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U. S. LABOR FORCES TEST STRENGTH IN OFF-YEAR'S POLLS

C. I. O. and A. F. of L. Vigorous Opponents in Detroit, but Consolidate Power in Elections at Akron and Canton, O.

TAMMANY FUTURE AT STAKE IN N. Y. New Jersey and Virginia Ballot on Governors; Harlan County Under Martial Law; Roosevelt Votes at Home.

Significant off-year elections present a test today of organized labor's strength as an independent force at the polls. Labor sought to win control of the city governments of Detroit, Akron and Canton, O., and Duquesne and Clairton, Pa., and played an important part in scores of other contests. The Committee for Industrial Organization and American Federation of Labor were vigorous opponents in Detroit, but fought side by side in Akron and Canton.

The American Labor Party, C. I. O. dominated, hoped to poll 750,000 votes for the reelection of Mayor F. H. La Guardia in New York City, where the future of Tammany Hall was at stake.

Chief interest in labor's campaign was centered in Detroit, where, for the first time, a candidate backed by the C. I. O. ran for Mayor against a candidate backed by the A. F. of L. The C. I. O. supported Patrick O'Brien, former Attorney General of Michigan, while the A. F. of L. sponsored Richard W. Reading, city clerk. The C. I. O. also had a slate of candidates for the Detroit City Council.

In Akron, Municipal Judge G. L. Patterson, Democrat, had the support of both labor organizations against Mayor Lee D. Schroy, and in Canton the labor groups backed Darrell D. Smith, Democrat, against Mayor James Secombe.

The C. I. O. was on its own in Duquesne and Clairton, Pa., and was active in other elections in the centers of the steel industry.

New Jersey and Virginia elect Governors. Four congressional seats are being filled—three in New York State, and one in Virginia.

In Boston, the veteran campaigner James M. Curley, former Governor of Massachusetts and former Mayor of Boston, tried a political comeback in the mayoralty election. He was defeated for the U. S. Senate last year by Henry Cabot Lodge, Republican.

Jasper McLevy, New England's only Socialist Mayor, is seeking a third term in Bridgeport, Conn. Mr. Roosevelt voted the straight Democratic ticket at Hyde Park, N. Y., his home.

Altogether there are elections of various kinds in 15 states. Cleveland and Pittsburgh are among the large cities electing Mayors, but these contests have only local significance.

Split in Union Ranks May Stunt Power
WASHINGTON, Nov. 2.—Labor's battalions of men and women, organized on a precinct basis, are marching to the polls today in a number of cities, notably New York and Detroit.

Labor felt its oats a year ago. It turned out in droves to swell the Roosevelt electoral total. It learned the power of political cohesiveness. And now it takes the second step.

Its effective organization in various cities, from the precincts up, is not only aimed at getting labor what it wants within the framework of old political organizations, but it may lead eventually to the creation of a labor party.

Labor's Nonpartisan League, the national political organization created under C. I. O. auspices, provided the machinery for labor's participation in the Roosevelt victory. It has also been active in the local campaigns leading up to today's elections.

The C. I. O. A. F. of L. split is manifest in today's balloting—an omen to labor that continued warfare may stunt the growth of its political power. In Detroit and Pittsburgh, for instance, A. F. of L. leadership is lined up against candidates supported by the C. I. O.

All N. Y. Police Ordered to Duty
NEW YORK, Nov. 2 (U. P.).—Every policeman in the five boroughs and thousands of private

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C. OF C. URGES MODIFICATION OF PROFIT TAX

Endangers Recovery, Harms Small Business, Says George Olive.

SENATORS' AID SOUGHT

Ludlow Reveals Demand in Capital for Economy in Government.

(Editorial, Page 12)

The Indianapolis Chamber of Commerce today prepared to muster its strength to fight for repeal or modification of the undistributed profits tax law at the special session of Congress this month.

As the chamber announced its opposition to the levy as "detrimental to small business and endangering recovery," Rep. Louis Ludlow (D. Indianapolis) declared here that "there is demand in Washington for governmental economy and a balanced budget by next year."

While George S. Olive, Indianapolis Chamber president, issued a statement deploring the tax collection, it was revealed that he already has made representations to Indiana's Congressmen and Senators asking for relief from the law passed last year.

Meanwhile, chamber officials were trying to get some estimate on the amount of undistributed profits taxes Indianapolis business concerns have paid since the law became effective.

Can't Build Reserves, Claim

Mr. Olive, in his statement, declared that "business in this community cannot, under the law, build up necessary reserve to put into increased capital and plant equipment."

He urged that the "business man be permitted to re-establish his own judgment as to what portion of the corporation's earnings should be retained."

