

# THE RICHMOND PALLADIUM

VOL. XLVI., No. 18

Palladium, Est. 1831. Consolidated with Sun-Telegram, 1907.

RICHMOND, IND., TUESDAY EVENING, NOV. 30, 1920.

SINGLE COPY 3 CENTS

## HOME RULE ECONOMICAL FOR DAYTON

City Has Installed Scientific Auditing System for Finances—Floating Debt is Reduced—Purchasing Agent.

### PAY-AS-YOU-GO BASIS

Editor's Note: Clarence B. Greene, director of the Dayton Bureau of Research, has prepared a series of articles on home rule for the Palladium. The seventh follows:

Probably the greatest example of a successful operation of the commission-manager plan of government is to be found in Dayton, Ohio, an industrial city of the southwestern part of the state, with a population of 175,000. This beautiful city on the Miami river was the first large one to adopt the manager plan, although since its adoption in 1914 many other cities throughout the county have followed the lead of Dayton and adopted similar charters.

Because of the remarkable record which Dayton has made under the plan, interest has been focused on her experience, and the tale of her achievements many times told.

One very great advantage Dayton has, and one very great disadvantage she shares with every other Ohio city. The disadvantage is the restriction on any sufficient available income with which to finance her operating expenses, by what is known in Ohio as the Smith one percent tax law. Not only is the tax rate of all Ohio cities regulated and limited, but any revaluation of property, which might thereby increase the income from taxes, is outside their jurisdiction. As a consequence, every Ohio city in these days of extremely high costs is laboring under staggering debt, or has been compelled to curtail needed public services so as not to greatly increase its obligations. An immediate solution of the state-wide problem has been undertaken by the legislature, through the temporary lifting of the restrictions of the Smith law.

**Citizens Interested**  
The especial, outstanding advantage which Dayton enjoys is the fact that her large industries are owned and operated by local residents, men of an astonishing and passionate devotion to the best interests of Dayton, and an invaluable asset to any municipality.

Prior to 1914 there had been a growing discontent with the management of Dayton's affairs. For a number of years leading citizens from every representative group had been advocating better methods of city management. Waste and inefficiency with the system then used were obvious to every citizen. Every year saw Dayton sinking more heavily into debt.

While it is possible the tragic confusion following Dayton's terrible flood in 1913 hastened action for a new city government, it is certain that the forces which were to bring about that change were at work long before the deluge of water. It is interesting to know that before the adoption of the charter which gave Dayton its present form of government, a long and thorough campaign of education was carried out. Hundreds of talks and lectures were given to interested groups. Many vivid statements of facts were thrown on the screen. Newspaper advertising space was used to acquaint the people with the facts of their own city. A municipal research bureau, supported by private contributions, was the agency through which this accurate and reliable information was made available to the public.

#### Faced Big Debt

Financially, Dayton faced a bonded indebtedness of over \$8,000,000, because the old administration had borrowed wildly, issuing bonds to cover annual operating expenses, and yet more bonds to meet the interest requirements upon previous issues. Pavement repairs, for instance, had been paid for by bonds, to avoid the political odium of raising taxes. There was no system of scientific accounting in use, and city records were jumbled to make a good showing. A bond issue of \$800,000 for flood repairs had been used instead for running expenses, so as to avoid the appearance of the inevitable usual annual deficit. The new commission and manager on January 1, 1914, found a floating debt of unpaid bills and expenditures, in excess of income, of \$125,000.

The city then had a red-light district; an insufficient water supply, built for a population of about 30,000; no ash or rubbish collection; incomplete sewerage system; public health neglected; loan sharks working unhampered; public nursing overlapped and sanitation ordinances were not enforced. Worse than all this, but the legitimate result of the whole situation was a general distrust of municipal government, and a general disbelief in all municipal officers.

#### New Auditing System

The primary reform in Dayton was the installation of a scientific auditing system for city finances, so that it is now known at the close of each day the exact state of municipal funds and commitments. The annual budget prepared by the manager and department heads, is printed in handy pamphlet form, so that any citizen may inform himself fully and accurately on municipal expenditures and compare each year, item by item, with previous years.

During the first four years of the new plan the floating debt of \$125,000 was reduced to \$65,000. This was made possible through the fact that the city lived within its income and finished each year with a net cash balance. In addition, Dayton adopted the policy of issuing sinking fund bonds, and setting up reserve for retiring the bonds at maturity.

