



The Indianapolis Times

FORECAST—Fair tonight and tomorrow; colder tonight with freezing temperatures; continued cold tomorrow.

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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.

By United Press
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 re-election 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 Seccombe.

The C. I. O. was on its own in Duquesne and Clairton, Pa., and was active in other elections in the center 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 those 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.

The effective organization in various cities from the presents 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 manifested in many balloting areas 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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EIGHT GROUPS PROTEST LEVIES

Attack Proposed County Unit Rates Before State Board.

Representatives of eight organizations filed objections to proposed 1938 tax levies of Marion County units at the opening of the State Tax Board's budget hearings in the State House today.

The proposed 1938 rate for Indianapolis-Center Township area, as fixed by the Marion County Tax Board, is \$3.20 as compared with \$2.98 this year.

Statements, protesting the levies, were made by William H. Book, Chamber of Commerce secretary; Frank E. Gates, of the Indianapolis Chamber of Commerce; Murray H. Morris, Indianapolis Merchants Association; J. A. Dawson, Apartment Owners Association; Henry S. Solt, Furniture Association; George Kuhn, Indianapolis Building Owners and Managers Association; Irving Lemaux and Obie J. Smith, of the Board of Trade.

Harry Miesse, Taxpayers Association secretary, in the opening statement, declared Marion County taxes are "entirely too high."

"The people I'm interested in are the small home owners. I want to join in urging that the tax limitation law be followed."

The property tax limitation law as amended by the 1937 Legislature provides a rate limit of \$1.25 in rural areas and \$2 for urban areas, exclusive of welfare costs and bond debt retirement costs.

The board was told that if the Indianapolis budgets would be kept within the limits, the County Tax rate would be \$2.87.

Mr. Book told the board that "business can't stand the tax increase" and urged that steps be taken to keep the rates within the limits.

VETERAN POLICEMAN RETIRED ON PENSION

Retirement of Patrolman John Pierson, Indianapolis Police Department member for 22 years, was approved by the Safety Board today. Mr. Pierson is eligible for pension.

Patrolman Charles Raron was retired by the Board for physical disabilities. He was a department member nine years.

The Board accepted the resignation of Fireman Maurice Cahill, Engine House No. 5. He had been a department member eight years.

The deadline for receiving applications for the firemen's merit school has been set for Monday.

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TAX COLLECTIONS UP ABOUT \$400,000

Unofficial totals today had put Marion County tax payments about \$400,000 above that for last fall, as Frank McKinney, County Treasurer, reported that yesterday was the quietest last tax paying day in many years.

The usual long lines and crowds were lacking as the deadline was reached at 5 p. m.

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

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 deplored 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 had paid since the law became effective.

Can 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 need of necessity 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 the investing public for these 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 into this uneconomic law to pay out the earnings or to be penalized for pension."

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 entire 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 in the cutting in appropriations is deep enough it will not be necessary to levy additional taxes to balance the budget in 1939.

GANDHI IS IMPROVED

CALCUTTA, India, Nov. 2 (U. P.)—Mahatma Gandhi is 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.

FORECASTS COOLER WEATHER TONIGHT

Clear Skies Will Continue;

Mercury Reaches 75.

Good-Natured



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 MCNEIL
Times Special Writer

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 by lower prices for rayon and cotton clothing, meats and other foods. It believes that the rise in rents may continue but at a slower rate than this year.

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 planned 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.

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.

Textiles—Many textile mills were

operating during the summer of 1937 largely on advance orders 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 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 business, but present conditions in the building industry do not indicate an offset part of these unfavorable conditions.

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.

CHILD BRIDE GIVEN PRISON SENTENCE

GOSHEN, Nov. 2 (U. P.)—Marjorie Messingale, 14-year-old child bride of Sanford C. Messingale, today had her sentence of six months in the Indiana Woman'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.

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