

\$1,000,000 EMBEZZLEMENT IS CHARGED IN BANK REPORT TO JUDGE COX BY RUCKER

Prosecution of State Savings and Trust Officials Is Urged by Special Investigator for Circuit Court Head.

(Continued From Page One)

and to losses sustained before the depression was at its worst.

In urging civil suit to recover on the statutory bonds of the bank's officers and of the then banking superintendent, Mr. Rucker says that, without the money which may possibly be recovered on these bonds, there is no chance of a dividend to depositors.

Report Is Quoted

The bank closed with \$1,435,955.22 on deposit. The assets on closing were, according to Mr. Rucker, "NOTHING." (The capitals are his.)

Mr. Rucker quotes a report from the bank to the state bank commissioner in 1930 as listing the following officers and directors:

Officers: Scott R. Brewer, president; James A. Houck, vice-president and treasurer; G. F. Miller, secretary; Kathryn Holland, assistant secretary; Myron S. Harlan, vice-president; E. Kirk McKinney, vice-president; Don E. Brewer, bond department manager; Hiram D. Keen, trust department manager; Joseph T. Brady, savings department manager; R. A. Franke, rental department manager; Thomas O. Caulkins, safe deposit department manager.

Directors: Mr. Brewer, Mr. Harlan, Mr. Houck, Mr. McKinney, Edgar Ashby, William A. Pickens, Clarence C. Wyson.

Makes "Urgent" Suggestion

One director is charged by Mr. Rucker with possibly inducing a depositor to deposit \$20,850 in the bank approximately ten days before it closed by telling him the bank was sound.

Mr. Rucker suggests that the director may have—or should have—known of the bank's alleged insolvency at that time.

His report contains an urgent suggestion that civil suits on the officers' bonds and on the former bank commissioner's \$25,000 bond, and all criminal action be instituted as soon as possible, since, in several instances, the statute of limitations will intervene within a few months.

Mr. Rucker, who again criticizes Mr. Wilson and on earlier reports, suggests that the prosecutor's office may wish to have affidavits sworn out to avoid the delay of grand jury proceedings.

His criticism of the prosecutor's office in this report lies in the fact that it tried Melville S. Cohn, vice-president and director of the Meyer-Kiser bank, on embezzlement charges growing out of a transaction involving a subsidiary corporation rather than under the bank's embezzlement act.

Covered by Law

This law covers the receipt of deposits with knowledge that a bank is insolvent, and it is Mr. Rucker's contention that, while Mr. Cohn was convicted, the conviction would be surer under the bankers' embezzlement act.

"It would appear from the facts disclosed," writes Mr. Rucker, "that the bank commissioner has been grossly negligent and would be liable at the suit of the receiver and, to my view, of the losing depositors."

"The trust company should have been deprived of banking rights in 1924, or 1925, if the documents speak the truth."

"The bank commissioner reported in December, 1929, that the subsidiary, the State Property Company, was then insolvent, the paper of which was the bank's major asset. He must have known the solvency for years before the closing, or, at least a year before, when its own records showed the same."

Another portion of his report suggests the possibility of prosecuting some of the officers for perjury in the making of an alleged false report to the commission. This, he suggests, might be held in reserve in case of failure of a main prosecution of which he writes:

"It is fairest to the state, the defendants and depositors that the principal and actual trial indictment be under the bankers' embezzlement act. This act pertains especially to the banking offense."

Legislation Is Mentioned

"The latter are entitled to know how they lost their money; the facts, if ever portrayed publicly, would induce needed legislation making the banking department a useful institution, banks safer, confidence more secure and protection to the honest banker from wild-catting competition."

"It appears that the entire sum of deposits held at the time of failure, namely \$1,435,955.22, was received by officers when, to their knowledge, the bank was insolvent."

Mr. Rucker, who acknowledges indebtedness to the depositors committee for the mass of facts set forth in his report, also goes into the fine detail of the procedure of prosecution he suggests.

"The evidence shows," he insists, "that it was not the depression, but bad banking and insolvency for years before the closing that wrecked the State Savings and Trust Company."

