

HATCH BILL ANAEMIC AFTER ADMINISTRATION SURGERY

PROVISION CONDONES EVILS IT HOPED TO END

Invites U. S. Employees Into Politics Rather Than Barring Them.

By CHARLES T. LUCEY
Times Special Writer

WASHINGTON, July 1.—The Administration's fight to keep the army of Federal employees free to mix in politics and thus to be active in the 1940 campaign—left the Hatch no-politics bill today an anaemic version of the measure adopted by the Senate in April.

The House Judiciary Committee yesterday reported a bill which not only fails to bar Federal employees from political activity, but in which it had written a provision in effect inviting employees to do just that—in "participation" in the activities of a political party.

The Committee went further and weakened the section of the bill making it unlawful to solicit or receive an assessment for political purposes from persons paid from relief funds. The Committee vote in a clause making the prohibition apply to "relief workers or persons on relief."

Possible to Solicit Funds

This makes it possible to solicit funds from people paid with relief funds but serving in an administrative, supervisory or special capacity. Nonrelief workers make up a sizable block of those in the relief administration.

This action brought immediate criticism from Senator Sheppard (D. Texas), chairman of a special Senate Committee which investigated political activity in relief last year, and whose report spurred action on the bill in the Senate.

"It is just as evil for administrative officials in the relief organization to be engaged in such practices as for the relief workers themselves," Mr. Sheppard said.

Vital Section Taken Out

The House Judiciary Committee struck from the Hatch bill the section which Senator Sheppard (D. N. M.), its author, considered the substance of the bill. This section barred employees from "taking active part in political management or in political campaigns."

The Committee left in the bill a section barring representatives and employees from using their authority or influence "for the purpose of interfering with an election or affecting the results thereof."

The penalty provided in the Senate bill for violation of this section was immediate removal from office. The House Rules Committee delayed giving the bill a right-of-way to the House floor today, but Rep. John J. Dempsey (D. N. M.), leading the fight for the bill in the House, said action next Thursday was certain.

JAPANESE CHARGE BRITISH ARROGANT

TIENHSIN, China, July 1 (U. P.).—Don't (Japanese) news agency dispatch from Amoy said today that Japanese authorities planned "independent action" because British authorities had failed to accept an invitation to resume negotiations regarding the status of Kulangsu, the foreign area of Amoy.

Britons at Kulangsu had adopted an "arrogant" attitude, the dispatch said, and were accused of "machinations in stubbornly resisting Japanese demands." In contrast, the other foreigners who were conciliatory.

IN INDIANAPOLIS

Here is the Traffic Record

County Deaths (To Date)	Speeding	Reckless driving
1938	44	1
1938	53	1

City Deaths (To Date)	Running preferential street
1938	26
1938	33

June 30	Running red lights
1938	3
1938	0

Injured	Drunk driving
1938	8
1938	0

Arrests	Others
1938	17
1938	6

MEETINGS TODAY

Alliance Française, luncheon, Hotel Washington, noon.

MARRIAGE LICENSES

(These lists are from official records in the County Court House. The Times therefore is not responsible for errors in names and addresses.)

David Sluss, 42, of 3637 Washington Blvd., and Irene Jeffries, 30, of 2516 N. Meridian.

Levin Rickard, 28, of 20 N. Riley, and Mary Rickard, 28, of 20 N. Riley.

Donald P. M., 22, of 1920 N. Meridian, and Ruth Lockwood, 23, of 1920 N. Meridian.

BIRTHS

Levi, Imogene Bell, at 1716 South-eastern.

Charles, Dorothy Buckner, at 41 S. Addison.

Carl, Leverage Mikell, at 412 N. Holmes.

Henry, Ruth Collins at 344 Douglas.

Dorothy, Mary V. V. at 1716 S. Washington.

David, Florence Webb, at 928 Wood-lawn.

DEATHS

Elmer McGuire, 90, 1523 Broadway, terminally ill.

