



The Indianapolis Times

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

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HOME
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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 separated 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" 80 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.

Except 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. Ticklers 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.

Stock prices closed 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.

Morganthau announced the federal board would retire from stabilizing operations as rapidly as possible.

BANK HOLIDAYS IN 30 STATES

List Grows Steadily, With All Parts of Nation Affected.

BY UNITED PRESS

Thirty states and the District of Columbia today operated under special bank holiday or moratorium plans.

A two-day conference in Chicago of state insurance commissioners, which had considered a proposed moratorium on policy loans, adjourned today with announcement that no action had been taken.

The commissioners had been urged by some small insurance companies in the corn and wheat belts to allow cessation of policy loans and fire and theft claims.

Governor Henry Horner of Illinois issued a statement today that he felt a bank moratorium should not be declared in Illinois.

The Governor was in conference with financiers most of the night.

Melvin A. Traylor and Stanley Field were among the bankers who attended.

Bankers and financial authorities met Thursday night in Washington and New York, discussing measures to prevent the heavy withdrawal of cash from states which have not declared moratoria into those which

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Death Holiday

Bank Moratorium Saves Californian: Granted Fifth Reprieve.

BY UNITED PRESS

FOLSOM PRISON, Cal., March 3.—At least one California was happy today about the three-day banking holiday proclaimed by Governor James Rolph Jr.

It saved Peter Farrington from the gallows, to which he was sentenced for killing a San Francisco policeman. He was to have died today.

The doomed murderer was granted his fifth reprieve by Governor Rolph, who doubted the legality of hanging a man on a legal holiday.

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 late Thursday when he fell against a railroad tie while walking home from school.

Progress of Sectional Meet

FRIDAY

Broad Ripple (22) 10:30 A. M. (Triple overtime) New Augusta (20)

Washington (33) 10:00 A. M. Castleton (22)

Shortridge (47) 11:00 A. M. Action (11)

Decatur Central 2:00 P. M. Oakland

Southport 3:00 P. M. Manual

Technical 4:00 P. M.

Lawrence 5:00 P. M.

Warren Central 7:30 P. M. New Bethel

Beech Grove 8:30 P. M. Ben Davis

Broad Ripple

8:30 A. M.

Washington

2:30 P. M.

Shortridge

9:30 A. M.

(Semi-Finals)

8:00 P. M.

(Finals)

10:30 A. M.

3:30 P. M.

11:30 A. M.

8:30 P. M.

Ben Davis

11:30 A. M.

8:30 P. M.

Ben Davis

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 1,500 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

Amori 8 37 21

Hokkaido 11

A grand total of 2,063 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 Engulfs 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

Kamashi, 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 or the destructive fire that followed.

The tidal wave engulfed the towns

of Minanohata, north of Tokio, with

its 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.

The body of the much loved sen-

ator was returned to the capital

Thursday night, accompanied by

his tearful widow whose honeymoon became a sad cortège.

President-elect Roosevelt, who

had been in the city since

Wednesday, was to leave for

Washington on Friday.

RAINEY NAMED TO SPEAKER JOB