"During all this time, in violation of another express statute, the executive officers kept open their doors and received hundreds of thousands of dollars in deposits, knowing that they never would be returned."

Talks of "Humanities"

"Not only did the executive officers actually know of the insolvency, but their very duties imperatively required them to know it."

Of the feasibility of embezzlement proceedings, Mr. Rucker writes:

"The state as well as the defense has the right to invoke in a proper case the 'humanities.' This it may do... by showing the loss of \$1,500,000 of the small man's deposits; it may show gross insolvency and ultimate and final disaster, as distinguished from the evidential rights of the state in other forms of charging."

Mr. Rucker denounces as false the bank's business sheet for the

last day, which shows \$2,471,639.47 in assets with \$2,054,393.56 in liabilities, leaving a listed excess of \$417,245.91 assets over liabilities. The special investigator characterizes this excess as "altogether a paper one."

Summaries presented by him tend to show that the liabilities remained as listed, while the bank "had no assets whatsoever."

Mr. Rucker points out that one of the law's prescribed tests of solvency is the ability of a financial institution to liquidate over a reasonable period of time and that, in the four years since closing, two receivers have been able to realize only \$108,781.27.

SLEEP SICKNESS WAVE ALARMING

State Asks Federal Aid to Check Epidemic; Four Dead Here.

With sleeping sickness cases having reached "an alarming stage" the state health board today announced it had appealed to federal health authorities to take charge of a campaign to halt the epidemic.

New cases were reported yesterday at Hartford City and Muncie. Several deaths and a number of persons ill with the disease have been reported in Evansville. Four deaths have resulted from the strange illness at Indianapolis.

The exact number of deaths in Indiana from the disease was not known by the state health board, but Dr. Thurman B. Rice, state epidemiologist, estimated that at least fifteen persons had succumbed. The malady first was reported in Evansville. Dr. J. W. Jackson of the state health board staff was sent to the southern Indiana city last week to investigate the epidemic. He was given orders "to isolate all cases."

Dr. Rice said the disease affects persons in different ways. Some patients drop into a deep sleep or stupor and remain that way while others can not sleep. Some are affected with a form of paralysis.

He said the only thing which will curb the spread of the disease is cold weather.

'PEEPING TOM' GIVEN 90 DAYS, FINE OF \$10

Negro Is Convicted, Sent to State Farm by Judge.

Caught peeping into the windows of a nurses' home at 1232 West Michigan street, Otis Lovelace, Negro, 1049 Holburn street, was convicted in police court yesterday and given a sentence of ninety days on the Indiana state farm and fined \$10 and costs by Municipal Judge Dewey Meyer.

Lovelace was identified by a detective as the same man who was convicted in 1932 on the same charge, under the name of Robert Price.

PARKED CARS LOOTED

Clothing Valued at \$70 Taken from Woman's Auto.

Clothing valued at \$70 was stolen from the automobile of Mrs. Harold Powell, 5335 Broadway, parked near the Riverside golf course last night, according to police reports.

Other thefts from parked cars last night were those of articles valued at \$45 from Bertie Anderson, 219 Hampton drive; articles valued at \$20 from Mrs. Cecil Morris, 2630 College avenue, and clothing valued at \$29 from Ora A. Thomas, 339 West Thirtieth street.

ASKS \$10,000 DAMAGE

Suit Is Filed by Woman Against Street Railway Company.

Claim for \$10,000 damages was filed in superior court yesterday by Mrs. Bertha McCallister, 3908 East Washington street, against Indianapolis Railways Inc.

The suit alleges Mrs. McCallister was injured when her husband's auto and a company bus collided at Delaware and Thirtieth streets on Jan. 14.

LIQUOR MEN TO MEET

Federal Officials to Address Wholesalers at Conference.

John E. O'Neill, Joseph de Ganahl and A. L. Lacy, federal alcohol control administration officials, will address liquor wholesalers from all over the state at 8 o'clock tonight in the Claypool. The discussion will be concerned with liquor code problems.

SCHOOL BUS WRECKED

Twenty-One Children Bruised as Carrier Hits Pole.

