

The Indianapolis Times

Capital
EDITION

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Mostly cloudy and somewhat cooler with showers tonight and possibly Sunday.

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TWO BLAZES AT BREWERY ARE PROBED

Al Feeney Orders State
Marshal to Delve Into
'Mystery.'

DAMAGE KEPT SECRET

Second Fire Breaks Out
With Guards on Duty
at Plant.

Two fires Friday night and early today in the plant of the Indianapolis Brewing Company, 1330-1340 Madison avenue, are being investigated today by officials of city and state.

Al Feeney, state safety director, announced that he has assigned Clem Smith, state fire marshal, to the case, while another probe has been started by the city fire prevention bureau.

While five guards were posted in the brewery early today following a two-alarm fire which swept through the four-story structure at 6:45 p. m. Friday, another fire started at 3 a. m. today in the malt bins.

"Smith will take personal charge of the investigation," said Feeney, "and I have instructed him to start a probe immediately. Ordinarily, the state does not step in to investigate fires in the city unless requested to by the city fire department."

Brewery employees fought the fire which started in the old wing of the building today until the arrival of the fire apparatus. The owners would not state what the damage of the early morning fire was, but feared that some of the hoppers valued at more than \$2,000 each were damaged beyond repair.

Loss in the Friday night fire was estimated by the fire department to be about \$2,000.

Comments Fire Fighters

John O. Spahr, attorney and spokesman for the International Brewing Company, operator of the plant, commended the work of the salvage corps, stating that its work had saved thousands of dollars' worth of new equipment which just had been moved in, pending start of manufacture.

He pointed out that Paul Fry, state excise director, had not yet granted the brewery a permit to operate. Spahr said that despite the fire the brewery would start operation in about two weeks, employing about 300 persons and would manufacture "good beer."

Less than an hour before the blaze swept through the older portion of the building Friday morning malt bins and elevator equipment were stored. 100 men employed in renovation work had quit for the day.

Flames Shoot Into Air

Flames which shot more than 100 feet in the air enveloped the old wing of the structure. Thirteen pieces of fire apparatus responded to the alarm. Firemen, fighting their way through the dense smoke, soon had the flames subdued.

But brands carried by wind started a half dozen small fires on the roof of the Geisen Products Company, a bottling company, cupping the northern portion of the brewery plant. Firebrands also fell on a dozen roofs of homes north-east of the plant.

Considerable mystery thus far has surrounded the opening of the brewery. Gold Medal beer, the name of the brand originally manufactured by the City Brewery Company, the original owners, was pre-empted when the Home Brew Company began to rehabilitate the plant early in July.

Refused Permit by Fry

Frank May Jr., secretary of state, held up papers of incorporation and Fry refused a permit. At the brewery today, officials said that the International company would operate the plant solely, henceforth. Its officials asserted they had bought the building from John Beyer of Southport.

Spahr said he believed the building was covered fully by insurance against fire loss.

Several weeks ago, an investigation was made by The Times of charges that 75-cents-a-day wages were being paid in rehabilitation of the brewery.

Officers in the proposed corporation admitted that men were being paid as low as \$1 a day for clean-up work.

SUICIDE EFFORT FAILS

Attempting suicide by inhaling gas from a stove, Miss Doris Blake, 24, of 6724 Julian avenue, was found unconscious on the floor of her home Friday night and taken to city hospital. Her condition is not serious.

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RICHARD DIX'S MARRIAGE ON ROCKS



Richard Dix of the movies and his wife, the former Winifred Coe, have separated after two and a half years of marriage. Dix said his wife wasn't interested in movies, and that he wasn't interested in society, hence the split. They have one child, a girl, born early in the year. The couple is pictured here in happier days.

12 Lives Lost as Flood Wipes Out Canyon Towns

udden Cloudburst Brings Disaster to String of Resort
Colorado Hamlets and Fishing Cabins.

By United Press

MORRISON, Colo., July 8.—At least a dozen lives were lost Friday as a sudden mountain cloudburst poured a ten-foot wall of water down Bear creek canyon upon a string of resort towns and fishing cabins.

COAL DEALERS FIGHT LOW PAY

Form Group to Push Up
Wages: Fair Code to
Be Sought.

With several mine wage increases made and others in prospect, Indianapolis' larger retail coal dealers have incorporated the Indianapolis Coal Merchants' Association for the purpose of establishing a code that will compel coal dealers to restore fair living wages to all employees.

