



The Indianapolis Times

Partly cloudy tonight; Saturday fair, not much change in temperature; low west tonight about 30.

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DEPOSITS SOAR BY MILLIONS IN CITY BANKS THIS WEEK

Huge Sums Placed in Separate Accounts Since Withdrawal Limit Became Rule on Monday

HEAVY PAY ROLLS WILL BE MET

Thursday Clearings are Encouraging; Comptroller of Currency Acts to Prevent Preferential Dealings

The Banking Situation Today

Indianapolis deposits two millions in local banks and trust companies in four days.

Corporation pay rolls will be met Saturday.

Indianapolis clearing house figures show bank clearings are maintaining strength.

Thirty states now are on bank holiday.

Stock prices rise 1 to 6 points; grains jump.

By Lowell Nussbaum

More than \$2,000,000 has been deposited this week in local banks, since the 5 per cent withdrawal limit was ordered, Indianapolis bankers estimated today.

This immense sum is being held in cash in separate accounts by the banks and will be available Saturday for distribution to meet pay rolls of various firms.

This figure, it was said, does not include the 5 per cent of deposits in the banks Saturday, which adds greatly to the sum of cash available for immediate circulation.

Added encouragement in the local financial situation was given with the announcement by George C. Calvert, Indianapolis Clearing House Association manager, that clearings of the various local banks Thursday totaled \$1,322,000, only 30 per cent below the average for February.

No Preference, Is Order

Telegrams have been received by national banks here from the comptroller of the currency advising them not to grant preferences to any class of depositors, as such acts of preference might be regarded as technical acts of insolvency.

The ruling was interpreted as preventing national banks from loaning money with "frozen" accounts as security. This would mean that only the 5 per cent of balances as of Feb. 25, together with subsequent deposits in the new separate accounts, could be freed by national banks.

The order is not binding on state banks, as yet, and several of these were reported planning to accommodate their customers with loans secured by the "frozen" accounts.

Passed by Congress

Congress several days ago passed a resolution authorizing the comptroller of currency to make national bank regulations conform with rules of state banking departments in the states in which the national banking associations are located.

This action was taken to provide uniformity of banking rules in localities.

Thus, if a state banking department "froze" 50 per cent of deposits in state banks to halt runs, the comptroller of the currency could do likewise with national banks in that state.

His powers in each state, under the resolution, are limited only by that state's banking laws.

Local bankers reported large sums of new money are being turned into trade channels.

With a limit on withdrawal of funds on deposit prior to this week, hundreds of visits have been made to "sugar bowl" banks and to safety deposit boxes to obtain cash with which to operate.

This money has been used to pay current bills and has added to the flow of currency put in circulation by cashing of nearly \$1,000,000 in public employees' pay roll checks this week.

Utilities were functioning practically as usual today, after four days under the bank limit. Officials declared business is better than anticipated.

Practically all larger Indianapolis firms were meeting pay roll demands in the regular manner.

Several pay rolls had been made since Monday on a weekly or monthly basis, and most firms reported "no inconvenience" from the partial banking holiday.

It was reported that a number of the larger firms will be able to meet pay rolls through funds available under the 5 per cent withdrawal limitation, augmented by cash shipped in from outside sources.

Expect Federal Action

Local bankers anticipate additional action in the near future by congress and state legislatures to clear up the national financial problem, as more and more states declared bank holidays or individual banks restricted withdrawals.

No forecasts could be obtained from banks here as to when the withdrawal limit would be lifted or modified.

The situation hinges largely, they said, on adoption of a uniform policy nationally.

Order limiting withdrawals to 5 per cent was promulgated Monday by members of the Indianapolis Clearing House Association and immediately was followed by non-member banks.

Stocks Soar; Wheat Price Takes Jump

Shorts Stage Mad Scramble to Get Out of Their Commitments.

By United Press

NEW YORK, March 3.—A bull market developed in stocks and grains today. Stocks shot up 1 to 6 points, while wheat jumped 2 cents a bushel on the Chicago Board of Trade.

Shorts staged a mad scramble to get out of their commitments and were forced to bid up prices of stocks several points to get them.

Trading turned active. Tickers were straining to keep pace with the market. The tape was two minutes behind at 11:30.

The movement spread to the curb exchange.

Cotton futures soared \$1 a bale. Sugar prices firmed up.

Nervousness of shorts was caused by two items:

1. The approach of the inauguration of President-Elect Franklin D. Roosevelt. The "Street" believed the new President would issue a reassuring statement on taking office, and bears were afraid to risk a sensational rally on the publication of the statement.

2. Reports were current the various exchanges would restrict short selling as they did when England went off the gold standard last year.