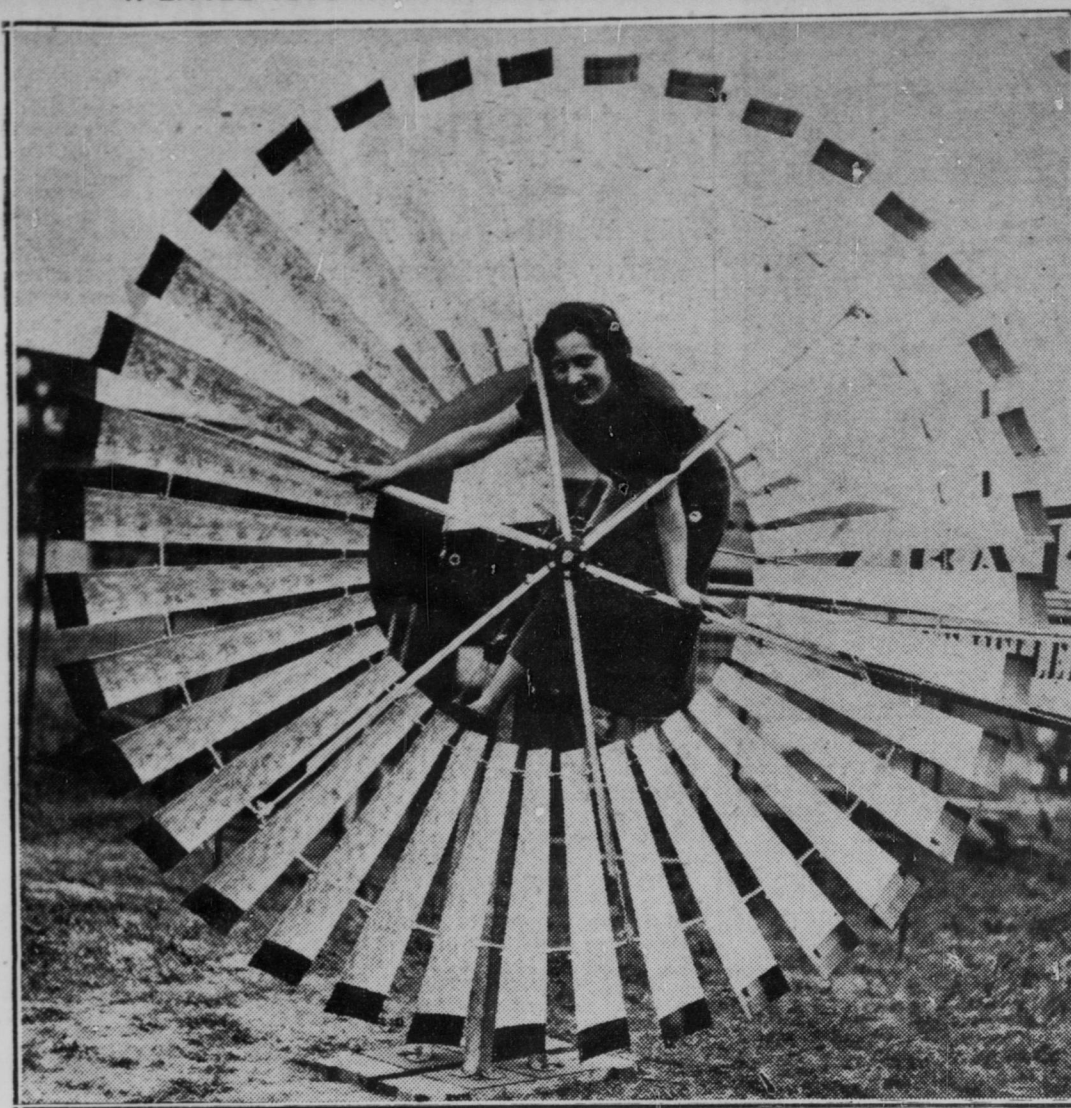
ALBION, Ind., Sept. 5.—A school bus left the road and crashed into a utility pole south of Skinner Lake yesterday, injuring one girl and bruising thirty other children.