The association will serve as a skeleton organization locally for the national recovery act when it becomes applicable to the coal industry. Incorporators are preparing for a reversal of the general business practice during the last few years which has been to force prices downward by reducing labor costs.

Incorporators include: L. F. Shuttlesworth, director of the Indiana Coal Merchants' Association and National Retail Coal Merchant Association; H. L. Dittmer Sr., Polar Ice and Fuel Company; Charles S. Merrick, Muesing and Merrick Coal Company; R. W. Tubbs, Monument Coal Company; V. W. Potts, Gem Coal Company; Earl Z. Sigmon, Sigmon Coal Company, and E. E. Heller, E. E. Heller Coal Company.

ITALIANS STILL HELD DOWN BY WEATHER

Air Squadron Ready for
Hopoff at Any Time.

REYKJAVIK, Iceland, July 8.—Bad weather continued today to hold Italy's air fleet of twenty-four seaplanes, en route to the Chicago exposition. General Italo Balbo was ready for a quick takeoff for Cartwright, Labrador, as soon as conditions were good.

INSPECTION IS BEGUN

Officials of Three Counties Make
Tour After Meeting Here.

Inspection tour of Marion county highways by officials of Madison, Hancock and Warren counties followed a luncheon meeting at the Antlers Friday.

Vornhes, Ernest Mackemmer, Dow Ellis, and J. P. Johnson, contractor, were hosts to the visitors.

Bruce Short, county supervisor, explained to the guests the \$1,400,000 improvement program planned for Marion county in the next year and a half with the proceeds of a government loan.

Arthur Chevrolet Held on Hit-and-Run Charges

Accused of being the hit-and-run driver who lashed an elderly woman and her son with a length of wire cable after sideswiping their car, Arthur Chevrolet, 2911 East Riverside drive, well-known motor manufacturer, was arrested on assault and battery charges Friday night.

Chevrolet was released on \$50 bond and was scheduled to appear today in municipal court three.

He was arrested on an affidavit filed by Fred Freije, 20, of 4102 Cornelia avenue.

Freije said he and his mother, Mrs. Rebecca Freije, were driving in the 4300 block of North Meridian street, Thursday night, when a car attempted to pass from the rear and struck their machine.

A short argument ensued. Freije charged, and the driver of the other car obtained a wire cable length from his car and struck Freije in the face. Freije said the other driver also struck Mrs. Freije in the belt with his fist and belabored her shoulders with the cable.

The other driver then cursed them, returned to his car and drove away. Freije told police, who sought Chevrolet when they found the license plate number given them by Freije corresponded to the one issued to Chevrolet.

PRICES RISING TOO SWIFTLY, CAPITAL FEARS

Wages Must Keep Pace, Is
View of Administration
in Revival Drive.

FIGHT TO STEM OUTPUT

Glutted Market May Bring
Dreaded Collapse,
Warns Johnson.

BY RAYMOND CLAPPER
United Press Staff Correspondent

WASHINGTON, July 8.—Two main worries have thrust themselves up before busy administration officials directing the recovery drive.

One is the rapid rise of prices. The other is the rapid increasing in output.

Energies at the week-end largely were concentrated on these two situations. As to prices, the administration still has a long way to go in its drive to lift them up to normal. They now are about one-third below the 1926 level, which is the general target. But the administration does not want to see this climb all in one leap.

Drive to Get Wages Up

That would make it impossible for persons still on depression wages and salaries to buy goods.

General Hugh Johnson and his recovery administration are driving to get wages up.

It is slow work. The national industrial administrator is issuing blunt warnings that unless wages and salaries are put back to work through shortening of hours, they will not be able to buy.

If they can't buy, goods will pile up in factories and on store shelves. Then there will be another collapse. General Johnson shudders to think what would happen if that should occur.

Restraint Is Urged

Failure of this effort would not bring back the old system, according to the view of many here.

General Johnson says that if the last collapse brought about the present attempt at government directions, the Lord only knows what another collapse would bring about.

What Washington is asking now of business men is patience and restraint. Business men are asked to be content with modest profits, and to hold their production to the limits of probable consumption while wages and consumer buying catch up.

Washington officials are deadly in earnest in this. A glutted market or prices out of reach are regarded in the administration as dangerous. Those who contribute to such conditions are regarded as menacing general recovery.