Grains in Advance

By United Press

CHICAGO, March 3.—A startling rush of buying swept the wheat pit of the Chicago Board of Trade today, and shot the price of wheat up 2½ cents a bushel in the first hour's trading. All grains joined in the sudden upward rush of prices. Provisions gained as much as twenty points.

At first confused over the reasons for the sudden change in sentiment, traders believed the announcement of policy by Henry Morgenthau Jr., designated to head the federal farm board by President-Elect Roosevelt had brought the first bullish flush to the market in months.

Morgenthau announced the federal board would retire from stabilization operations as rapidly as possible.

NATION'S CHIEFS MOURN WALSH

Grieve at Bier of Senator; Roosevelts Plan to Visit Widow.

By United Press

WASHINGTON, March 3.—A group of high government officials silently mourned today at the bier of the late Senator Thomas J. Walsh (Dem., Mont.), while the city was gay with flags for the inaugural scene at which he was to have been a principal actor.

The body of the much loved senator was returned to the capital Thursday night, accompanied by his widow, who was accompanied by a small cortege.

President-Elect and Mrs. Franklin D. Roosevelt called on Mrs. Walsh today to extend their sympathy.

The train bearing the body of the man Mr. Roosevelt chose for the important post of attorney-general was met by representatives of both the incoming and outgoing chief executives.

Her eyes red with weeping and her shoulders bowed in grief, Mrs. Walsh, who as Senora Nieves Perez De Triffin had been a social leader in Havana and Washington, appeared in a state of near collapse. Attendants held back a "curious throng" as she was escorted to a limousine.

The widow was taken to the Walsh apartment where in a modest, flower banked room the body of her husband lay. The Walsh family there joined in her grief.

BOY KILLED IN FALL

11-Year-Old Lad Injured Fatally on Way Home from School.

By United Press

RICHMOND, Ind., March 3.—Eugene Winkle, 11, was injured fatally late Thursday when he fell against a railroad tie while walking home from school.

Progress of Sectional Meet

FRIDAY	SATURDAY
Broad Ripple (22) 9:00 A. M. (Triple overtime) New Augusta (20) 8:30 A. M.	Broad Ripple 10:00 A. M.
Washington (33) 10:00 A. M. Castleton (23) 11:00 A. M.	Washington 11:00 A. M.
Shortridge (47) 11:00 A. M. Acton (11) 1:00 P. M.	Shortridge 1:00 P. M.
Decatur Central 2:00 P. M. Oaklanden 3:00 P. M.	Decatur Central 3:00 P. M.
Southport 3:00 P. M. Manual 10:30 A. M.	Manual 10:30 A. M.
Technical 4:00 P. M. Lawrence 3:30 P. M.	Technical 4:00 P. M.
Warren Central 7:30 P. M. New Bethel 11:30 A. M.	Warren Central 7:30 P. M.
Beech Grove 8:30 P. M. Ben Davis 11:30 A. M.	Beech Grove 8:30 P. M.

1,500 PERISH IN JAPANESE EARTHQUAKE

Tidal Wave and Fire Add to Terror Along Stricken Coast Region.

THOUSANDS LOSE HOMES

Cities of Yokohama and Tokio Shaken Violently; Shipping Damaged.

By Miles W. Vaughn

United Press Staff Correspondent

TOKIO, March 3.—Japan's worst earthquake since 1923, followed by a tidal wave and widespread fires, took more than 1,535 lives in a day of terror on the devastated northern coast of the island of Honshu, it officially was announced today.

Morioka, capital of the prefecture, of Iwate reported 477 dead, with 355 killed in seaside villages.

Perfecture Dead Injured Missing Iwate 1,380 276 696 Miyagi 136 25 227 Aomori 8 37 21 Hokkaido 11 4 4

A grand total of 2,963 houses washed away, 1,279 destroyed, 211 burnt and 6,343 inundated. Small ships washed away totaled 1,533, with 85 others damaged.

More than 2,000 homes in the province of Iwate were washed away.

Tidal Wave Engulfed Cities

The cities of Tokio and Yokohama were shaken violently, and great crowds, fearing a repetition of the 1923 earthquake, swarmed through the streets in hysterical excitement.

Electric lights failed in Yokohama, but little damage was reported. The modern industrial cities of Kobe and Osaka escaped serious damage.

One of the hardest hit towns was Kamashita, 300 miles northeast of Tokio, in the Iwate prefecture. More than 1,000 of the flimsy bamboo and paper constructed houses were swept away there by the tidal wave, and 3,000 more were destroyed by fire that broke out to complete the destruction, according to police reports.

