant of two Presidents, who is approved by the dry league; Archibald Hall, 1930 nominee; Ira Holmes, formerly a leader in the Coffin organization, and Seth S. Ward. The two latter have declared for outright repeal.

He must use stenographers and clerks in his office at Little Rock and that probably absorbs the money he receives from the senatorial pay roll. He presumably divides his time between his senatorial duties in Little Rock and his bank business there.

Senator Robinson is a member of the law firm of Robinson, House & Moses of Little Rock, which has one of the largest practices in the state. He held his first political office in the Arkansas legislature nearly forty years ago, and came to congress as a representative in 1903.

In 1928 he was vice-presidential candidate on the ticket with Alfred E. Smith. He was a member of the American delegation to the London naval conference in 1930.

The large fish were entered today at a state-wide contest, being conducted by a local sporting goods store to determine the largest mouth bass caught in Indiana this year.

BABSON JOINS
ADVOCATES OF
RUSSIAN TRADEU. S. Should Restore Normal
Relations, Says Expert;
Predicts War.

SCOFFS AT RED FEARS

Communism No Menace to
Our Scheme of Rule, He
Declares.BY WILLIAM PHILIP SIMMS,
Scripps-Howard Foreign Editor

NEW YORK, April 27.—Restoration of normal relations with Russia merely would be a common sense way of promoting our own and the world's best interests, Roger W. Babson declared in a message to Scripps-Howard new-papers today.

The statistical wizard of Babson Park recognized the view, however, that recognition or no recognition, Russia eventually will collide with Japan in the Far East, for the simple reason that the national interests of the two nations clash in that part of the world beyond the possibility of settlement any other way.

But all that, he indicated, should not interfere with our relations with the Soviet Union. Nor should Communism. For Americans are not going to swap their system of government for the Russian as long as the American system functions to their satisfaction.

Would Help Solve Problems
"I believe," he said, "that fitting Russia smoothly into the world economic and political picture would be a step in the permanent solution of our present problems."

"On Sept. 14, 1931, in a confidential message to our clients, I pointed out that the Soviet regime is more than thirteen years old; that it is established as a going concern, and that recognition would be simply a common sense step dealing with a nation which already is a good customer and later a potential increasing market for American goods."

"While I believe that, fundamentally, Communism and capitalism may come to grips, such a struggle is some distance ahead. Meanwhile the United States will continue to do business with any country which respects our sovereignty, honors its own obligations, and refrains from unfair propaganda."

Have Nothing to Fear
"We have nothing to fear from Communism so long as our present system of government continues to satisfy the great majority of our people."

"All this, however, does not seem to me to change the inevitable fact that Russia and Japan are bound to come to blows in the Far East sooner or later. Both countries are eager to get and to hold for themselves the tremendous natural resources of Manchuria and south-eastern Siberia."

"It seems to me unreasonable, therefore, to assume that our recognition of Russia at this time would have any appreciable influence in struggle which is essentially confined to the respective national interests of Russia and Japan."

In Washington the view is widely held that the fact that the United States virtually has outlawed Russia well might be taken by Japan as a sign that in America, as well as in Europe, the crushing of the Soviets would be welcomed, thus egging Japan on. Recognition, therefore, would act at least as a damper.

War Sure to Come
Among those expressing this view are Senator Robinson, of Arkansas, Democratic leader; Senator Borah, chairman of the foreign relations committee; Senator Johnson, of California, and others.

The Babson position is that the root of the trouble between Japan and Russia goes far too deep for that kind of diplomacy to make much difference.

Hence, his warning of eventual war.

MYSTERY ATTACK ON
PHYSICIAN IS PROBEDDr. Don Irwin Grapples With Youth
In Midnight Tussle.

Motive for an attack on Dr. Don Irwin, 28, in a garage in rear of his home at 1151 Fairfield avenue, Wednesday night, was sought by police today.

Irwin said a youth stepped out of the shadow of the garage shortly before midnight, and attempted to stab him with a knife. Irwin grappled with the assailant, he told police, and after a struggle of several minutes, the youth ran into the alley. Within a few seconds, the assailant returned and the two fought a second time.

Irwin reported that he freed himself and ran into the house where he called police. The youth fled, Irwin was bruised in the encounter.

CITY ANGLERS DISPLAY
TWO 4-POUND BASSDetectives Chief's Son, Companions
Enter Catch in Contest.

Fred Simon, detective chief, who claims to be an angler of ability far above the average, basked today in the reflected glory of the fishing achievement of his son, Phillip, 1355 South East street, who with two friends, Frank and Ed Janicki, 615 Terrace avenue, took two four-pound small mouth bass and five smaller fish from Sugar creek Wednesday.

The fish were caught at a point about twenty miles south of Indianapolis.

The large fish were entered today at a state-wide contest, being conducted by a local sporting goods store to determine the largest mouth bass caught in Indiana this year.