The text of Mr. Olive's statement follows: "The Times is to be commended for its editorial expression on Nov. 1 with reference to the Federal undistributed profits tax law."

"Most of the corporations of this business community are comparatively small and represent the combined capital, brains and work of the kind of business men who have enabled this country to take a leading position in the industrial development of the entire world."

"Should Be Repealed"

"As these corporations build themselves up by earnings, they must necessarily face the need for increased investment in fixed capital or in working capital, increased plant and equipment or increased accounts receivable and inventories."

"Most small businesses are unable to go to their stockholders, to bankers or to the investing public for the needed funds and until the imposition of the undistributed profits tax, were able to acquire them from their earnings, keeping in the business from 40 to 60 per cent of the total earnings for this purpose, or to build a backlog against business adversity."

"This law makes it possible to retain only a part of such earnings and that at a very severe penalty. It should be repealed and the business man permitted to re-establish his own judgment as to what portion of the corporation's earnings should be retained in place of the Government's forcing him by this uneconomic law to pay out the earnings or to be penalized by the tax."

Here Before Session
Rep. Ludlow, returning from Washington for 10 days before the special session, said that "Cry of the taxpayer is being heard in Washington. The nation is awakening to the fact that the emergency is over and that to continue to pour out money to prime the pump when the pump does not need priming, just wouldn't make sense."

He added that if the cutting in appropriations is deep enough it will not be necessary to levy additional taxes to balance the budget in 1938.

GANDHI IS IMPROVED

CALCUTTA, India, Nov. 2 (U. P.).—Mahatma Gandhi was reported to be improved today after he had been taken ill last night. An abnormal rise in his blood pressure forced him to cancel his departure from Calcutta and go to bed.

Alleged Club Manager Arrested in Hotel Here

Joseph Jacobson, 42, alleged manager of the Plantation Supper Club, was arrested in a downtown hotel today by Chief Deputy Sheriff Henry Mueller on a Hancock County Grand Jury indictment charging him with keeping a gambling house.

Jacobson was one of 16 persons, some of whom were reported to live in Indianapolis, who were named in indictments returned in Greenfield Saturday.

The prisoner was taken to Greenfield immediately after his arrest on the orders of Circuit Judge John

B. Hinchman who started the grand jury investigation into "wide open" gambling in Hancock County Sept. 22. The Plantation Club is located on Highway 67 in Hancock County.

After the investigation was ordered, Jacobson said: "You can see for yourself there is no gambling here."

Since the investigation was started, the Plantation Club has been "closed for repairs."

Chief Deputy Mueller said the warrant for Jacobson's arrest was the only one he received today.

Good-Natured



Just a week before his former wife, the Duchess of Windsor, is scheduled to sail for America, Ernest Simpson steals the spotlight with his unexpected arrival in New York from England. Good-natured even when reporters upset his plans for avoiding publicity, he insisted he is here only to see his mother and on business.

BRITISH ENVOY TO HONOR DUKE

Embassy Dinner Scheduled For Nov. 12, Social Secretary Says.

WASHINGTON, Nov. 2 (U. P.).—British Ambassador Ronald Lindsay and Lady Lindsay will entertain the Duke and Duchess of Windsor at an embassy dinner the evening of Nov. 12, the Embassy announced today.

The announcement was the first definite report as to the date when the Duke and Duchess will be in Washington, although it was learned yesterday that President Roosevelt plans to entertain them at a luncheon about the same time.

The distinguished British visitors will come to Washington almost immediately after landing at New York according to this arrangement. They are due in New York on the Bremen Nov. 11.

No Details Given

The dinner announcement was made through the office of the Embassy social secretary. No details were given but it is understood that the dinner will be of official nature, in recognition of the Duke's position as brother of King George VI.

Sir Ronald and his staff will assist in arranging any White House entertainment for the Duke in accordance with diplomatic practice and will render any other assistance here which the Duke might need.

NEW YORK, Nov. 2 (U. P.).—The Duke and Duchess of Windsor will attend their first social function in the United States at the home of Mr. and Mrs. John Ridgely III of Baltimore, it was reported today.

FORECASTS COOLER WEATHER TONIGHT

Clear Skies Will Continue; Mercury Reaches 75.

TEMPERATURES

6 a. m.	48	10 a. m.	49
7 a. m.	49	11 a. m.	50
8 a. m.	47	12 (Noon)	51
9 a. m.	48	1 p. m.	51

Some snappiness came back into Indianapolis weather today, although temperatures generally were eight degrees higher than normal for this time of the year. Colder weather is forecast for tonight and tomorrow by the Weather Bureau. Fair weather is to continue, the bureau said.

