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## HOOVER SALES TAX PLEA TO BE REJECTED

Democrats to Answer 'No,' Backed by Roosevelt's Strong Opposition.

WARNS OF HUGE DEFICIT

President Declares Levies Must Be Raised and Expenses Reduced.

BY RAYMOND CLAPPER  
United Press Staff Correspondent

WASHINGTON, Jan. 18.—Despite President Hoover's new budget warning, Democratic house leaders still are opposed to the general manufacturers sales tax.

They are having trouble in making major reductions in expenses. So it is largely on deaf ears that President Hoover, in his latest budget message, released late Tuesday, thundered a call to make both ends meet by joining new taxes and economies.

Unless President-Elect Roosevelt should reverse himself in his conference with his legislative generals here Thursday, the Hoover program for handing the government over to his successor with expenses and income balanced appeared today to be doomed.

Roosevelt Is 'Horried'

When Democratic leaders recently decided the sales tax would have to be resorted to, and it was intimated that Mr. Roosevelt was sympathetic, word came back that he was "horried" at the thought. Hints that income taxes would be made more drastic brought such a quick cry of anguish that this idea promptly was disowned by all parties.

President Hoover's warning, dispatched to congress within a few minutes after the senate had joined the house in overriding his veto of the Philippine independence bill, was to the effect that unless taxes are raised and expenses reduced there will be a deficit of \$920,000,000 to \$1,120,000,000 next year.

It is this period for which congress now is making the annual departmental appropriations. He would raise half of the deficit by new taxes and wipe out the other half by economies.

This outlook confirms the picture drawn in recent United Press dispatches describing where the taxpayers' dollars go.

### Deficit Goes Up

The government ran behind \$900,000,000 in 1931. It fell behind \$2,800,000,000 in 1932. This year it is due to be \$1,100,000,000 short. Plus the estimated deficit for next year, this makes a total of \$5,800,000,000 in four years.

This debt makes it necessary for the government to borrow money by selling bonds and short-term securities. This year it will cost \$725,000,000 to carry the indebtedness alone. Next to the \$1,000,000,000 veteran cost, this interest charge is the largest single item in the national budget.

To reduce it, Mr. Hoover suggested converting high rate Liberty bonds to lower interest bonds.

These are large faraway figures to the average person. They will, however, come home with sharp impact on those who make out income tax returns between now and March 15 and discover that while their earnings have dropped their taxes have multiplied.

### Three Essentials Mentioned

In his message, Mr. Hoover set three essentials:

1. Maximum economies urged in his budget message should be adhered to by congress.

2. No new authorizations or appropriations should be made.

3. Even appropriations recommended should be cut at every possible point.

"I regret to say that the same forces are at work which thwarted the saving of several hundred millions we sought to effect at the last session of congress," Mr. Hoover said.

He added that in appropriation bills already acted upon by the house, an appearance of saving had been made, but that actually the amounts ran \$38,000,000 more than budget recommendations.

### Democrats Strike Back

Democrats immediately accused Mr. Hoover of misrepresenting the facts. Chairman Byrns of the appropriations committee told the house that five appropriation bills had been cut \$62,735,000 more than Mr. Hoover asked last December.

"Instead of spreading it over a few scores of commodities and services at irregular rates, which cause discrimination and hardship between industries," Mr. Hoover said, "it would seem the essence of good statesmanship to apply such a tax generally at a low rate upon all manufactures except upon food and cheaper grades of clothing, and thereby give the federal government a stable basis of income during the period of depression."

### F. H. M'CREA IS DEAD

Veteran of Spanish War Was High Schools Military Supply Officer.

Following an illness of six days, Frank F. M'Crea, 83, Spink-Arms, an army captain in the Spanish-American war, died Tuesday in the Methodist hospital.

Mr. M'Crea for the last twelve years had been military supply officer for Indianapolis high schools stationed in the old powder magazine on the Technical high school campus.

Falls In Suicide Attempt

After grieving over estrangement from his wife, William Williams, 21, of 1025 West Twenty-eighth street, attempted suicide Tuesday night by drinking poison. His condition is serious.

## FIELD TO HEAD BANK



Stanley Field, above, scion of Marshall Field, is the new head of one of the nation's largest banks, Continental Illinois National Bank and Trust Company of Chicago. Fields succeeds George M. Reynolds, resigned.

