

# ROOSEVELT TO KEEP IRON BANK RULE FOR LONG TIME

## VETERANS' LOBBY IS RANGED AGAINST PATRONAGE WHIP IN ROOSEVELT ECONOMY SMASH

Soldiers May Find Plum-Seeking Congressmen Hard Nuts to Crack; Hard-Hitting President Is Holding Edge.

BY RUTH FINNEY  
Times Staff Writer

WASHINGTON, March 11.—Two mighty political forces—patronage and the veterans' lobby—are ranged against each other today in the fight for federal economy.

Veterans and their friends in congress do not like the plan to give President Roosevelt power to cut commissions, allowances and pensions. But President Roosevelt is not dispensing jobs until the legislation for which he asks has been passed.

Two opposing groups of constituents thus are bringing pressure to bear on members of congress. And the party whip, as well as patronage plums, is being used on the side of economy.

Caucuses today will decide the fate of the bill in the house with every prospect of victory for the administration and economy. However, it is possible that either in house or senate, compromise provisions may be forced into the bill.

As it stands now, the President's measure will save something like \$325,000,000. Some \$400,000,000 is to be taken from veterans, the rest from government employees.

It is to be taken at once, without waiting for the end of the fiscal year, so that approximately one-fourth of this sum, or \$131,000,000, would be applied to reduction of the 1933 deficit, now estimated at more than a billion dollars.

Presented by Douglas

Veteran organizations would prefer to have congress vote a flat percentage decrease in their benefits rather than give the President wide discretionary powers in making cuts.

The President's plan, as introduced by Budget Director Lewis Douglas, would give the chief executive power to determine, regardless of existing legislation, what degrees of disability shall be pensionable, when wars since the Civil war actually began and ended for the purposes of disability claims, how many days' service shall be requisite for a pension and what presumptions shall be included.

It would limit domiciliary care of veterans with non-service disabilities to those permanently disabled—would eliminate all non-needed allowances to emergency retired officers, and would reduce pensions of veterans and widows on account of the Civil war and earlier wars by 10 per cent.

No Time Limit Fixed

The flat percentage cut favored by veterans would leave existing law as it is, and open the way for resumption of the present annual billion dollar payment on account of veterans.

The administration bill fixes no time limit for the reductions it proposes for veterans.

Federal pay cuts would be limited to one year. They would amount apparently to a 12 per cent cut with no exception for low salary classes. Indexes of the cost of living compared by the national industrial conference board and the bureau of labor statistics indicates a drop of 17 per cent in the cost of clothing, food, fuel, housing and sundries between the first half of 1922 and the first half of 1932, but while the bill sets up this comparison as the basis of the wage cut it limits it to 15 per cent.

Congressional estimates that about \$126,000,000 will be saved indicate the cut will be no greater than 12 per cent.

Interest Rate Hiked

Administration leaders hope that issuance of new currency and the passage of drastic economy legislation will enable deflationary securities, at the March 15 refinancing, at lower interest rates than those prevailing. This would make possible a considerable additional rate acceptable to purchasers.

President Roosevelt in his Friday message to congress urged "the necessity of meeting great refunding operations this spring" as a reason for immediate passage of the measure giving him power to cut expenses.

The government has been forced recently to borrow at 3 1/2 per cent, contrasting with rates of a fraction of 1 per cent not long ago.

When this saving is added to the \$525,000,000 saving estimated from the economy bill the limit of administration retrenchments, at the present time, almost will have been reached.

## FIRE WITHOUT NOTICE

Bank and File Statehouse Employees Denied Usual Grace.

Customary courtesy of a two-week notice before being discharged is not being given bank and file employees at the statehouse, who, having served under former Republican regimes, now are being replaced by Democrats.

How the system works was demonstrated at the tax department Friday. A young woman entered and announced to the information desk that she had been sent to "take Miss Murphy's job."

She was addressing Miss Ted Murphy, who has charge of the information desk and files all tax board cases. She has been at the statehouse fourteen years and that was the notice of her dismissal. Today is her last day.

## ABANDON CAR SERVICE

Feeder Bus To Displace Trolley on West Michigan Line.

Acting on authority already granted to Indianapolis Street Railways Inc., by the work board, the public service commission has granted permission to discontinue car service on the West Michigan street line, west of "J" street. A feeder bus will be placed in operation on the line which will extend the present service from Holmes to E. 10th avenue.

Fractures Leg in Street Fall  
Edith Raymond, 54, of 118 East Vermont street, was the first victim of the city's March snow today when she suffered a fractured left leg in a fall on slippery pavement at New York and Pennsylvania streets. She was taken to the city hospital.

