



The Indianapolis Times

FINAL
HOME

FORECAST: Fair tonight and tomorrow; much colder tonight with heavy frost, lowest temperature tonight about freezing.

VOLUME 50—NUMBER 17

THURSDAY, MARCH 31, 1938

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JOB FUND SEEN AS STABILIZER FOR BUSINESS

Jackson Tells Factory Men
Reserve Is Enough for
All Contingencies.

Indiana's 27 million-dollar unemployment compensation fund will be sufficient regardless of future business and employment conditions, Clarence A. Jackson, Unemployment Compensation Division director, said today.

He addressed Indiana Manufacturers' Association members at the Columbia Club on the eve of the launching of the State's vast unemployment compensation program.

He said about 15 million dollars will be added to the present fund by the end of this year. The law provides that persons now out of work will not be eligible for compensation until they have earned at least \$10 after March 31.

Payments in Three Weeks

About 750,000 persons are registered at the division offices and will be eligible for benefits whenever they are "unavoidably unemployed." First payments will start in about three weeks.

Mr. Jackson, who heads the administrative unit of 1000 persons, told the manufacturers:

"There are no inducements in the Indiana law for an employer to lay off his employees or refuse to give them employment merely to prevent his reserve account from being charged with benefit payments. The employee can gain nothing by refusing to accept suitable work, or by quitting a job."

"Both employer and employee should go on as they did prior to the beginning of payments. If employers keep accurate payroll records and pay contributions promptly, they will have no trouble in handling responsibilities under the law."

"If the employee will continue to use the same energy that he uses now to find a job and to keep it, he will find he is dollars ahead in the law will not solve the unemployment problem but it will lessen it."

Cites Benefits to Employers

"Employers must give employment to as many people as possible and assist their employees, and the division in assuring prompt payment of benefits to any of their employees who become eligible. Payments will give every employer in Indiana both direct and indirect benefits."

"This money, flowing into trade channels, is bound to help business. It will make every employer feel better to know that many of his eligible employees are receiving benefits for a certain period while he is unable to furnish them with employment."

"At the same time, it will delay the time when some individuals must go on relief, which, in Indiana, is a county obligation paid largely by property taxes. Others it will keep entirely off the relief rolls."

Mr. Jackson urged the employers to use the free facilities of the Indiana State Employment service in recruiting suitable workers.

CHRYSLER AND UNION NEAR STRIKE DEADLINE

DETROIT, March 31 (U. P.).—Chrysler Corp. and union conferees were deadlocked today, 12 hours before a collective bargaining agreement prohibiting strikes expires.

The corporation reportedly rejected a union ultimatum for revisions in the contract guaranteeing no wage cuts and eliminating the union's pledge against strikes.

Meanwhile the corporation announced that it was prepared to meet a rumored "stop work" strike in the Plymouth plant by closing the factory.

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Nagging O. K.

It's Woman's Right if
Husband Is Tardy,
Cox Rules.

A MARRIED woman has an inherent right to nag her husband if he doesn't get home when he should, Judge Earl R. Cox declared in Circuit Court this morning.

His statement was an answer to a young husband's defense that he beat his young wife because she nagged him.

The wife was granted a divorce and custody of a 6-month-old child.

INDIANA GROSS TAX ATTACKED

J. D. Adams Firm Says Indiana
Law Is Violation of
U. S. Constitution.

BULLETIN

WASHINGTON, March 31 (U. P.).—Indiana's First Assistant Attorney General A. J. Stevenson today denied before the Supreme Court that the state gross income tax was a burden on interstate commerce, but said the tax was upon the privilege of receiving income within the state.

WASHINGTON, March 31 (U. P.).—Frederick E. Matson, attorney for the J. D. Adams Manufacturing Co. of Indianapolis, today attacked before the Supreme Court application of Indiana's gross income tax to out-of-state sales.

Mr. Matson opened his attack yesterday.

He asserted the tax as applied to income from sales in interstate commerce was a direct burden on that commerce and in violation of the Federal Constitution.