Virginia Waites, 17, suffered leg injuries. Forrest Hoffman, 30, was driving the bus.

Adventurer's Diary Found

ST. JOHN'S, Newfoundland, Sept. 5.—A tin can, containing the diary, a chart, and the pilot book of John Smith, who set out two months ago from Peterboro, Ont., to cross the ocean in a canoe, was picked up today in St. John's Bay. The canoe itself was found, floating near the northwest coast, ten days ago.

A LITTLE TOUCH OF DUTCH IN THE STATE FAIR ATMOSPHERE



Blue-ribbon pigs, cows, chickens, dogs and horses are not the only attraction at the Indiana state fair, as Miss Rose Marich will testify. Attending the fair for the first time, Miss Marich enjoyed the windmill, through which she is shown peering, together with all the other farm implements.

30-CENT TAX RATE APPROVED

Objections to Age Pension Appropriations Are Rejected.

Rejecting objections to appropriations for old age pensions and bond refunding, Marion county council today adopted the 1935 budget.

The 1935 county tax rate is 30 cents, one of the lowest in county history, according to Auditor Charles A. Grossart, whose recommendations for budget slashes were adopted by the council.

At the same time, the council adopted ordinances providing for the issue of \$352,800 county refunding bonds to meet 1935 maturities for which no funds are made available in the new budget.

During budget hearings yesterday, Fabian W. Biemer, chief deputy auditor, explained that refunding was decided upon because a favorable market for the securities exists and because debt requirements until 1940 will be reduced annually.

The refunding policy will equalize sinking fund tax levies for the next five years, Mr. Biemer declared. The policy drew the objection of Virgil Sheppard, chamber of commerce research bureau director, who said the refunding of bonds was unnecessary because tax reduction could be accomplished without omitting sinking fund items.

Harry Miesse, Indiana Taxpayers' Association secretary, complimented the county council and Mr. Grossart for their work in reducing the tax burden. His only objection to the levy, he said, was the inclusion of items for financing delinquent taxes.

The 1935 levy is 26 cents lower than 1934 on each \$100 of taxable values.

MASKED BANDIT GETS \$260 LOOT IN HOME

Robber, Surprised at Work, Holds Man at Revolver Point.

Police today are searching for the masked bandit who ransacked the home of John J. Gilchrist, 4433 Guilford avenue, last night and held Mr. Gilchrist at the point of a revolver when he surprised the bandit at work.

The bandit escaped with articles and cash totalling \$260. Mr. Gilchrist walked in the door and was met by the burglar, who ordered him to place his money on the table. While Mr. Gilchrist was doing this the bandit became frightened and fled.

SENATOR PITTMAN IS VICTORIOUS IN NEVADA

Roosevelt Aid Easy Winner in Democratic Primary.

By United Press
RENO, Nev., Sept. 5.—Senator Key Pittman of Nevada today was assured of the Democratic senatorial nomination after easily outdistancing two opponents in the Nevada primary yesterday.

With more than half the state's 247 precincts reported, Senator Pittman had 5,946 votes to 2,531 for H. R. Cooke, Reno attorney, and 1,006 for Bob Moore, Las Vegas attorney. Senator Pittman has represented Nevada in the senate for twenty-two years and is recognized as one of President Roosevelt's "right-hand men."

A Package a Day Fights Tooth Decay!

ORBIT
Vitamin "D" Gum

You need Vitamin "D," rarely found in every-day foods, to fight tooth decay. Children need it for strong bones. Get Vitamin "D" in this new delicious way. 5c a package everywhere.

SACRED HEART CHURCH TO STAGE CARNIVAL

Three-Day Fair to Be Held Tomorrow, Friday and Saturday.

Sacred Heart Catholic church will sponsor a three-day carnival tomorrow, Friday and Saturday at Union and Palmer streets to obtain funds for improvements on parochial schools.

Features of the carnival are the carnival queen contest, the winner of which will receive a trip to the world's fair, exhibition boxing matches Friday night and dancing each night.

FLOWER MISSION TO SEEK \$54,228 FUND

Goal Is Set for Hospital Unit Drive.

