

INDICT 2 IN SANITARY DEALS

TAX REDUCTION BILL EXPECTED TO PASS TODAY

Senate Kills Freight Rate Amendment.

BY ARTHUR CRAWFORD. Washington, D. C., Dec. 13.—[Special.]—Senate radicals failed today in their first attempt to amend the administration 160 million dollar tax reduction legislation. A senate proposal by McMaster (Rep., S. D.) to direct the interstate commerce commission to prepare a plan for a 100 million dollar cut in freight rates on farm products was defeated by a vote of 12 to 60.

Applies on 1929 Earnings. The resolution reduces normal rates on individual incomes from 1 1/2, 3 and 5 percent to 1/2, 2 and 4 percent, respectively, and the flat rate on corporation incomes from 12 to 11 percent, the reductions to apply only on earnings of 1929 on which taxes are paid in 1930.

Freight Rate Cut Defeated. The plan would include a reduction of 50 percent in the freight rates on wheat, cotton and other raw agricultural products shipped for export from terminal market centers to sea coast cities. The balance of the 160 millions would go toward a reduction in freight rates on agricultural products and live stock "in such manner as will be most just and equitable and advantageous to the producers of such commodities."

Senator Couzens (Rep., Mich.) will seek action tomorrow on an amendment to reduce the individual tax on capital gains from 12 1/2 to 10 percent. It would make it effective on earnings of 1929 rather than on 1928.

Grundy at Last a Pay Roller. Senator Joseph R. Grundy (Rep., Va.) cast his first vote in his new office in favor of the Smoot committee to take up the tax resolution. The former tariff lobbyist, who had his baptism of fire yesterday before being permitted to take the oath, was on the senate floor a considerable part of the day. He was assigned to a seat on the most remote end of the back row on the Republican side.

I felt like a strange cat in a strange garment," said Senator Grundy in analyzing his experience. "It was an unexpected honor that has come to me and I have not yet got accustomed to looking from the floor to the galleries."

Senator Samuel Shortridge (Rep., Cal.), chairman of the committee on privileges and elections, said that he would call a meeting of his committee on Monday to act on the Nye resolution to oust Senator Grundy.

NEWS SUMMARY of The Tribune

(And Historical Scrap Book.) Saturday, December 14, 1929.

LOCAL. George L. Chamberlain, sanitary district electrical contractor, is indicted as income tax dodger. Page 1. United States squeezes only \$85,000 from Druggan and Lake on half million dollar income tax claims. Page 1.

DOMESTIC. Terrific gales in Atlantic cripple liners; ten hurt on Bremen when it arrives three days late. Page 1. Clubber who attacked farmer near Rockford sought as possible slayer of woman teacher. Page 5.

FOREIGN. Vatican City finds Swedish girl who tried to shoot bishop "insane" and departs here. Page 3. British admiralty men reported to be favoring Prime Minister MacDonald's plan to scrap battleships. Page 6.

INDIANA JURY FREES DRY LAW SNOOPER IN KILLING OF SCHOOLBOY. Bloomfield, Ind., Dec. 13.—[Special.]—Wayne (Red) Lucas, a dry law informer, was acquitted here in Green Circuit court for killing Delmar Oliphant, 18 year old high school athletic star, by a jury which deliberated only twelve minutes.

U. S. Regrets Drys Shelled Canadian Ship. Washington, D. C., Dec. 13.—[Special.]—The most recent incident between the United States and Canada over activities of the American coast guard vessels in their efforts to suppress rum running has been brought to a close by an expression of regrets by the Washington government for the firing on the Canadian vessel Shawnee on Sept. 11.

GIRL SNATCHES FATHER'S PISTOL, FALLS, IS SHOT. Fleeing with a pistol which she had snatched from her father, 12 year old Julia Baran, 1887 Fullerton avenue, stumbled in front of her home last night. The gun was discharged and the bullet pierced her left wrist.

JOSEPH DE KING SAYS HE WILL RUN FOR SHERIFF. Joseph De King of Aurora said yesterday that he intends to be a candidate for sheriff of Kane county. Deputy Sheriff Roy Smith, who killed Mrs. Lillian De King last March, after first beating De King on the head when Smith and other deputy sheriffs invaded the De King home to search for liquor, is said to be another prospective candidate. So is Deputy Sheriff William Hale Treadwell, who was in charge of the night raid on the De King home and who threw a tear gas bomb into the dwelling.

