

CONGRESS PONDERERS PLANS TO HELP DEBTORS PAY AT PRESENT VALUE OF DOLLAR

Two Bills for Conversion Aim at Easing Burden, While Giving Justice to Creditor and Man Who Owes Him.

SAFEGUARDS RAILROAD INVESTORS

Farm Mortgage Refinancing Idea Also Designed to Lift Load from Struggling Agriculture Victims.

This is the second of a series on conversion and inflation, both of which have their adherents for solution of the depression's problems.

BY HERBERT LITTLE
Times Staff Writer

WASHINGTON, Feb. 6.—Conversion amounts to partial forgiveness of debts—a thing almost unthinkable in a modern world until a few months ago.

But the burden of carrying the debts has become so heavy that President Hoover, the Democratic leadership in congress and many enlightened business men have joined in an attempt to persuade creditors to save what they can, to avoid economic catastrophe.

As Mr. Hoover put it in a message to congress demanding immediate action, insistence upon payment of the bond will mean that "misery will be suffered by thousands without substantial gain to their creditors, who insist upon liquidation and foreclosure, in the vain hope of collecting their claims."

Thus the sacredness of the interest rate, even though safeguarded in legal contracts, has been challenged.

Moral suasion, however, is the extent of the power of congress and the President to act in this direction. The bill now before congress, carefully drafted by lawyers of the house judiciary committee, and known as the La Guardia-McKeown bill, goes far in bringing pressure upon creditors.

It allows scaling of debts. The bill directs federal courts to supervise and approve arrangements between creditors and debtors for scaling down of debts, both corporate and personal, and authorizes reorganization of corporations.

This deflation of debts is conditioned upon consent of a majority of each class of creditors involved in any given case. At present, a minority of stock bondholders have the power to block such action by corporation managements.

As to the railroads, among the hardest hit of the debtors by the present dislocation, the La Guardia-McKeown bill provides for interstate commerce commission supervision, in addition to the federal court, to prevent bankers from getting control and huge fees—as they have done in railroad receiverships in the past.

An even more direct conversion plan, now before congress, with good chances of passing before the end of the year, is the farm mortgage refinancing plan sponsored by Henry Morgenthau Jr., President-Elect Roosevelt's farm adviser.

Under this plan, the government would take over all first mortgages on farms, amounting to about nine billion dollars, and burdening more than 40 per cent of all the farms in the country, and issue new mortgages in their place. A two-year moratorium on all payments by the debtor would be allowed, and thereafter the farmer would pay 2 1/2 per cent interest and 1 1/4 per cent a year on principal.

Now he is paying 6 per cent interest. The government would pay off the present mortgage-holders with United States bonds paying 2 per cent interest. All government farm loans would be consolidated under this plan, as well as those privately held mortgages whose owners found that the farmer was not able to pay at the old rate.

Advocates of conversion believe private lenders and borrowers will find it necessary to follow the government's example.

Conversion plans even have been proposed in the courts in an effort to force the law to recognize that a dollar today is harder to earn than when we incurred most of our debts. In a civil suit filed in White Plains, N. Y., recently, a debtor brought a test case, petitioning the court to reduce the interest charge on a mortgage because the increased value of the dollar now made his nominal 6 per cent interest payment the equivalent of 9.72 per cent—a rate which the debtor termed usurious.

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Stubborn Coughs Ended by Recipe, Mixed at Home

Saves \$2. No Cooking! So Easy!

Here is the famous old recipe which millions of housewives have found to be the most dependable means of breaking up stubborn coughs. It takes but a moment to prepare, and costs very little, but it positively has no equal for quick, lasting relief.

From any drugist, get 2 1/2 ounces of Pinex. Pour this into a pint bottle and fill the bottle with granulated sugar syrup, made with 2 cups of sugar and one cup of water, stirred a few moments until dissolved. No cooking needed—it's so easy. This you make a full pint of better remedy than you could buy ready-made for three times the cost. It never spoils and children love its taste.

This simple mixture soothes and heals the inflamed throat membranes with surprising ease. It loosens the germ-laden phlegm and each cough is used in a way that is really astonishing.

Pinex is a highly concentrated compound of Norway Pine, the most reliable healing agent for severe coughs. It is guaranteed to give prompt relief or money refunded.

COME NOW, MARY, MOTHER KNOWS BEST



Mrs. W. R. Higgins and Daughter, Mary.

