

WATSON 'BEHIND SCREEN' IN HUGE INSURANCE DEAL

Connection With Illinois Life Bill Revealed; Millions of Dollars Involved.

(Continued From Page One)

former secretary of war, holder of a \$70,000 policy, also was interested in the company. He said he did not know what Hurley's activity would be if the Hart bid is successful.

"What will Watson's status be in the new company, if any?" Carlstrom was asked.

Watson As Counsel
"Associated with me as counsel in this part of the proposition, he probably would be counsel and a member of the directorate," Carlstrom said.

Referring to the money-making aspects of the new company, Carlstrom told The Times that the only profit could be on new business.

"There is no estimate what this new business might amount to," he said. "It might be \$100,000 in a year or \$10,000,000 or \$20,000,000. There is no way to find out."

Involved in the picture with Hart and Watson is Fred W. Bailey, who says he was called into the proposition as an aid to Hart. Bailey is considered an expert in his line.

'Best for Policyholders'

Bailey pleaded that the proposal was the best for the policyholders and said that publication of any content of the situation would ruin Hart's chances in several proposals he now has pending in addition to the Illinois Life. Hart, apparently, is an expert insurance man, with a record pulling insurance companies out of slumps.

The Times learned that, although the \$3,000,000 R. F. C. loan which will be sought if Hart and Watson are successful, is more "than is needed," that it is planned "as an aid in paying off debts of the company."

Carlstrom explained that the proposal would call for no depreciation in policies, but those which were involved in the crash would be on a restricted basis. The new business would be liquid and policyholders would be insured full backing of the company, he said.

Watson Visits Judge

Questioned as to Watson's activity in the case, Judge Wilkerson said: "Watson was in several weeks ago. He told me he had a man he wanted me to meet. I told him that all affairs of the company would be turned over to the committee and anything to be said would have to be said before those gentlemen."

Contrasting with statements in Chicago, is the assertion of Watson, who is in Washington, purportedly waiting for the signal to complete R. F. C. negotiations. Watson's statement follows:

"I have no connection with this new company you are talking about. I'm not a party to any attempt to take over the life insurance company. I talked with the judge and Pat Hurley only as a friend of Bailey's."

"I have no financial interest in the venture and know nothing about its details. I understand that Bailey and Hart have submitted some kind of plan that is being considered with a bunch of others, now before the court."

From an unimpeachable source, The Times learned that Watson's name appeared before the insurance committee, although he was not present.

Another man, close to the Hart proposition, told The Times that: "Watson's nothing but the store front in this thing."

Double Cross Charged

Charges of double crossing are rampant among the interested parties in the various propositions. Julius Abrahamson, insurance man, is the target for criticism from Bailey, and Abrahamson hurls the charges back at Bailey.

According to Abrahamson, who formerly had written thousands of dollars' worth of business for the Illinois Life several years ago, he has the backing of a large bloc of policyholders.

He said he first organized the policyholders' committee, but when outside companies began to bid, he obtained the backing of the Bankers' Life of Monmouth, Ill. He said that Bailey was "thrown out" and took his plan before the Hart group.

It was revealed, however, that since Bailey has been working for the Hart group, he also has been on the payroll of the Bankers' Life.

Situation Is Tangled

The entire situation is muddled. Only a few of the policyholders have forfeited their policies since the crash.

"This company should, by all means, be kept within the state," Abrahamson said. "If it goes out of Illinois, the difficulties are increased. Two hundred employees, their abilities trained only to this business will walk the streets."

"A proper mutualization plan, administered honestly for the benefit of the policyholders and not for individual gain and greed, would result in erection of one of the greatest insurance businesses in the nation."

The Illinois Life crashed with the downfall of the famed Stevens family. It is alleged that insurance assets went into hotel holdings and that one assurance of return would be the success of the LaSalle and

A BOOK A DAY

BY BRUCE CATTON
"BETTER TO MARRY," by Ursula Bloom, contrasts the repressions and conventions which surrounded Victorian woman with the freedom of the modern age, and concludes that modern freedom is all to the good.

