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Entered as Second-Class Matter  
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BOARD FACES  
FIGHT FOR LIFELeaders in Both Parties to  
Wage Battle to Save  
Commission.

## HIT APPROPRIATION CUT

Safeguarding of Public Is  
Threatened, Declare  
Congressmen.BY RUTH FINNEY  
Times Staff Writer

WASHINGTON, Feb. 2.—Members of both parties in the house rallied today to save the federal trade commission from virtual abolition, proposed by the house appropriations committee.

Representative John J. Cochran (Dem., Mo.), one of the group which has led the fight in the house for governmental economy, will move today to increase the trade commission appropriation for 1934 from \$510,000 to \$1,000,000. The budget bureau has recommended that \$1,109,550 be given the commission. During the present year the commission has been allowed \$1,466,500. Cochran's announcement that he would fight the 65 per cent cut recommended by the committee called forth promises of support from Representative Sam Rayburn (Dem., Tex.), Representative F. H. La Guardia (Rep., N. Y.) and Representative Thomas Amle (Rep., Wis.). Chairman Clifton A. Woodrum (Dem., Va.) of the subcommittee which first proposed the cut admitted the treatment accorded the commission probably had been too drastic.

## Senate Fight Planned

Representative John W. Sumners (Rep., Wash.), ranking minority member of the subcommittee, likewise told the house he had not intended that the work of the economic division should be crippled.

In the senate plans are being made to save the commission. Senators Thomas W. (Dem., Mont.) and George W. Norris (Rep., Neb.) will lead the fight there.

"Year after year, powerful men in the house have tried to end the work of economic division of the trade commission," said Cochran in the house Wednesday.

"They particularly are anxious to now that the commission wants to investigate corporate practices and causes back of the stock market crash."

"This is the only agency of the government that represents the masses of the people. If we don't appropriate funds for writing the report on utilities, how can we legislate to correct the evils disclosed?"

## Tool of Dirty Business

"I fear the committee on appropriations unwittingly lent itself as a tool of dishonest and dirty business," said Representative La Guardia.

"In my own city is a group that wants to put the commission out of business because now it contemplates investigation of corporate practices. The investing public has been misled by millions of dollars, and it is time we protected them."

Rayburn added that in his opinion crippling the commission at this time "would give encouragement to elements in this country that do not deserve to be encouraged."

Meanwhile, the trade commission continued its inquiry into the Insull utility system, disclosing that National Electric Power Company, a sub-holding company in the group, reported a few months before going into receivership that it had a capital surplus of \$4,487,441 and an earned surplus of \$1,070,322.

## Bares 'Phony' Surplus

The commission disclosed that the capital surplus was composed of donated surplus arising through donation and cancellation of a like amount of non-cumulative 7 per cent preferred stock and of \$3,487,442, which is the excess of appraised value over the book value of the plant and property of Cumberland County Power and Light Company.

Regarding the earned surplus, it reported that "if the value placed upon stock dividends and unrealized profits on sales of securities to subsidiaries amounting to \$2,891,957 are excluded instead of a surplus . . . there would have been a deficit of \$1,812,634."

## \$6,000 BUTLER LOAD

## SEIZED BY HIJACKERS

## Machine Gun Bandits Commandeer Truck; Drivers Are Freed.

BY UNITED PRESS

CHICAGO, Feb. 2.—Machine gun hijackers, who told their victims they were watching for a liquor truck, commandeered a load of Wisconsin butter near Palestine today.

The truck, loaded with 32,000 pounds of butter and 1,000 pounds of oil, was valued with its load at \$6,400.

Five bandits, four armed with revolvers and one with a machine gun, halted the truck as it neared Palestine on a trip from West Salem, Wis.

The hijackers, after several hours, released Homer Shaffer, Palestine, and R. Mack, Chicago, drivers of the truck, which was found abandoned and empty in Cicero.

## U. S. EXPORTS SLUMP

## Drop of Almost \$1,000,000 Listed by Commerce Department.

BY UNITED PRESS

WASHINGTON, Feb. 2.—American exports in 1932 were valued at \$1,612,305,818, compared with \$2,424,288,588 in 1931, the commerce department reported today. Great Britain and Canada remained the United States' best customers with purchases of \$288,462,805 and \$241,424,707, respectively, the department said.