## GIRL RECOVERS IN SNEEZE CASE

Child Cured After Being Held in Malady Gripe for Week.

By United Press

CHIPEWA FALLS, Wis., Jan. 17.—Specialists said today they believed Daisy Jost's own will power had proved the "cure" for a strange malady which caused her to sneeze three times every minute for almost a week.

Daisy, who is 15 years old and an orphan, was born improved today. She sneezed only a few times each hour, ate, and slept some.

Dr. William E. Henske, attending physician, and specialists who came here from other cities, said they were mystified by Daisy's illness and believed only her own determination had anything to do with her apparent recovery. Numerous other "cures" tried had no effect, they said.

The girl's illness began with a cold about ten days ago, Monday, Jan. 9, she began sneezing, three times every minute, with the monotony of clock beats. The sneezes became less frequent Tuesday and today practically had stopped.

## CARL GUTZWILLER IS CLAIMED BY DEATH

Owner of Store and Baking Company Will Be Buried Thursday.

Funeral services for Carl Gutzwiller, 69, owner of the Gutzwiller Baking Company and the Carl Gutzwiller and Sons department store, who died Tuesday at his home, 3716 Watson road, are to be held at 3 Thursday. Rites will be in the Flanner & Buchanan mortuary, 25 West Fall Creek boulevard, with burial in Crown Hill cemetery.

Mr. Gutzwiller was born in Switzerland and later went to France. He came to Indianapolis in 1883.

Mr. Gutzwiller also was active in social and fraternal life, and was a member of the North American Gymnastic Union and served as a member of the executive board of the union. For ten years he served as president of the South Side Turners Society. He had been president of the Swiss Society of Indianapolis.

## BUILDING CONTRACTOR FEE BILL IS DEBATED

Annual License Is Provided in Measure Before Assembly.

Fate of a house bill which would license Indiana building contractors upon payment of a fee of \$15 for the first year and \$25 annually for renewal, remains undetermined today despite considerable discussion at a meeting Tuesday afternoon of house judiciary committee B. It will be considered at a meeting later in the week.

Opposition to the measure was led by Representative J. Frank Register (Dem., Bloomington) who declared many benefits claimed for the measure could be obtained under laws now in effect, and he expressed fear that enactment of the bill would work hardship on small contractors.

## TAX EXEMPTION ON SMALL HOMES KILLED

Legislature Bill Would Take Levy from Houses Worth Less Than \$3,000

Bill which would have made homes valued for taxation at less than \$3,000, if occupied by the owner, exempt from taxes was disapproved by house committee judiciary B Tuesday afternoon, by the indefinite postponement method.

The bill, introduced by Representative Eugene Martin (Dem., Ft. Wayne), provided that the owner of a home he occupied, which was valued in excess of \$3,000, would pay taxes only on the excess.

Chief objection was that in many small towns, because none could be assessed in excess of \$3,000.

## OLD RESIDENT IS DEAD

Mrs. Mary Barthel, 76, Lived Here All of Her Lifetime.

Funeral services for Mrs. Mary Barthel, 76, lifelong resident of Indianapolis who died Tuesday at her home, 4044 Broadway, will be held at 1:30 Thursday in the Flanner & Buchanan mortuary, 25 West Fall Creek boulevard. Burial will be in Crown Hill cemetery.

Man, 81, Kills Himself

Despondent because of long illness, Joseph Evans, 81, of Clermont, killed himself Tuesday night at his home by slashing his throat with a razor. The widow and three children survive.

## 'RUSH' BILL FOR BONE DRY LAW REPEAL FILED

Emergency Measure Pushed in House; Beer Control Draft Introduced.

NEW BANK CODE ASKED

Elimination of Receivership Evils Are Sought by Survey Board.

The house of representatives was handed a "surprise package of wet goods" today, when an emergency bill for outright repeal of the Wright bone dry law was introduced as a companion measure to the long-heralded administration beer control bill.

Although the repealer bore the signatures of fifty-eight representatives, several members of the house, expecting only the beer omnibus bill, murmured perplexedly over it.

Representative John F. Ryan (Dem., Terre Haute), chairman of the public morals committee and introducer of both measures, rose to explain.

"This measure, gentlemen," he said, "demands immediate and outright repeal of the Wright law."