It's the first bicycle for Mary Boyd Higgins, 7, Tudor hall pupil, and her first teacher on how to pedal and keep a balance is her mother, Mrs. W. R. Higgins, of Woodstock drive.

Daughter is following in mother's footsteps in that in youth Mrs. Higgins used to enjoy cycling on city streets and now she has a companion who races her on sunny days.

'BROTHER BANDITS' CONVICTED BY JURY

City Robbers Will Receive Sentences Friday.

Verdict of guilty on robbery charges was returned in criminal court today against Alfred Linne, 22, of 2149 North Temple avenue, and Richard Dickinson, 310 College avenue, known to police as the "brother bandits."

Seven indictments had been filed against the pair, accusing them of participating in about twenty recent robberies of street car operators and bus drivers. They will be sentenced Friday.

Two other members of an alleged gang testified against Linne and Dickinson in the trial Saturday. The verdict was returned on charges that Harry Miles, a bus driver, was robbed of \$12, Dec. 1, at Fifty-second street and Winthrop avenue.

The men who turned state's evidence are Edward Laughlin, 21, of R. 12, Box 236, and Edward Sanders, 22, of 212 East North street, who are expected to plead guilty in their trial this week.

KENTUCKY OFFICERS ASK FOR TWO MEN

U. S. Authorities Here to Turn Suspects Over to Louisville Agents.

Claiming to have "airtight" cases, federal officers of Louisville, Ky., Saturday asked for custody of John R. Smith of Louisville and Lester Brown of Clinton. The men are wanted in Louisville on liquor charges.

They now are held by local federal authorities. They were arraigned Friday before Judge Robert C. Baltzell, and pleaded not guilty to liquor charges. Their bonds were set at \$10,000 each.

George R. Jeffrey, district attorney, said the men are to be tried in Louisville in March. Indictments pending here will not bring them before Baltzell for trial until April 17, Jeffrey said.

KNIFE SLAYER IS HELD

Negro Held on Murder Charge; Wife, Mother Held as Witnesses.

"I came here to die," gasped Rodney Biggs, Negro, 30, as he breathed his last Sunday night in the street in front of 815 Alton street.

He had been stabbed near the heart by Walter Cissell, Negro, 27, who told police Biggs was stabbed in a struggle over his own knife when he stabbed Cissell's wife, Mrs. Genevieve Cissell, 27, and his mother, Mrs. Ada Cissell, 49.

Cissell is charged with murder, and the women are held as witnesses. They were taken to city hospital for treatment.

A kick in the pants is nothing to the "kick" that advertisers get in results from Times want ads.

Wall Street Bankers Slash Nation's Wages, Studios Iron Molder Charges

Whole Economic Structure Dominated, Is Claim of Frey.

BY GEORGE SANFORD HOLMES
Times Staff Writer

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It is the contention of Frey, who appeared before the committee to testify in support of the five-hour day, six-day week which senator Black would establish, that by rea-

Curtis, Out of Public Life at 73, Will Not Retire

'I'm Considering Five Different Offers, All Very Attractive,' Says Vice-President.

BY LEO R. SACK
Times Staff Writer

WASHINGTON, Feb. 6.—In less than four weeks Vice-President Charles Curtis will turn his back on forty-nine years of public service, thirty-eight years of which was spent in Washington.

They have been crowded years, first as county attorney of his native Shawnee county, Kansas, then as congressman where he became a house leader, then nearly three terms as senator during which he became President pro-tempore and Republican leader, and finally four years in the vice presidency.

During this period the 73-year-old Vice-President never has lacked for something to do, and now as he passes from the public stage he does not intend to go into retirement. Mr. Curtis intends to carry on as energetically as ever.

EAGLES RAP PENSION BILL 'OPTION CLIQUE'

Take Firm Stand Against Change in Measure.

Opposition to changing the state old age pension bill introduced in the house of representatives so that it would be optional, instead of mandatory, was expressed in a resolution adopted Sunday at a district meeting of the Fraternal Order of Eagles held in Elwood. The order is one of the leading old age pension advocates.

A state bank board, to which appeals from the zone board may be taken, is set up under the bill. It would consist of one director from each of the eight bank groups of the state, as now fixed by the Indiana Bankers Association.

Final appeal will rest with the commission on financial institutions, as provided under the administration bank bill, or with the state charter board as now functioning.

