

JAPAN'S CLAIM TO MANCHURIA GETS SETBACK

Lytton Report to Geneva Is Strong Indictment of Nippon Troops Use.

(Continued From Page One)

after a strong autonomous government, with an effective police force is organized there.

Lord Lytton's commission, appointed to make an objective neutral investigation into China's perilous quarrel with Japan, failed to take seriously Japan's claim that the new state of Manchukuo was of Chinese origin.

Co-operation Is Urged

Finally, says the report, "as the maintenance of the peace of the far east is a matter of international concern," settlement of the controversy must be in line with the covenant of the league, the nine-power treaty and the Kellogg pact.

China and the rest of the world should co-operate in her international reconstruction as suggested by the late Dr. Sun Yat-sen.

Dr. Sun, then president of the Nationalist government at Canton, outlined his plan eleven years ago, and begged the world to help put China on her feet.

Far from least among the commission's finds was that Russia, no less than Japan, is interested in the future of Manchuria and eastern Asia and no settlement which fails to take this fact into account can last.

Japan, too, is warned that the nine-power treaty is as pertinent today, and just as necessary, as it was when it was signed at Washington in 1922.

Ten Conditions Laid Down

Ten conditions of a satisfactory solution are laid down.

1. Both China and Japan are members of the league, and entitled to the same consideration.

2. To make peace between two of the neighboring countries without regard for the interests of the third (Russia) neither would be just nor wise, nor in the interest of peace.

3. Any solution should conform to the provisions of the covenant of the League of Nations, the Kellogg pact and the nine-power treaty.

4. Japan's rights and interests in Manchuria are facts and must not be ignored if a satisfactory settlement is to be reached.

5. There should be new treaties restating the respective rights and interests of China and Japan in Manchuria.

6. As a corollary to the above, provision should be made for facilitating the prompt settlement of minor disputes as they arise.

Autonomy Is Proposed

7. "The government of Manchuria should be modified in such a way as to secure, consistently with the sovereignty and administrative integrity of China, a large measure of autonomy designed to meet the local conditions and special characteristics of the three provinces. The new civil regime must be constituted and conducted as to satisfy the essential requirements of good government."

8. "The internal order of the country should be secured by an effective local gendarmerie, force, and security against external aggression should be provided by the withdrawal of all armed forces other than gendarmerie, and by the conclusion of a treaty of nonaggression between the countries interested."

9. A new commercial treaty is desirable between the two countries as an added help to bring about better relations.

New Era of Friendship

10. "Since the present political instability in China is an obstacle to the friendship with Japan and an anxiety to the rest of the world; as the maintenance of peace in the far east is a matter of international concern; and since the conditions enumerated above can be met only by the establishment of a strong central government in China, the final requisite for a satisfactory solution is temporary international co-operation of China as suggested by the late Dr. Sun Yat-sen."

If the present situation can be modified in some such manner as the above, the report asserts, it might be made the starting point of a new era of friendship and co-operation between Japan and China.

"If such a rapprochement is secured," it adds, "no solution, whatever its nature, can be fruitful."

Must Not Turn Back

Whatever happens there can be no returning to the status quo, the commission warns. That merely would plunge the two countries back into their old and perilous quarrel. Nor, if the world wants peace, can the present regime in Manchuria be permitted to continue.

"About the feeling of the people of Manchuria toward the present regime there can really be no doubt," it states, "and China would not voluntarily accept as a lasting solution the complete separation of her three eastern provinces."

Nor would the present situation be to the lasting benefit of Japan, in the commission's opinion.

Though she claims pressure of population as a reason for expansion, she is not sending many emigrants to Manchuria.

China Is Vital Outlet

And while she asserts China is a vital outlet for her products, supply a friendly China, with a mounting standard of living, and increasing purchasing power, would be better for her than a hostile China, armed with the boycott.