HUNT SOUTHPAW GOLFER FOR ROBBERY AT EVANSTON CLUB. Lieut. Carl Ekman, sleuth of the Evanston police force, was seeking a left handed, pyromaniacal golfer last night in connection with the burglary of the clubhouse at the Evanston community golf course yesterday. The thief broke in while the golf professional, L. O. Smith, was preparing his lunch on the second floor. Without disturbing Smith, he made off with a set of left handed golf clubs, a box of golf balls and two blankets, having first started a rubbish fire. Smith extinguished the blazes.

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TERRIFIC GALES CRIPPLE LINERS OUT IN ATLANTIC

10 Hurt on Bremen, 3 Days Late.

(Pictures on back page.)

New York, Dec. 13.—[Special.]—Delayed nearly three days by one of the worst storms ever experienced on the Atlantic, the North German Lloyd liner Bremen, fastest ocean liner, arrived today with 1,800 passengers. On two days during the voyage from Bremen and Cherbourg the great ship was hoisted to, and on the second day out, last Saturday, she made only 120 miles in the 24 hour running period.

On this day Capt. Leopold Ziegenbein, master, wrote in the log book: "Hurricane, tremendous sea and enormous western swell; hoist to." Among Worst in Experience. Capt. Ziegenbein said that it was one of the worst storms in his experience on the sea. He said he had been on various oceans thirty years and only twice had seen storms of like intensity and these had lacked the duration of last week's storm.

On the tossing storm ten passengers on the liner were injured, none seriously. Capt. Ziegenbein said the ship had not suffered any damage, that the engines had performed perfectly and that not a single port had been broken.

Surgeon Treats Five. Five of the injured passengers were treated by Dr. H. Kruger, ship's surgeon. One was Col. Sam Park, vice consul at Biarritz. On Saturday morning when the first of the hurricane hit the liner he was shaving when a giant roller hit the liner broadside and he was thrown violently across the room. His razor inflicted a deep wound on his face.

Magr. William McKean of Bernardsville, N. J., was sitting in the library when the storm broke and was thrown from his chair and landed across the room on another chair. Several front teeth were knocked out and he received bruises and contusions of the face.

Another passenger, Otto Porehke, a radio manufacturer of Mount Vernon, fell on the promenade deck and received a compound fracture of the right arm. J. Lederer, iron manufacturer of Philadelphia, was the most seriously injured. When the Bremen lurched in the storm a large trunk in Mr. Lederer's cabin was thrown across the cabin, striking him in the chest.

Wind Changes Rapidly. The peculiar feature of the storm was the rapidity with which the wind changed. Capt. Ziegenbein said that last Saturday the terrific southwest hurricane suddenly shifted to north-west and in seven minutes was back southwest again. He said he had never seen a high wind change so rapidly.

Several times the Bremen poured her fuel on the surrounding sea to soothe the swells, but the liner had a full load of fuel and at no time faced the possibility of running out of oil, the captain said. Passengers arriving on the Bremen included Mr. and Mrs. William K. Vanderbilt and Prince Leopold of Prussia. The prince is a nephew of the former kaiser.

ONCE THE OLD MAN GETS STARTED IT'S HARD TO STOP HIM

YES, SIR, OUR GOVERNMENT SPENDS 72% OF ITS INCOME FOR WAR PURPOSES!

"THAT 72% IS SPLIT UP TWO WAYS—20% FOR PREPAREDNESS FOR FUTURE WARS, AND 52% FOR PAST WARS"

"YOU SEE—THE LAST WAR WE WERE IN COST US SO MUCH MONEY, PAYING INTEREST AND RETIRING OUR WAR DEBT IS BY FAR THE LARGEST ITEM OF OUR NATIONAL EXPENDITURES"

"AND IF I RECOLLECT RIGHTLY, WE GOT INTO THAT LAST WAR BECAUSE WE WEREN'T PREPARED!"



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DURANT SAYS HE WARNED HOOVER OF STOCK CRASH

New York, Dec. 13.—[Special.]—A warning that the recent stock market crash was impending was carried to President Hoover last April by William C. Durant, who in a personal talk with the President sought to have the federal reserve board restrained in its efforts to reduce brokers' loans. Mr. Durant confirmed this tonight, "I told the President how I felt about the situation," he said, "and he listened with interest."

THE WEATHER SATURDAY, DECEMBER 14, 1929.

