

# INFLATION OF CURRENCY IS URGED, ON PREMISE THAT BUYING WILL BE SPURRED

Money Would Be Based on Commodity Other Than Gold, or More Would Be Printed Backed by Less Gold.

This is the third of a series of stories on the problem of inflation.

BY HERBERT LITTLE  
Times Staff Writer

WASHINGTON, Feb. 7.—The word "inflation" describes certain methods used in an effort to accelerate business, raise prices, and so bring prosperity. It is in this sense that some politicians, statesmen, and economists now are looking to it as one way out of our present serious situation.

Nearly everyone agrees on the necessity for "inflation," but opinion is split fifty ways, at least, on how to do it and which of the methods will succeed. Nearly 100 inflation bills have been introduced in congress.

There are three general methods now discussed:

1. Currency inflation, which is involved in bi-metallism, printing of more money backed by less gold per dollar, basing money on other commodities than gold, and other current plans.

#### Credit Inflation Considered

2. Credit inflation, involved in lending by the federal reserve banks and the Reconstruction Finance Corporation to augment cash reserves of banks and stimulate private investment.

3. Bond inflation—government floating big bond issues and using the money in operations designed to stimulate business or provide for the common need, as the Liberty bond issues in the World war or the proposed La Follette plan for a huge public works program.

Pressure of inflationists now is chiefly for currency inflation, their plans being based on two ideas: To create a larger volume of currency and to force it into circulation.

The theory is that this additional money will increase demands for goods, thereby increasing prices—the owners of the goods knowing that there is more money available—thereby also increasing business volume, creating jobs and restoring prosperity.

#### Emphasized by Inflationists

The necessity of resorting to this process of pumping life-blood into business and simultaneously solving the key problem of the debt burden is emphasized by inflationists. They hold that conversion downward of debts and interest thereof is a piecemeal job, which amounts to bankrupting most of the nation.

They believe the present process of "deflating" creditors, through wiping out of debts, will continue for two or three years at least. Some even fear it undermining our capitalist system. The wiping out of eleven billion dollars in bank credits in three years is cited.

The currency inflationists point out that the government already has tried credit inflation on modest scale, and it has not worked. Three ways were tried. Commercial credit—paper—discounted business notes and paper-like debts made viable as the basis of currency under the Glass-Steagall act.

The Borah amendment to the home loan bank act authorized issuance of national bank notes—money up to up to about one billion. The federal reserve board bought up hundreds of millions in government securities, taking them off the open market in an attempt to force the money hoarded in banks into business investments.

#### Business Fails to React

These should have succeeded, on the theory that credit, not money, is what makes our wheels go around. Nine-tenths of American business is transacted by credit—check or draft—without a single dollar-bill changing hands.

But there was no stimulation of business. The banks merely held the money for their own protection, the same as they had done when loaned huge sums by the Reconstruction Finance corporation.

Either the bankers were timid, or the business men hadn't enough confidence in their future to borrow.

As private credit has become stagnant, the government's credit has become better and better. A quarter-billion dollar treasury note issue the other day was over-subscribed thirty-one times, more than seven billion dollars being offered to the treasury for the issue. This is one of the inflationists' favorite talking points.

The foreign trade issue is another.

THE INDIANAPOLIS TIMES

"BOOP-BOOP-A-DOOP—I DO!"



## AUTO IS USED AS POWER TO PRINT PAPER

Electricity and Telephone Cut Off: Trouble Bunches on Huntington Man.

By United Press  
HUNTINGTON, Ind., Feb. 7.—Adversity overtook C. W. Bangs, editor of the Huntington News, all at once.

He now is forced to publish his daily newspaper with a jacked-up automobile as his power source and without the convenience of a telephone.

Facing seven charges of criminal libel and slander on the first state bank of Huntington, he is under \$5,000 bond after spending an hour in jail a week ago.

With his telephone and electricity disconnected because the bills were overdue, Bangs connected the automobile with his press to run it. He heated oil burners to heat his linotype melting pot, and has a small electric generating plant to provide lights in his office.

#### Attacked Bank Policies

Besides that, his employees, claiming that their pay is long overdue, are causing him trouble.

A former college president and attorney and a specialist in international law study, Bangs has not given up. He took over editorship of the paper about a year ago, making his law practice his avocation.

Recently he began attacks on Huntington banks in his newspaper.

Local residents said he owed the banks, they were pressing him for loans and he was retaliating.

John R. Emly, president of the First State bank, brought charges against Bangs. Six of them alleged criminal libel and the seventh charged slander, asserting that Bangs had circulated verbally false rumors against the bank.

#### Former College President

That followed closing of another Huntington bank. Now the two remaining institutions, including the First State bank, are both closed temporarily in a business moratorium.

They will reopen if 80 per cent of the depositors of both banks sign a pledge not to withdraw more than a specified percentage of their deposits.

Bangs is a former president of Huntington college, a United Brethren supported institution here. Since he practiced law. Daily he rode a bicycle, carrying his lunch, from his outlying home to his law office.

He studied international law in Paris for several years. He took a small son there with him once, and when the child returned here, after two years, he could speak no English.

Lewis, professing a new found affection for Great Britain, declared his belief that "modern civilization is a heritage worth keeping," and a contention that "the only countries which have a chance of retaining it are America and Great Britain."

Lewis, in an interview with the Daily Express, advocated outright cancellation of the war debts as "simply a matter of good business—not sentiment."

