

JUDGE BAKER SAYS GAMING PAYOFF EXISTS

Fines Rahke \$500 After
Criticizing Indictment
As 'Weak.'

(Continued from Page One)

Mr. Spencer was in Chicago, his office said. Chief Deputy Prosecutor Oscar Hagemeier also was out of town, the office said.

Rahke pleaded guilty Monday to the aiding and abetting a lottery scheme charge, the judge pointed out.

Addressing Ed Meyer, vice squad officer, Judge Baker asked:

"I want to know if the vice squad is responsible for this indictment. Do they investigate other places. How about... place in Wabash St. Is that territory under your supervision?"

"Yes, if there is a gambling place there," Officer Meyer said.

"Travesty," Charges Judge

"If there is a place, you say," Judge Baker said between gusts of laughter. "I walked by there the other day and saw gambling in full view."

"Furthermore, who operates on S. New Jersey St? You (Officer Meyer) ought to get someone above you to take off your strait jacket so you could operate."

In reply to Mr. Howard's statement, Judge Baker declared:

"The grand jury has the power to bring in anybody it wants without a search warrant. I know lotteries can be stopped, but this case with this indictment is just a travesty."

"The situation in Indianapolis shows that somebody is profiting very greatly from gambling as it exists."

When informed of Judge Baker's charges, Sheriff Ray said that he had no objection to the indictment. "He (the judge) is saying something that I have known for years. This is apparently a controversy between Judge Baker and Prosecutor Spencer, and I can't see any reason for mixing into it."

"We weren't called in on this case at all. Everyone remembers the effort I made to clean up things around here. I didn't get any cooperation. All I did was wear myself out and accomplish nothing."

Chief Morrissey could not be reached for comment, and Mayor Kern was out of the city, his office said.

LOCAL YOUTHS HELD IN ROBBERY SERIES

Sheriff Claims Confession
In Station Holdup.

By United Press

KNOX, June 23.—Three Indianapolis youths were held in the Starke County Jail today as suspects in a long series of filling station robberies in northern Indiana. Authorities said one of them had confessed.

Those in jail are John Hanrahan, 20, said to have admitted his part in the robberies; Dennis L. Stewart, 21, and Herbert Coss, 19.

Sheriff Frank B. Lough said that Hanrahan has no previous record but that Stewart and Coss are on parole from the Indiana Reformatory. All three are suspected of committing holdups in Winamac, Chesterton, Star City, Knox, San Pierre, Hamlet and La Crosse.

Sheriff Lough led a posse into the woods along the Kankakee River in Jasper County when a State game warden heard shots on the Ed Vollmer farm. Later it was learned the trio were firing at silver coins placed in a tree.

In an automobile which the sheriff said was stolen in Indianapolis, authorities found a sawed-off shotgun, five other shotguns, six small-caliber rifles and one revolver. Also there was about \$200 in small change, a blow torch, two radios and a hacksaw.

Civil Liberties Plea by Butash Is Upheld by Supreme Court



Paul Butash

(Continued from Page One)

lant assumed that there was something wrong with our system of government and were asked for the purpose of eliciting from him what he thought was the solution or else for the purpose of inciting him to violate a statute.

His Guilty Verdict

"Nowhere did he plead for the adoption of his opinion nor did he incite anyone within the meaning of this statute.

"No one could say from the evidence in the case that he violated any provision of the statute.

"There is no evidence upon which a verdict of guilty could rest and a verdict is not supported by sufficient evidence and is contrary to law."

The defense had attacked constitutionality of the Indiana criminal syndicalism law as "throttling free expression." Butash's attorneys cited the recent U. S. Supreme Court decision freeing Dirk De Jonge from a seven-year sentence under the Oregon Criminal syndicalism law for participating in a Communist rally.

They also cited the highest court's recent decision in favor of Angelo Herndon, Georgia Negro charged with inciting insurrection.

The decision today did not rule on constitutionality of the Indiana law.

First Test of 1918 Law

This was the first test of the Criminal Syndicalism Law since its passage in 1918.

Mr. Butash was convicted on charges of attempting to advocate overthrow of the government by force. He was arrested in May, 1936, after speaking at a meeting of Anglo businessmen and Tri-State College students.

Witnesses who testified against him said they invited him to speak so they could trap him.