A goal of \$54,228 has been set in the Indianapolis Flower Mission's campaign for funds for a tuberculosis unit at city hospital, it was announced today by Frank B. Planner, campaign chairman.

The \$54,228 to be raised by public subscription will be combined with an equal amount now in the mission's possession and with a public works administration grant of 30 per cent of construction cost to raise the \$141,908 which, it is estimated, will be required to build the tuberculosis unit. The unit will be a two-story structure capable of accommodating 102 patients.

The mission directors' board will meet at 10 tomorrow in campaign headquarters, 719 Chamber of Commerce building.

PRIEST WILL GO EAST

Father Bastnagel to Resume University Duties.

The Rev. Clement V. Bastnagel will return next week to Washington to resume his duties as professor of canon and civil law at the Catholic University of America.

He is a priest of the diocese of Indianapolis and has been stationed here this summer to assist in pastoral duties at St. Peter and Paul cathedral.

Father Bastnagel is a native of Evansville and will visit relatives there before returning to Washington.

TRAVEL BY INTERURBAN

SAFE

because YOU ARE PROTECTED BY WALLS OF STEEL

All-steel coaches make your seat on the interurban as safe as your favorite chair at home. There are sturdy walls of steel between you and danger. You can relax as you ride, without road fatigue or driving strain. At the 1 1/2c a mile round trip fare, the interurban is cheaper, too, than driving an automobile.

COMPARE these interurban fares with automobile costs			
FROM INDIANAPOLIS			
To	One Way	Round Trip	
Louisville	\$2.34	\$3.51	
Pt. Wayne	2.47	3.71	
Terre Haute	1.44	2.16	
Richmond	1.37	2.06	

INDIANA RAILROAD SYSTEM

TRAVEL by INTERURBAN

CHEAPER than your automobile

KYLE CANDIDATE OR PRETENDER, BOARD PONDERERS

Court Test May Be Needed to Settle Dispute Over State Post.

BY JAMES DOSS
Times Staff Writer

Some enterprising taxpayer, of either party, with a bent for public service, can come to the rescue of the state election board and help straighten out a very vexing situation.

The problem before the board is whether to place on the election ballots, which must be printed soon, the name of Joseph Kyle, Gary, Republican candidate for Lieutenant-Governor.

The Democrats contend that Mr. Kyle is a sort of political "bride in name only" and is just a pretender to office. Democratic leaders say the office of Lieutenant-Governor is not at issue this fall and is being filled by Mr. Clifford Townsend. So does Mr. Townsend.

However, the Republicans are equally insistent that Mr. Townsend is just an interloper and no longer Lieutenant-Governor because he vacated the post by becoming state commissioner of agriculture under the McNutt reorganization program.

Two Courses Open

The Republicans say that Mr. Kyle was nominated duly in the Republican state convention and that to deprive the electorate of the right to vote for Mr. Kyle, who is a very popular fellow, would be heinous, indeed.

So there you are and so is Mr. Townsend, Mr. Kyle and the election board. This is where the enterprising taxpayer with a bent for public service could enter the scene with a fanfare of trumpets.

Political experts say two courses might be adopted. A Republican taxpayer could file suit to mandate the election board to place Mr. Kyle's name on the ballot. Or, equally effective, a Democratic taxpayer could file suit to enjoin the board from putting Mr. Kyle's name on the ballot. Then the courts could decide.

Republican member of the board, who logically may be expected to see eye to eye with his party on the Kyle question, is Fred Gause. The Democratic member is W. W. Spencer. Governor Paul V. McNutt casts the deciding vote by virtue of his office.

Record Vote Indicated

Meanwhile, the state printing board is compiling requests from county clerks for ballot supplies and finds verified predictions that the largest vote in the state's history will be cast this fall.

Copies of the state election laws, recompiled, are being printed and will be ready for distribution in a few days, according to Robert Mythen, clerk of the board. Mr. Mythen said this year's issue would be more comprehensive than ever before and through close indexing would enable the average voter to find quickly any interpretation of the election statutes.

Approximately 25,000 are being printed and will be distributed not only to the state's political units, but also to libraries and law schools in all parts of the country and its island possessions for study.