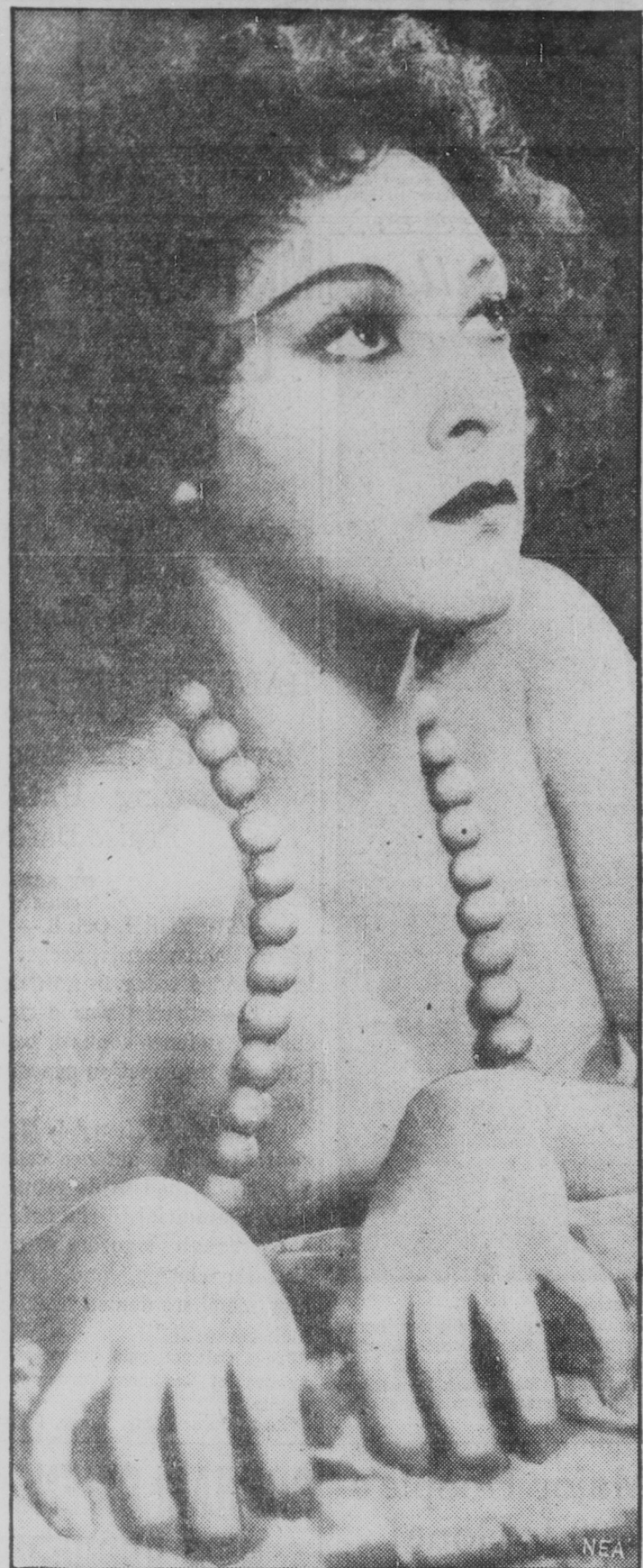
Strategic reasons, the report indicates, may be the main motive behind Japanese policy. They may fear being packed by a third power (Russia).

For that reason she may feel it essential to entrench herself in Manchuria.

If such be the case, the commission suggests, Japan may be disillusioned. It would seem perilous to face the Russians on one side, while hostile China surrounded her on the other three.

Japanese security, it is suggested, would seem safer in having the good will of the world backed by the peace machinery. This would cost her nothing whereas long mil-

She's Best of 60,000



Kathleen Burke

By Times Special

NEW YORK, Oct. 3.—The most coveted role of 1932 in the movie world today belonged to Kathleen Burke, 19-year-old Chicago girl. Miss Burke, "120 pounds of clawing tiger girl," as the press agents have it, has been selected in a nation-wide contest as the cinema "Panther Girl."

More than 60,000 competitors entered the contest, which has been under way in all principal cities of the country for several months.

State-Controlled Bank Urged by Ward Hiner

Political Scandals Would Be Outlawed by Plan, He Asserts.

Establishment of a state-controlled banking institution with subsidiaries in the ninety-two counties of Indiana to handle state tax funds and prevent losses through insolvency was recommended by Ward B. Hiner, National part candidate for Governor in an address Saturday night over WTEM.

The institution would receive all tax money, would supervise distribution and eliminate confusion resulting from the present system of depositing in privately owned institutions, Hiner declared.