Mr. Matson said a State court ruling that the tax is valid was indefinite and apparently based on the fact that the levy virtually was a property tax.

He pointed out, however, that administrative officers had ruled that it was invalid as applied to gross income of telephone and telegraph companies, railroads and similar instrumentalities of interstate commerce.

"In our belief," he said, "if the tax is invalid as applied to such instrumentalities of interstate commerce, it must be invalid as applied to interstate commerce itself. Without actual interstate commerce there could not exist instrumentalities of interstate commerce."

In addition, the company challenges applicability of the tax to income from so-called tax-exempt securities of municipalities on the grounds such application violates a contractual obligation set up by an early statute forbidding taxation of municipal obligations.

BRIDGES ATTACKS 'F. D. R. TYRANNY'

Asks G. O. P. to Campaign
For Decentralization.

BANGOR, Me., March 31 (U. P.).—Senator Bridges (R. N. H.) urged the Republican Party today to adopt "decentralization of government" as its war cry in the 1938 Congressional campaigns.

The Senator, a potential Republican Presidential candidate, demanded that the nation "once and for all put an end to what may truthfully be called 'Roosevelt constitutional tyranny.'"

Addressing the Republican State Convention here, he proposed a 10-plank platform:

"Take the Federal Government out of competition with industry, reform the Federal tax structure, amend the Social Security Act, legislate minimum wages and maximum hours, amend the National Labor Relations Act, drastically modify the Neutrality Act, provide an adequate Army, Navy and Air Force to protect American territory and lives, legislate the profits out of war, give American products first consideration in the American market, return the administration of relief to the several states and municipalities."

WASHINGTON, March 31 (U. P.).—The Senate Finance Committee today completed revision of the House-approved tax bill after debate.

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FILIBUSTER ON SHAKEUP BILL IN HOUSE SEEN

NATIONAL AFFAIRS
REORGANIZATION BILL debated
in House.

ROOSEVELT denies "dictatorship," backs reorganization.
GROSS INCOME tax attacked before Supreme Court.
HOOSIER labor leaders seek to see President in WPA dispute.
BROAD TAX proposal defeated in committee.
TVA PROBE assured as Senate sends bill to White House.
JESSE JONES says recession is mostly psychological.

Pettengill Opens
Reorganization Attack
(Editorial, Page 14; Roosevelt Letter, Page 18)

WASHINGTON, March 31 (U. P.).—The House, under the full pressure of President Roosevelt's Administration for quick passage of the Byrnes Government Reorganization Bill, voted 202 to 143 today to debate the measure under rules permitting each member to speak for one hour.

Administration members voted for the motion to debate the bill under the hour rule, while Republicans and dissident Democrats generally voted against it.

The one-hour debate rule, however, was not the rule under which the Administration had hoped to consider the bill. It held a threat of interminable filibuster.

House leaders brought bill before the House after President Roosevelt at Warm Springs, Ga., disclaimed ambitions to become an American dictator and urged enactment of the bill in its present form.

As debate opened, under a rule limiting initial discussion to six hours, a Democratic—Rep. Samuel B. Pettengill (D. Ind.)—launched the first direct attack on the measure.

He challenged it on a point of order the moment Speaker William B. Bankhead called the House to order.

Rep. Pettengill charged that the four House measures which the reorganization committee reported as a substitute for the Senate bill contained nonprivileged matter. The bills, he asserted, could not be reported to the House under its rules.

Rep. Bankhead, however, overruled the point of order, and instructed that debate proceed.

President Denies Dictator Ambitions

WARM SPRINGS, Ga., March 31 (U. P.).—White House attaches great importance to the correspondence assigned to President Roosevelt from debate early today and handed them copies of a letter which the President had written to an unnamed friend to defend the Byrnes Government Reorganization Bill and to deny that he aspired to be an American dictator.

Mr. Roosevelt wrote his friend: "(A) I have no inclination to be a dictator."

"(B) I have none of the qualifications which would make me a successful dictator."

"(C) I have too much historical background and too much knowledge of existing dictatorial powers to make me desire any form of dictatorship for a democracy like the United States of America."