UNION SELECTS BOARD

Filling Station Men Name Group for Parley.

A committee to represent the Filling Station Employees Union, 18,990, in arbitration sessions with a committee representing seven oil companies here, was named at a meeting of the local Monday night.

Bryant Gantz, a member of the union committee, said arbitration on union demands will be started in less than ten days.

MARNE PALS TO MEET

Buddies to Gather Saturday Night at Reiter Home.

The Marne Division Buddies Society will meet at 8:30 Saturday night at the home of Adair A. Reiter, 2927 Park avenue. All former members of the Third division, A. E. F., or A. F. in, are invited to attend.

The dead were: Richard Burke, 27, South Bend; Howard Reece, 25, South Bend; Morton East, 55, Vandalia, Mich.; Mrs. Joan Lane, 20, sister of Burke, was taken to a hospital at Cassopolis, Mich., suffering internal injuries and a brain concussion. Little hope was held for her recovery.

Italian Students to Visit

ROME, Sept. 5.—A group of Italian students will leave Rome Saturday for New York, where they will visit a number of American colleges and universities, and present to President Roosevelt a 400-page volume describing in English, the history of the organization of Italian universities.

WHY SUFFER FROM HAY FEVER

... when the cool, pine-scented, pollen free northwoods offer immediate relief? Your first breath of the bracing pure air of Upper Michigan brings hay fever freedom. It's Nature's perfect tonic. Spend a few weeks amid a beautiful Heaven created setting... in rest and contentment.

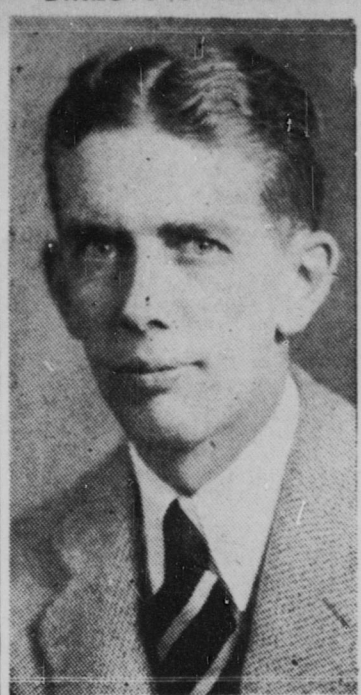
Come to

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300 miles north of Chicago on U.S.-2 and U.S.-41 along the picturesque shores of Lake Michigan. Every accommodation for your comfort... low priced modern hotels, tourist camps, private rooms. Fishing, swimming, boating, golf, tennis. Improved roads lead to everywhere. Impressive forests and natural beauty abound. For further information write TODAY to...

ESCANABA CHAMBER OF COMMERCE, ESCANABA, MICH.

DIRECTS SPEAKERS



Herman B. Gray

Vice-chairman of the Republican state committee speakers' bureau is Herman B. Gray, local attorney. His appointment was announced today by Frederick E. Schortemeier, bureau chairman, and former secretary of state. Offices of the bureau are located on the seventh floor of the Claypool.

7-WEEKS-OLD BABY IS GIVEN WHISKY IN STOMACH OPERATION

By United Press

KANSAS CITY, Mo., Sept. 5.—Leroy Anderson, 7-weeks old, became intoxicated on whisky yesterday, but it was all to a good purpose and just what the doctor ordered.

Leroy, son of Mr. and Mrs. Donald Anderson, slowly was starving to death because of a stomach obstruction. A delicate operation was necessary but because of the baby's age, it could not be given ether. So whisky was decided upon. An ounce of whisky was mixed with an ounce of water, and the solution, drop by drop, was given Leroy through a tiny sugar-filled sack placed in his mouth.

When the child became intoxicated, a local anesthetic was given and the operation performed. Surgeons said the "hangover" was slight and that Leroy probably would recover.

Drama Conference Set

BLOOMINGTON, Sept. 5.—First state-wide drama conference and demonstrations will be held at Indiana university, Nov. 15 to 17. The event will be arranged by the extension and speech divisions of the university and the dramatics committee of the state teachers of speech division.

