

APPROPRIATION BILLS TO GET RIGHT OF WAY

Main Item on Calendar for
Next Week: Legislature
at Halfway Mark.

Halfway mark of the seventy-eighth general assembly was reached today, with the legislature in recess until Monday. Limited by the state constitution to sixty-one days, the second half will be entered next week, with biennial appropriations for all state activities the main item on the calendar.

Major accomplishments for the first half of the session was the passing of the administration bill to give Governor Paul V. McNutt full control of all state activities except judicial and legislative.

This act went into effect late Friday when McNutt signed the enrolled act.

Total of 522 proposed laws have been introduced in both houses, 201 in the senate and 321 in the house.

Bills Pour In

This flood of bills is contrary to pre-session hopes of the administration that the assembly would consider only a few important measures and adjourn prior to the time limit.

Another attempt to ease matters for delinquent taxpayers who own real estate is made in a bill introduced Friday by Senator M. M. Mammone (Dem., Indianapolis), and Senator E. C. Swhart (Dem., Elkhart).

Beginning with property owners delinquent since the spring installment of 1932, and applying to all future tax-paying dates, county auditors would be empowered to accept promissory notes, payable in ten years and bearing 6 per cent interest, in full payment of taxes.

Property as Security

To enable the county to obtain funds, these notes would be translated into bonds to be offered for sale to the investing public. Security for the bonds would be the property against which the taxes had been levied and against which a tax lien would apply in case the notes were not paid.

It is understood that Marion county officials are in favor of the measure, claiming it would give relief to delinquents by allowing them to retain possession of their properties and at the same time allow the county to get cash on which to operate all governmental functions.

In effect, the bill makes the county the banker for delinquent taxpayers on a 6 per cent interest basis.

Proposal to create a state aeronautics commission, based on aviation rules of the federal government, failed to survive in the senate, following a divided committee report.

Move Is Beaten

Authors of the bill claimed that Indiana was backward in regulation of airplanes and pilots, but opponents of the measure argued that it would be "just another commission at the taxpayers' expense." Motion to indefinitely postpone the bill was carried by a vote of 21 to 17.

Thirty new bills were introduced in the senate Friday. Immediate repeal of the 50-cent mortgage filing fee imposed at last summer's special session of the assembly, was among the new bills introduced.

House members Friday were treated to the unusual spectacle of Speaker Earl Crawford leaving his platform to speak on the floor for a Connors school bond bill.

Urging that attention "be given him only as a representative from Wayne county, and not as Speaker, Crawford supported the bill which would let Connorsville issue \$100,000 in bonds to continue operation of its schools.

Crawford warned the house not to "allow a few narrow-minded leaders of the Hoosier Taxpayers' Union to tell you what to do." The measure was advanced to third reading.

Have Sport With Cain

The house had a little fun with Representative Pat J. Cain (Dem., Ft. Wayne), on his bill to allow Indiana bakers to bake twenty-ounce loaves to compete with products in surrounding states.

More than fifty members voted "no" on roll call as Cain's Irish face became almost purple. Practically all the dissenters changed their votes before the roll call was announced, however, and the measure passed by a vote of 75 to 2.

House Judiciary B committee has recommended an amendment to the motor truck regulation bill, exempting farm co-operative organizations. The measure, said to be a compromise between the truckers and the railroads, provides for licensing of trucks by the public service commission, defines common carriers and contract carriers, and calls for a \$1 fee from persons seeking permits from the commission.

**BRIDE TO BE HONOR
GUEST AT TEA**

Mrs. Forrest L. Welch, formerly Miss Alvina G. Heid, will be honor guest at a bridge tea and shower, given by Mesdames Guy A. Boyle, Paul Pegg and Bernice Q. Zimmer and Miss Alice Witt at the Columbia Club.

Receiving with the hostesses and Mrs. Welch will be the bride's mother, Mrs. Louis G. Heid, and the bridegroom's mother, Mrs. J. W. Welch. Mrs. Heid will pour.

Thirty-two guests will be entertained. The tea table will be arranged with red roses and white sweetpeas.

**CAMP FIRE GIRLS
HOLD CELEBRATION**

A birthday dinner and friendship council fire was held by the Wapemee group, Camp Fire Girls of School 51, Thursday night, in observance of the group's fifth anniversary. Miss Charlotte Carter, principal of the school, was guest of honor.

Taking part in the services during the council fire, were Charlotte Klepper, Vitalia Alting, Elizabeth Carter and Esther Mae Ashton.

In charge of the dinner were Ruth Fischer, Betty Reser, Vera Stanley, Gloria Opal Tomlinson, Mary Jane Depka, Dorothy Jan Taylor, Mary Pratt and Frances Stanley.

MILLIONS LOST BY INFLATION

Lesson of Revolution Ignored by Leaders in 1861-65

This is the 11th of a series of articles in which Earl Sparling presents a highlight history of inflation.

BY EARL SPARLING
Times Staff Writer

LONG-HEADED MEN tried to prevent flat money in the northern states in 1862. They thought to remind congress of what had happened with such money in revolutionary days, and were shouted down for their lack of patriotism.