The President then entered into a detailed discussion of the Byrnes bill which critics allege would give him dictatorial powers. He said the bill, passed by the Senate Monday by a seven-vote margin and up for debate in the House today, was the culmination of an effort started over 40 years ago to make business and more efficient. Seven or eight of my immediate predecessors in the Presidency have recommended similar reorganization measures."

Proposal to Broaden
Tax Base Defeated
(Editorial, Page 14)

WASHINGTON, March 31 (U. P.).—The Senate Finance Committee today completed revision of the House-approved tax bill after debate.

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59 BELOW 17 MILES UP
BOSTON, March 31 (U. P.).—A weather balloon today ascended to the highest point yet reached here—59,200 feet or nearly 17 miles—and recorded a temperature of 59 degrees below zero.

Firemen Divide Forces, Conquer 2 Small Blazes

The Fire Department did a little "mopping up" around the "Crossroads of America" today.

At 10:29 a. m. someone turned in an alarm at the box at Meridian and Washington Sts. A dozen downtown companies were sent to the scene.

At the box they found two groups of persons.

"Fire at Roy Stables," one spokesman shouted to fireman and pointed north on Meridian.

"No, not that way, down Washington St. at the Lerner Shops," someone in the other group contradicted.

"Well, there's either two fires, or somebody's trying to make monkeys out of us," a fireman replied. So men were dispatched to both establishments.

At Steele's they found a small blaze caused by a cigarette stub. At Lerner's they found an equally small blaze resulting from a short circuit. Both were extinguished simultaneously with no loss.

DAIRIES RECEIVE 8-CENT MILK CUT

Indiana Control Board Pares
Price to Producer From
\$2.54 to \$2.46.

The Indiana Milk Control Board today reduced the price Indianapolis distributors must pay producers for milk of 4 per cent butterfat content from \$2.54 to \$2.46 per hundredweight.

Local dairies had petitioned for a price of \$2.42 per hundredweight.

The Board also recodified the general order governing the Marion County marketing area. This action was taken, members said, because numerous amendments to the old order made it difficult to interpret.

At a recent public hearing Indianapolis distributors said the Board would have to lower the price paid producers to allow dairy farmers to continue their present price to consumers.

Board members audited books of several Indianapolis dairies and found they were unable to operate profitably under the present producer price scale.

AGED LIECHTENSTEIN RULER QUILTS THRONE

ZURICH, Switzerland, March 31 (U. P.).—Prince Franz II, aged reigning prince of the tiny principality of Liechtenstein, and one of Europe's wealthiest men, turned over his throne today to his 32-year-old bachelor cousin, Prince Franz Joseph.

There were rumors that Prince Franz abdicated because of a tendency toward sympathy with German Nazism among his 10,231 subjects. This was denied, however, and it was said that Prince Franz, now in his 85th year, "just wanted to retire."

Prince Franz Joseph, head of the second line of the ancient Liechtenstein family, thus becomes ruler of the 65 square miles of a country which has no army and no jail—no taxes. Three policemen keep order.

2 OUSTED POLICEMEN SUE TO REGAIN JOBS

James J. Hayes and Harry M. O'Mara, former city policemen, today filed a petition in Superior Court 3 for a review of the action of the Safety Board in dismissing them.

Both men were dismissed from the Police Department March 1, after the Safety Board had tried them on charges of conduct unbecoming officers. They are alleged to have accepted money from a motorist. Both denied the charge.

In addition to asking reinstatement, the two former officers also requested that they be granted full pay for the period they have been relieved of duty.

BABY'S BODY FOUND IN SUITCASE HERE

The body of a new born baby was found today in a suitcase which had been checked at the Traction Terminal. The suitcase had been checked in not less than 24 hours more than 48 hours ago.

The body was wrapped in a sheet, in one corner of which was embroidered a monogram "W."

17TH TRAFFIC VICTIM DIES; 2 MORE HURT

13 of 38 Motorists Arrested
Overnight Pay Fines
Amounting to \$65.