British Leader Dead

DUNKELD, Scotland, Sept. 5.—Lord Deansford, 78, who was wartime food controller in England in 1916-17, died today at his estate.

COMMITTEES TO MAP DEMOCRAT RALLY SELECTED

Dr. Will H. Smith Jr. to Head Group Planning Session Sept. 14.

Committees to plan the official opening of the Marion county Democratic campaign Sept. 14, were named last night by the Cosmopolitan Club in the Lincoln.

Dr. Will H. Smith Jr., club president and newly crowned wearer of The Times Brown Derby, will head the general committee on arrangements for the rally, which will be held in Tomlinson hall.

Other committee heads are Mrs. Margaret Farr, Miss Marie O'Connor and Mrs. Mark Green, special women's attendance committee; Ben Feinsold, decorations and stage tickets; Dr. Theodore Cable, music; Otto Ray, drum corps; Dr. Smith, Mr. Feingold, Jack King, Dr. Cable and Walter C. Boetcher, county chairman, program, and Roy J. Ray, ushers.

Oscar Hagemeier, grand jury deputy prosecutor, will speak tonight at a meeting of the Perry Township Democratic Club at township headquarters, 4302 Madison avenue. Greyley McFarland, township chairman, will discuss organization work.

Franklin McCray will speak tonight at an open meeting of the Third Ward Republican Club at 2230 College avenue. R. A. Barnard will preside.

Dr. Will H. Smith Jr., Cosmopolitan Club president, will speak tonight at a meeting at Twenty-ninth and Clifton streets, at which organization of a Sixth Ward Democratic Club will be affected. Fred Eisenhut is ward chairman and is being assisted by Joe Kelly, Third precinct committeeman.

Y. M. C. A. PROGRAM ON STATE FAIR SCHEDULE

Demonstrations to Be Given Hourly, Is Announcement.

Swimming, wrestling, acrobatics and music by the Young People's orchestra will be included in the Y. M. C. A. program which will be presented in the Manufacturers' building at state fair this afternoon and tonight.

Demonstrations will be given hourly in health, character building, social and educational activities of the Y. M. C. A. Leslie Troutman will conduct the orchestra.

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Block's

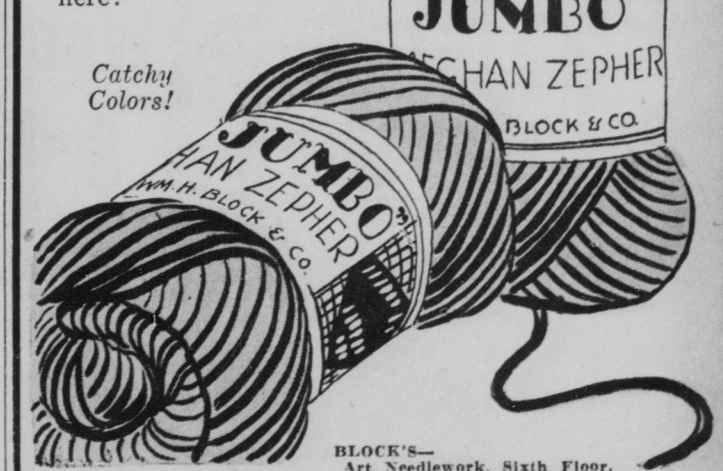
First Time in Indianapolis!

Afghan Yarn in JUMBO BALLS

Which Hold 1.87 Oz., Each

54c

You've been paying 40c for a 1-oz. ball. Now you get nearly 2 ounces for 54c. Start an afghan tomorrow! We have heaps of new styles and you'll love the colors. Instructions without charge if materials are purchased here!



Catchy Colors!

Block's—Art Needlework, Sixth Floor.

AVOID Periodic Disturbances by taking these Tablets in time

Take them regularly all through the month and notice the difference. These little chocolate coated Tablets do more than relieve the present pain and discomfort. They help to correct the CAUSE of the trouble. If yours is not a surgical case, persistent use should prevent future disturbances.

"I saw your Tablets advertised in Comfort and took two bottles. I used to have awful pains in my side and legs and would stay