Deposits would be subject to a 2 per cent a year interest rate and would be safeguarded and guaranteed by the state, it was pointed out. The institution would not be permitted to enter the loan field in competition with private banks.

tary occupation of Manchuria would be a "heavy financial burden."

Conclusions Are Unanimous

The league commission's conclusions, it is understood, were by unanimous agreement.

Throughout the report it was plain they wanted to keep a balance between the Chinese and Japanese, in other words to be fair.

Five nations were represented: Brigadier-General Frank McCoy represented America; General Claudel, France; Count Aldrovandi, Italy; Herr Von Schnee, Germany, and Lord Lytton, chairman, Great Britain.

Japanese Win Clash

By United Press

TSITSIHAR, Oct. 3.—Japanese troops repulsed with heavy losses today the rebellious Chinese soldiers under General Li Haiching, who had seized the city of Anganchi and caused panic stricken residents to flee in terror, according to reports received here.

Fighting continued in scattered areas after two detachments of Japanese soldiers routed 2,000 of the rebellious forces, killing an estimated three hundred.

Japanese planes bombed guerrilla forces who attempted to surround a Japanese detachment northeast of Tachang, inflicting heavy casualties.

HINDENBURG 85 TODAY

German President Makes Gifts to 3,000 Invalid War Veterans.

By United Press

BERLIN, Oct. 3.—President Paul von Hindenburg remembered veterans of German wars on his eighty-fifth birthday while he received congratulations of the nation and the heads of world powers.

The field marshal issued a list of 3,000 invalid veterans of the wars of 1869, 1871 and the World war, who will receive 150 marks each from a fund collected from public subscriptions in honor of the president's birthday.

Lost! One memory. It belongs to Major Hoople. If you find it you can keep it, but please return the \$900 that was lost with it. The Major's waiting for it on the Comic Page.

SUPREME COURT CONVENES FOR NEW SESSION

All Members of Nation's Highest Tribunal Present for Ceremonies.

By United Press

WASHINGTON, Oct. 3.—The supreme court today convened for a new term in the ancient senate chamber in the capitol where it has deliberated for many years.

All members of the bench were present for the brief opening ceremonies. Justice Louis D. Brandeis, leader of the court's so-called "liberal" group, came to the chamber arm in arm with Justice George Sutherland, leader of the "conservative" faction. Both were laughing.

All the justices appeared rested and in excellent health after the summer recess.

The court abandoned its usual custom of calling on President Hoover immediately after the opening session and informing him they were ready for business. The visit was postponed probably until next Tuesday because the President was preparing to leave in midafternoon for Des Moines, Ia.

The court will devote most of the week to a series of conferences on new cases which have accumulated during this summer.

7 PARTIES TO BE ON BALLOT

Five Tickets Approved by Election Chiefs.

State election commissioners have approved the certification for the ballot of the Democrat, Socialist, Socialist-Labor, Communist and Prohibition parties. J. Otto Lee, commission clerk, announced today.

The Republican and National Liberty party certifications have not yet been received.

Parties will appear on the ballot as follows:

Democrat, Republican, Prohibition, Socialist, Socialist-Labor, Communist and National Liberty.

Green sample ballots are to be printed and 15,000 distributed to county clerks before the election, Lee said. Voting will be in 3,691 precincts. Marion county has 331.

VICE QUIZ LAUNCHED

City Is Thrown in Turmoil by 'Wide-Open' Charges

By United Press

EVANSVILLE, Ind., Oct. 3.—Airing of charges that gambling houses and other forms of vice are operating wide open in Evansville were started here today.

The charges, which resulted in an upheaval of city officials that caused two members of the safety board to resign, and brought suspension of Police Chief Emmett Bell, were made by patrolman Clyde Schuetz a week ago.

Schuetz was suspended at once. He explained he had been informed secretly that department heads were attempting to discharge him.

Mayor Frank Grise arranged for the public hearing today after the board members resigned.

Emra Ireland, former city judge, was placed temporarily in charge of the police department, pending outcome of the hearing.

NEGRO LEADER NAMED

F. B. Ransom Is Chosen to Head State Democratic Bureau.

Appointment of F. B. Ransom of Indianapolis, one of the outstanding Negro attorneys of the state, to be state director of the Democratic Negro activities, was announced today.