It tells its story, and gets over its neatly-contrived moral lesson, by examining the lives of a mother and her daughter.

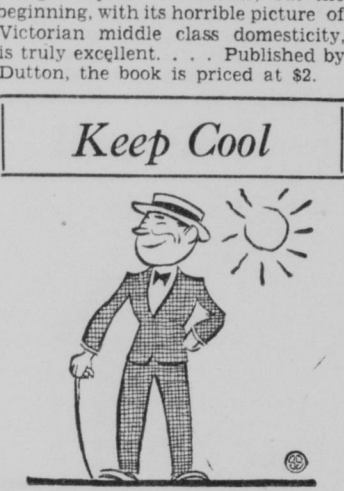
The mother was brought up in an English middle-class home in the 'nineties—which seem to have been anything but gay. She was sheltered carefully, thoroughly repressed and taught to make "what will people say?" the guiding principle of her life.

As a result, she was guided straight into a marriage with a worthless rake whose only redeeming features were that he came from an excellent family and held a commission in the guards. When, in middle age, she became a widow, she found that she had wasted her life.

Her daughter, growing up in the modern era, found things different. Far from bowing the knee to convention, she went off to live with a young artist without benefit of clergy, and managed to achieve a satisfying existence thereby; so satisfying, indeed, that her mother, when an admirer of her youth finally swam back into her ken, gave up her scruples and went to do likewise.

Toward the end of the book you feel that the author is twisting things to point her moral; but the beginning, with its horrible picture of Victorian middle class domesticity, is truly excellent. . . . Published by Dutton, the book is priced at \$2.

Keep Cool



Loose, coarse-meshed porous clothes are the smart thing to wear in hot weather. Such clothing allows ventilation of the skin and ready evaporation of the perspiration which cools the body. Close clothing keeps a hot, humid layer of air in contact with the skin.

In hot weather the chief protection of the body against a rise of body temperature and a heat stroke is the cooling that comes from the evaporation of the perspiration. Anything that promotes this evaporation, such as currents of air, helps to keep the body temperature from rising. Hence the value of loose, porous clothing.

DANCE OF NEWLYWEDS

Surprise Friends by Eloping; Their Pals Do Swell Job of Hazing.

By United Press
SMITH CENTER, Kan., July 8.—Milo Chance and Edna Holmes, both of them, decided to surprise their friends by slipping out of town and marrying before the date set.

When they returned, a waiting committee of friends harnessed them together, placed sorghum on their bare feet and belled on their toes, and drove them through the main streets. The event ended when they were forced to dance at public dance hall with sand and sorghum clinging to their feet.

Stevens hotels during the world's fair.

The insurance company already has obtained \$1,125,000 from the R. F. C. The \$3,000,000 Watson-Hart loan would offset this and a \$100,000 deficit. Carlstrom estimated that about \$1,500,000 would remain to Hart and associates after receiver-ship and other debts had been honored.

Acceptance of the Hart proposal probably would result in Hart being named president. The plan before the court asserts that presidents of five large mutual insurance companies would comprise an advisory board when mutualization of the Illinois Life is started.

It is agreed, the Watson-Hart group says, that Hart would take a "sacrifice salary" of not more than \$17,500. A previous plan was withdrawn when it drew the ire of other interested parties by proposing \$92,000 a year as salaries for a few executives.

Death claims would be paid in full, the plan says.

A list of twelve nationally known bankers has been set out by the group to the court for verification of Hart's character and integrity.

SAVANTS MAKE LIGHTNING BOLT IN LABORATORY

Generate 6,000,000 Volts to Create Flash From Spheres.

BY DAVID DIETZ
Scripps-Howard Science Editor

TWO shining metal spheres, each fifteen feet in diameter, stand upon the top of 24-foot posts in an abandoned dirigible hangar at Round Hill, Mass.