After speaking five minutes, Mr. Butash answered questions from his hosts and declared he favored the Farmer-Labor Party. He suggested, according to testimony, that Congress "could be forced to take action" on pending security legislation.

The naturalized Hungarian was saved from the crowd by college students after he was attacked, trial records showed. Warned to leave Angola, he was arrested the next day. He was convicted in July and

DECLARE MONEY PAID FOR STOCKS NEVER RECEIVED

Morley Trial Witnesses As-
sert Holdings Were
Illegally Traded.

(Photo, Page 12)

Additional witnesses today testified in Federal Court that they paid the C. J. Morley Co. for stocks which never were delivered and others said stocks they bought were switched for others against their will.

The testimony was given in the trial of Morley, a former Colorado Governor and judge, and four others on charges of using the mails to defraud in the operations of alleged "bucket shops" here and in Evansville.

Mark Zimmer, Kokomo engineer, testified that he paid \$800 for stocks and that they were traded for others without his authority.

Describe Alleged Operations

He said he was told that he had bought the stocks on margin and that the day the company's offices here were raided he was called in to make an additional payment.

The witness said that he paid for his stock by check. He said the check was indorsed first by Olaf T. Anderson, one of the defendants, and then by Andrew Jacobs, attorney.

Louis J. Eckstein, Jasper manufacturer, testified also that stock he purchased was traded for another against his wish.

V. E. Blakely, Winchester clothier; Harry Rizzo, Middletown fruit dealer, and Oris H. Wright, Vincennes, testified today that they never received the stocks on which they made payments.

Charles J. Golden, Ft. Wayne, clothier, told the jury, on examination by the U. S. Attorney, that he had contracted to buy \$112,750 in stocks; that he paid over a period of months approximately \$1100 in money and collateral for which he received no securities nor the return of his investment.

50 Others to Testify

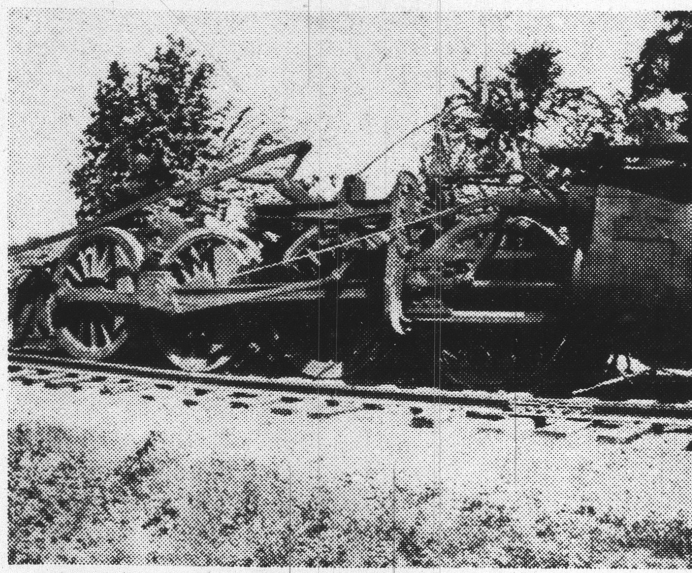
Thus far 29 of 85 witnesses called by the Government have testified. Exhibits to be issued by the Government will total more than 400, according to District Attorney Val Nolan.

Many of the witnesses have related about high pressure methods of selling by a man whom they knew only as "Mr. Spencer."

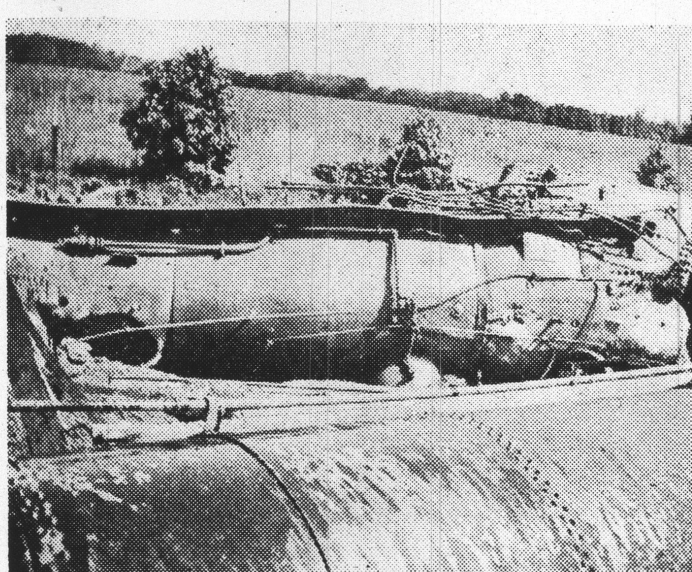
Frequently objecting to testimony and admission of exhibits as evidence, William Bryans, Denver, attorney for the 69-year-old defendant, sought to stop the stream of Government testimony.

