

DETROIT CURBS
RACKETEERINGThe Man Grand Jury
Proves WorthPrompt Indictment, Quick
Prosecution Found
Chief Weapons

By C. C. Nicolet

(United Press Staff Correspondent)
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Detroit has proved that a metropolis can exist in America without drugshops, payroll holdups, bank robberies and kindred crimes of the organized underworld, but the racketeers are as busy there as elsewhere.

Since the fall of 1930, when vigorous prosecution broke up the old "purple gang" and ended a regime of underworld domination, Wayne county has been free from the kidnapping terror and from major thefts of the marauding gang type.

The profits from racketeering, which amounted in the wealthy motor city to \$5,000,000 or more a year in the boom days, have dropped to a \$500,000 a year pace now, with the revival of business the racketeers are "stepping up" their rackets and striving desperately to turn in on prospective prosperity.

Harry S. Toy, prosecuting attorney, discovered the beginnings of a racket boom early in June, when a pickup in the motor industry cut cash back in circulation. At his request, a one man grand jury was called into session in the recorder's court and secret investigations were begun.

The one man grand jury went into session June 5, before Judge W. McKay Skillman. On June 6 the first warrant resulted, and on June 26 Alexander D. Davis was indicted of extortion. He had attempted to operate a racket against car repair men.

The one man grand jury uncovered within a month a racket in dental building contracts; a waste paper racket; an attempt to obtain monopoly on distribution of legal paper; a new cleaning and dyeing racket; an arson racket and attempts of racketeers to corrupt legislators.

The one man grand jury, Prosecutor Toy points out, is always available on short notice to hear evidence of victims before they are "reached" by the racketeers and silenced by threats of bullets, a result speedy indictments and prosecutions are possible, and victims tend to lose their fear of making complaints against racketeers.

"Legitimate business executives," says Toy, "always have displayed a reluctance to pay rackets and in prosecuting them when they could be assured by the conduct of prosecuting officials that they were sincerely committed to task of prosecuting the racketeers aggressively, fearlessly, and without regard to political affiliations of the racketeers."

The single deterrent to effective prosecution of racketeers is the lack of a ruthless and aggressive policy toward them on the part of law enforcement officials.

The depression, though it cut to the hilt the intake of the racketeers, Detroit, brought many new racketeers into existence and increased the amount of petty racketeering. During the depression the favorite prey of the underworld has been the small business man doing a cash trade in a store, the cleaner, especially in a store.

Cleaners who refuse to pay demanded fees to "protective associations" are attacked in subtle fashion. The racketeer sews dyes of phosphorus into the padding of the collars of a coat, and sends it to a victim to be cleaned. In the heat of the drying tumblers the phosphorus ignites, and dozens of suits and dresses may be ruined. Sodium and potassium are sewed into seams to explode when they come in contact with cleaning fluid. The cleaner must pay up or lose his business. Such methods fail, bombs and bullets often are called into play.

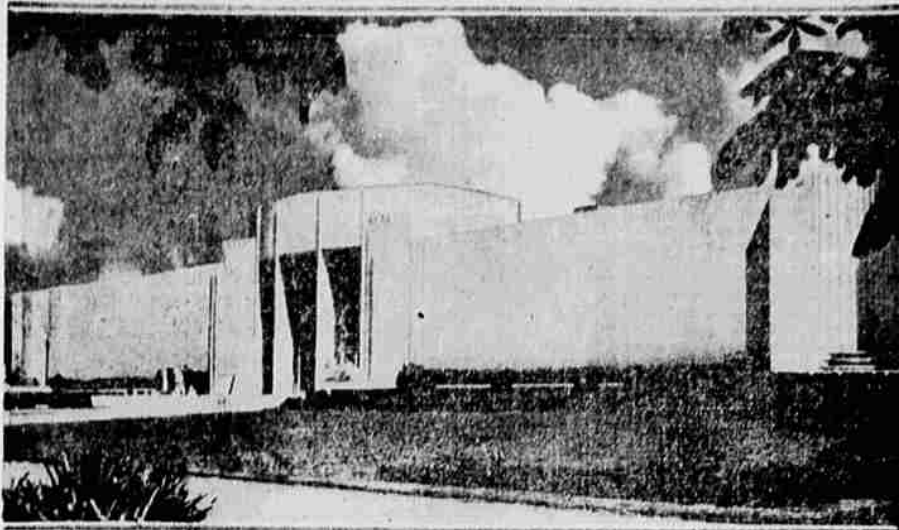
But violent crime has dropped amazingly in Detroit, considering that in the boom days when the city was mushrooming into millions as a gangster-ridden city, Chicago, though many Chicago and New York gangs won brief footholds in Detroit, it was the home town of the triple gang which made underworld history there. It started as a group of minor racketeers, practicing extortion against cleaners and providing thugs as drivers in competitive plants and practicing in other trading fields for gun money. Before it was broken up it branched into kidnapping, arson, robbery, murder and the inevitable.