Periodically, an electric discharge, to all intents and purposes a segment of a lightning bolt, leaps between the two spheres with the blinding flash and reverberating boom that one connects with a lightning bolt.

When this happens, there are only three safe places to be. One, obviously, is outside the hangar. The other two, strange as it may seem, are inside one or the other of the two great spheres between which the lightning leaps.

The layman, undoubtedly, would prefer to be outside the hangar. But scientists from the Massachusetts Institute of Technology have demonstrated that it is perfectly all right to stay inside the hollow spheres. They have fitted up the interior of the spheres as laboratories in which to make observations.

Develops 6,000,000 Volts

The two great spheres are part of the De Graaff electrostatic generator built upon the plans originated by Dr. Robert J. Van De Graaff.

In preliminary tests, the device has developed an electrical pressure or potential of 6,000,000 volts. It was expected that a pressure of 10,000,000 volts would be developed, but this figure was not reached.

Dr. Karl T. Compton, president of M. I. T., explains that this was due to the leakage of the electrical charge to the steel walls of the hangar. These walls now are being insulated, and it is expected that the maximum figure will be reached.

The layman will be puzzled to understand why, of all places, the interiors of the spheres between which the lightning is leaping, should be the safest places to be. The answer is that electric charges tend to stay upon the outside of metallic conductors.

Charge Outside of Spheres

All of the electric charges built up by the De Graaff generator are on the outside of the two big spheres. None of it gets through to the inside.

The way in which the generator works easily is understood, if we keep in mind a few facts about electricity.

One of the fundamental particles out of which the atoms of matter are composed is the electron, a particle with a negative electrical charge. An electric current is merely a stream of electrons in motion.

An electric charge represents a surplus or deficiency of electrons. When a body is charged positively, it means that its surface is short of electrons. (Remember the electrons are negative.) When a body is charged negatively, it means that it has a surplus of electrons upon its surface.

The electric spark is a stream of electrons jumping from the body with a surplus to the one with the deficiency.

In the De Graaff generator, moving silk belts against which brushes press, are used to create the charges. They are arranged so that one belt creates an excess of electrons on one sphere, while the other causes a deficiency.

STAND-INS LIVE WITH HOPES OF STARDOM

Extras Are Focus Points for Cameras—That's All.

By United Press

HOLLYWOOD, July 8.—There's a Heartbreak Legion in Hollywood. The members are a gallant little group of girls and youths who serve as "stand-ins" for the great names of the movies.

Literally shadows of the glamorous ones of the cinema realm, these ambitious and often talented youngsters are paid small salaries because they happen to bear so remarkable a resemblance to stars earning from \$1,500 to \$5,000 a week.

Their job gives them their name—when don the star's costume and stand in while cameramen and electricians focus cameras and lights, thus saving the star from weariness. Their tragedy is to stand and wait for the golden chance that seldom, if ever, comes.

Stand-ins reason that because of their proximity to the movie makers, they will be recognized. But Fred Datig, casting director at Paramount, can't recall any stand-ins who progressed even to featured roles.

CONTRACT BRIDGE

BY W. E. MCKENNEY
Secretary American Bridge League

I PRESUME you often have heard the remark made when a certain expert was being discussed: "That fellow can tell every card you hold after the second or third play."

While that is not always true, literally, the better player does try to count a hand down.

When your partner makes a bid, try to picture the hand. During the play of the hand, don't count only the trump—try to visualize the entire hand, keeping track of each suit. You will be surprised, after just a little practice, how easily this can be accomplished.

I thought the following hand presented an interesting play due to the fact that the declarer was able to count the hand down.

South bid one heart. West made a negative double, showing strength in spades. North bid two diamonds—this is a strength-showing bid after a double. East passed, South bid two hearts. West passed, and North went to four hearts, which East wisely did not double.

At one table a club was opened by West. The declarer won with the queen and returned a diamond. West won with the ace and led a small spade. This made it rather simple for the declarer to make his contract.