Indianapolis' 1938 traffic death toll today was increased to 17, half as many as for the corresponding 1937 period, with the death of a pedestrian who was injured Dec. 4.

Two persons were hurt in five accidents and 13 of 38 traffic law violators arrested overnight were fined in Municipal Court today.

William T. Warren, 58, of 355 N. Noble St., struck last December by a car driven by Lawrence Burnell, 30, of 412 Oakland St., while crossing Noble St. at Walnut, died at City Hospital.

Joseph Lescher, 20, of 1209 Concord St., was knocked from his motorcycle at Washington and Southeastern Sts., by an automobile driven by John Maston, Danville, Ill., police said. He was taken to City Hospital.

\$111 in Fines Suspended

Judge Karabell ordered the 13 drivers to pay \$65, but suspended another \$111.

The majority were charged with ignoring traffic signals, nine being ordered to pay \$39 on that charge. No speeders were arraigned today, but four were arrested last night.

Ethel Spurlock, 1319 N. Illinois St., was fined \$5 for running through a new signal light at Illinois and Michigan Sts. She said she saw a man do likewise. The latter was arrested, too, and fined \$1 and costs, all of which was suspended.

Car Hits Light Pole

Herbert Graber, Negro, of 2325 Columbia Ave., charged with driving through a signal at West and 10th Sts., said he was employed in the General Division and helped to install stop and go signs. Judgment was withheld.

Thomas Gallagher, 35, of 2115 N. Delaware St., head of the Secret Service office here, escaped injury when his car jumped a curb and crashed into a light standard near his home. He told police he was forced over the curb when a passing car cut sharply in front of him.

Rain reduced visibility and was blamed for the crash of a truck into a safety zone guard at Pershing Ave. and W. Washington St. The driver, Forrest Zimmerman, 45, Kendallville, was uninjured.

CITY GETS \$177,829 OF STATE GAS TAXES

Marion County Receives
\$60,746 of Fund.

Local governmental units today received a quarterly distribution of state-collected gasoline tax funds totaling \$3,420,507, the first distribution under the system established by the 1937 Legislature.

Marion County received \$60,746, and the City of Indianapolis \$177,829, the State Auditor's office reported.

Under the 1937 act, \$2,000,000 is set aside annually to be distributed to cities and towns in equal quarterly payments, while the State general fund each year received a distribution of \$1,250,000.

The remaining amount generally is divided, two-thirds to the State Highway Commission and one-third to counties, excepting those counties having first and second-class cities, where an additional payment is made to the cities out of the counties' share.

The total amount distributed this quarter to the State Highway Commission amounted to \$5,841,015.

The total net amount received by the counties for the first quarter was \$2,781,230. Out of the Indianapolis total, \$91,119 was taken by law out of Marion County's share.

STOCK MARKET PLUNGES

(Further Details, Page 18)

NEW YORK, March 31 (U. P.).—Stocks lunged toward 1932 levels today when a midsection reaction from early firmness brought out renewed margin selling and discouraged liquidation. Tickers ran late on the decline.

3 AREAS FLOODED IN CITY; BOY DROWNS IN CREEK; STORM TOLL REACHES 32

Hundreds Injured in
Five States; Relief
Is Rushed.

By United Press

Five states threw their resources today into efforts to aid stricken survivors of a tornado that slashed northwesterly from Oklahoma to Illinois, killing at least 32 and injuring hundreds.

Unofficial estimates of the damage ranged from \$1,500,000 to \$2,000,000.

Governor Huxman of Kansas took personal charge of relief work at Columbus, Kas., where eight were dead and at least 100 injured.

Governor Horner placed the Illinois National Guard and State Police at the disposal of 16 stricken Illinois towns. The little railroad town of South Pekin, Ill., was in ruins, with seven dead and more than 60 injured.

At Heber Springs, Ark., four were dead and 20 others in a hospital. Two were not expected to live. Four more were dead at Neelyville, Mo. Others were killed at scattered points.