Applause Greeted Remark

A salvo of handclaps greeted his explanation. Immediately on the heels of the repealer came the beer control bill, which also carries a provision for Wright repeal and medicinal whisky. It bore the names of thirty-three representatives, but three asked to have their names removed.

This trio included Representatives Pat J. Cain (Dem., Ft. Wayne), Charles J. Allard and Aloysius V. Korpel (Dems., South Bend). All are wets from wet centers and favor the legalization of beer.

Withdrawal of their sponsorship was due, they explained, to objections which they term monopolistic features of the measure, which limit the number of brewers.

Provisions for handling of imported beers, they assert, limit the competition that can and should be offered by local brewers.

All Favor Repeal

Cain, Allard and Korpel all favor immediate Wright law repeal.

Submission of the Wright repealer along with the beer bill was dictated, it is understood, by a desire to insure immediate action and not have it tied up solely in the beer bill, since the latter could not be operative until congressional action affecting beer legalization is taken.

Provisions of the beer bill are unchanged from the order in which they came from a final parley of administration conferees.

Also introduced in the house today was the administration measure setting up a new bank code, dealing in particular with correction of grave abuses in the receivership system of closed bank liquidation.

Product of the study commission for Indiana financial institutions, which conducted a survey of world banking laws, the measure has been called one of the most comprehensive ever designed to revamp bank laws.

Under provisions of the bank bill, the state banking department is abolished and a new non-partisan, non-salaried board of four members would be appointed by the Governor. This board would have full supervision over banks, building and loan associations, petty lenders, credit unions, and other financial institutions.

Given Full Charge

In liquidation of closed financial institutions, the new board would have full charge, subject to review by courts. Another grave abuse the bill is designed to correct is the excessive borrowing by "inside cliques."

In no event, the bill provides, can a bank lend more than 10 per cent of its capital structure to any one borrower. Neither can a bank accept deposits in excess of ten times its capital structure.

Building and loan laws are codified and loans limited to 60 per cent of the appraised value of the real estate. Stockholders would be prohibited from withdrawing more than \$100 without notice, unless the cash reserve of the association equals more than 3 per cent of its total assets.

Mine Bill Killed

The measure was drawn by a study commission of eleven, with Walter S. Greenough, Indianapolis, chairman, and Herman Wells, Bloomington, secretary and research director.

Killing a bill which would have compelled strip mine owners to level ground after removal of coal, and a clash over sending an Indiana delegate to a legislative conference in Washington, marked the forenoon session in the house.

The bill came from the mines and mining committee, with a recommendation for indefinite postponement by the majority, and a minority report, signed by Representative H. Baxter Plew, (Dem., Hymera), urging passage.

The majority report adopted after its signers asserted the bill, if enacted, would impose a burden on the employers of 1,800 men.

W. E. Balch Honored

Election of W. E. Balch, manager of the Indianapolis Merchants' Association, as first vice-president of the National Association of Retail Secretaries, was announced today.

## BARTER SYSTEM FEEDS 100,000 Labor Swapped for Farm Products in California Plan

This is the third of six stories describing remarkable growth of the "Back to Barter" movement.

BY ROBERT TALLEY  
NEA Service Writer

MONEYLESS families in southern California have stopped waiting for prosperity to round that corner.

Aided by fertile fields, willing workers, and co-operation born of necessity, thousands of unemployed in and around Los Angeles have built up a "Back to Barter" system that is feeding 100,000 people in one of the largest and most successful of many such movements throughout the nation.

Their system, known as the California Co-Operative Exchange feeds the jobless, aids business by consuming surplus crops for near-bankrupt farmers, and lifts a large burden of relief that otherwise would have to be met by charity or taxation.

Today, eighty exchanges for the bartering of labor for food and other necessities are operating in Los Angeles and vicinity. There are also many others in other sections of California feeding many more.

Men and women from virtually all previous employment ranks are engaged in the movement.

Some of the leaders are T. W. Grubbs and H. P. Dean, former bankers; Floyd Parker, former contractor; A. Hayden Machon, former office worker; Margaret Campbell, unemployed actress; and Mrs. Bessie Ball Mays, a housewife whose husband lost his job.

Perhaps the reason for the remarkable success of the system is its simplicity.

THE plan originated in a section near Los Angeles, where hundreds were being saved from hunger by welfare bureaus. At the same time, thousands of tons of foodstuff were going to waste all around them.