In yesterday's heat wave, the mercury came within two and a half degrees of its all-time record for Nov. 1, reaching 75 degrees at 3 p. m. The 77.5 degree mark was set in 1933.

GOVERNOR LAFOLLETTE GAINS

COLON, Panama, Nov. 2 (U. P.).—Governor LaFollette of Wisconsin is ill of "influenza without complications" and his condition is improving, it was announced today at the Colon Hospital.

BUSINESS LAG MAY RUN INTO '38, U. S. TOLD

Recession Possibly Brief One in General Upswing, Bureau Reports.

STEEL OUTPUT TO FALL

Textile Mills Operating on Reduced Orders; Auto Prices Higher.

(Merry-Go-Round and Gen. Johnson, Page 12; John T. Flynn, Page 13.)

By MARSHALL M'NEIL

WASHINGTON, Nov. 2.—The present business recession may run well into 1938, the U. S. Bureau of Agricultural Economics reported today.

But this setback, the report indicated, may be merely one of those that characterize a general upswing of the business cycle.

The Bureau pointed out that "many of the conditions which in the past have been associated with the termination of a major cyclical upswing in business activity now are absent."

The report, the most comprehensive issued by a Government agency since the downswing started, is the basis for prediction by the Bureau that the prospect is for a less favorable demand for farm products in 1938.

The Bureau also said that retail prices probably have not yet reflected all the rise in wholesale prices of manufactured products and in marketing costs. It said indications point to some further increases in retail prices of furniture, furnishings, shoes and fuel, but that the effect on living costs of these increases probably will be offset in part by lower prices for rayon and cotton clothing, meats and other foods. It believes that the rise in rent may continue but at a slower rate than this year.

Cycle Swing Described

"The general upswing of a business cycle," the report said, "usually is characterized by relatively short recessions. Business sentiment becomes less optimistic, security prices decline, and businessmen postpone extensive commitments for expansion or rehabilitation."

"Business appears to have entered such a phase in the latter part of 1937, following a period of decided optimism in the winter of 1936-37. It is difficult to determine how long such recession will continue, the appraisal of general conditions gives some support to the impression based on the situation for individual industries that it will run well into 1938."

Of individual industries, the report said:

Textiles—Many textile mills were operating during the summer of 1937 following an advance order received during the preceding spring, and by the latter part of the year unfilled orders had been greatly reduced and there were indications that considerable stocks of both cotton and woolen goods had accumulated in the trade. The lower cotton prices now prevailing will tend to offset part of these unfavorable conditions.

Steel Output May Fall

Iron and Steel—An examination of the prospects for demand from several industries using steel indicates that production in 1938 will be less than in 1937.

Autos—Some slackening in the rate of auto production in 1938 as compared with 1937 may occur.

Railroads—The railroads are likely to postpone as far as possible their orders for new equipment.

Construction—An expected boom in building activity had been counted upon by many observers to more than offset any slackening of the Government's support to building, but present conditions in the building industry do not indicate any large expansion in 1938.

Parting and Reunion of Brady and Pals After Rivers' Killing Told in U. S. Court

The story of how James Dolhove and Clarence Lee Shaffer Jr. were parted from Al Brady after the murder here of Police Sgt. Richard Rivers, and then were allegedly reunited by friends, was told in Federal Court today as five of their alleged acquaintances were sentenced for liquor law violations.

After it was told by Assistant District Attorney Paul Pfister, and the five sentenced, Joseph Frank Yates and Robert Bennett changed their pleas to guilty in a surprise move as the venire of 25 were seated for jury selection. They were charged with having transported \$250,000 in gems from Florida to Indiana.

Liquor case defendants were Urban Pope, William Ernest Williams, Joseph Pegorin, George Clarence Whitley and Harry E. Guess. They were charged with conspiracy to violate the liquor laws, possession of a still and illegally manufacturing liquor.

Judge Robert C. Baltzell, who heard the evidence and convicted the men, asked if there was any information that might influence his sentence, and Attorney Pfister said he had a statement by Dolhove, purported to have been given to the Federal Bureau of Investigation.

He said it revealed that Dolhove and Shaffer had been together at the home of Dr. Emmett E. Rose,

U. S. REFUSES TO JOIN CUBAN PROPOSAL FOR MEDIATION IN SPAIN

Arrives at Legion Office



Daniel J. Doherty

Europe Fears War, Doherty Says on Return

Short, stocky Daniel J. Doherty, recently elected American Legion national commander, came to his Indianapolis office today after a tour of Europe and said there is "a great deal of apprehension" about war possibilities there.