Unscientific buying had been a wasteful municipal habit, until the new manager appointed a purchasing



Polish Minister

## BOLLING ASKS INVESTIGATION OF INTERESTS

Treasurer of Shipping Board, President Wilson's Brother-in-law, Denies That He Has Ever Taken Bribes.

### HE TELLS OF RELATIONS

(By Associated Press)

NEW YORK, Nov. 30.—A denial that he had ever taken money for influencing the disposition of contracts or machinery by the United States Shipping Board, as charged by T. K. Sands, former Washington banker, coupled with a request that all of his business transactions with Sands be investigated, "both for my own and my family's sake," was made before the Walsh congressional committee here today by R. W. Bolling, President Wilson's brother-in-law and now treasurer of the shipping board.

Mr. Bolling told of business associations with Sands dating back to 1916 and earlier years, out of which grew several financial transactions. He told the committee that his personal records were all available to its inspection. Sands has testified that he received \$40,000 from the Downey Shipbuilding corporation for "representing" it before the board, out of which he paid money to Mr. Bolling.

Mr. Bolling said that after banking with the institution with which Sands was connected for several years, he had taken a contract in 1916 to build a house for the banker, and in making a settlement for its cost with Mr. and Mrs. Sands had foregone any profits because of objections by Sands as a charge of extras.

#### Offers to Cancel

"I volunteered to cancel my share of this charge, which figure, \$600, represented most of the profit I had expected to make on the entire transaction," Mr. Bolling said in his statement, "because of their unpleasant attitude. Mr. Sands agreed to this settlement and gave his note for \$6,000, which I endorsed and discounted.

"However, a short while afterward Mr. Sands told me that he did not want me to lose any of my commissions for building the house and that he had accepted this reduction only because his wife was very much worried that the house should have cost more than they had originally planned, and that he intended paying me the additional \$600 above referred to.

#### Tells Transaction

"Early in 1918 Mr. Sands sent a Mr. Cranor to see me in regard to some machinery, which was to be used in connection with construction of vessels. Mr. Cranor told me that the machinery in question was 'bending rolls,' and was to have been shipped to his company from the factory, but at the last minute some other company succeeded in having the order changed, and that this machinery would be diverted to them; that a great injustice was being done to his, Mr. Cranor's company. I knew nothing about the construction division so in the presence of Mr. Cranor I called up Mr. Lester Sisler, who was then secretary of the shipping board and explained the matter to him. He said he would look into it, and subsequently told me that he found upon inquiry that the rolls had been promised to Mr. Cranor's company and would be shipped to them with the facts of their own city. A municipal research bureau, supported by private contributions, was the agency through which this accurate and reliable information was made available to the public.

**PONZI GIVEN FIVE YEARS; USED MAILED TO DEFRAUD, CHARGE**

(By Associated Press)

BOSTON, Mass., Nov. 30.—Charles Ponzi, promoter of the get-rich-quick scheme, in which thousands of persons invested millions of dollars before it collapsed last August, pleaded guilty to using the mails in a scheme to defraud in the Federal district court today.

Sentence of five years in the Plymouth County jail was imposed by Judge Hale. The court took into consideration only the first of one indictment of 44 counts in which it was charged that Ponzi had represented falsely that he was able to pay interest at the rate of 50% in 45 days from profits made in International postal revenue coupons.

In arguing on the question of sentence Daniel H. Cokley, senior counsel for Ponzi, told the court that it was only after advice from counsel and members of the discredited financier's family that he agreed to retract his plea of not guilty and plead guilty instead.

#### Ponzi Asserts Innocence.

"Mr. Ponzi insisted and still insists that their was in his mind no attempt to defraud anyone," his counsel declared.

Ponzi will begin his sentence at the county jail in Plymouth with 85 counts of the Federal indictment against him on file and with charges of larceny in many counts outstanding against him in the state court. He is due also to face his creditors of whom there are more than 11,000 on Dec. 8, when he will be subject to their interrogations as to what he did with the millions intrusted to him, of which his Federal receivers have been able to retrieve only a small part.