Marie Bell Snyder, 60, at 802 1/2 College.

Richard Leonard, 55, at 125 S. Main.

William, 55, at 125 S. Main.

Walter Davidson, 74, at Methodist, arteriosclerosis.

Ida Mae Wilkins, 78, at St. Vincent's, cancer.

Frank C. Long, 76, at 58 S. Bradley, cancer.

Edna Zoller, 54, at 330 W. 51st, diabetes mellitus.



European dispatches today again point to Danzig as focal point in next big strength test of European powers. The map shows distances in miles and flying time of important capitals from the crisis center.

HULL BRISTLES ON NEUTRALITY

Bankhead Fears European War-Makers to Draw Wrong Conclusion.

WASHINGTON, July 1 (U. P.).—Secretary of State Hull declared today he would continue to work for Congressional approval of the Administration's neutrality law despite House passage of a measure providing a modified embargo on shipments of arms and ammunition to belligerents.

In a formal statement bristling with hostility toward the embargo provisions, Mr. Hull declared the House action was "a matter of regret and disappointment" from the standpoint of the assurance of this country's continued isolation from foreign wars.

Bankhead Worried

Speaker William B. Bankhead, in a separate statement, said he feared that failure of the House to eliminate provisions for arms embargoes might "cause the trouble makers of Europe to draw the conclusion that there is not concerted action in this country between the executive and legislative branches on national policy."

Chief Blow to the Administration

Chief blow to the Administration was inclusion in the bill of an amendment that would provide a modified embargo on arms and ammunition, excluding airplanes, against nations at war.

As it went to the Senate, the bill provided in part:

1. The President, or Congress by joint resolution, may proclaim that a state of war exists between two or more foreign states.

2. It shall then be illegal to export or attempt to export "arms and ammunition" to belligerents, but not "implements of war" as under the current law. This—the Vowes Amendment—has the effect of freeing shipments of airplanes to belligerents.

3. It shall be illegal to make loans or sell bonds of belligerent states named in the Presidential proclamation, but the President may exempt short time commercial credits for a maximum of 90 days.

4. Belligerent vessels could be detained under United States ports, and other vessels upon Presidential orders might be required to post bond that they were not carrying men, or munitions, to a belligerent state.

5. Citizens would travel at their own risk on belligerent ships.

City Wants to Join Nazis But Poles Stand in Way

By LEE G. MILLER
Times Special Writer

WASHINGTON, July 1.—Danzig, on which Europe's war fears are focused, is one of those flyspecks on the globe which are insignificant in area and population but immense in political, strategic and psychological importance.

Danzig has known war many times in its 10 centuries or more of existence. It has been ruled by Pomerania, by Poland, by Brandenburg, by Denmark, by France, by Prussia, and by itself.

Frederick the Great is supposed to have said:

"Who rules the mouth of the Vistula and the city of Danzig will be more master of Poland than the King who rules there."

The "Free City of Danzig" is both a city and a country, covering in all 754 square miles, or more than half Rhode Island's area.

It straddles the great Vistula River, which flows 150 miles through the city and west by Poland, but on the east it adjoins Germany's disconnected province of East Prussia, and Germany proper is only 15 miles westward across the Polish corridor.

Nine miles up the coast from Danzig, in the northeast corner of the corridor, is Poland's new port of Gdynia, created since 1924 as a rival to Danzig.

Both harbors, protected by the long finger of the Hel peninsula, are among the world's best. They are practically ice-free.

Once Under Napoleon

Danzig's present status as a free city, stipulated in the Treaty of Versailles, dates from 1920. But it was a free city centuries ago, and later under Napoleon. In 1814 it was reabsorbed by Prussia, which ruled it until the World War ended.

The Poles demanded Danzig at the peace conference, but the treaty-making demurred because of the predominant German population.

The free-city status was a compromise. Under this arrangement Danzig has its own Parliament, its own currency, its own red-and-white flag, and its own customs.