Now worth a Continental? Shame! That proud money had bought freedom and was "soaked with the blood of a nation." As Pelatiah Webster had foreseen in 1791, when he set down the ill of his time, future generations would need his warning.

"Many thousand families of full and easy fortune," wrote Webster of the Continental money, "were ruined by these fatal measures and lie in ruins to this day without the least benefit to the country or to the great and noble cause in which we were then engaged."

The Continental congress issued \$241,000,000 of flat money, to which the states added \$210,000,000 more—\$451,000,000 in all. By 1780 the Continental issues had so depreciated that "new tenor" bills were issued at the rate of one to forty. Within a year the "new tenor" had depreciated to four to a silver dollar.

The old bill circulated at 500 and 1,000 to a dollar. What remnants of the Continental money were not burned or used to paper barber shops finally were redeemed in 1790 at a penny on the dollar.

The loose banking that had sprung up in the states continued however. Paper money was issued against anything. A bank failed in Rhode Island, for example, with only \$84 of specie against \$500,000 of issued paper money.

But the men of 1862 were not listening. They had a war to win. So, in February of that year the first \$150,000,000 of greenbacks as issued in the northern states—pure flat money, acceptable at par on government bonds but not redeemable in specie. Additional issues raised the total to \$346,681,000.

The money began depreciating two months after the first issue. By July 21, 1862, it took \$1.20 of paper to buy \$1 of gold. Two years later a dollar of gold cost \$2.03 in paper.

Prices of food, clothing, and other commodities went up with the gold. A barrel of flour that cost \$5.25 in 1860 cost \$16.25 in 1866. A pound of 17-cent butter cost 55 cents in 1865; an 11-cent pound of coffee, 43 cents. At the peak of the movement a paper dollar was worth about 35 cents.

Some of the rise in prices and the depreciation of money was due to the war, of course, but the main consequences lasted until 1879.

AND was suggested earlier in these articles, every man wants to know what inflation will mean to him. The green back inflation, within reach of modern economic method, offers the best chance of finding out.

What does inflation mean to the man in a panic or salary? A table compiled by Dr. Richard T. Ely in "Outlines of Economics" shows that in 1883, when the average retail price of twenty-one commodities had increased 31 per cent, the average wage had increased only 4 per cent.

The workingman was 27 per cent behind in the race to keep up with the cost of living. In 1885, when retail prices reached a peak of 119 per cent above 1860, the average wage had increased only 55 per cent.

The working man was 64 per cent behind. The employer was paying him a \$1.55 dollar; the grocer and butcher were demanding a \$2.19 dollar.

What does inflation mean to the employer? Well, the employer had all the best of it until 1869, when wages and retail prices reached an equilibrium, the retail index standing 79 per cent above.

But from 1869 retail prices slowly declined each year. They stood at 151 in 1872, when wages stood at 185. Retail prices stood at 140 in 1875; wages at 163. And finally when the government resumed specific payments Jan. 1, 1879, and made the paper dollar worth 100 cents in gold, retail prices still were 23 per cent above 1860, but wages were 39 per cent above.

What does inflation mean to the wholesaler? In 1864 wholesale prices were 125 per cent up, when retail prices had advanced only 15 per cent, and wages only 42 per cent.

In 1865 wholesale prices again had the advantage, 124 per cent against 119 for retailers and 55 for workers.

With the nation on a paper standard, gold had, of course, become a commodity. Merchants needed it to meet their exchange bills abroad had to go into the open market and buy it with greenbacks at whatever inflated price the holders demanded.

During the later months of 1869, Gould bought millions of dollars worth. The floating supply was estimated at about \$20,000,000.

It was within the power of a small group of men to corner the market, provided the government did

Scene in Gold Room during the intense excitement of Friday, Sept. 24, 1865. From a drawing in Harper's Weekly.

meant to the federal government after the Civil war: "The government was forced to sell bonds for depreciated greenbacks, but to maintain its credit it had to pay the interest and ultimately the principal of these bonds in gold."

"Supplies for the army were paid for in depreciated greenbacks, but these greenbacks had to be ultimately redeemed in gold. It has been estimated that the use of the greenbacks increased the expense of the Civil war by nearly \$600,000,000."

What does inflation mean to the man in a panic or salary? A table compiled by Dr. Richard T. Ely in "Outlines of Economics" shows that in 1883, when the average retail price of twenty-one commodities had increased 31 per cent, the average wage had increased only 4 per cent.

The workingman was 27 per cent behind in the race to keep up with the cost of living. In 1885, when retail prices reached a peak of 119 per cent above 1860, the average wage had increased only 55 per cent.

The working man was 64 per cent behind. The employer was paying him a \$1.55 dollar; the grocer and butcher were demanding a \$2.19 dollar.

What does inflation mean to the employer? Well, the employer had all the best of it until 1869, when wages and retail prices reached an equilibrium, the retail index standing 79 per cent above.