Ransom, who is the general manager of the Madame C. J. Walker estate, is conceded to be one of the leaders of his race in Indiana.

MAYOR DALE TO GIVE NEW FEDERAL BOND

Muncie Boss to Appear in Court Tuesday, His Attorney Asserts.

By United Press

MUNCIE, Ind., Oct. 3.—George R. Dale, Muncie's "ousted" mayor, will appear in court Tuesday and give a new bond to replace the one which was posted for him last spring after his indictment on charges of conspiracy to violate the prohibition laws, his attorney, William A. McClellan, announced.

Dale has been absent from the city since last week and McClellan said he had been in Chicago arranging the bond.

William F. France, former safety board president, signed the original bond. He was ousted from office by Dale last week when he tried to get Dale to go to Chicago and surrender to the federal court of appeals.

'GRAND HOTEL' DRAMA LANDS TWO ON FARM

Battle Waged Without Grinding Cameras, City Court Is Told.

Without benefit of klieg lights or sound effects, the Grand hotel, 105 South Illinois street, was the scene of a film-like drama all its own last week, according to a story aired today before Municipal Judge William H. Sheaffer.

And as result Don Carson, 30, ex-pugilist, and Lawrence Nichols, 33, participants in a brawl in the hotel lobby last week, were convicted of assault and battery, fined \$1 and costs, and sentenced to thirty days on the state farm.

The fight, witnesses testified, started on the third floor, raged into the first floor corridor, then back again, with several persons receiving bruises from flying fists.

Now is the time to take a good tonic. Koloidal Iron will purify your blood and build up your system. Sold and Guaranteed. HAAG'S CUT-PRICE DRUGS.

15-CENT STATE TAX RATE GETS OFFICIAL O. K.

Action Taken Despite Plea of Zoercher, Warning of Big Deficit.

By United Press

Despite the warning of Phil Zoercher, veteran tax commissioner, that there will be a deficit of nearly \$1,500,000 in the state general fund, the statutory 15-cent tax rate was approved officially in the office of Governor Harry G. Leslie today. For the first time, reporters were barred from the conference where the decision was made.

Zoercher's fellow-commissioners, Chairman James E. Showalter, and Pliny Wolfard, recommended the 15-cent rate, since no other would meet approval of Governor Leslie or Floyd E. Williamson, state auditor.

The 15-cent rate, part of the \$1.50 property-tax limitation law, was upheld in an opinion from Attorney-General James M. Ogden.

Far Below Needs

Zoercher pointed out that adherence to the 15-cent rate necessitates a 4.5 cent limit to the general fund levy, which is scarcely sufficient now at 7 cents and must be made to meet an additional billion-dollar drop in assessed valuations in the state.

The 15 cents will be divided as follows:

Fixed levies, 8.1 cents; teachers' retirement fund, 2.4 cents, and state revenue, 4.5 cents. Fixed levies include the state tuition tax, 7 cents; war memorial, 4 cents; forestry, 2 cents; George Rogers Clark memorial, 15 cents and the state board of agriculture, 35 cents.

Commenting on the 4.5 cent general fund levy Zoercher said:

"A state rate of 4.5 cents will leave a deficit on Oct. 1, 1933, of about \$1,034,825 to \$1,384,825, which deficit can be foreseen plainly and will not be a casual deficit. This was evident to the legislature when it passed the law limiting the total rate for all purposes to 15 cents on each \$100."

Suggests 12.5-Cent Levy

Declaring that he did not agree with the attorney-general's opinion, Zoercher asserted that after voting the 15-cent rate, the special session passed a \$12,000,700 budget bill and this should supplant the former action.

The new budget represented a saving of \$2,415,977 over regular session appropriations, he pointed out. He suggested a 12.5-cent common fund levy to "save the situation."

This would bring the total rate to 23 cents. Present rate is 20 cents.

In making his plea, Zoercher emphasized that he was not opposed to property tax limitation at \$1.50, but that, first, revenues should be augmented by levies on intangibles and income and luxury sales taxes.

Widening Bids Received

Bids for widening and paving of East New York street between Highland and Arsenal avenues, were received today by the board of works. Contracts will be let Wednesday and work will be started soon, board members said.