But Poland has charge of its foreign relations and there is a customs union between the free city and Poland.

A League of Nations Commissioner is supposed to maintain amity between Danzig and Poles.

The tragedy of Danzig is that it is (1) "A German city and wishes to belong to Germany," as Herr Hitler says, and (2) it bespides Poland's "Missusipipi," the Vistula, and commands strategically the only ocean outlet possessed by Poland—the brief Baltic coastline of the corridor.

Thus, in the words of Foreign Minister Beck of Poland, there is "a positive cross between Polish and German interests."

Herr Hitler says Danzig must come back to the Reich. Mr. Beck and President Moscicki of Poland say it must not. And Great Britain thunders that she and France will go to war for Poland if Germany attacks.

GRASS IS GREENER IN OWN BACKYARD

PITTSFIELD, Mass., July 1 (U. P.).—Robert Finch traveled 12,000 miles to Honolulu and back—in a futile search for a job this spring.

Today he had found one—in a gasoline station two blocks from his home.

Order 34,000 to Report

The 34,000 British youths of 20 years, born as the echoes of the World War died, were ordered to report for Army training July 1.

The first peace-time conscripts in modern British history. They are among 200,000 20-year-olds who have passed their physical examinations. They will receive six months training as militiamen. Others will be called later.

Calling of the militiamen came as one evidence of the racing pace of British rearmament, the result of the European situation.

Another was the assumption today by two of the country's foremost military leaders of new "war time" army posts—Gen. Sir Walter Kirke as Inspector General of the home forces and Gen. Sir Edmund Ironside as Inspector General of overseas forces.

It was made known officially today that his own way to assume his new post Gen. "Big Bill" Ironside, who had been serving as Governor and commander-in-chief of Gibraltar, conferred with Gen. Francisco Franco, Spanish Nationalist leader, at Burgos.

Gen. Kirke had just returned home for a visit to the general staff of Finland.

NEW HARMONY WELL HAS OIL SATURATION

NEW HARMONY, Ind., July 1 (U. P.).—Four feet of oil saturation at a depth of 397 feet was found in a well being drilled near here by the Gulf Oil Co. it was announced today.

Officials said the well would be drilled deeper, but the productive possibilities of the shallow formation would be tested later.

M'NUTT RESTS AFTER ORDEAL

Leaves for Washington Next Week to Confer With President.

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planned to leave for Martinsville probably early this afternoon.

Mr. McNutt's address, in which he made a fervent plea for peace at home and abroad, disappointed his multitude of listeners because he avoided any discussion of domestic or political problems and of his Presidential campaign.

Most of his address was confined to a discussion of the Philippine situation. He voiced a strong plea for the U. S. to continue her sovereignty over the islands, warning that the complete independence would result in "trouble for at least a generation."

In an informal talk at the State House lobby reception, Mr. McNutt spoke of his joy to set foot once more on Indiana soil, adding that the "man who wrote 'There is no place like home,' knew exactly what he was talking about."

"You've been awfully nice to me," he said. "I can't ask for any more from you. What happens to me as an individual is not important. What happens to all of us is very important. This is no time to be thinking selfish thoughts. The mind and energy of every man and woman in America should be directed to thinking of the welfare of the greatest Nation on the globe."

Tries Out Old Chair

Upon his arrival at the State House, Mr. McNutt went directly to the Governor's private office where, after "trying out" his old chair and desk, he "went to work" on a box lunch consisting of chicken sandwiches and two bottles of milk.

After his brief talk from a temporary platform in the lobby, the High Commissioner, flanked by Fred Bays, Democratic state chairman, and Governor Townsend, began his one-hour handshaking endurance contest.

The crowd was directed by Mr. Bays to line up within a roped inclosure, single file, but the jam at the entrance to the inclosure was so terrific that extra details of State and City police were called to hold back the crowd.

Observers estimated that the line moved past the commissioner at the rate of a person every two seconds or less.