The tidal wave engulfed the towns of Minagoway in the Miyagi prefecture, where 1,246 houses were reported under water.

Shipping Seriously Damaged

All telegraph and telephone lines north of Senba, Oomori and Hakodate were down, and officials of the Japanese home office said that at least 500 houses had been destroyed in those towns, either by the earthquake or tidal wave, or in the destruction fire that followed.

Joseph Clark, American ambassador to Tokio, was visiting at Yamashita, north of Tokio, with his family. The effects of the earthquake were slight in that vicinity.

Serious damage to shipping was reported. The tidal wave swept away boats at the port of Miyako, and scores of fishing boats were sunk at Fukushima.

THREE CITY TEAMS WIN SECTIONAL TILTS

Washington, Broad Ripple and Manual Triumph.

(Details on Sport Page)

Three city quintets captured first round honors in opening tilts of the Indianapolis high school basketball sectional at Tech gym this morning.

Broad Ripple nosed out New Augusta in a triple overtime struggle, 22 to 20, while Washington trounced Castleton, 33 to 22, and Shortridge ran over Acton, 47 to 11.

In games this afternoon, Decatur Central was to play Oaklanden at 2 p. m., Southport faces Manual at 3 and Tech tackles Lawrence at 4.

WAGE BILL IS PASSED

Sliding Scale Is Delected From Teacher Pay Law.

Final session action was taken today on the house bill removing the mandatory sliding wage scale requirements in the 800 teachers' minimum wage law.

This provision of the law required increases based on success, grade and experience. It was asserted that it has proven a hardship rather than aid to many teachers during the depression. When qualified for an increase they were discharged to save granting it, according to Senator Ward Biddle (Dem., Bloomington), who urged the bill's passage in the senate.

It was approved 35 to 3.

Forty-Six States to Ratify Repeal of Dry Amendment, Predicts Literary Digest; Impetus Is Given to Drive

By Walker Stone

Times Staff Writer

WASHINGTON, March 3.—The drive for repeal of the eighteenth amendment gained impetus throughout the country today as the news spread that the Literary Digest, in this week's issue, predicts ratification of the repealer by forty-six states.

Forecasts of the Digest, one of the nation's leading political weather-vanes, have proven unusually accurate over the last twelve years.

Digest polls in 1924, 1928, and 1932 predicted the winning presidential candidate in all instances, the magazine boasts, "with an error of less than 5 per cent."

If the issue is put to a direct vote of the people, the Digest says, the

1,500 CHINESE SLAIN IN BATTLE; JAPANESE NEAR CAPITAL OF JEHO

Booze Raiders' Era Is History Now



Left to Right—Patrolmen Otto Fulton and Joe Stutesman and Sergeant John Eisenhut.

Roosevelt Ready to Speed His War on Depression

Rounds Out Details of Economic Rehabilitation Program in Capital Conferences.

By Frederick A. Storm

United Press Staff Correspondent

WASHINGTON, March 3.—Franklin Delano Roosevelt, ready to assume the presidency of the United States within the next twenty-four hours, prepared today to carry out his pledge of a "new deal" in government with the utmost speed.

RAINEY NAMED TO SPEAKER JOB

Greenwood of Indiana to Be Democratic Whip in Reorganization.

By Geo. Sanford Holmes

Times Staff Writer

WASHINGTON, March 3.—Sweeping reforms in the administration of the house of representatives will be placed in effect in the seventy-third congress, when Henry T. Rainey of Illinois assumes the position of Speaker to which he was elected last evening at a caucus of the Democratic majority.

The program for liberalization of house procedure was offered by Majority Leader Rainey himself, and was adopted with only a minor amendment. It provides for a steering committee responsive to the Democratic majority.

By proposing this change in house management, the Speaker-elect relinquished certain powers and prerogatives, and stripped himself of the arbitrary authority which has been exercised by Speakers before him.

Rainey was elected by a vote of 168 to 112 over John McDuffie of Alabama.

Joseph Byrns of Tennessee, veteran chairman of the appropriations committee, was chosen majority leader over Representative William B. Bankhead by a vote of 151 to 140.

An unusual situation in Democratic caucus story took place when Byrns nominated Rainey for Speaker.

(Turn to Page Twenty)

M'NUTT VETO UPHELD

Inheritance Tax Measure Disapproved Because of Conflict.

The house of representatives today upheld a veto by Governor Paul V. McNutt of a bill relating to inheritance tax reports. The Governor disapproved the bill because it was in conflict with a senate measure extending from six months to one year, the time for filing reports.

No Statement on Banking

Mr. Roosevelt formally denied New York reports that he proposed to issue a statement on finances today.