Missouri Pardon Asked  
by Modern Jean Valjean

Mr. and Mrs. Glenn Smeeman

## Freed in Colorado, Cleveland Man Goes to Settle Last Debt.

BY UNITED PRESS

JEFFERSON CITY, Mo., Feb. 2.—Glenn Smeeman, twentieth century Jean Valjean, who attained respectability after escaping from prison, will appear here today to settle his only remaining debt to the law—a matter of bond jumping in an automobile theft case at St. Louis.

J. V. Allison, prosecuting witness against Smeeman in a trial in St. Louis seventeen years ago, asked Governor Guy Park to add a Missouri pardon to the Colorado commutation extended earlier this week.

Though Governor Park said he would have no statement until the case is presented, he was believed to look with favor on the plea.

Allison in a letter to Governor Park asked that the Cleveland music dealer be freed because of his "good behavior in the last fifteen years."

Smeeman was sentenced to two years in prison for stealing Allison's automobile, jumped an appeal bond, and later was sentenced to the Colorado penitentiary on another auto charge. He escaped from a road gang, went to Cleveland and engaged successfully in business with a brother.

A year ago, he married a Cleveland society girl, and lived there happily, until exposed recently by a woman reported to have attempted to blackmail him. His wife and brother accompanied him back to the Colorado prison at Canon City. He was freed there Tuesday by Governor E. C. Johnson.

His wife attempted suicide when it appeared for a time that he would be required to complete his Colorado sentence.

OWNERS OF BIGGEST  
HOTEL ARE INDICTED

## James Stevens and Two Sons Held as Embezzlers.

BY UNITED PRESS

CHICAGO, Feb. 2.—James W. Stevens and his sons, Ernest J. and Raymond W., owners of the largest hotel in the world, were indicted today on charges of embezzlement.

Charges against the three were the outgrowth of the failure of the Illinois Life Insurance Company, of which they were directors.

All three men were named in three indictments, two of which contained three counts each and the other two counts.

Specific charges were that the 80-year-old father and his sons embezzled \$200,000 from the insurance company by declaring a \$250,000 dividend when they knew the company was insolvent.

During his final fourteen years he had spent two billion, eight hundred million dollars. The most grinding hundred and eighty million dollars of revenue. The rest had been borrowed.

The new King, Louis XV., being still a child, the problem of what to do fell upon the Duke of Orleans, regent.

The regent variously reduced and readjusted the public debt, but with all that, the annual interest would be eighty million livres—about all of the total revenue—which can be compared with the fact that in America today 38.7 per cent of the federal revenue is consumed by interest.

France was in a bad way. The government deficit for the current year totaled seventy-eight million livres.

"As to the public distress," writes Cochin, "it is sufficient to say that great numbers died the ensuing winter in Paris from cold and famine."

So that he was more welcome in Paris in 1718. Any one able to produce acceptable money out of nowhere was just the man the Regent was looking for.

Law proposed "a vast banking establishment having for a reserved fund all the specie of the country." The Regent could not see that.

But finally Law was allowed to open a private bank at his own expense.

175 WILL FACE  
FEDERAL JUDGE

## Most to Be Arraigned Friday Are Facing Booze Charges.

More than 175 persons indicted by the federal grand jury Jan. 21 will be arraigned before Federal Judge Robert C. Baltzell Friday.

Majority of the defendants indicted are charged with liquor law violations, although ten are accused of narcotic violations, a similar number with counterfeiting and several with postal and banking act violations.

Three officials of the defunct Spencer (Ind.) National bank, charged with misappropriation of funds of the bank, are to be arraigned.

The list also includes two Terre Haute youths charged with stealing a \$24,000 currency shipment from the mails at Terre Haute last September. They are Harold Fasig, substitute mail clerk, and Kenneth Ray Coker, unemployed accountant.

They are alleged to have fled to California, spending several thousand dollars before being apprehended. About \$18,000 of the money was recovered.

Three confederates of Homer Wright, Indianapolis gangster, machine gunner and "king of alky relief" demonstrators here were being indicted the day before he was indicted, also will face the court.

They are Lester Bridwell, Clinton, and John L. Smith and John Mo-line, both of Louisville. They were arrested in southern Indiana while conveying a truck loaded with 700 gallons of alcohol, dry agents charge.

Myrl Myers, Greenwood, charged with threatening to kidnap a Greenwood business man's child unless he were paid a sum of money, is the first person in Indiana to be arraigned by declaring a \$250,000 dividend when they knew the company was insolvent.

DEMONSTRATORS HELD  
FOR IMMIGRATION QUIZ

## Communists Are Blamed for Relief Outbreak at South Bend.

BY UNITED PRESS

SOUTH BEND, Ind., Feb. 2.—Records of twenty-four men and women arrested in Mondays poor relief demonstration here were being investigated by department of labor investigators today with a view toward deporting any who are connected with Soviet Russia in the spreading of Communist propaganda.