Oklahoma Town Hit

Impelled by a low-pressure area of terrific intensity, the storm burst upon Avant, Okla., shortly before noon yesterday, barreled slantwise across Arkansas, Kansas and Missouri, and spent itself in central Illinois six hours later.

Several times the storm split and spared great wedges of terror-stricken area, joining later to bear down on another settlement with renewed intensity. Such was the case at South Pekin. The town today resembled a scene of wartime bombardment.

In the glare of flares posted by Red Cross and State Police, the few undamaged or slightly damaged houses stood out. Only two of the town's major business structures still stood, the hotel and a store.

The Northwestern Railroad's division offices were ruined. The railroad roundhouse had been picked off its foundations and dropped in wreckage.

Mrs. Julia Kennedy, chairman of the Peoria Red Cross, directed the rescue squads. She estimated at least 600 of South Pekin's 1200 inhabitants were affected directly by death, injury or loss of home.

Approximately 600 miles and four hours back along the path of the storm lay Columbus, Kas., a similar picture of desolation.

Eight died in Kansas and eight in Missouri. Sheriff's deputies stood guard against looters. Hospitals were filled to overflowing and patients laid three deep in bed. More than 100 were treated.

Here is how the tornado cut its path of devastation:

Avant, Okla.—Small structures damaged; teacher herded school children to safety before wind damaged building. One injured.

Ramona, Okla.—Storm dipped, damaging houses. One injured.

Oglesby, Okla.—School smashed over heads of 60 children, burying four who were rescued.

Heber Springs, Ark.—Four dead, 20 in hospital, two near death. One farm family missing.

Walnut Ridge, Ark.—Mr. and Mrs. Mitchell Baird killed when the storm demolished their home. Ten houses damaged.

Neelyville, Mo.—Four killed.

Hollow, Okla.—Motorist rushed 13 school children to storm cellar.

Conway, Ark.—Farmer's wife killed, houses damaged.

Columbus, Kas.—Seven killed, at least 100 injured. Governor Walter A. Huxman in charge of relief. Fifty houses wrecked.

Lamar, Mo.—Houses unroofed.

Murry, Mo.—One killed, 11 injured as storm cut 10-mile path through six rural settlements.

Shaw, Mo.—One killed.

Venice, Ill.—Man killed when blown from bridge.

Timewell, Ill.—Farmer killed.

Astoria, Ill.—Farmer killed when barn collapsed dropping 10 tons of hay on him.

DISCUSS STATE SALARIES

Indiana Budget Director Edward P. Brennan today conferred with State Penitentiary and Benevolent Institution officials on salary scales paid employees.

Two-Inch Rain
Here Equals 2
Billion Gallons

During the last 24 hours approximately two inches of rain fell on Indianapolis.

Adjusted to take care of a possible error of a pint here and there, that was 1,945,296,000 gallons of water.

That much water trapped and saved would have supplied all Indianapolis homes and industries with water for the entire month of July, which the Indianapolis Water Co. says is the city's thirstiest month.

It would have run the steam engines, filled the bathtubs, watered the grass, flushed the streets, and when the month was over, there would have been 610,292,000 gallons still left to wet August's whistle.

The 1,945,296,000 gallons of water fell on the incorporated section of Indianapolis only.

The State Conservation Department said that was approximately half as much water as is in Lake Tippecanoe, fifth largest lake in the State.

So, theoretically, we're now a seaport.

BATTLE FLEET HUNTS BOMBER

Missing With Six Aboard;
Another Crashes With
Three Known Dead.

(Photos, Page 18)

HONOLULU, T. H., March 31 (U. P.).—The United States battle fleet completed war game maneuvers today and immediately began one of the greatest searches in naval history for a bombing plane missing since yesterday with six men aboard.

Sixty-five surface vessels, 210 planes from aircraft carriers and 30 planes from the Pearl Harbor Naval Base were ordered into the search.

The plane was the second that failed to return to its base safely yesterday. The first crashed with seven men aboard, killing at least three. Members of the crew of the U. S. Avocet, an aircraft tender, searched the wreckage for two more men whose bodies they believed were inside.