Although Europeans fear war, they don't want it "any more than Americans do," Mr. Doherty said. He visited all countries allied with the U. S. in the World War. He declined to comment on his observations in Italy.

"The French have a feeling of undying gratitude to America," he said. War debts were not discussed, he added, since his party was the guest of the French Government.

From his office, Mr. Doherty will guide the Legion's legislative program. It will seek enactment of the Universal Service Bill, he said.

Mr. Doherty expects to leave Thursday for an appointment with President Roosevelt.

He will return for an adjutant's conference Nov. 14, 15 and 16, and a triennial national executive committee meeting Nov. 18 and 19.

CHILD BRIDE GIVEN PRISON SENTENCE

GOSHEN, Nov. 2 (U. P.).—Marjorie Messingale, 14-year-old child bride of Sanford C. Messingale, today had been fined \$1000 and was under sentence of six months in the Indiana Women's Prison for beating her stepchildren.

The husband and father of three children, the oldest 5, received a similar fine and sentence and will serve his term at the State Farm.

EDEN AND DAVIS OUTLINE PARLEY

Prepare for Opening as China Asks for Peace On 9-Power Pact.

(Another Story, Page 20)

BRUSSELS, Nov. 2 (U. P.).—China will fight Japan to a finish unless the Nine Power United States, convening here tomorrow, establishes a "peace based on principles," China's chief delegate asserted today.

China's representative, Dr. Wellington Koo, planned to confer with Norman H. Davis, United States "ambassador-at-large" and head of the Washington delegation to the conference.

Mr. Davis then will confer with Anthony Eden, British foreign secretary and Britain's chief delegate. Secretary Eden's assurance in the House of Commons yesterday that Britain would go as far as the United States would in trying to halt the Chinese-Japanese conflict dispelled some of the pessimism prevailing among delegates.

Eden and Davis conferred more than two hours, seeking to map out a course for the conference. They were understood to have agreed that after public discussion Wednesday and Thursday the conference would appoint a steering committee to work in private.

The United States appeared ready to "do its share" in bringing about an armistice provided Britain and the other powers do their share.

Dr. Koo emphasized that China would not accept any peace proposal conflicting with the Nine-Power (Turn to Page Three)

Action Held to Be Interference With Internal Affairs.

EDEN IS BACKED

Commons Indorses His Colony Stand;

Nazis Angered.

WASHINGTON—U. S. Government rejects proposal of Cuban Government that this nation associate itself with other countries of the American continent to mediate the war in Spain.

LONDON—Britain's patience with "certain governments" appears nearing exhaustion as Foreign Secretary Eden rebukes Italy on demands for colonies for Germany.

ROME—Il Duce's favored paper delivers scornful editorial reply to Eden's speech.

WASHINGTON—Acting Secretary of State Welles asserts that Eden's speech was misinterpreted in reports to U. S. He claims that official text does not say that the U. S. took the lead in Nine-Power parley.

WASHINGTON, Nov. 2 (U. P.).—The United States today rejected a proposal of the Cuban Government that this country associate itself with all the countries of the American continent in a joint attempt to mediate the civil war in Spain.

In a carefully phrased note delivered in Havana by American Ambassador J. Butler Wright, the State Department said it would not participate in such mediatory efforts because such action would violate this Government's well defined policy of noninterference in the affairs of another country.

"It is the very earnest hope of my Government, as it is of the American people that a peaceful method of terminating this strife may be found."

"The Government of the United States has, however, adopted as a matter of principle, the policy of noninterference in the internal affairs of another country, and with respect to the unfortunate conflict in Spain, my Government announced in August of 1936 that 'in conformity with its well established policy of noninterference in the internal affairs of another country either in time of peace or in the event of civil strife, this Government will, of course, scrupulously refrain from any interference whatsoever in the unfortunate Spanish situation.'"

British Patience Seen as Exhausted

LONDON, Nov. 2 (U. P.).—Great Britain's patience with "certain governments" appeared today to be approaching exhaustion.

An amazed House of Commons voted, 363 to 142, its confidence in the Government's foreign policy after Foreign Secretary Eden warned that Britain was not disposed to accept meekly from abroad, dictatorial directions regarding her foreign policies.

"We offer our co-operation to all, but we accept dictation from none," Eden declared amid the loudest cheers that have greeted a Government speech in Commons in recent years.

The Foreign Secretary roused the members to feverish excitement with a stern reprimand from none at Premier Mussolini of Italy, who had said in a Fascist "birthday" speech in Rome that lasting European peace depended upon restoration of Germany's colonies in Africa, lost after the World War.

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