Calls Many by Name

Using both hands for speed (and to relieve the strain on his right hand) Mr. McNutt, beaming and perspiring, greeted those in the line with "Hello, there." "How are you?" "Glad to see you." "Hello, there, Jim."

He called out names of friends and acquaintances, and many were called to connect names and faces rapidly enough to call more than one in by name, but an occasional lucky guesser received a pat on the back and a hearty "Good-bless you, it's good to see you again."

Although several babies and small children were held up for him to see, the High Commissioner failed to emulate the old-style politician by kissing them.

CLAIMS SHOES TAKEN BY KNIFE WIELDER

As Robert Thomas of 809 Blake St. walked along Indiana Ave. today, a man whom he knows only as "Sonny" asked him for a quarter.

When he refused, "Sonny" drew a knife and tried to take off his shoes—\$3.50 worth—and give them to him, Thomas told police. When he reported the matter he was cool around the pedals, but pretty hot under the collar, police said.

F. D. R. BEATEN ON NEUTRALITY, GOLD CONTROL

Devaluation Power Is Swamped by Filibuster In Senate.

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munition embargo which is in defiance of Administration policy. A motion to recommit the bill—virtually killing it for this session—lost by a vote of 106 to 194 and the bill was passed finally by 205 to 189, margins are confident they can further amend the legislation although they expect to kill it altogether.

Hull Hostile

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There were some breathless moments in the House. Rep. George Holden Thinhank (R. Mass.), bitter foe of foreign embargoes, was practicing with hope and confidence as House voted on his motion to recommit. His exuberance faded as a recapitulation of the vote sustained the tally of his defeat and the sad tidings found him, finally, dejected and sitting spraddle-legged on the House floor.

The conference report now pending has been through the legislative mill. The Senate altered the House bill by voting down dollar devaluation, upping the price for domestic silver from 64.64 cents to 77.57 cents and forbidding further purchase of foreign silver.

Congress Reprimanded

A compromise was worked out under Administration pressure to restore dollar devaluation, fix the domestic silver subsidy at 71.10 cents and restore authority to purchase foreign silver. The House accepted that compromise. The Senate never had a chance to vote on it last night. The filibuster prevented it.

But Mr. Murphy's opinion may help the Administration out of the monetary depths. Whether the Supreme Court would uphold his action probably will be a question brought quickly to showdown if the Senate approves the bill Wednesday.

Mr. Roosevelt was in the White House study until after midnight and only a few minutes earlier announced that he had signed two last-minute appropriations bills, reminding Congress in connection with each.

Signs With Criticism

He signed the \$1,755,000,000 work relief bill which appropriates for the WPA and related activities, and the Agriculture Department and Farm Credit Administration supply bill.

He criticized the relief bill on four counts.

1. The security wage provision would reduce security wages in northern and western areas and increase them "in that portion of the nation which has a warmer climate."

2. The compulsory 30-day vacation for relief clients employed more than 18 months provided no discretion for families in dire need.

3. The 34 per cent limitation on Administration expenses will impair efficiency.

4. Abolition of the Federal theater project, assailed in the Senate and House as spotted with communism, "is discrimination of the worst type."

In a mimeographed statement, he remained "in the White House" and said that this major appropriation bill "comes to me from the Congress at 10 p. m., June 30. Obviously I cannot withhold my signature and thereby stop work relief for the needy unemployed."

When a change farm bill, he complained again that Congress had run out on a 1938 "gentlemen's agreement" to levy taxes to cover a \$112,000,000 parity payment subsidy provided farmers last year because of budgeted deficits. That failure was now compounded, he pointed out, by a similar unbudgeted appropriation of \$225,000,000—added to the bill signed last night but without provision of tax revenue to pay for it.

Heroine BY DICKERMAN UNDER FIRM'S

Expert's Estimate Lower by \$1,411,000 in Report To Mayor.