A 2 per cent deposit guaranty fund is set aside annually by each qualified bank and reported to the state, the 2 per cent being based on average daily deposits.

When the total reported to the state reaches a fund of \$5,000,000, no further levies are made unless needed, the fund to be kept at the \$5,000,000 figure.

It is from this sum that guaranteed deposits are paid, should a bank be closed.

But the burden rests on the zone banks themselves, which are doing the supervising. If their central bank goes under, they will be assessed 2 per cent forthwith if any losses occur, before the burden is passed on to state banks generally.

It is this feature that will make his law work, Jones contends.

RETIRED RAIL MAN DIES

Garrett Hubbard, 73, Former Conductor, Is Taken at Hospital.

Funeral services for Garrett Hubbard, 73, of 1222 Ashland avenue, retired railway conductor, who died Saturday in St. Vincent's hospital, will be held at 9 Tuesday in St. Joseph's Catholic church. Burial will be in Holy Cross cemetery.

He had been a resident of Indianapolis fifteen years and was a member of St. Joseph's, the Order of Railroad Conductors and the Brotherhood of Railroad Trainmen.

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John P. Frey

son of loans advanced to industries and representation on their boards of directors, the large bankers have forced wages down under the threat of withdrawing financial support and credit.

He traces this control to such powerful private banking houses as that of J. P. Morgan and Company, which in turn dominate the large commercial banks which finance big business.

When the ex-iron molder submitted his information to several of the leading magazines, it was rejected. He testified to this when questioned by Senator Norris.

Eleven Months Research Is Expected to Bring Senate Quiz.

His survey, however, will appear in a forthcoming issue of the A. F. of L. magazine, and now has spread on the records of the senate committee.

It purports to show, for instance, that twenty-four banks in New York alone hold 4,090 directorships in other corporations of all kinds; that the house of Morgan, with nineteen partners, holds more than 2,000 directorships in other concerns; that the Chase National bank holds 885 such directorships.

The labor official has spent eleven months, outside of working hours, gathering the material. With the aid of an assistant, he has combed corporation reports and Wall Street manuals to seek out the ramifications of banking influence.

Frey worked at iron molding for thirteen years before becoming an officer of the International Iron Molders Union.

He served in that capacity for twenty-eight years, and then was chosen secretary-treasurer of the metal trades division of the A. F. of L.

Up to the year 1925, he states, he held the usual, accepted idea on wages that the laborer is merely entitled to a share of what he produces.

He foresaw the inevitable disaster ahead of increased machine production, if not accompanied by a corresponding increase in the wages of the producer.

BANK DEPOSIT SAFETY IS AIM OF NEW BILL

Heads of State Financial Houses Made Liable by Jones Measure.

Contending that a bank deposit guaranty law that really will work is "the only possible legislation which will restore confidence in floosier financial institutions," Representative John R. Jones (Dem., Plymouth) prepared today to fight for passage of such a measure.

His bill, setting up machinery for a deposit guaranty, already is in the hands of Judiciary A committee in the house.

Although not recommended by the administration, nor backed by the survey commission, Jones predicts that his bill will pass "when the people back home understand what it means to them."

"The trouble now is that the people are scared of the banks and the bankers are more scared than the people," he declared. "A deposit guaranty law, as provided under my bill, will remove cause of that fear."

"It will work because it places responsibility for bank failures where the survey commission found that it belongs—upon the bankers themselves."

"True, the bankers may not want to assume the burden, but they should be made to do so. They are willing enough to assume the deposits, so let them also assume their safety."

Bill Really Is Simple

At first blush the Jones bill seems somewhat complicated, but once understood, it is simple and is bound to work out, its author declared.

It creates a zone around each state-controlled bank, which makes that bank the central bank over which supervision is exercised by a board comprised of three supervisors selected by other banks in the zone.

A ten-mile radius is the minimum for such zone, and the number of banks to be included will be sufficient to equal double the capital and surplus of the central bank.

Zones are divided into three sectors, from which the supervisors are chosen, each sector being as nearly equal as possible in the total of capital and surplus.

Examinations of the central bank will be made by the state examiners and the reports submitted to the zone supervisors. Names of depositors will remain confidential information, not to be given to supervisors. All other business of the central bank will be disclosed to the zone board.

A state bank board, to which appeals from the zone board may be taken, is set up under the bill. It would consist of one director from each of the eight bank groups of the state, as now fixed by the Indiana Bankers Association.