Stabilization Is Problem

Farm prices are most out of line. They are about 45 per cent below 1926. Foods, textiles, and fuel are about 35 per cent off. Building materials, chemicals and house furnishings are off about one-fourth from 1926.

Hides and leather products suffered least, being about 15 per cent (Turn to Page Three)

FACTOR RANSOM DEAL BLOWS UP

'Pretty Boy' Floyd Said to
Be Member of Gang
Holding Broker.

BY ROBERT T. LOUGHRAN
United Press Staff Correspondent

CHICAGO, July 8.—Two of the west's most feared desperadoes, Charles (Pretty Boy) Floyd and Verne Sankey, are suspected in the kidnapping of John (Jake the Barber) Factor, the United Press learned today.

At the same time it was disclosed that negotiations for Factor's return, conducted secretly since he was abducted a week ago this morning, have collapsed entirely.

FARM PLAN APPROVED

State Hog and Corn Growers Agree
to Reduction Program.

Resolution approving the agriculture adjustment act provision for reducing hog and corn production to raise prices was adopted at a meeting of more than seventy hog and corn growers of the state Friday at the Claypool.

The group named a committee, headed by William H. Settle, Indiana farm bureau president, to attend a national meeting of corn and state representatives at Des Moines, Ia., July 18.

THROW ALKY FROM CAR

Five-Gallon Can Tossed From Auto
During Police Chase.

A grip containing a five-gallon can of alcohol was reported thrown from a small coupe pursued by police after the door of another automobile had been torn off at Twentieth street and Martindale avenue Friday night.

The police lost the coupe at Columbia and Twenty-third streets just after the driver had thrown the suitcase containing the alcohol into the street. A man and woman were reported to be in the coupe.

OBSERVE INDIANA WEEK

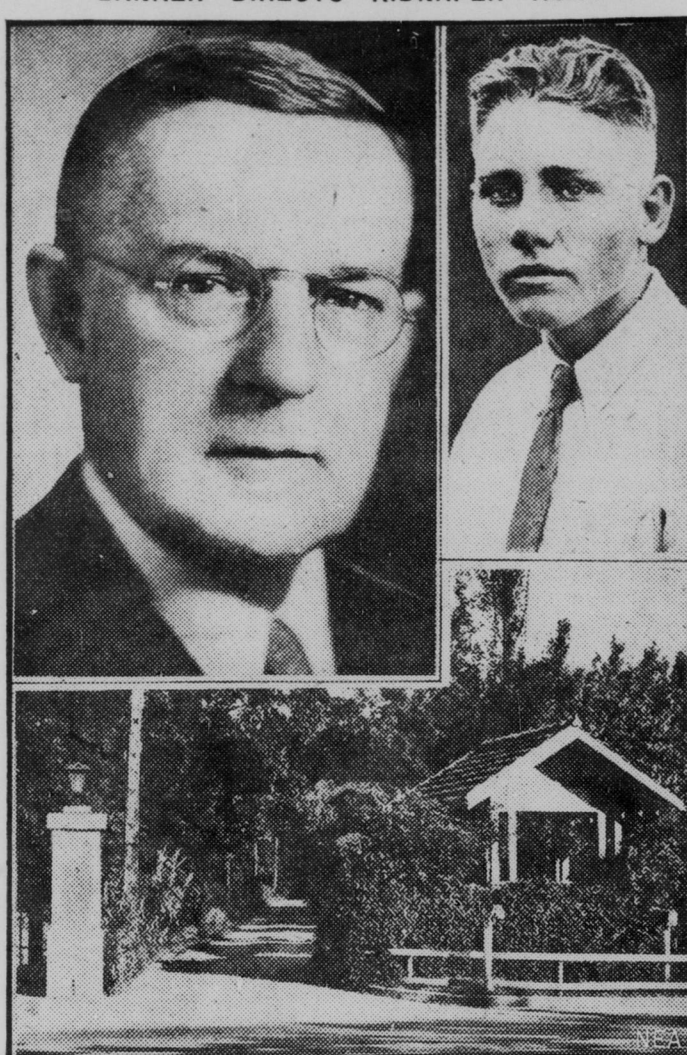
Thompson Chain of Restaurants To
Feature Products on Menus.

Observance of Indiana week the Thompson chain of restaurants will begin Monday, it was announced today by Sampson Shaffer, local manager.

Indiana decorations will be placed in restaurants and products of the Hoosier state featured on menus.

Governor Paul V. McNutt and Mayor Reginald H. Sullivan have been asked to participate in an opening day program.