"I wanted a clear skin— I got it . . . and a happy home, too"

If you long for a better skin . . . or strength to overcome that so-called tired-feeling, why not pause a moment and reason in a common-sense way what may be the cause of your trouble and its relation to the blood

THERE is no secret as to how to

have a clear skin—in most cases it comes from within. That is just why you may need S.S.S.

This time-tested tonic has brought happiness and joy to thousands. To some it has meant freedom from pimples and boils . . . to others it has meant a restored appetite and improved digestion—to all it has meant greater vitality.

The reason for this is that S.S.S., in addition to being a valuable general tonic, has the special property of increasing the red-cells and restoring the hemoglobin content of the blood, when deficient.

Hemoglobin, in the red-cells of the blood, plays an important role in body vitality and in combating skin troubles—it acts as a carrying agent to take oxygen from the lungs to all parts of the body—even to the skin—and carries off the waste product.

Overwork, worry, colds, sickness and diet neglect frequently reduce the red-cells and the hemoglobin content of the blood—and when these are reduced the body and mind are not normal.

this means much to you

The right amount of hemoglobin in the blood makes a vast difference in the way you feel and look. It means sufficient oxygen . . . better assimilation of food . . . more energy . . . and more resistance.

pimples . . . boils

tend to thrive when the system is in a run-down condition due to a deficiency of this vital hemoglobin, causing a lack of oxygen and an excess of poisonous carbon dioxide gas.

even the appetite

lags when there is not enough hemoglobin.

Constipated? Then take KLOK-LAX the sure laxative—"acts on time" (18 tablets in gold and black box—35¢).

S.S.S. builds sturdy health

Addresses Prison Parley



Miss Elizabeth Munger, superintendent of the Connecticut state farm for women at Niantic, Conn., spoke this morning at the opening session of the sixty-second annual congress of the American Prison Association at the Claypool. Her subject was "Effects on Discipline."

STATE LEGION CHIEFS TO AID BONUS BATTLE

Intensive Fight for Payment at Once Is Promised by Commander Nelson.

An intensive fight for immediate cash payment of the soldiers' bonus will be made by the Indiana department of the American Legion, as mandated by the national convention at Portland, Ore. William O. Nelson, Anderson, newly elected state commander, stated Sunday.

Nelson and other new department officers were installed in their offices at the meeting.

"Even critics of the legion's action in asking bonus payments should get some consolation in the fact that it will take the initiative of the movement away from a disorganized group such as visited Washington last summer," said Nelson.

"The Legion's action places the fight in the hands of intelligent and representative men from each state, such as make up the national executive committee of the legion."

Nelson's stand was backed by three former state commanders, Fred A. Wiecking of Bluffton, Floyd L. Young of Vincennes and Clarence A. Jackson of Newcastle.

Denounces Economy League

Jackson denounced the National Economy League, which has announced its intention of seeking a decrease in benefits to ex-soldiers.

"I have it authoritatively," Jackson declared, "that Admiral Richard E. Byrd, who heads this organization, draws not only retirement pay but disability allowance as well from the government. And he was able enough to fly over both poles."

"Half a dozen leaders in the organization are getting \$5,000 to \$21,500 a year retirement pay and disability allowance," he said.

Officials were installed by Wiecking. Besides Nelson, those who took office were J. E. McCurdy of Laport, northern vice-commander; Maurice Harr of Princeton, southern vice-commander; Howard P. Robinson of Franklin, finance officer; Wilbur Donner of Greencastle, judge advocate; the Rev. S. J. Ryder of Ft. Wayne, chaplain, and Karl Burkhardt of Peru, sergeant-at-arms.

Seek 33,000 New Members.

Ollie A. Davis of Tipton, state adjutant, announced that 33,000 new members will be the aim of the Legion membership drive this year.

Bowman Elder, chairman of the finance committee, announced the budget for the coming year. It was adopted.

Report of the national convention was presented by Dr. A. C. Arnett of Lafayette, national executive committee member from Indiana.

Date for the annual fall conference was set for Nov. 13 in Indianapolis. More than 800 past commanders will attend.

HOSPITAL HEAD NAMED

Mrs. Esther Fraser Appointed Manager of Methodist's Hotel.

Mrs. Esther Fraser, Princeton, has been appointed manager of the Methodist hospital hotel and tea-room department, which just has been moved from the sixth floor to the west wing of the main floor, where all rooms have baths.