

BILL RELEASES FUNDS TIED IN CLOSED BANKS

Depositors Would Be Paid Off Promptly Under Glass Measure.

This is the final article in a series by Ray Tucker, discussing the Glass banking bill, now before the senate.

BY RAY TUCKER
United Press Staff Correspondent
WASHINGTON, Jan. 13.—The interest of the depositors in thousands of closed banks in the Glass banking bill, being debated in the senate today, lies in the fact that it sets up a federal liquidating corporation for prompt payment of such deposits.

As Senator Carter Glass (Dem. Va.), the bill's author, points out in his majority report to the senate, about \$2,500,000,000 of deposits are now tied up in suspended banks.

The record shows that approximately 80 per cent of these assets eventually is recovered, but the process of liquidation under present conditions is slow and painful.

Vast amounts of credit and purchasing power are frozen over a long period.

The projected liquidating corporation would have capital stock of about \$68,500,000 contributed by reserve banks to the extent of one-quarter of their present surplus. Member banks shall subscribe to 1/4 of 1 per cent of their total outstanding time and demand deposits.

In addition, the government shall contribute \$125,000,000 of paid-up surplus, and the corporation shall have authority to issue notes, bonds, etc., to a sum not more than twice the capital and government-appropriated money.

Provides Larger Reserves

The corporation is to be managed by the controller of the currency, a federal reserve board member and three individuals chosen annually by the governors of the twelve reserve banks.

Although this proposal falls short of the bill guaranteeing deposits that has passed the house, it has drawn heavy fire.

Western seafarers fear it may lead to lax management that will cost the taxpayers a great deal of money, while large banking interests say it will have a deflationary effect by increasing the gold reserve.

Another provision designed to strengthen the banks' position requires that larger reserves be held against deposits. The present law provides that 3 per cent reserves shall be held against time deposits by member banks, and 13 per cent against demand deposits by the central banks in New York and Chicago. The bill's figure is 10 per cent for banks in reserve cities and 7 per cent for country banks.

Criticised as Deflationary

As demand deposits move in and out of the vaults with greater velocity than time deposits, the reserve against the former class is made higher. A study has convinced the committee, however, that some banks evade this safeguard by classifying demand deposits as time deposits, thus lowering the reserve requirements.

The bill meets this by providing a gradual increase in reserve requirements so that by 1938 the ratio of reserves to both classes of deposits shall be the same. They will become 7, 10 and 13 per cent, respectively, in country banks, in institutions in reserve cities and in those in New York and Chicago. The latter two are known as central reserve banks.

The federal reserve board fears this provision will contract credit without regard for business conditions. It is criticised as deflationary on the ground it will increase reserve requirements by \$60,000,000 and add \$230,000,000 to the gold requirements of federal reserve banks. But the bill's sponsors contend it is necessary to safeguard depositors and keep the banks in liquid condition.

Remove Treasury Secretary

In a far-reaching step the measure gives the board control over relationships between American and foreign banks.

There has been considerable criticism of alleged secret conferences between officers of New York reserve banks and representatives of central banks abroad, with the charge that American interests have been sacrificed to those of the continent.

The measure gives the board supervision over such meetings. None may be held without federal permission, a board member may be present, and a written report of the transaction must be filed here.

With the board's authority extended and strengthened, the bill's framers thought it necessary to remove it further from outside influence. It often has been charged that recent secretaries of the treasury have dictated decisions because of practical or political considerations. So the secretary of the treasury is removed as an ex-officio member.

RUINS STILL SMOKING

Crawfordsville Merchants to Get \$400,000 from Insurance Firms.

By Times Special
CRAWFORDSVILLE, Ind., Jan. 13.—Property owners and merchants whose buildings were destroyed in the disastrous fire here Tuesday will receive approximately \$400,000 from insurance companies, it was estimated today.

The loss is expected to exceed \$750,000.

Ruins of the six buildings still were smouldering today and firemen continued to pour streams of water.