BANKER DIRECTS KIDNAPER HUNT



John King Ottley, above left, president of the First National bank of Atlanta, Ga., is directing the search for a man who kidnapped him for \$40,000 ransom.

An alleged accomplice of the kidnaper, Pryor Bowen, above right, 17, freed Ottley after the banker had been forced to drive to a desolate spot in the woods in his own car, and the kidnaper had left to deliver a ransom note.

The entrance to Ottley's home, where the kidnaper accosted him, is shown below.

Soviet Plane Speeds to Jimmy Mattern's Rescue

Big Arctic Patrol Ship Roars Up Siberian Coast to Lend
Aid to Marooned Aviator.

BY EUGENE LYONS
United Press Staff Correspondent

MOSCOW, July 8.—A Soviet Russian Arctic seaplane, with a crew of five, roared up the Siberian coast today to the rescue of James J. Mattern, American round-the-world aviator, reported safe at Anadriks, near the Bering strait.

The foreign office received word

that the motor of Mattern's plane was wrecked.

Professor Otto Schmidt, famous Polar explorer and scientist in charge of all governmental Arctic stations, told the United Press today that the seaplane was on its way from Khabarovsk to the barren country where a telegram came Friday signed by Mattern, and saying he was safe.

Chief Pilot Levanovsky is in charge of the heavy plane, and has four men with him.

"I have instructed Levanovsky to find Mattern, and render him all assistance," said Professor Schmidt. "If Mattern's plane was not wrecked, Levanovsky has capable mechanics, who will be able to repair it and permit Mattern to take off."

Certainly Levanovsky is in better position than anybody to establish contact with Mattern.

There is a radio station at Anadriks, but the town is cut off from civilization most of the year and communication is most difficult at all times.

In the Air

Weather conditions at 9 a. m.: West wind, 9 miles an hour; temperature, 80; barometric pressure, 29.94 at sea level; general condition, overcast; ceiling, estimated, 8,000 feet; visibility, 12 miles.

BEGIN HOLIDAY AT FORT

Citizens Soldiers Will Take Vacation
Over Week-End.

Citizen soldiers attending the Citizens' Military Training Camp at Ft. Benjamin Harrison today began a week-end holiday, following a minute inspection of the camp by Colonel William R. Standiford this morning.

The first parade of the camp was held Friday before a large group of spectators.

How the Market Opened

BY ELMER C. WALZER
United Press Financial Editor

NEW YORK, July 8.—Stocks opened active with prices irregular today. The feature was a block of 50,000 shares of Radio Corporation at 11 1/2, up 1/4.

Other blocks ranged up to 5,000 shares. General Electric, a favorite in the late trading Friday, opened unchanged at 29 1/2 on 5,000 shares.

Westinghouse Electric, another star performer in the late dealings of the previous session, opened 2,000 shares at 55, off 1/2.

Steel common receded to 65 1/2, off 1/2; Montgomery Ward 27 1/2, off 1/2; Union Pacific 127 1/2, off 1/2; Dupont 81 1/2, off 1/2; Case 95 1/2, off 1/2; Union Carbide 44, off 1/2; Chrysler 37 1/2, off 1/2; American Can 93 1/2, off 1/2, and Sears-Robuck 44 1/2, off 1/2.

Public Service gained nearly a point to 54 1/2 and smaller advances were noted in Western Union, Standard Oil of California, Columbia Gas, Kennecott and U. S. Smelting. Woolworth rose nearly a point to equal its high at 49 1/2.

JIM WATSON 'BACK OF SCREEN' IN BIG INSURANCE BATTLE

Connection of Ex-Senator With Gigantic
Plan to Take Over Illinois Life
Company Is Revealed.

MILLIONS INVOLVED IN HUGE DEAL

Hoosier Political Leader Said to Be Slated
for 'Director and General Counsel'

of Organization.

BY CHARLES E. CARLL
Times Staff Writer

CHICAGO, July 8.—While 70,000 policyholders of the defunct Illinois Life Insurance Company today await a federal decision on the future of their millions in investments, James E. Watson, Indiana's former senator, is waiting to see if he will add the insurance business to his gains of a varied career.

Watson, The Times has discovered is active in seeking control of the firm that, before its crash nine months ago, was one of the greatest insurance companies in the middle-west.

Its 70,000 policyholders held insurance valued at \$144,000,000 and assets of the company were at the \$44,000,000 mark.