Deportation proceedings can not apply to citizens, however, it was pointed out by Oliver Loomis, United States district attorney.

Stella Machulish, 24, leader of the demonstration, is a citizen of Poland, but she was searched here and found Communist literature.

The country within twenty-four hours. Indisposed to return to England, owing to the fact he lately had escaped from Newgate prison, where he had faced death for killing Beau Wilson in an impromptu duel, he had repaired on that occasion to Amsterdam, then the financial capital of Europe.

There he had learned the occult art of turning a small supply of gold into an inexhaustible supply of money.

Banking was a mystery in those days; it might be added still is. The Dutch had established their great commercial power by locking up any gold that came to them in a bank in Amsterdam.

Against this unseen gold they issued warehouse receipts, which passed as so much gold. They paid gold to those who demanded it on bills of exchange, but pointed out that warehouse receipts were easier to carry, and most people accepted the paper.

Beau Law spent five years nosing around this bank trying to learn if it actually had the gold. As Samuel Crowther puts it, "Every one assured him that the bank did have the gold, but since none of his informants had seen it or actually knew how much was on hand, he concluded that a belief in the presence of gold was as good as gold."

THE bank was such a good thing that in December, 1718, the government took it over, paid off the stockholders in specie and made it a royal bank. At once its issue was increased to 110,000,000 livres.

Meanwhile, Law's ideas were developing. He formed his Mississippi company and obtained from the dazzled regent what amounted to sovereign rights to all the vast French possessions in the new world.

The Regent could not see that, but finally Law was allowed to open a private bank at his own expense.

BILL TO PARE  
COUNTY COSTS  
IS INTRODUCEDBoard of Trustees Would  
Supersede Council and  
Commission.

## SIMILAR TO STATE PLAN

Democrats May Discuss  
Idea at Caucus Scheduled for Saturday.

Centralization of county government similar to that under the state plan sponsored by Governor Paul V. McNutt is provided in a bill introduced in the house today. The plan would be optional, inaugurated only through a special election.

The measure, sponsored by Representative Born B. Grubb (Dem., West Lafayette), proposes that a county board of trustees shall supersede the county commissioners, taking over powers and duties of the latter group, as well as those of the present county council.

A trustee would be elected from each township for each 15,000 population or major fraction thereof. Terms would be for four years and salary of a member \$100 a year.

Power to appoint all county officials not enumerated in the state constitution is granted in the bill. Consolidation of all county offices not mentioned in the constitution would be permitted. Salaries of both officials and employees would be set by the proposed board.

The board would have power to make all county purchases, and to appoint township assessors.

Teachers for all schools in a county would be nominated by the county superintendent, with approval of the board, and it would have the power to eliminate from non-teachers two persons, without stating any reason for the action.

Citizens of a county are authorized to petition for an election as to whether they shall adopt the board of trustees plan, or an election can be called on action of present boards of commissioners.

The bill is to be the topic of caucuses Saturday of both house and senate Democrats, according to reports current today.

## Modern Plus

## 1933 Model Home to Be

## the 'Ultra' in New

## Designs.

THE ultra of modernity—will be included in the 1933 model house, according to members of the Indianapolis Home Builders' Association, who saw the plans for the structure Wednesday night at a meeting in the Washington.

Plans for the home, presented by Leslie F. Ayres, architect, show a circular living room, with one whole arc of the room a mass of glass, bedroom windows six feet from the floor, dining room equipped with a bar and other facilities for entertaining guests, and the kitchen sink below a deep bay window.

The house will be shown at the Home Complete show at the state fairground, April 22 to 29.

## PODIATRISTS TO MEET

## Annual State Convention to Convene Here Sunday.

Podiatrists from throughout Indiana and from neighboring states will attend the annual convention of the Indiana Association of Podiatrists Monday and Tuesday at the Lincoln.

Dr. Henri L. Duverges of Chicago, president of the Illinois College of Chiropractic, will speak Sunday afternoon on "Chiropractic Medicines."

Dr. Hal P. Smith of Indianapolis, vice-president of the National Association of Podiatrists, is the toastmaster at the annual banquet to be held Sunday night.

Firemen were helpless because of lack of water. Charnicals were less after the structure was enveloped entirely in flames. Origin of the blaze was not determined.