Table with weather forecasts for Chicago and various regions, including temperature, wind, and cloud conditions.

U. S. Squeezes \$85,000 from Druggan-Lake

After spending four years trying to collect \$517,842 in delinquent income taxes from Terry Druggan and Frankie Lake, erstwhile partners in the beer business, the United States has in sight something less than \$85,000 which can be collected. That is the amount posted by Druggan and Lake on Thursday for the postponement of the auction of their property by the government.

The property in question is the Standard brewery, from which the two gangsters are said to have derived several millions in taxable income in 1924-25. Lake's Oak Park home, and the live stock on Druggan's country estate near Lake Zurich, on all of which the government holds liens. Outside of these items, according to Mr. Neely, the government has been unable to uncover any assets belonging to the beer barons.

Auction Plan Announced. On Nov. 8, when it appeared that the fortunes of Lake, the former fireman, and Druggan, former soft drink parlor operator, had diminished, the government announced plans to sell at auction their brewery, house and live stock. This auction is now in its second postponement.

"NO NEUTRALS IN TIMES OF WAR," BRITISH ARGUE

LONDON, Dec. 13.—The white paper issued by the British government in defense of its signature to the optional clause of the world court statutes was called here tonight an important contribution to the controversy over sea rights in time of war. Its treatment of the subject justifies the question as to whether or not it is the belief of the British government that the United States, by signing the Kellogg pact, abandoned its historic position on freedom of the seas.

U. S. Presents Figures

Chamberlain's alleged income, the income he reported, the tax he paid, and the amount alleged to have been evaded for each year are shown in the following table: Alleged Income Tax Tax Year. Income reported. Paid. 1926 ... \$345,632 \$71,169 \$6,832 \$54,405 1927 ... 338,083 42,326 3,211 35,297 1928 ... 825,087 399,288 64,118 89,610 Total ... \$1,498,802 \$196,812 To the total tax owed, \$196,812, is added a 50 percent penalty, which brings it to \$295,218 and interest, which swells the total to more than \$300,000.

U. S. CHARGES TAX EVASION OF \$300,000

Inquiry Traces Huge Contract Payments.

George L. Chamberlain, wealthy president of the U. S. A. company, electrical contractors at 844 Rush street, was indicted by the federal grand jury yesterday for willfully attempting to evade payment of about \$300,000 in income tax for 1926, 1927, and 1928. The tax is owed on proceeds gained largely from eleven sanitary district contracts, according to the terms of the two true bills returned against Chamberlain before Federal Judge Wilkerson.

The indictment of Chamberlain and of Fred W. Rhoades, treasurer of the company, who is charged with failing to supply information to the tax bureau, is regarded as the first result of an investigation of all sanitary district contracts which United States Attorney Johnson and a corps of assistants have been carrying on for months. Every consequential contract let by the district has been inspected, according to reports.

Charge Juggling of Funds. The president of the concern drew the money in checks made out to cash, currency, or to the order of some officer or employe of the company, which were then cashed and the proceeds delivered to Chamberlain, this income being charged up to job costs and expenses, the government charges.

As the money was drawn out the cost records on the various contracts and subcontracts were increased by similar amounts, according to the charges. An explanation for these facts was sought by internal revenue agents, but the officers of the company refused to furnish the information and the indictments are the result.

The U. S. A. company had only one direct contract from the sanitary district, the other ten being let to the concern by large general contractors such as the T. J. Forscheimer company and John Griffith & Sons.

District Attorney Johnson was asked if one of the indictments covered the McCormick boulevard lighting contract, executed by the U. S. A. company at enormous expense. "That contract was not completed in a taxable year," the prosecutor said, "and therefore was not considered here." Hunt Mystery \$1,000,000. What happened to the \$1,000,000 Chamberlain is alleged to have paid himself and for which he failed to account in his tax schedules was a matter of mystery to the government. It was not believed the money stayed in his account, and its eventual alleged distribution is the prosecutors' principal interest at the present time. Suggestions were made at the federal building yesterday that if the true story of public contracts in Chicago is ever told, the amount of graft and bribery exposed will rival the operations of the notorious Tweed ring in New York.

Promotional text for TOMORROW'S TRIBUNE, 'THE SAPHEAD FROM SAUSALITO' by Paul Deresco Augsburg, 'YOU HAVE LOTS OF TIME TO READ ON SUNDAY'.