## Expects to Add to Saloon Relics After Dry Repeal



The Rev. Herbert E. Eberhardt, superintendent of Wheeler Rescue Missions, and souvenirs of pre-prohibition days, including back-door of Old Elm saloon.

## Wheeler Mission Head to Exhibit Collection at Open House.

Repeal of the eighteenth amendment is looked upon by one collector of oddities as an ample opportunity to add to his collection of souvenirs from the saloon days.

The collector is the Rev. Herbert E. Eberhardt, superintendent of the Wheeler City Rescue Mission, 245 North Delaware street.

He will show his collection of souvenirs to the public when "open house" is held at the mission during the fortieth anniversary week of its founding, April 24.

The mission formerly was the site of the Old Elm saloon which gained its name from the huge elm tree that shaded its front door.

## Visitors to Be Welcome

The back door of the saloon is in possession of the mission and Eberhardt. There also are bottles, a blackjack, and smoking tobacco taken from drunks during the saloon days.

## Spirit of Anti-Injunction Law Flouted, Say Liberals

### Use of Federal Judges and Receiverships Is Charged.

By Scripps-Howard Newspaper Alliance  
WASHINGTON, March 11.—The spirit of the Norris-La Guardia anti-injunction act is being flouted by some employers, according to labor leaders and Civil Liberties Union spokesmen.

Attention is being drawn to an attempt to evade its spirit, first, in the use of federal court receiverships and judges in breaking labor strikes and, second, in appeal injunctions in state courts instead of federal courts as formerly.

In New York the Irving Trust Company, acting as receiver for the Foltis-Fisher chain of restaurants, is asking Federal Judge Bondy to punish for contempt certain striking members of the Food Workers' Industrial Union.

This is the first attempt in the anti-injunction act was passed to enjoin a strike by means of the old weapon of federal court receiverships. Similar practices in the depression of the '90s caused bitter labor disputes.

## CITY POLICE SQUADS GET QUAKE REPORTS

Magnitude of the California earthquake was graphically relayed during the night to many Indianapolis police squads whose cars are equipped with short-wave radio receiving sets.

One of the first air messages received here shortly after the catastrophe struck was heard by patrolmen Howard Sanders and Emanuel GeBauer. From a California station, the terse message was:

"All police squads stand by. Two hundred persons reported trapped in falling building."

## Handwriting Reveals

Civilization began when man learned to write. Picture writing, hieroglyphics, letters and an alphabet—that was the development. The authentic history of man begins with his written records. GRAPHOLOGY is the science of determining the character, or at least some of the characteristics, of an individual from his handwriting. It is not fortune telling, and it has a real scientific basis. There is nothing very mysterious about it, and any individual can learn at least enough about the science to amuse himself and his friends by "analysing" handwriting and telling enough of a person's characteristics from it to startle and interest one who has not studied the subject.

Our Washington Bureau has prepared one of its interesting bulletins on this subject, from which you may secure the groundwork knowledge of this art. Fill out the coupon below and send for it!

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## DETERMINED TO PUT COUNTRY ON ITS FEET

President Ready to Weed Out Good From Bad in His Drive.

## PLANS NEW SETUP

Convinced Whole Nation Is Solidly Behind His Driving Tactics.

BY RAY TUCKER  
Times Staff Writer

WASHINGTON, March 11.—In order to clean up the nation's banking system, state and national, President Franklin D. Roosevelt will retain dictatorial power for a long time, despite expectation of partial reopening of banks within the next few days.

Under the Fletcher-Stegall act just passed at his request, he can continue as banking czar while treasury regulations permit the nation's banking mechanism to function.

But it is the President's plan virtually to liquidate the nation's banks through federal and state authorities, to weed out the good from the bad, and then present a program for permanent reconstruction.

Mr. Roosevelt will take advantage of the present situation to renovate and then reform national and state institutions, and to carry out his inaugural pledges. Had it not been for the emergency, he might not have been able to reach state systems; but now he can.

## Now Is the Time to Act

The power invested in him by congress may point toward strengthening and possible unification of the forty-nine banking structures of the country.

The success which has met the chief executive's moves in the legislative and financial fields has convinced him that now is the time to act. The speed with which congress enacted the currency expansion measure and continued his war-time power, and the popular reaction, lead him to believe the nation is behind him.

Reforms proposed by leading bankers, including those advanced by W. W. Aldrich, head of the Chase National Bank of New York—the world's greatest banking institution—indicate that former foes of even minor changes now are ready to go along.