## LOSS \$25,000 WHEN

## BLAZE RAZES HOME

## Residence of Capitol Airport Manager Destroyed.

Loss estimated at \$25,000 was caused by fire which, Wednesday night, destroyed the home of Elmer H. Jose, president and general manager of the Capitol airport, on Lawrence drive in Breckenwood.

Firemen were helpless because of lack of water. Charnicals were less after the structure was enveloped entirely in flames. Origin of the blaze was not determined.

"The second harmful effect may be upon the workers. Governor Winant of New Hampshire has pointed out that men and women working part time, and, in some instances, even long hours, are little better off in goods or money received than those applying for charity."

"The result is that more and more half-broken people are tempted to accept doles rather than earn wages."

Rauschenbush added, "there is danger that we may stabilize on a peasant level, with disastrous results for every industry in the nation."

"He estimated that of 460,000 women working in Pennsylvania, excluding teachers, 100,000 are getting from \$2 to \$10 a week."

## REGROUPING IS URGED

## State Funeral Directors Back Plan to Reorganize Government.

Proposed reorganization of state departments as an economy move was supported today by leaders of the funeral directors' organizations.

Bert S. Gadd, head of the Indiana Funeral Directors' Voluntary organization, and Luther J. Shirley, president of the Indiana State Board of Embalmers' and Funeral Directors, made the announcement after conferring with prominent members of the groups.

## Ayres' Side Is Given

## Indiana firms would be handicapped by new tax in meeting competition of plants in other states, said B. W. Cooper, controller of the Delco-Remy plant at Anderson.

## Plight of the large department stores was explained by Victor Kendall, of L. S. Ayres &amp; Co., Indianapolis.

## Our company gave \$70,000 to the Community Fund last year out of capital funds. There were no profits from which to take it," he said.

## "The sales tax would cost us \$150,000 a year. It would make it impossible for us to stand our share of such relief activities and, in addition, would force us to reduce our advertising and to slash wages and reduce number of our employees."

## Slight Friction Arises

## The three largest stores in Indianapolis support 14,000 persons and the sales tax probably would force us to discharge hundreds of breadwinners."

## He said his store is employing 1,250 people, only 100 less than in better times when sales were 50 per cent greater, in an effort to prevent unemployment.

## The only friction at the conference arose when William Holland, secretary of the Indiana Highway Construction fund, protested diversion of road building funds from the highway department. He said fees paid by motorists should be used to build roads. His remarks were followed by scattered boos.

## Suggestion that if a new tax is needed to balance the budget, the cigarettes and tobacco be taxed, was made by Louis J. Bornstein, Indianapolis Chamber of Commerce president.

## JAPAN MASSES TROOPS

## Advance on Jehol to Be Resumed, Chinese Leaders Believe.

BY UNITED PRESS

PEIPING, Feb. 2.—Japanese in Manchuria are completing large troop concentrations in spring-like weather with a view to resuming their offensive against Jehol province, consular reports received from Mukden said today.

Spokesman for Marshal Chang Hsueh-Liang said the Chinese were ready for the Japanese advance. Chinese intelligence reports indicated the Japanese were moving southward from Mukden and northward from Shanhaiwan.

## Groundhog Sees 'Shadder;' Skips



Here, there! Lady by the brook! Groundhog's and wife a look. Sees his "shadder" on the water. It means winter and you hide your winter. Hang your clothes on a hickory limb. Till you get the "okays" from him.

## Wrong Relief System Is

## Blamed for Pay Slashes

## Greedy Employers Helped to

## Put Wage at Peasant Level, Senators Told.

BY SCRIPPS-HOWARD NEWSPAPER ALLIANCE

WASHINGTON, Feb. 2.—The manner in which relief now is being administered is helping employers to cut wages to a peasant level and threatens to make this level permanent, Stephen Rauschenbush, director of industrial relations of Pennsylvania, charged today.

Rauschenbush testified before the senate manufacturers' committee, which recently has reported the Costigan-La Follette \$50,000,000 relief bill.

"Wages being paid now often are lower than the standard relief grant—\$4 a week," said Rauschenbush.

"Since no one can live on such wages, the community helps the employer pay his wages—the federal and state governments subsidize, in some instances, low wages and the employers who pay them."

"This subsidy is supported by the attitude of many relief boards of refusing help to any one who refuses any kind of a job."

"The first harmful effect is on the 'good' employer. He either loses out of business, or forced to cut wages."

"The second harmful effect may be upon the workers. Governor Winant of New Hampshire has pointed out that men and women working part time, and, in some instances, even long hours, are little better off in goods or money received than those applying for charity."

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