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amendment to the Indianapolis utility laws providing that, instead of City Council having the sole power to decide on the purchase of a utility, the power should be divided between the Council the Utility District trustees and the Mayor, in order to provide a triple check.

The price at which the company could be bought first was made public following a meeting between Mr. McNear and City officials May 15. Earlier, Mr. McNear, without naming a price, had indicated that the company's revenue was sufficient to permit the City to pay "as much as \$26,570,000" retire the bonds in 40 years and still make a profit.

Price Cut May 15

On May 15, he announced the company could be bought for \$22,159,000. This included \$3,500,000 net for the common stock, owned by the Geist Estate. The remainder of the sum would be needed to retire the outstanding obligations, including preferred stock and bonds held by investors throughout the nation.

A check of the obligations later disclosed an error, correction of which brought the purchase price down to approximately \$22,773,000.

This, Mr. McNear explained, was the valuation fixed by the Public Service Commission in 1932 of \$22,000,000, plus a part of net additions made to the property since.

Suggests Revenue Bonds

On the basis of past earnings, Mr. McNear contended, the City could issue \$22,773,000 in 3 per cent revenue bonds and still have approximately \$900,000 in revenue left at the end of each year after paying the interest, and retiring one-fourth of the bonds.

Setting aside \$317,000 to make up the loss in taxes to the various local taxing units, he said, the City could cancel its present \$400,000 annual hydrant rental bill and still have nearly \$200,000 left. This \$200,000, together with the elimination of the hydrant rental item, would permit nearly a 12-cent reduction in the tax levy, it was argued.

Mr. Dickerman had had more than 40 years' experience as a utility engineer, serving as a consultant on utility problems in nearly every state in the Union.

He was loaned to Indianapolis several years ago during the city's electric rates case hearing, and his services were highly praised by City officials.

He was borrowed from the FTC recently by the Congressional committee investigating the Tennessee Valley Authority.

Working Capital Needed

Also a total of \$300,000 working capital would be necessary and \$823,263 would be required for premiums on calling of outstanding securities and expenses pertaining thereto.

Thus the total cost of acquiring the property, free of liens, making necessary improvements and providing for a working capital would be as follows:

1—Common stock of Indianapolis Water Works Security Co. \$ 3,500,000

2—Securities of Indianapolis Water Co. and Indianapolis Water Works Security Co. 18,438,400

Total \$21,938,400

Less net quick assets, 1,500,000

Total \$20,438,400

Bonds to be issued as follows:

Oakland and Fall Creek projects \$ 2,000,000

Working capital 300,000

Premium on calling securities and other expenses 823,263

Total \$23,561,663

"To this sum should be added contingent interest liability and City's cost of refinancing. The amount of contingent interest liability will depend on date of notice of calling bonds."

SHERIFF PROVES HIS 'METAL' IN ARRESTS

RICHMOND, Ind., July 1 (U. P.).—When a man with a badge stepped up to Everett Evans and Jess Kilgus of Green's Fork and charged them with tossing firecrackers against passing automobiles, they said: "Take yourself away from here, because we're not afraid of any 10-cent store badges."

The man, Sheriff Arthur Quigley, took himself away, but he took Evans and King with him. They were now compounded, he pointed out, by a similar unbudgeted appropriation of \$225,000,000—added to the bill signed last night but without provision of tax revenue to pay for it.

But there are anti-aircraft guns in the parks now. Sons and daughters and often wives are signing up for national service. This week-end the most formidable army in British history begins training under a war-time command.

All of these developments give backbone to British preparedness. But the fact is that an influential part of the Chamberlain Government has never abandoned its appeasement philosophy.

There is little question in the minds of persons close to the Government that even if the Soviet alliance is completed—as is now essential to the security front—there will be future British gestures toward a reconciliation with the Nazis.

WATER FIGURE BY DICKERMAN UNDER FIRM'S

Expert's Estimate Lower by \$1,411,000 in Report To Mayor.

(Continued from Page One)

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