## ORDERS STILL PLACED BY COAL COMMISSION

(By Associated Press)

INDIANAPOLIS, Nov. 30.—The Indiana Fuel and Food commission continued today to place orders with operators for the shipment of coal to Indiana communities, but it was said at the commission's office that the orders were restricted to operators who had signified a willingness to receive them. The coal, it was expected, is to be sold at the prices fixed sometime ago by the commission, but it was said, that inasmuch as the commission, as a result of the Federal court injunction, could not force production for the Indiana market, it could not also force observance of the prices.

(Continued on Page Two)

Prominent "Bud"



## CROWD SEES FREE EXHIBIT OF PRODUCTS

Estimated That 1,500 People Attended First Night Show in Lobby of Y—Place More Displays.

### WILL LAST ALL WEEK

Large crowds flocked into the Y. M. C. A. Monday night for the opening of the "Made in Richmond" exhibit that is being staged there. It was estimated conservatively by the secretaries of the association that 1,500 people attended the first night of the show. All the exhibits were not in place for the opening and many more were being placed Tuesday by their makers. The total number of exhibits was near the 75 mark at noon Tuesday.

Tuesday night the Rotary club will be the special guests at the show but others will be admitted. The Garfield school orchestra will furnish the music with the help of vocal numbers by Richmond singers.

W. W. Reller, member of the board of trustees, made the opening address pointing out the attractive features of Richmond which are reflected in the numerous and varied articles on display. He pictured Richmond as the best city in the country and referred to it as having "the culture of Massachusetts, the beauty of the White Mountains; the industry of Pennsylvania; the good roads of New York."

#### Urge Cleaning Up

He further urged the cleaning up of the city. "If reports that are current are true, we as citizens should see that our city is cleaned up as a protection for the future men and women of our city."

Harrison Scott, on behalf of the board of directors of the Y. M. C. A., welcomed the visitors to the exhibit. Julian Smith, general secretary of the association, outlined the purpose of the exhibit and the ideals of the association.

Mr. Fred Bartel sang two numbers, and the high school band furnished music during the evening.

Among the exhibits placed late Monday evening and Tuesday morning were:

#### Machine Sewing a Feature.

The Lacey Sewing Machine company presents an artistic dress with embroidery, pleating and hemstitching work by their machines. Twelve different grades of gravel are shown by the Richmond-Greenville Gravel company together with pictures of the plant and works.

Do-More piston rings are on exhibit by the D. & M. Auto company. The Johnson Auto Parts company show the skeleton of an automobile body with hood and fenders. C. and W. Kramer have three grades of hard wood.

The Draver company shows several types of feeders. Richmond Malleable Casting company have a complete display of their castings made up especially for this show, together with pictures of their factory.

Adam H. Barlow shows all kinds of work clothes and cloth in an attractive arrangement. The Atlas Underwear company has numerous kinds of underwear and yarns in colors and grades.

A mammoth basket of chrysanthemums takes up one corner of the lobby showing the floral work of Henry Fille, Glen Miller florist. J. H. Russell has two inviting comfort chairs, representing his chair and davenport manufacture.

Some of the exhibitors who are expected to put their products on display Tuesday afternoon are the Dunning company, with an assortment of keys; Hubbard's Printing company; the Richmond Typewriter exchange; Lehman Electrical Plating company; Wayne County Abstract company, and the Anton Stoile company.

### KITTERMAN NOT READY TO SETTLE CLAIMS

Claude S. Kitterman, of Cambridge City, receiver for the Farmers' Bank of Milton, Ind., while in Richmond Tuesday, stated that he was not yet ready to make a settlement with the depositors and other creditors of the bank who had legitimate claims.

Asked when he thought a settlement would be effected, Mr. Kitterman stated that he expected to be ready to take such action within a short time. He did not state whether claims could be settled in full at this time. It has been reported that 50 percent of each bona fide claim would be paid within a few days.

The 60-day period for the filing of claims against the Farmers' Bank expired Nov. 26, and Mr. Kitterman stated many creditors waited until the last day before submitting their claims. As a result, he stated, he has not yet had an opportunity for examining thoroughly all of the claims on file.

## Four Names Are Mentioned For Secretary of War, Says Sullivan

By MARK SULLIVAN.

National Political Correspondent of The New York Evening Post.

WASHINGTON, D. C., Nov. 30.—Repeating what I said apologetically yesterday in discussing possibilities for Secretary of State, namely that all of this kind of discussion is of dubious taste and little value, and is only justified as a record of what is actually consuming a good deal of the time of Republican leaders, let us consider the men who are mentioned for Secretary of War.