Early in 1930 a train of murders which reached a climax in the assassination six months later of Alvin Karpis, famous radio announcer who had attracted wide attention by denouncing gangs. Crime leaders, police officials and gunners all fell before the gangsters in those months of frenzied assassination. But for once the racketeers went too far and the public became genuinely aroused. In November, 1930, while the Buckley gang was fresh in the public mind, the Purple gang assassinated members of the Caval Little gang and three leading members of the Purple mob were convicted and given life sentences. The Purple virtually eliminated the Purple gang.

A permanent grand jury of 23 men, impaneled to deal with gangsters and racketeers, proved effective. The last session of the Michigan legislature repealed the law under which the permanent grand jury met, but Prosecutor Toy has named the one man special grand jury an effective substitute.

Nevertheless, he believes that the federal aid is necessary because racketeering can be dealt with

Seattle Boasts Fine New Art Museum



A new Seattle art museum, built in Volunteer Park, is the latest addition to Seattle civic institutions. It is the gift of Dr. Richard E. Fuller and his mother.

Plane, Marital Crash Hurts Heal



In addition to his recent airplane crash, Hoot Gibson, film cowboy, announced that his marriage to Sally Eilers, movie star, also crashed, and a divorce is impending. However, he seems to be recovering from both crashes, and he's shown with June Gale, San Francisco actress, both stating they're "madly in love."

really adequately. Detroit's story of rapid decrease in major crime through the depression years is the reverse of the experience of Kansas City where kidnappers and murders have brought back the days of frontier desperadoes. The next dispatch of this series will deal with conditions there.

New York, July 13.—(UP)—Racketeers have a "strangle hold" on the nation and in New York City alone exact a tribute of more than \$250,000 annually. Municipal Court Justice Nicholas M. Pette told the Queens county grand jury association.

A total of 123 New York industries are preyed upon by racketeers, he said, with the consumer ultimately paying the bill. "This nefarious practice has increased tremendously during the past few years," Pette declared.

"The fear which the public has of retaliation on the part of racketeers should they testify against them must be conquered," the magistrate said.

The association adopted a resolution pledging its full support to stamp out racketeering and also went on record as favoring a state law making kidnapping punishable by death.

Factor Freed After
Paying Big Ransom

(Continued from page one)

July 1 from a northwest side roadhouse. His nerves were shattered and jumpy. He was repeatedly threatened with death by machine guns, one at his breast and another at his back, he said, and on other occasions the kidnappers threatened to cut off his ears with scissors, which they snapped close to his head.

\$200,000 Believed Paid
Factor was released late last night in La Grange, a suburb 15 miles west of Chicago.

When asked if any money was paid for his freedom, Factor muttered: "No ransom."

A ransom of \$200,000 was paid, the United Press understood from a reliable source. The original demand was for \$150,000, but when first negotiations collapsed, the amount was increased.

Shortly after 9 o'clock last night he was taken from the house and placed in a car. At a busy intersection in La Grange he was pushed from the automobile, still blindfolded.

"They treated me terribly," he said. "They abused me constantly. I have scarcely eaten a bite in five days. They brought me some food but it was terrible and nauseating. The bed they gave me was full of bugs and I couldn't sleep. I rested only when I fell asleep from exhaustion."

Treated Like Dog
Factor said he did not know how many men were in the gang. "They took turns questioning me," he related. "They asked me about my business, how much money I had and about my family affairs. Each time I answered they called me a liar. They brought machine guns and told me they were going to kill me. They held one gun at my back and another at my chest. Several times they brought in scissors,

Factor had shaved the two weeks beard from his face, bathed and dressed himself in gaudy lavender striped pajamas. Colored glasses protected his eyes which were weakened by the blindfold which had covered them during the 12 days he was held captive.

He finally admitted that his release had been effected only after \$50,000 in small bills had been delivered to the abductors.

This is only 10 per cent of the \$500,000 originally demanded and it was learned that he obtained his freedom only after promising to make further payments to the kidnappers.