## System Near Collapse

In short, the nation may be facing as revolutionary an alteration in its banking system as it did when Woodrow Wilson and Carter Glass (Dem., Va.) created the federal reserve system twenty years ago. Although reluctant to admit it, it is conceded in official quarters that the system approached collapse under the strain of changed industrial and financial conditions.

Measures to enable banks to reopen and perform normal functions during the period of real reform already are under way by means of treasury regulations. Any bank, no matter its condition, may reopen at once to handle cash for such humanitarian purposes as pay rolls and life's necessities.

Treasury officials expect state authorities to see that this regulation is complied with, but not overstepped.

The twelve federal reserve banks, which are the main reservoirs of the system, were authorized to open to resume all business from the secretary of the treasury as soon as national examiners are satisfied as to their soundness and solvency.

State banks may resume full operations when they have convinced state banking authorities that they are solid. Although complete jurisdiction over state banks rests in Secretary William H. Woodin and the controller of the currency, and, theoretically, they must obtain treasury licenses, federal officials will accept and act on state authorities' recommendations.

Standards of solvency of state banks are the same as for national banks.

Must Win Clean Bill  
It may take several days to reopen either kind of banks, although some probably will swing back their doors on Monday. Banks so opened will operate on a basis of 100 per cent withdrawals on demand.

Despite queries by bankers, there is no indication whether, in the near future, some banks may be allowed to do business on a 50 or 75 per cent basis, as was resorted to before the President's proclamation. Apparently this question awaits settlement.

It is in this thorough examination of national and state banks that the instruments for renovation and reorganization rest. No bank of any kind can go back into business until its assets have been examined, and it is given a clean bill of health.

Some will go into the hands of federal conservators created in the new banking bill, and reopen after careful inspection, while others never may reopen.

## OWNS PRIZED VOLUME

Old German Book in Good Condition Despite Great Age.

By United Press  
ARLINGTON, Neb., March 11.—A book, entitled "Sacred Meditations," printed in Germany in 1659, is the proud possession of Henry Reckmeyer here. Despite the faded condition of the pages, the book remains in good shape. It is printed in old German type and was written by Martin Moeller, who, modern authorities say, was a popular author of his time.

## AIR TRAVEL INCREASING

Paris to London Figures Five Times Those of 1931-'32.

By United Press  
PARIS, March 11.—Five times as many people are traveling by air from here to London in 1933 as in 1931 and 1932, according to the Imperial Airways. January recorded 2,099 passengers traveling across the channel by air, while in 1931 and 1932 there were 974 and 477, respectively.

## INDIAN FIGHTER DIES

Veteran of 1877 Fighting Was Born in Alsace-Lorraine.

By United Press  
LEWISTON, Idaho, March 11.—An old-time Indian fighter passed on with the death of John Speck, 87, a stonemason. He was a veteran of the Indian war of 1877 and helped build trails over Lolo Pass so federal soldiers could pursue the fleeing Chief Joseph. Speck, who had lived in Lewiston for fifty years, was born in Alsace-Lorraine.

## United States Money

What's back of United States money? How many kinds of money, metallic and paper, do we have in the United States? What are the differences between federal reserve notes, United States notes, bank notes, silver certificates, etc. Why is all United States money freely exchangeable and one kind as sound as any other?

These and scores of other interesting questions about the various kinds of money of the United States are all answered in our Washington bureau's authoritative bulletin on THE MONEY OF THE UNITED STATES. Fill out the coupon below and send for it.

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## JAPAN TAKES PORTAL TOWN OF GREAT WALL

Kupeioku Is Occupied After Fierce Hand-to-Hand Fight With Chinese.

BY MILES W. VAUGHN  
United Press Staff Correspondent

TOKIO, March 11.—The advance forces of the Japanese eighth imperial army captured and occupied Kupeioku, portal city of the Great Wall of China, after fierce hand-to-hand fighting today.

The Chinese defenders of the city resisted desperately, and casualties on both sides were reported heavy. The Japanese advanced under an artillery barrage while their bombing planes operated above them.

Simultaneously other fighting was in progress around Pienlin, Jehol province, where Japanese were killed and seventeen wounded in conflicts with Chinese irregulars. The Kupeioku casualty totals have not yet been announced.

The Japanese legation at Peking has been instructed to warn China that the creation of a neutral zone—preventing raids on Manchoukuo, is the only way to halt a Japanese advance into China proper.

The Japanese cabinet today approved the decision to resign from the League of Nations.

Admiral Viscount M. Saito, prime minister, immediately submitted the documents of withdrawal to Emperor Hirohito. Japan's memorandum of resignation includes announcement of her determination to keep the mandated islands, former German possessions in the Pacific.