The discussions and surmises on this point center chiefly about four names: General Leonard Wood, General Pershing, Congressman Julius Kahn, of California, and Senator George Chamberlain of Oregon. Of these General Wood is the most obvious. He has favor of many Republican leaders, and that rather important section of the party which supported him for the presidential nomination would be especially gratified at his selection.

General Wood has in some degree the capacity that Mr. Roosevelt had for inspiring an almost extravagantly loyal devotion among his followers and those who come in contact with him.

**National Following.** He is one of the very small number of public men who can be described as having a certain amount of national following. If cabinet appointments were to be made on the basis that they sometimes have been with the idea of cementing the loyalty of factions in

the party, General Wood's selection would be one of the surest.

It is true that Mr. Harding, having such a majority as he received, does not need to consider the placating of factions in making his cabinet appointments, and also true that General Wood's friends do not need to base their claims for him on this factor alone. His qualifications for the office are obvious. But the same circumstances which qualify him, also in some disqualification the fact that a man is a professional soldier in the minds of many, an objection to his choice as Secretary of War. It is rather an American tradition that the army should be under the direction of a civilian.

#### Deal Is Absurd.

In some of the gossip that has been published on this subject, the likelihood of General Wood being selected is put on the ground of a deal made by him, or by his leaders on his behalf, at the Chicago convention, with the victorious Harding forces. Considered in the light of the actual facts, this is absurd and is another example of the kind of subtle propaganda, not infrequent in the current gossip about cabinet appointments, designed less to advance a man than to impair his chances.

There may be some ground for the theory that the forces which nominated Senator Harding at Chicago have reasons for being grateful to

attorney predicting race trouble if they are allowed to remain open.

## GRAND JURY WILL RETURN NUMBER OF INDICTMENTS AGAINST JOHN I. LENNARD

One of Alleged Leaders of Wayne County Whisky Ring Taken in Custody Early Tuesday Morning on Charge of Violation of Liquor Laws Will Face Several Charges—Released on \$1,000 Cash Bond—Lennard Says He Had No Money on Person But Police Declare He Was in Possession of \$950 Which He Applied Toward His Cash Bond—Was Arrested Because He Was Preparing to Leave the City.

### FIRST OF ARRESTS TO CAPTURE WHISKY RING

John I. Lennard, one of the alleged leaders of the whisky ring in Wayne county, proprietor of a cigar store on North Ninth street, was arrested by the local police on a charge of violating the prohibition laws at 1:30 Tuesday morning. He was arrested because he was preparing to leave the city.

Despite his statement to a reporter that he did not have \$950 on his person, the police said that he had this amount to apply toward a \$1,000 cash bond, and that others furnished the remaining \$50.

Later in the day an affidavit was filed against him in circuit court and bond was fixed at \$1,000, which he also furnished in cash. The police said that Attorney Frank Strayer took the \$1,000 cash bail held there to use it for Lennard's bail in circuit court.

His arrest was the first of the alleged violators of the liquor laws which the police have made in connection with the investigation of the local Wayne grand jury.

"I am absolutely innocent," Lennard said Tuesday. "I wish to correct the report that I had \$950 on me at the time of my arrest. I was obliged to call two persons before I could furnish that amount."

This afternoon Lennard was called before the grand jury by Prosecutor Freeman.

## PUBLIC BUILDINGS IN ENGLISH CITIES CLOSELY GUARDED

(By Associated Press)

LONDON, Nov. 30.—Public buildings in London and in many of the other large cities of England were closely guarded against apprehended Sinn Fein attacks by heavy detachments of police last night.

Prosecutor Freeman said that several indictments will be returned against Lennard, Prosecutor Freeman said. Following closely on instructions given to the grand jury yesterday, the police visited soft drink parlors and drug stores to ascertain if violations of the state prohibition laws had taken place.

Prosecutor Freeman said that several indictments will be returned on the strength of evidence obtained in the investigation of these places. Witnesses were called before the grand jury today. It is believed that Lennard will be summoned to tell what he knows about violation of the liquor laws.

The police secured a few bottles of proprietary medicines, each containing considerable quantities of alcohol, were seized at four soft drink places. It is charged that these mixtures were served for beverage purposes, which constitutes a violation of the state prohibition law. The Wayne county grand jury began an investigation