His friendliness toward Britain came as a surprise, for British critics rarely have been kind to him or his works. This was a result of his sarcastic jibes at Britain's insufficient steam heat and the iceless cocktails, when Lewis visited the British Isles ten years ago.

The novelist declared that central Europe, where he has spent the last six months, "is a powder barrel."

"There's going to be a big explosion there pretty soon," he prophesied, "and the only practice" safeguard we have is infinitely more intimate relationship between England and America."

## HURLEY'S BUILDING TO BE CLEARING HOUSE OF G. O. P.

Republican Leaders Rent Quarters to Be Used in Comeback Drive.

By Scripps-Howard Newspaper Alliance

WICHITA, Feb. 7.—President Hoover's confidential secretary and assistant since 1919, has rented a suite of four rooms here in the Shoreham office building, effective March 1. An unconfirmed report is that within a year the suite will be expanded to make room for "Herbert Hoover, consulting engineer."

Meanwhile, it is expected that the office will be Mr. Hoover's Washington clearing house, from which discreet activities intended to help bring about his renomination in 1936 may be directed.

Vice-President Charles C. Curtis, who says he is considering five offers of employment after he retires on March 4, has taken a suite of three rooms on the same floor, on which will be located the sixteen-room law offices of retiring Secretary of War Patrick J. Hurley and his yet unannounced partner.

Ray Benjamin, California lawyer and scout for Mr. Hoover, has taken offices in the same building, to be associated with the law firm of Charles D. Hamlin, former chairman of the board of tax appliers.

Everett Sanders, chairman of the Republican national committee, has an office in the Shoreham building, as also have Mrs. Mabel Walker Willebrand and William J. Donovan, former assistant attorneys-general under President Coolidge.

Nugent Dodds, retiring assistant attorney-general and his assistant, Neil Burkshaw, are opening law offices in the building.

Secretary Hurley and Joseph O. Cromwell of Oklahoma are owners of the building, which is expected to become the center of Republican activity in Washington after Mr. Roosevelt becomes President.

DEMOCRATS 'SURE' OF NEXT LEGISLATURE

Only Republican Landslide Could Oust Party from Control.

By United Press

DETROIT, Feb. 7.—A chauffeur and his maid wife confessed, police announced, that they attempted to extort \$2,000 from Clifford B. Longley, president of the Union Guardian Trust Company, with threats of kidnapping his two children.

Prosecutor Harry S. Toy said the chauffeur, John Milbrant, and his wife Gertrude, a maid in the Longley home, admitted Monday writing extortion notes to their employer.

"We were hard up and needed the money badly," the prosecutor quoted the couple as saying.

## HOBBY SHOP IS OPENED

F. Vernon Smith Will Operate Business for Collectors.

The Inland Hobby Shop, unique in the business world of Indianapolis, has been formally opened for business at 906 Inland Bank building. F. Vernon Smith, owner and manager, announces he will cater to every hobby. He will carry stamps and stamp supplies, coins and Indian relics, as well as autographs, early Harpe and Godey magazines, old prints, Japanese sea shells and daguerreotypes.

Smith will add other lines to meet the demands of hobbyists. He is thoroughly experienced in his field and owns personally a splendid collection of autographs.

The foreign trade issue is another.



Established Here 28 Years—  
Dr. Per Due  
411 State Life Bldg.

## SHOE SALE ALL THIS WEEK



Over 32 Styles in dress pumps and sport oxfords.

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Each Pair

THE MILLER-WOHL CO.  
45 E. WASHINGTON ST.

COLEDS GO THROUGH 3 STAGES!

And They are Far Easier Stopped in the First than in the Second or Third!

A cold ordinarily passes through three stages—the Dry Stage, the first 24 hours; the Watery Secretion Stage, from 1 to 3 days; and the Mucous Secretion Stage. Relief is twice as easy in the first stage.

For prompt relief, take a couple of Grove's Laxative Bromo Quinine immediately upon catching cold. This will usually expel the cold overnight and thus prevent the spread of the infection within your system.

Grove's Laxative Bromo Quinine is effective because it does the four things necessary. It opens the bowels. Kills the cold germs and fever in the system. Relieves the headache and grippe feeling. Tones the entire system and fortifies against further attack.

Grove's Laxative Bromo Quinine contains nothing harmful. May be safely taken by young and old and whether you stay indoors or go out. There is absolutely no penalty attached to its use. For more than 40 years it has been the standard cold and grippe tablet of the world, the formula keeping pace with Modern Medicine. Grove's Laxative Bromo Quinine now comes in two sizes—30 and 50c. Get yourself a package today and be ready for any cold that may come along. Say "NO" to a substitute!

NOTE: During epidemics a tablet or two of Grove's Laxative Bromo Quinine every morning and night will do much to keep your system immune.—Advertisement.

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A Special Sale  
Women's Novelty

15c KIMONOS

Infants' nice warm flannelette kimonos.

6c

15c GOWNS

Infants' "Flannelette"

15c BLANKETS, EACH

Infants' white receiving blankets, trimmed in pink or blue.

5c

3(5c) Bars Health SOAP 10c

2(7c) Bars Lifebuoy Soap 10c

3(5c) Bars Olive-Glo Soap 10c

15c Infants' Receiving

BLANKETS, EACH

15c Infants' "Flannelette"

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