But from 1869 retail prices slowly declined each year. They stood at 151 in 1872, when wages stood at 185. Retail prices stood at 140 in 1875; wages at 163. And finally when the government resumed specific payments Jan. 1, 1879, and made the paper dollar worth 100 cents in gold, retail prices still were 23 per cent above 1860, but wages were 39 per cent above.

What does inflation mean to the wholesaler? In 1864 wholesale prices were 125 per cent up, when retail prices had advanced only 15 per cent, and wages only 42 per cent.

In 1865 wholesale prices again had the advantage, 124 per cent against 119 for retailers and 55 for workers.

With the nation on a paper standard, gold had, of course, become a commodity. Merchants needed it to meet their exchange bills abroad had to go into the open market and buy it with greenbacks at whatever inflated price the holders demanded.

During the later months of 1869, Gould bought millions of dollars worth. The floating supply was estimated at about \$20,000,000.

It was within the power of a small group of men to corner the market, provided the government did

not interfere.

That's what happened. Anne Eleanor, 5½-year-old daughter of Anna Curtis Dall, spends a great deal of her time on a pony at the Hyde park estate.

As she rides triumphantly around the grounds, her 2½-year-old brother, Curtis, toddles after her. He calls her "Sisie," and she calls him "Buzie"—names generally given them because that is the way they first pronounced their own nicknames.

Like her father, little Anne is a great swimmer, though "Buzie" is not beyond the paddling stage.

They exhibited their kinship with the Roosevelts when a photographer sought to take their picture. After standing around impatiently for a while, "Buzie" spoke up.

"Don't want my picture taken," said he.

"Sisie" looked down at him, then chimed in:

"I don't blame you, Buzie."

And they're stubborn too.

With that, she clasped his pudgy hand tightly in her own, and they paraded out of the room.

Again receiving a quality notice in their distinguished grandfather—sternness—she refused to return.

One Two Months Old

William Donner Roosevelt, son of Elliott and Elizabeth Roosevelt, is only 2 months old.

William Donner Roosevelt arrived just in time to give his grandfather and grandmother some human publicity. It was shortly after Mr. Roosevelt's election that a call came to the executive mansion at Albany for the grandmother to hurry to the hospital in New York City where the new baby was about to be born.

Rushing downstairs quietly so as not to awaken her husband, Mrs. Roosevelt discovered she did not have sufficient money to pay the \$6.20 fare, including pullman, from Albany to the metropolis.

When you do not know about all the amounts that may be deducted from your gross income before calculating the tax, you will cheat yourself. Our new bulletin tells all this. It explains what can and what cannot be deducted, and how to calculate the tax and the surtax, if you must pay one. Ignorance of the law is no excuse.

Fill out the coupon below and send for this bulletin.

CLIP COUPON HERE

Dept. N. I. T. Washington Bureau, The Indianapolis Times, 1322 New York Avenue, Washington, D. C.

I want a copy of the bulletin, the New Income Tax Law, and inclose herewith 5 cents in coin, or loose, uncanceled United States postage stamps to cover return postage and handling costs.

NAME
ST. AND NO.

CITY State.....
I am a reader of The Indianapolis Times. (Code No.)

CLIP COUPON HERE



Jay Gould

not release any from the treasury.

The crash came on Black Friday, Oct. 4, 1869. Gold went up to 145, to 150, to 160. Then the government started selling. Hundreds of firms were ruined that black day, thousands of individuals.

Jay Gould and his co-conspirator, Jim Fisk, though their conspiracy had collapsed, were not ruined. Gould repudiated his brokers, refused to pay for purchases made in his name, was given legal sanction by the corrupt Boss Tweed municipal government and escaped with a new fortune.

AND America was to have another panic, even worse, before inflation had finished its work. On Sept. 18, 1873, Jay Cooke, chief wartime money lender to the government, failed in Philadelphia, dragging thousands of business men with him.

Thirty-seven banks suspended the next day. The New York Stock Exchange suspended trading for ten days.

"Widespread unemployment added to the general distress," writes Robert Irving Warshaw in "The Story of Wall Street." "Gradually, however, as the subsequent deflation corrected the financial balance, the fury spent itself."

"It took more than five years, however, for the country to recuperate completely, and only after dragging itself through this period of misfortune and misery did the ailing industrial and financial organs of the country at last completely resume their normal functions."

Many a citizen will be surprised to know that the 1862 greenbacks are still in circulation. Following resumption of gold payments in 1879, the government released the bills as fast as they came in.

Until finally, a man for the times, Jay Gould, laid his dark scheme to corner the free gold supply of the nation.

That scheme involved wholesale bribery of any one close to President Grant, that the general might be persuaded not to sell any of the government's \$100,000,000 of gold and thus break the market.

With the nation on a paper standard, gold had, of course, become a commodity. Merchants needed it to meet their exchange bills abroad had to go into the open market and buy it with greenbacks at whatever inflated price the holders demanded.

A fund of \$150,000,000 of gold was set up to pay whoever presented one