Council Head Ends Life

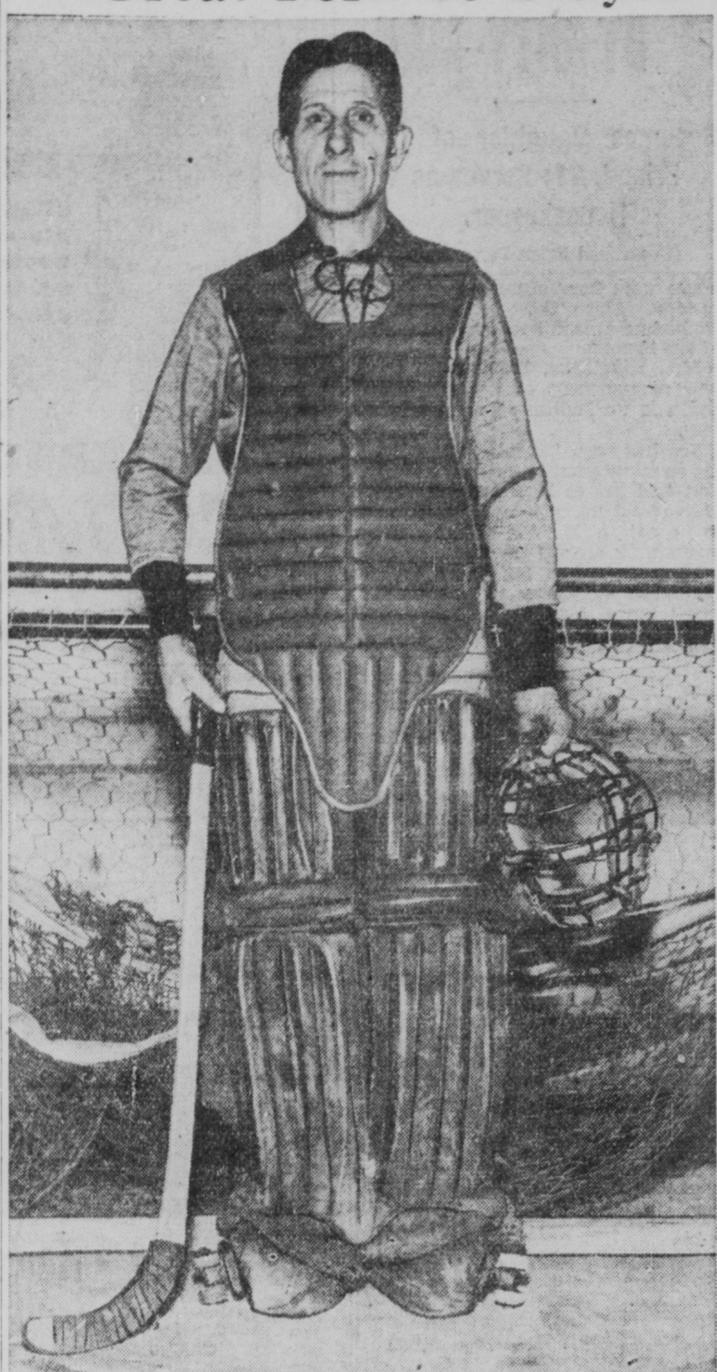
By Times Special
FRANKLIN, Ind., Jan. 13.—William J. Luter, 54, president of the Johnson county council, committed suicide Thursday with a shotgun. He was said to have been despondent because of illness.

Don't Trifle With Coughs

Don't let them get a strangle hold. Fight germs quickly. Creomulsion combines the 7 best helps known to modern science. Powerful but harmless. Pleasant to take. No narcotics. Your druggist will refund your money if any cough or cold no matter how long standing is not relieved by Creomulsion.

(adv.)

Roller Polo Is Held No Great Peril to Players



Christ Hahn, Ft. Wayne roller polo goalie, who at 58, plays a fast game.

Strain on Heart Muscles Relatively Small, In View of Dr. Morgan.

Spectators at local roller polo matches are on the wrong track when they marvel at the agility of the veteran contestants, according to Dr. Herman G. Morgan, secretary of the city board of health.

"Roller skating is not nearly such violent exercise as it looks," Dr. Morgan declared. "While the players may seem to be going through the most arduous sort of exertion, the strain on their heart muscles is relatively small."

Dr. Morgan's comment was brought out by the recent revival of roller polo in Indianapolis and surrounding cities, and the advanced age, athletically speaking, of the players.

THRILLING AIR FEATS PICTURED IN FILM

Sensations of Miami Meet in Universal Reel.

Thrill scenes of the all-American air meet at Miami, Fla., and the sensational air-acrobatics performed there by army, navy and expert civilian fliers, are shown in the current issue of The Indianapolis Times Universal air reel. Graham McNamee, ace of radio announcement and dramatic talk, reporter, graphically describes the events.

McNamee said no research has been made in the effects of the skating sport on the heart.

"But it should be an interesting study," he said.

A survey of tuberculosis in college students reveals so serious a condition that the surveying committee advocates X-raying of all students' lungs before admission to college.

Buy Shoes At A Home-Owned Family Shoe Store

SALE!

Men's and Young Men's New Winter Oxfords

\$2.45

All Sizes!
All Widths!

All Solid Leather!

Long Wearing!

Durable!

Rugged!

Stylish!

Comfortable!

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2

2