Activities of the former senator, known to his associates as "The Hon. James E. Watson," in the bid for mutualization of the defunct firm with the aid of an R. F. C. loan of \$3,000,000 have been kept secret.

In this city, men who have been interested in reorganization of the company since its receivership last fall were not aware that Watson was involved in the transaction.

He would be, it is said, a director and general counsel for the company.

The group with which Watson is "associated" is known to Judge James H. Wilkerson and his committee of three attorneys, who will make the recommendation on resurrection of the company, as "Hugh D. Hart and associates."

Watson never has appeared before the committee, named by the court, and Wilkerson told The Times that the bid backed by the group had not made its appearance until after open hearings in federal court. It is one of fifteen before the committee.

Although Watson's associates deny that there is any attempt to make money speedily, and that profits on new business of the company, under their mutualization plan will be the only revenue source, expert insurance men of this city say that with a 10 per cent share in the company, when formed, "we never would have to worry about the future."

First admission that Hart and Watson were involved in the attempt to gain control of the company came from General Abel Davis, chairman of the board of the Chicago Title and Trust Company, and receiver for the insurance firm.

Davis, head of a mammoth company in his own right, has been in charge of the receivership since the company crashed.

Three Attorneys Named

Several weeks ago, Judge Wilkerson turned the proposals for rehabilitation of the company over to three attorneys—Will H. Thompson, Indianapolis; Thomas L. Marshall, Chicago, and Sam Swansen, insurance attorney of Milwaukee.

The committee has heard oral presentations on each of the fifteen bids for the company in private meetings and Monday or Tuesday is scheduled to recommend one of them to Wilkerson.

Members of the committee have been silent on the Hart-Watson proposition. They assert, that as agents of the court it is their duty to reach a definite recommendation and present it to Wilkerson. Marshall told The Times that he feared any advance publicity on any of the bids would tend to "panic" policyholders.

(The Times does not know which of the bids will be accepted and does not make the assertion that the Hart-Watson proposition even has obtained serious consideration).

Carlstrom Denies Reports

After the admission from Davis that Watson was in the transaction, The Times correspondent talked with Oscar E. Carlstrom, former Republican attorney-general of Illinois.

Carlstrom immediately denied reports that Hugh D. Hart and associates would rewrite present policies, collecting huge commissions on the first year's business, that might run into millions.

"Our proposal is fair to the policyholders," he said. "We couldn't and wouldn't attempt any such scheme."

"If that was the plan, you wouldn't be a party to it as counsel in these hearings?" he was asked. "I should say not," he replied.

Would Tear Up Proposition

"You'd tear up the proposition?" "I'd tear up the proposition," he answered. "No man with any self-respect would attempt such a thing and still face one of those policyholders."

Carlstrom explained that Watson had been here recently and was one of the "associates." He also confirmed the fact that Watson had not appeared at committee hearings.

Carlstrom said Patrick J. Hurley, (Turn to Page Six)

RACE TRACK Selections

BY O. REVILLA

LATONIA RACE TRACK, COVINGTON, Ky., July 8.—The Whitney-Goldblatt combination again is elected to furnish one of the good things of the meeting, in Pantaloons in the fourth. No doubt J. Mayer will be in the leather, as they will be going for the money.

The big race of the week will be run in the sixth, known as the Quickstart Handicap. Several late arrivals swelled the entry list to twelve which will face Starter Bill Hamilton today. They are:

Horse. Weight. Jockey. Odds. Morning line.

*Panche Lopez 105 Mayer 6-1

*No More 115 No boy 15-1

*Morrell 105 Callahan 8-1

*Supreme Sweet 102 Allen 6-1

Leros 105 Miller 8-1

*Maroon 102 No boy 6-1

Isiah 104 Rennie 8-1

Gift of Roses 97 Arnold 3-1

Jesse Bear 97 South 3-1

Pancoat 106 Laidley 10-1

*Mrs. W. E. Schmidt, Superior Stable entry.

*Le Mar Stock Farm entry.

A mighty fine array of horse flesh running for \$2,500 added and figures show Clarence Davidson's No More should step right out and do it, although figures do a lot of funny things, especially in handicap races. The big Hoss Cambridge-shire, from Cuba, looks like a repeater in the fifth and Monty M should cop the third.

The best looking thing on the Arlington card is Jovius in the sixth. If the track should change to soft, Charley O would take his place.