"What can I do?" he asked hopelessly when asked what steps would be taken to prosecute the kidnapping gang. "There were so many men involved that I couldn't possibly recognize any of them by their voices and I was never able to see them. They all seemed to have cultured voices and intelligent speech."

Factor believed his release was attributable in part at least to the strenuous campaign the federal government has launched against kidnappers.

When he was confronted with reports that he had staged the kidnapping to escape an extradition hearing Factor said "I hope the people who started those reports never thought I would go through what I did. I thought I would go crazy."

St. Louis, July 13.—(UP)—Police late today arrested a man whom they said admitted having suggested the family of August Luer, 77, wealthy kidnaped Alton, Ill., man, "get \$50,000 ready to ransom him."

The suggestion, police said, was made in a telephone call from St. Louis to Mayor Thomas Butler of Alton yesterday. Police traced the call and arrested the man whose name they refused to reveal.

Man Without Country
Cools Feet In Jail Cell

Prague, Czechoslovakia, July 13.—(UP)—Chased back and forth over a 300 foot frontier bridge for 22 hours by armed guards at either end, each insisting that he belonged in the other's country, I. W. Rosenfeld cooled his hot feet gratefully on stone floor of a cell today and awaited his fate.

Rosenfeld has been a resident of the frontier town of Teschen since 1885. Teschen was an Austrian town till the end of the world war. The Paris war conferences chopped up Austria, and Teschen itself was divided between Poland and Czechoslovakia. A 300 foot bridge separates Polish and Czech portions of the town.

Rosenfeld was ordered deported from the Czech section, where he lived, on the ground that he was a Pole. Czech frontier guards pushed him on his way to Poland, 300 feet away. The Polish guards held he was a Czech and ran him back.

Crowds gathered on the banks of the Olsa river separating the Polish and Czech sections. Jewish organizations on both sides rushed petitions to the authorities, without result.

After 22 hours Rosenfeld, desperate and preferring death to perpetual motion, pushed his way between the muzzles of the Czech guards' rifles into the Czech section, his home for 48 years. He was arrested, charged with illegal return to Czech territory and insulting officials.

When the Egyptian pyramids were built, there were no horses in all Egypt.

Tells How She Lost
15 Lbs. of FAT

RHEUMATISM GONE TOO

Here is a woman who was rapidly putting on weight and who was troubled with rheumatism too. Read her letter:

"I started taking Kruschen Salts because of the good it had done for a friend of mine who had been crippled with rheumatism. At the end of the second bottle I was weighed and find I am now only 143 pounds (original weight 163 lbs.), at which I am so pleased. But I have also felt my rheumatism much less, which has been so troublesome in my knees. I must say I think Kruschen a splendid weight reducer."

(Miss) E. L. P.
Overweight and rheumatic poisoning often go together. The six salts in Kruschen assist the internal organs to perform their functions properly—little by little that ugly fat goes; slowly, yes—but surely. You feel wonderfully healthy, youthful and energetic—more so than ever before in your life!

Kruschen Salts is obtainable at Magill Drug Co.—a jar lasts four weeks and costs not more than 85c. (Adv.)

SALES TAX IS
MAJOR ISSUEOregon Will Vote on
July 21Proposed New Tax Law
Arouses Much Interest
as Election Nears

Salem, Ore.—(UP)—Of 10 amendments, measures and questions which voters of the state will consider July 21, probably none has aroused more interest and controversy than the proposed sales tax.

The measure would "provide for raising revenue by imposing a tax on gross income derived from sale or use of tangible or personal property and personal services." Two per cent tax would be derived from most retail sales. Wholesale sales and returns from the publishing business would be assessed three-eighths of one per cent.

Exceptions to the provisions of the act are as follows:

1. The amount of any retail sales of motor vehicle fuels on which a sales tax is already in force in the state.
2. Insurance premiums and considerations for annuity contracts.
3. Employees rendering personal services for which compensation is received in form of ordinary wages or salaries.
4. Sales up to \$50 a month.
5. Farm products and livestock when sold by growers to dealers for resale.
6. Gross income from sales to the United States government, to the state, or any county, municipality, school district, or other subdivision.

Each taxpayer of the state is to make his report on or before the 10th of the month for the month preceding. Credit sales may be held out and reported when payment is made.

A taxpayer may appeal to the state tax commission for revision of the amount assessed against him, and may appeal from decision of the commission to the supreme court.