One of the exhibits introduced by the Government as evidence, described as the "sucker list," contained long lists of names of middle-class business men, farmers, doctors and manufacturers who were to be induced to buy stock which the prosecutor claims never was received.

Train Blast Toll at 3



Death in Milan Hospital last night of Engineer George Gottberg, 50, of Louisville, increased to three the toll of the boiler explosion which wrecked this Baltimore & Ohio Railroad engine yesterday morning near Osogood, Ind.



Charles Dickason, 55, Seymour, trainman, and Roy Carr, 47, Mitchell, fireman, were killed instantly in the blast which tore the boiler in to three parts and hurled this back along-side one of the 12 cars which were derailed.

Delinquent Payments Swell Marion County Tax Collection

Marion County tax payments during the spring collection, which closed May 2, totaled \$8,642,088, according to figures released today by Chief Deputy Auditor F. W. Biemer.

The amount is \$373,700 more than the \$8,268,388 payments during the corresponding collection a year ago.

The deputy auditor said that of this year's total \$693,935 represented payments on delinquencies.

When the distribution is made the School City is to receive the largest amount, \$2,862,020. The City General Fund will get \$1,695,155, the County General Fund \$644,757 and the Marion County Welfare Department \$454,899.

The balance will be distributed among various smaller taxing units.

Dreaded Texas Killer Leads 19 In Farm Break

By United Press

WELDON, Tex., June 23.—Nineteen fugitives from the Eastham Prison Farm, including murderers, robbers, burglars and thieves, roamed the woods of the Trinity River bottoms today in a break for freedom.

The 18 others were led by W. H. Bybee, a killer once reprieved from a death sentence and an associate of Raymond Hamilton, Clyde Barrow and Bonnie Parker, three of the most dreaded outlaws of the generation before they were exterminated.

The 19 overpowered Pike Allen, a guard, and made away with his horse and gun.

Four of the fugitives were murderers. Bybee was the most notorious. Prison guards, accustomed to frequent breaks, had not asked for aid today.

DE MILLE IS CITED BY TAX PROBERS

Incorporated His Salary,
Investigators Told.

(Continued from Page One)

counsel, could use personal holding companies to "avoid the full impact of taxes."

He said the Treasury had lost "huge amounts of taxes because of use of the method, and that the result was that other taxpayers 'have borne an undue share of the expenses of Government.'"

Gets Corporation Salary

Helvering explained that, in the case of men with large income, the surtax on individuals is greatly in excess of the tax on personal holding companies.

In the case of de Mille, he explained that the producer caused his earnings to be placed in the corporation, which then paid him a salary less than the amount he earned in the movie industry. The difference between his earnings and his salary from the company, Helvering said, was put into the corporation.

Income taxes on such money, when owned by the corporation, were less than would have been the case if the taxes had been levied on the income of the individual, Helvering explained.

Predicts Savings

Rep. Vinson (D. Ky.), a committee member, predicted up to 50 million dollars in revenue could be saved if Congress appropriated three million dollars additional to strengthen the Internal Revenue Bureau's personnel.

The Bureau was criticized by Senator La Follette (Wis.) for "delay" in developing data concerning the use of foreign insurance companies to avoid tax payments to the Federal Government.

Rep. Allen T. Treadway (R. Mass.) said that a book on taxes, of

DISCOUNT PERIL OF WALKOUT ON U. S. RAILROADS

Labor Experts Think Law
Will Force Both Sides
To Negotiate.

(Continued from Page One)

means of persuading major carriers to hear their demands. Delegates left for their homes immediately to prepare for the election.

The rail unions have long pursued the method of authorizing a strike by referendum in order to give their negotiators a big stick. The practice is to vote union officials power to call a strike at any time.

The impending Big Four negotiations with the railroads involve a strategic issue, however, which may cause serious complications.