The second plane had been dispatched on defense scouting maneuvers in connection with the war games in the Hawaiian Islands area.

G. J. Miles, 20, Wilmette, Ill., radioman, swam ashore and notified authorities that the plane had crashed. H. F. Bartz, 23, of Bartlett, Tex., aviation machinist's mate, collapsed on the beach after reaching safety. He was found unconscious and revived.

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**'B23' GETS RADIO
MYSTERY MESSAGE**

NEW YORK, March 31 (U. P.).—A mysterious message broadcast over radio station WABC caused reports today that a contact had been made with the kidnapers of 12-year-old Peter Levine of New Rochelle, N. Y.

The message, read by the station announcer at 9:30 last night at the end of a program featuring Grace Moore, operatic and movie star, said:

"We are ready to follow your instructions B23. We have to proceed by automobile because of weather conditions."

Columbia Broadcasting Co., which operates the station, remained secretive today about the message.

Murray Levine, father of the missing boy, and another person said to have been his intermediary are scheduled to appear on a program called "We, the People," over WABC tonight.

Big Eagle Rampant; Homes Menaced in Ravenswood.

Big Eagle Creek was on a rampage at Happy Hollow in the southwestern Indianapolis section south of Belmont St. and west of Belmont Ave.

Residents reported the stream, ordinarily knee-deep, ran 30 to 40 feet deep today, spreading out 300 feet from its banks on each side.

Water was lapping at the foundations of homes nearest the stream and a few families vacated. The water was swift and rising.

Road 52 at Traders Point was closed by the swift current of Big Eagle Creek running to a depth of 18 inches over the highway. The stream was 400 feet wide at this point.

Road 52 traffic out of Indianapolis was being flagged down at 71st St. and routed over Road 29 to Road 32, thence to Lebanon.

One big truck which attempted to plow through the inundated road slipped off the concrete and was stranded, half submerged.

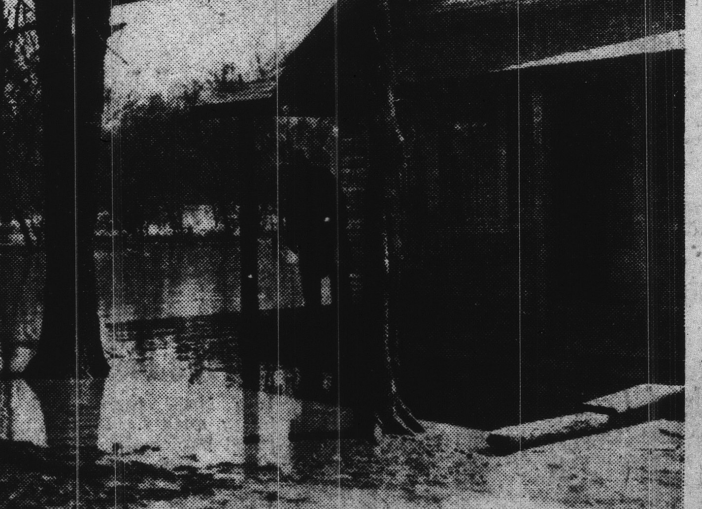
During the thunderstorm last night.

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TRUCK DRIVERS MAROONED AS EAGLE CREEK OVERFLOWS . . . 'RIVER, KEEP AWAY FROM MY DOOR' . . . DRIVER FINDS IT TOUGH GOING IN JEFFERSON AVE. . . .



Highway 52, main road between Indianapolis and Lafayette, was converted into a veritable lake at Traders Point today as Eagle Creek overflowed its banks after heavy rains. These truck drivers were marooned as their vehicles became submerged with no hope of getting them out until the water subsided.



This home of William E. Fry, shown standing on the porch, is ordinarily 300 feet from the bank of Eagle Creek. But the water was just about at its door from the creek overflowed on Concord Ave.



The torrential rains were too heavy for the sewers in N. Jefferson Ave. 2100 block. Rains and backwater resulted in a pool which measured 2 1/2 feet deep in some places. The driver of this partly submerged automobile found the going difficult.