It will be impossible for newspapers or curious persons to determine a taxpayer's income, for the law prohibits the tax commission or any of its employees from making known gross sales, taxes paid, or any other particulars concerning individuals.

Silence Wins a
Congress Seat

Without making a single campaign speech, Paul Brown, above, attorney of Elberton, Ga., was elected congressman from Georgia's Tenth district to succeed the late Representative Charles H. Brand. Brown, 52, polled more than twice the vote of his eight opponents in the special election.

This shall not be construed, it is stated to prevent publication of statistics so classified as to prevent identification of particular reports or returns.

No taxpayer may advertise that taxes imposed are absorbed and not added to the price charged for his merchandise. Penalty is fine of \$100 to \$1,000. Fines or imprisonments will penalize persons making fraudulent returns, while those making insufficient returns by error will be penalized and charged interest. Failure of a taxpayer to make returns will authorize a lien against personal or real property owned.

All funds derived from the sales tax will be paid into the state treasury and apportioned as follows:

1. Administrative purposes.
2. \$1,487,918.96 in payment of second half property taxes due the state from the counties.
3. \$18,897.23 to sinking fund of

world war veterans stat aid commission in lieu of half-mill tax provided by law.

4. \$250,000 to fund for relief of unemployment.

5. One half remainder apportioned to counties in proportion to valuation of taxable property.

6. Remaining residue to remain in state general fund.

No property taxes will be levied against personal property while the sales tax is in effect. The law provides that the measure shall remain in force only until July 1, 1935, unless it should be renewed by the 1935 legislature.

Affirmative argument on the sales tax was filed by the property tax reduction committee of which M. S. Schrock of Milwaukee is chairman.

Principal argument given is burden on real estate under the property tax system. Receipts from income and intangible taxes are inadequate to meet state expenses, it is said, while the restored state property tax constitutes a further drain on the counties. Delinquency of county property taxes is about 55 per cent for the first half of 1933. It is alleged bankruptcy looms for many Oregon counties unless the sales tax is approved. Proponents estimate the levy will get about \$6,000,000 a year.

Negative arguments were filed by Northwest Trade Executive association, J. J. Lynch, secretary; and Oregon State grange, Ray W. Gill, master. The trade association charges the tax is not based on ability to pay but bears heaviest on those who have little to spend; and that it will increase difficulties and costs of the retailers; encourage consumers to purchase outside the state; tax luxuries on same basis as necessities; and should have a tendency to promote further governmental extravagance, would be pyramided year by year, as was the gasoline tax.

Argument by the state grange states a graduate income tax is the only fair and scientific levy, that sales tax would be merely an addition to the top-heavy property tax, that it will be shifted back to only the producer and consumer, that it will tend to destroy the market for goods, that it "violates every principle of just and scientific taxation," and was "conceived in selfishness and written in confusion."

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Santa Barbara Family
Visits Alfalfa People

Alfalfa, July 13.—(Special)—Mr. and Mrs. Carl Edmand of Santa Barbara, Calif., visited last week at the ranch home of the California man's cousin, Mrs. Charles Johnson, in Alfalfa. Other guests included Mr. and Mrs. Carl Lindquist and grandchildren of Powell Butte.

Hallie Ralston of Portland visited last week with Orville Shults. Ernest Arthur and Blanche Trento were married recently and were given a surprise party by the young folk of the community last week.

Arthur Sanders gave a dancing party Saturday night.

LAWS WERE NOT ENFORCED

Salt Lake City, Utah—(UP)—Three new laws pertaining to child labor, the minimum wage for women and prevailing wage on public works won't mean much in Utah, due to failure of the legislature to appropriate money to enforce the laws after passing them.



Shevlin Quality
PONDEROSA PINE
Lumber and Box Shooks

Reach for
a Lucky
—for always
Luckies Please!

Men smile
at my simple reasoning
because "It's toasted"

LUCKY STRIKE
CIGARETTES
"IT'S TOASTED"

Whenever the subject of cigarettes comes up, I sit back quietly and let the men explain about the "Toasting" process. Then, if they ask my opinion, I'm pretty frank and tell them why "Luckies please"—me, at least. After all, there's an intimate relationship between a cigarette and my lips

—and I'm very sensitive about my personal daintiness. Certainly I enjoy Luckies' delicious tobaccos and their mellow-mildness—but the comforting purity of "Toasting" is what I prize almost above everything else. And that is a woman's reason for saying "Luckies Please!"