In the old days the brotherhoods negotiated separately with each railroad system. In the depression the road executives negotiated as a national unit for a wage cut, which the unions, also as a national unit, accepted.

Now the indications are the carriers want to split things up and give each railroad a chance to reduce the unions' demands if it can—which other roads could cite in seeking similar reductions. The unions are preparing to insist on a national negotiation, and that's why the unionists are now sharpening their weapon.

Prepare to Poll
350,000 Trainmen

By United Press

CHICAGO, June 23.—Representatives of five railroad brotherhoods prepared today to poll 350,000 trainmen, switchmen, conductors, firemen and engineers on advisability of a strike.

Members of operating unions will vote within 30 days on whether they should call a strike to enforce demands for a flat 20 per cent wage increase and to turn down demands of railroads for downward revision of 100 rules affecting hours and working conditions.

Results of the poll will be canvassed by union heads meeting here June 26.

A. F. Whitney, president of the Brotherhood of Railway Trainmen, largest of the group, announced that if members vote a strike and set a date for it, their action will "open the door" to intervention by the Federal Railway Board.

"This will compel the railroads to negotiate," Whitney said.

which Undersecretary of Treasury Roswell Magill was coauthor, "pre-emptively" adequately described ways to beat the Government out of taxes."

The book was written before Magill took his Treasury post. The undersecretary, a leading figure in the Treasury's investigation of tax avoidance during the last few months, took Treadway's criticism good naturedly but denied that the book was designed to advise individuals how to escape proper taxes,

FROM AYRES' FOURTH FLOOR

Look Cool and Smart on a
Scorching Day in
Flock Dots
2.00

You'll look just the way you want to look when friends drop in... when you're shopping... on your vacation... when you come home at the end of a blistering day and long for a fresh, young dress, cool as a shadow, with a hint of frost in its sparkling touches of white. You'll like the way these dresses wash and press, wear and wear, the whole summer long. The dots... pin-dots, square dots, flower-dots, are permanent. And the styles are charming. Sizes 14 to 44 in the group.

Colors: Brown, Navy, Red, Wine, Copen
AYRES'-DAYTIME DRESSES
FOURTH FLOOR

(1) MARTA—A pin-dot with spaghetti loops of organdie trimming the flattering collar and sleeves just the right length for plump arms. Size 38 to 44. 2.00

(2) MADELEINE—A square-dot with organdie collar edged with open-work opening into a cool V-neckline. Pleats make extra room in the skirt. Size 38 to 44. 2.00

(5) SALLY—A pert little pin-dot with colored pin-dots on the white plait. Buttoned smartly all the way down, with a young bow-tie neckline. Sizes 14 to 20. 2.00

(6) FLEURETTE—Gored to a charming flare from neck to hem. With a naive embroidered organdie collar and plastron, and crisp organdie flutings. A flower-dot, size 14 to 20. 2.00

Order by Name, by Mail or Phone (Riley 9441)

Give Size and Color Preferred

IN INDIANAPOLIS

MEETINGS TODAY

Kiwanis Club, international convention, all day.
Lions Club, luncheon, Hotel Washington, noon.
Young Men's Discussion Club, dinner, Y. M. C. A., 6 p. m.
Purdue Alumni Association, luncheon, Hotel Severn, noon.
Twelfth District American Legion, luncheon, Board of Trade, noon.
Sigma Alpha Epsilon, luncheon, Board of Trade, noon.
Real Estate Board Property Management Division, luncheon, Hotel Washington, noon.

MEETINGS TOMORROW

Kiwanis Clubs, international convention, all day.
Real Estate Board, luncheon, Hotel Washington, noon.
Sigma Chi, luncheon, Board of Trade, noon.
American Business Club, luncheon, Columbia Club, noon.
Acacia Chapter, Board of Trade, noon.
Sigma Nu, luncheon, Hotel Washington, noon.
Caravan Club, luncheon, Murat Temple, noon.
Indiana Motor Traffic Association, luncheon, Hotel Antlers, noon.

MARRIAGE LICENSES

(These lists are from official records at the County Court House. The Times is not responsible for any errors of names or addresses.)

Ward McAvoy, 31, of 1312 Carrollton Ave., to Mary Anne Demaree, 33, of 1312 Carrollton Ave.
Albert B. Underwood, 24, of 1013 Castle Ave., to Elizabeth Rice, 18, of Indianapolis.