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Drys Plan National Drive Before Special Session

Anti-Saloon League to Lead Campaign, Which Opens in South.

By Scripps-Howard Newspaper Alliance
WASHINGTON, Feb. 6.—In preparation for the special session of congress when the country confidently expects that both the Volstead act and the eighteenth amendment will be doomed, organized dries, led by the Anti-Saloon League, will undertake a national campaign to retain both of these ordinances.

Significantly, the first of 500 Anti-Saloon League rallies will be held in the south. The dries now are on the offensive, just where the wets were before the last general election.

Led by the Anti-Saloon League and Senator Morris Sheppard (Dem., Tex.) they today announced their new campaign.

After the southern prohibition convention called to open at the First Baptist church in St. Petersburg, Fla., Feb. 19, such Anti-Saloon League speakers as Sergeant Alvin York, Bishop James Cannon, Pussyfoot Johnson, and P. Scott McBride will tour the nation.

"The beer and repeal measures agreed upon by senate and house committees will be analyzed," says the Anti-Saloon League's announcement of its new movement, "and facts compiled for the attack against them."

Reverting to its old tactics, the league also will undertake to score the "records of members of congress and state legislatures on beer and repeal measures."

This new dry movement got its impetus at the beer hearing before congressional committees this session.

Alleged to have thrown away a revolver as police approached, two Negroes were arrested late Sunday night, charged with holding up a trackless trolley car at Indiana avenue and St. Clair street.

The men are Jesse Pope, 33, of 845 West Michigan street, and Paul Walker, 32, of 422 Bright street. They were identified as the bandits by Noah Arterburn, 19 North Oriental street, operator of the car, and Floyd A. McCammon, a medical student at the city hospital.

A taxicab driver, Otto Lull, 21, of 327 North Keystone avenue, was forced to assist two bandits during the \$22 holdup of a meat market at Columbia avenue and Sixteenth street, Saturday night. Lull's cab was taken by the bandits. It later was found at Twenty-eighth and Illinois streets.

Lull told police he drove the men to the meat market, where he was told to wait for them. He was forced from the cab at Cornell avenue and Twenty-first street.

Early Saturday night a bandit robbed the Nancy Hart candy store at 23 East Market street of \$50, while home-going crowds passed the store.

Mrs. Helen Wilson, 715 East Twenty-second street, clerk in the store, said the man ordered a box of candy and then pointed a revolver at her when she turned to fill the order.

Two armed Negro bandits robbed a Standard grocery at Elkhart and Walnut streets of \$13, Charles Kemp, 53, of 1326 North Illinois street, the manager, reported to police.

TOPPLES DOWN SHAFT

Cincinnati Man Injured at Hotel in Ten-Foot Drop.

John W. Dosford, 43, Cincinnati, was injured on the face and hands today when he dropped ten feet in an elevator shaft at the Sherman house, 247 McCray place.

Dosford opened a door of the shaft on the first floor, not knowing the elevator was at an upper floor. He was taken to city hospital.

ONE CENT A DAY PAYS UP TO \$100 A MONTH

The Postal Life & Casualty Insurance Co., 1593 Dierks Building, Kansas City, Mo., is offering a new accident policy that pays up to \$100 a month for 24 months for disability and \$1,000.00 for deaths—costs less than 1 cent a day—\$3.50 a year. More than 150,000 have already bought this policy. Men, women and children eligible. Send no money. Simply send name, address, age, beneficiary's name and relationship and they will send this policy on 10 days' FREE inspection. No examination is required. This offer is limited, so write them today. —Advertisement.

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WILLIAM HARD TO SPEAK HERE

Famous Correspondent to Be Next Notable on Town Hall Program.

Indianapolis town hall series will present William Hard, NBC broadcaster of the Geneva conference, Washington journalist, and foreign correspondent in a lecture at 11 o'clock next Friday morning at the English theater. His subject will be "Back of the News of the World."

Few other journalists or radio speakers today have William Hard's background of experience in interpreting world affairs. Known to millions for his NBC broadcast on "Behind the News in Washington," as well as his newspaper and magazine features on current events, Hard has been reporting since his college days. His first job was on the Chicago Tribune.

When Hard was in Geneva at the 1932 disarmament conference, he came into close contact with diplomats and financiers, and interviewed European business men and industrial leaders in an effort to find out when Europe would stop parleying and act on armaments and reparations.

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