Market prices were at rock-bottom levels, but men without money and without jobs couldn't buy. Nor could the distressed farmers afford to hire labor to harvest their crops.

The result was economic stagnation, more families being driven to the relief rolls.

Several jobless men, to whom charity was distasteful, had an idea. They went to the farmers and offered to barter their labor for food. The offer quickly was accepted.

As a result, the first branch of the California Co-Operative Exchange was founded. Unemployed men of the community went into the fields and harvested the crops, collected their pay in cabbages, potatoes, parsnips, beans and the like.

Usually, the farmer and the worker split the harvest 50-50. Sometimes the unemployed were given the whole surplus above that which the farmer was able to sell at a profit.

From there on this moneyless system of exchange moved swiftly. Soon the jobless traded their surplus produce for a truck and for space in a warehouse in which to store their vegetables.

Exchanges multiplied. Gradually, small merchants, barbers, butchers, shoe repairers, doctors and dentists were persuaded to swap their goods or services for food. A gasoline company fell into line, even some landlords agreed to accept produce for rent.

UNITS began to barter among themselves. One at San Pedro, harbor of Los Angeles, traded fish caught by jobless fishermen for farm produce. Another at Pasadena swapped oranges for tomatoes.

A large packing house in Los Angeles traded a steer a week to



THIS PLUS THESE EQUALS THIS

NO MONEY, but Plenty of Food Without Charity—The wife and children of a jobless man in Los Angeles are shown here as they received a box of vegetables, bread and milk at a Los Angeles co-operative exchange. The husband's labor paid for it in this extensive southern California system of barter, which is feeding 100,000 persons.

each exchange in return for produce; jobless butchers got out their knives, and juicy steaks returned to the tables of jobless families.

Recently, district leaders of the California Co-Operative Exchange held a state convention and figures presented there told an interesting story.

On the average, a jobless man needs to work only a half day in the fields to obtain enough vegetables to supply his family for a week.

Several exchanges have built up regular vegetable routes, members selling part of their produce for money with which to pay rent and buy clothing.

Men have collected and cleaned innumerable jars and bottles, and in these their wives have preserved food.

When leaders of the growing movement unsuccessfully sought to barter for telephone service between exchanges, unemployed wireless operators offered their services and equipment.

Now many scattered exchanges are in communication. And the wireless operators, many of whom had been out of work for months, are eating regular again.

Of course, all is not yet smooth. Difficulty has been experienced in attempting to extend the barter of vegetables for such items as clothing, shoes and rent.

To the obvious query, "Will Communists gain control of your movement?" one leader replied: "No. We tell our people, 'You have a brick in your hand; will you throw it to smash things, or will you place it in a structure and build?'"

Of course, this barter system

has not eliminated the need for relief work; nobody even hoped for that. But its results seem to have been tremendous.

Here's what W. R. Harriman, superintendent of the Los Angeles county department of charity has to say of barter:

"It is one of the finest things developed in the nation so far to

relieve human suffering. We couldn't possibly find enough money to care for the unemployed if the movement had not started. As it is, we are holding our own."

NEXT: Seattle, where 100,000 jobless and dependents live without money through the exchange of labor and services; Denver, Houston and Waterloo, Ia.

## GENERAL SALES TAX IS URGED BY DYER

Vincennes Legislator Is Speaker to City Rotary Club.

Predicting that the Indiana assembly would not disturb the \$1.50 tax limitation and would fail to pass an income tax law, Representative John Napier Dyer (Dem., Vincennes), told members of the Rotary Club Tuesday that he favored a general sales and service tax system.

All state expenditures would be met from revenues from a sales and service tax, Dyer said.

Education will be placed on a more solid basis by the present assembly, Dyer predicted, with sufficient revenues guaranteed. Educational frills, he said, should be eliminated.

Governor Paul V. McNutt, spoke briefly.

Health Group Organized

Safeguarding of the health of students is the aim of the Student Health Council for Indiana, organized Tuesday in the Columbia Club.

Dr. Floyd Riggs of the Indiana State Teachers' college of Terre Haute, was elected president.

## Barter Bureau Starts Friday

Commencing Friday, Jan. 20, The Times Want Ad Department will inaugurate a "Swap," or Exchange Bureau.