The President-elect's secretary said that when Mr. Roosevelt was informed of these reports he said: "They are without any foundation. I do not propose to make any statement on finances."

Speaker John N. Garner, after a morning conference with the President-elect, indicated that the special session of congress would be called early this month.

The Speaker would give no indication as to the exact date.

That Mr. Roosevelt is ready to drive first toward economy was evidenced in his appointment of Henry Morgenthau Jr. of New York as chairman of the federal farm board.

One of Morgenthau's first tasks will be to consolidate all federal farm relief agencies under the new board.

Friends looked for Mr. Roosevelt to name before inauguration the person to fill Walsh's place in the cabinet.

Consider Cabinet Situation

The President-elect was reported to be considering three or four names, among them being Arthur Mullen of Nebraska, vice-chairman of the Democratic national committee; Homer Cummings, veteran Connecticut leader, and Guy Thompson, St. Louis, former head of the American Bar Association.

Sources close to Mr. Roosevelt felt Mullen stood an excellent chance. At the same time it was declared that should Cummings be chosen, it would be as a stop-gap and for a brief time only. He is slated, it was explained, for the governor-generalship of the Philippines.

The results of the 1932 prohibition poll in mind, it would seem that the drys would be unable to get more than one or two states to vote against ratification of repeal.

Analyzing its 1922, 1930 and 1932 nation-wide prohibition polls, the Digest article contends that the sentiment of the electorate was wet eleven years ago, and has grown wetter every year since.

"The drys," says the Digest article, "must hold thirteen states in line. Can they do it?"

"Not more than two states, let alone thirteen, will vote against repeal of prohibition, as shown by the Literary Digest's polls."

Kansas and North Carolina were the only dry states in the latest poll, and this by scant margin.

"At the risk of seeming to pat itself on the back, but with a high

HISTORY was made today, when, after more than five years as the daily helpers of federal agents in enforcing the prohibition law of the nation and state, Sergeant John Eisenhut and his squad today turned to regular police duties.

Their last activity as assistants of dry agents occurred Wednesday afternoon when they visited the federal building with alcohol cans, a gun and parts of a still seized in a raid the first of the week, before signing of the Wright dry law repealer. The photo shows the trio mounting the federal building steps.

Eisenhut, patrolmen Otto Fulton and Joe Stutesman have a long list of dry raids on their record in the last few years. Before being assigned to the federal job, Eisenhut operated the city police booze squad a year.

Under the new system, with the abolition of federal officials who receive co-operation, when needed, from local police in enforcing the national dry law.

WIDOW ACQUITTED IN 'GHOST' TRIAL

Accused of Bombing So Mate Could 'Haunt' Spot.

By United Press

CHICAGO, March 3.—Mrs. Ella Hopkins, 53-year-old widow, and Dr. Lester J. Offner were acquitted Thursday night on charges of bombing the gasoline station of William Lambert so that Mrs. Hopkins' husband's ghost could haunt the spot.

Mrs. Hopkins testified that her husband before he died had told her not to sell the Hopkins home or he would haunt her.

She said that Lambert made her drink and then sign a receipt for \$100 as an initial payment on the Hopkins home.

The widow, who said her life since selling the place had been a "living hell," because her husband's ghost haunted her, said she wanted to buy the place back, and when Lambert refused, she and Dr. Offner hired James D. Milto to "punch Lambert in the nose, and give him a couple of black eyes."

Both Mrs. Hopkins and Offner denied mentioning any bombing. De Milto is awaiting trial.

SUPPLY BILL PASSED

\$31,000,000 Deficiency Measure Approved by Senate.

WASHINGTON, March 3.—The senate today passed the \$31,000,000 second deficiency bill, last of the regular annual supply bills for the present session.

Conference reports on several appropriation bills, however, remained for consideration before congress adjourns.

Capture of Chengtehfu by Saturday by Nipponese Is Predicted.

SHANGHAI REGION TENSE

Conviction Grows Troops of Mikado Will Extend Conquest Region.

By United Press

PEIPING, March 3.—Heavy fighting westward of Lingyuan Thursday cost the lives of three Chinese regimental commanders and 1,500 regulars, Chinese military headquarters announced today.

The report from Pingchuan indicated that the attackers were far ahead of their schedule, and that the Chinese defenses had fallen more rapidly than expected.

An immediate attack on the last Chinese defenses before Chengtehfu was expected, according to dispatches from Chingchow.

The Jehol capital was reported in confusion, with Governor Tang Yulin and other high officials preparing to evacuate.

Japanese commanders reported to the war office that they expected to reach Chengtehfu by Saturday.

Previous messages had predicted success by March 10 for the six Japanese armies now converging on the Jehol capital.

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