Under the procedure contemplated, Emperor Hirohito will refer the decision to the privy council, and then will approve it.

In addition to the memorandum on the mandated islands, Japan has prepared a memorandum to the league regarding participation in the labor bureau and the world court.

## CITY BANKS MAP REOPENING PLAN

Renewal of Business Early Next Week Expected by Officials.

(Continued From Page One)

Friday afternoon at their second clearing house meeting of the day. Functioning of the federal reserve system will give local banks opportunity to clear thousands of checks on banks in other cities and to determine exact status of accounts of local depositors when checks on local accounts held in other cities can be cleared.

## Not Sure of Policy

Bankers here are uncertain what policy they will be forced to adopt when they open for business.

In newspaper dispatches from Washington, Treasury Secretary William H. Woodin indicated federal reserve member banks which reopen must open 100 per cent, which was taken to mean that they must abandon percentage withdrawal restrictions.

At the same time, the secretary was quoted as saying that the banks must not release funds for hoarding.

With sales of the new currency in hands of the federal reserve banks and being shipped out to member banks today, discussion of the issuance of scrip here practically has been abandoned.

The new currency is being distributed to banks pledging acceptable securities as collateral.

## Meets Insurance Men

State banking commissioners have been authorized by Woodin to pass on soundness of state banks and grant authority to reopen. Their banks are being considered in alphabetical order, Symons said.

McNitt today will hold a second conference with a group of insurance men on problems arising as result of the bank holiday. The conference was understood to relate to a proposed moratorium on loans and cash surrender values in policies.

When the local banks reopen, it is expected they may permit unrestricted checking, but they may limit the amount that may be withdrawn in currency.

When the banks reopen, it was said, depositors will be asked to make out their spars deposit slips.

## Three Slips Required

On one slip they will list cash deposits. On the second will be listed checks drawn on accounts in other local banks. These checks will not be credited to the depositor's account for at least two days, to permit clearing.

The third slip will contain a list of checks on out-of-town banks. These checks will not be credited to the accounts in less than four days, and in some cases not for a

## FLOOD OF CASH IS POURED INTO NATION'S BANKS

Many Expected to Reopen Monday; Caution Given State Institutions.

(Continued From Page One)

to turn in hoarded bullion and gold pieces.

As banks reopen, they will be under injunction to release no funds for hoarding. Evidence of any hoarding will be related to the justice department.

Attorney-General Homer Cummings indicated that the department would be prepared to institute vigorous action against any one who violated terms of the President's banking decrees. The emergency banking act provides a \$10,000 fine or two years' imprisonment for violators.

## Applications Are Relayed

To facilitate the mechanical process of handling applications for reopening, all state and national banks which are members of the federal reserve system have been directed to file their requests with their federal reserve banks.

The applications then are relayed to the treasury, which has up-to-the-minute reports on the condition of all member banks.

Because the treasury lacks data on non-member state banks, Secretary Woodin has authorized the forty-eight state banking superintendents to direct reopening of this class of institutions.

The policy which will govern the reopenings was laid down by Woodin as follows:

"It is the intention of the secretary of the treasury to permit no (federal reserve) member bank to reopen at any time on a full 100 per cent basis unless or until the secretary is satisfied that such bank is a sound going institution.

## Must Avoid Risks

"Any member bank not clearly within this category will not be opened unless or until further investigation discloses that it is a sound, going institution or unless or until a reorganization of some character will permit the bank so to be classed.

"It is to be expected that state superintendents in granting licenses will take under consideration in determining their own policy the general principle to be adopted by the treasury as respects member banks, that in the interests of the depositors and of the country as a whole only sound institutions will be permitted to carry on all their usual functions, to the end that no bank shall be reopened for business on any basis that will run the risk of being forced to close again because of demands which it is not in position to satisfy."

## QUIZ YOUTH IN CRASH

Coroner's Jury Summons De Pauw Student in Car Death.

BLOOMINGTON, Ind., March 11.—Ronald Gilbert, De Pauw university student, was summoned before a coroner's jury today to describe a collision of his automobile with one driven by Bluford Young, 59, that resulted in the latter's death.

Young died of a fractured skull. The accident occurred last Saturday while Gilbert was visiting his parents, east of here.

## IT'S HIS OWN FAULT

Councilman Complains That Traffic Rules Disobeyed; Tag His Car.

By United Press  
MOORESTOWN, Cal., March 11.—Councilman Harold Eger complained police were not enforcing the city parking ordinance. He demanded that they do so. They did. Next day his automobile was the first to be tagged.

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