Donald E. Kimbrell, 22, of 2017 Clifton St., to Norma E. Durnitzer, 21, of 3721 Crescent Ave.
Harold C. Graves, 29, of 630 N. Main St., to Beech Grove, to Fanny E. Burris, 24, of Indianapolis.

William Webb, 72, of Maywood, Ind., to Katherine Hinkle, 72, of Maywood, Ind.
Alton Carver, of Indianapolis, to Mollie Bundy, 18, of 1833 Miller St.
Arthur James Quisenberry, 31, of 320 W. 25th St., to Ruth Cain, 19, of 4108 E. Michigan St.

BIRTHS

Boys
Boyd, Clara Shacklett, at 4110 Cordell.
Bernard, Lola Koehner, at 2011 Shelby.
Rolie, Sadie Lynch, at 257 Lansing.
William, Julia Piper, at 512 Patterson.
Harold, Dorothy Rutland, at 916 Muskingum.
William, Beatrice Mowery, at 1445 W. Ohio.
Paul, Annis McKinney, at 923 English.

Lyman, Gladys Ward, at 1226 W. 25th.
George, Mabel Cashman, at 319 N. Colorado.
Willard, Ella Flory, at 2512 Graydon.
John, Mary Stewart, at 1249 W. 25th.
Roy, Celesta Wood, at 514 W. Henry.
George, Nora Jones, at 1706 E. Brooker.
Deidman, Ella Lacey, at 2138 Highland.

DEATHS

Jerome Tanner, 78, at City, cerebral hemorrhage.
William Frank Tingle, 54, at 738 King, cerebral hemorrhage.
William Wells, 58, at Long, pneumonia.

OFFICIAL WEATHER

United States Weather Bureau

INDIANAPOLIS FORECAST — Partly cloudy and somewhat warmer tonight and tomorrow.

Sunrise... 4:17 Sunset... 7:17

TEMPERATURE — June 23, 1936

7 a. m. 56 1 p. m. 72

7 a. m. 56.5

BAROMETER

7 a. m. 29.85

Precipitation 24 hrs. ending at 7 a. m. .30

Total precipitation since Jan. 1... 20.74

Excess since Jan. 1... 20.74

MIDWEST WEATHER

Indiana—Partly cloudy tonight and tomorrow, probably thundershowers extreme north this afternoon or tonight, somewhat warmer tomorrow and central and north tonight.

Illinois—Generally fair tonight and tomorrow, except thundershowers northeast this afternoon or tonight, warmer tomorrow and west and north tonight.

Lower Michigan—Showers and thundershowers tonight or tomorrow, slightly warmer.

Ohio—Fair, warmer tonight; tomorrow partly cloudy.

Kentucky—Fair, slightly warmer in southeast portion tonight; tomorrow partly cloudy, warmer in extreme east portion.

WEATHER IN OTHER CITIES AT 7 A. M.

Station. Weather. Bar. Temp.

Annapolis, Md. Clear 29.90 70

Bismarck, N. D. Cloudy 29.54 70

Boston, Mass. Cloudy 29.62 69

Chicago, Ill. Cloudy 30.04 62

Cincinnati, Ohio. Cloudy 30.04 64

Cleveland, O. Cloudy 30.04 64

Denver, Colo. Clear 29.76 68

Dodge City, Kas. Clear 29.66 76

Helena, Mont. Clear 29.76 58

Jacksonville, Fla. Clear 30.00 78

Kansas City, Mo. Clear 29.88 78

Little Rock, Ark. Clear 30.00 78

Los Angeles, Calif. Cloudy 29.92 62

Miami, Fla. PCloudy 29.88 80

Minneapolis, Minn. Clear 29.66 70

Mobile, Ala. PCloudy 29.90 74

New Orleans, La. PCloudy 29.92 82

New York, N. Y. Clear 29.86 64

Ola, City, Okla. Clear 29.92 76

Omaha, Neb. Clear 29.78 76

Pittsburgh, Pa. Cloudy 30.00 76

Portland, Ore. Cloudy 30.08 54

San Antonio, Tex. Clear 29.54 76

San Francisco, Calif. Cloudy 30.04 56

St. Louis, Mo. Clear 29.58 74

Tampa, Fla. Cloudy 29.86 82

Washington, D. C. Clear 29.96 86