To Readers

If you have anything to "swap" and can not locate a suitable trade in the want ads, you can phone or visit The Times Want Ad department for complete information on swaps that have been offered during the previous two months. Just ask for the swap bureau and describe your want.

If then you have not found a suitable "swap" or trade, just place a small "swap" ad—costing only 3 cents a word. Your swap will be listed FREE in the swap directory for two months.

Phone Your "Swap" Now to RI. 5551

## Fortune Built on Matzoths; Matriarch Is Benevolent Ruler Over 300 of Her Kin



Mrs. Ignaz Margaret and her family. Mrs. Margaret is now a grandmother, when they arrived from Hungary in 1885.

BY MARGUERITE YOUNG  
Times Staff Writer

NEW YORK, Jan. 18.—A modern matriarchy built on matzoths!

The story unfolded as Mrs. Regina Margaret, the matriarch, sat and talked of the rise of her family and her fortune today, within a red brick factory at 389 East Fourth street.

She has six children, nineteen grandchildren and five great-grandchildren—and it is her proudest boast that "thank the Lord, they are all married, those old enough, and all happy."

Neither they nor any of their 300 kin ever has rebelled against her ministrations toward settling them in matrimony, she said, nor against any religious or family tradition.

She, her son said, "signs the thing." She was 70 this week. Nearly fifty years ago she ar-

ried in New York with her husband, her father, Jacob Harowitz, her mother and four brothers. She wore a wig (Orthodox Jewesses shaved their heads because they were supposed to be unattractive to all men save their spouses) and she still wore it today.

"I didn't want to change," she said, "because my father-in-law was a rabbi."

Old Jacob Harowitz set up a small bakery on the spot where the factory stands today. They came from Miscolca, near Budapest. The

family's tiny home in front of the bakery was where they sold their matzoths. Two years later his father died.

"I was his right hand," said Mrs. Margaret, "so the burden fell on me. Just before he died he drew all his family together and told us, 'Let there be sholombais—you know, peace in the household—in the family. With one finger you can do nothing. With a whole hand together, you can succeed.' And that is how it has been with us."

The first season they used fifty barrels of flour for their matzoths. By 1900 it was 15,000; by 1915, 22,000; by 1932, 45,000. Two years ago they reached their goal of \$1,000,000 gross a year.

And the depression?

"It would still be a million," explained Mrs. Margaret, "because, you see, before it was a little more. And we hope to do better this year."

Six months a year they prepare the matzoths which are consumed by Orthodox Jews in about eight days of the Passover season. They send them to jobbers throughout the United States.

They send them to Mexico, have a representative in every European country, in South Africa, even to Soviet Russia. They sent 40,000 pounds last year with official permission.

"And we hope to do double that, or triple, this year," she noted.

## CALAMITY FOR STATE SEEN IF BEER RETURNS

Anti-Saloon League Leader Prophesies Great Wave of Moral Indignation.

WARNS OF GAS AND RUM

Orgy of Drunken Driving Is Forecast; York Scoffs at Job Gain.

BY JAMES DOSS

"Indiana will experience one of the greatest waves of moral indignation in its history, if the Democratic administration beer control bill passed," L. E. York, superintendent of the Indiana Anti-Saloon League, said today.

"Bitter" denunciation of the bill, which also embodies Wright bone dry law repeal and medicinal whisky, was voiced by the Indiana dry chieftain. The bill is expected to be introduced in the house today.

"This bill," York asserted, "is the forerunner of a general letdown. It will mean the liberalizing of our morals and an appalling increase in drunken driving."

"I don't believe," York challenged, "that some of the men who vote for this bill as an administration measure, realize that they must answer to their constituents. People try to tell me that Indiana has become wet, but I don't believe it."

Prophesies Great Resentment

"There's going to be a great wave of resentment—you can depend on that. This resentment will be even greater in the dry communities, because they won't have opportunity to protect themselves."

"Do you believe the bill should contain a local option clause?" York was asked.

"I wouldn't say it should contain an option clause, but there will be greater resentment in some dry localities because it doesn't," York countered.

Opportunity for 'Drunks.'

"Couldn't a sandwich be a meal? Well, what's to prevent a man going straight from one place to another and getting another sandwich and three more pints of beer?"

"There's no doubt in any thinking person's mind that the depression has brought on a seeming increase in wet sentiment. A lot of people are deluding themselves in the belief that the death of prohibition means the birth of employment."

"Claims that