However, the interesting play came up at the table which opened the fourth best spade. East won with the ace and returned the ten of spades, which was won in dummy with the king.

DECLARER led the ace of clubs,

followed by a small club from dummy, and returned the six of diamonds, which West won with the ace. West immediately cashed the

♠ K-8-3	♥ Q-9-6	♦ K-Q-10-9-8	♣ A-5
♠ Q-9-7	♥ 5-2	♦ None	♣ A-4
♠ J-10-9	♥ 6-4-2	♦ 5-2	♣ 8-3
NORTH	WEST	DEALER	SOUTH
♠ J-6-4	♥ A-K-8-7-3	♦ 6-3	♣ K-Q-7
27			

queen of spades, East discarding a diamond.

This discard of a diamond should show that East is in a position to ruff diamonds, or that he has nothing but diamonds and trump left.

West returned the four of diamonds, which was won in dummy with the queen, and when East showed up with a diamond, the declarer could now read practically every card in the two hands.

The only chance the declarer now had to make his contract was to find West out of hearts, so the king of diamonds was led and the king of clubs discarded by the declarer. Of course, when West does not trump, the five hearts are marked in the East hand.

The six of hearts then was played from dummy. East played low, and declarer played the three. When the nine of hearts was led from dummy, East covered with the ten, declarer won with the king and then led a low heart to dummy's queen.

A diamond then was played, and East was forced to ruff. The declarer over-ruffed and picked up East's other trump.

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SHOALS TO BE 'YARDSTICK' OF POWER COSTS

Tennessee Valley Comptroller Faces Big Task Seeking Exact Costs.

By Scripps-Howard Newspaper Alliance

WASHINGTON, July 8.—The man who told the Aviation Corporation what it cost to operate an airplane today is enthusiastically in the midst of the job of determining down to the last tenth of a mill the cost of government generation and transmission of electric power at Muscle Shoals.

What golf is to you, or tennis or bridge to you, figures and complicated accounting problems are to Frank J. Carr, the comptroller of the Tennessee valley authority.

His is the job of marking off the measurements on that power cost yardstick that has been discussed in connection with Muscle Shoals for twelve years.

Controller Carr's is a problem that, within a year or so, must furnish the answer to the question whether government generation of power is cheaper than private generation. The authors of the Muscle Shoals act believe the answer will be that private power companies' charges are too high.

Studies Private Accounting

But the controller himself is starting with no preconceived notions about the answer. Accountants, mathematicians, don't work that way.

His major idea now is to place Muscle Shoals accounting on exactly the same basis as that of private power companies, so that when the showdown comes, the latter can not jeer at his figures.

The act itself presents a neat problem that Comptroller Carr must meet at the outset. It provides that the Tennessee valley authority shall evaluate the Wilson dam, all other properties there, and Cove Creek dam when it is built, and allocate from each those parts which should be charged to flood control, navigation, fertilizer manufacture, national defense and the development of power.

Starts Work Carefully

"The findings thus made by the board," says the act, "when approved by the President of the United States, shall be final and such findings thereafter shall be used in all allocation of value for the purpose of keeping the book value of said properties."

So he will make no false moves at the beginning. Comptroller Carr will confer with the accounting chiefs of private power companies to determine how they keep their books. He will seek aid from the federal power commission and the federal trade commission, both of which have long investigated power company accounting.

He hopes to work out an ideal accounting system that can not be challenged from either side.

Drowns in Foot of Water
WABASH, Ind., July 8.—Harvey Diehl, 53, Servis farmer, drowned in one foot of water Friday in a gravel pit near his home. Physicians said he apparently suffered a heart attack and toppled into the water.

State Loses Fortune in 'Butchering' Its Timber

BY WILLIAM F. COLLINS,
Times Staff Writer

RAINS come from clouds, clouds come from water vapor, water vapor comes from evaporating moisture. Where no water evaporates, there will be no clouds, no rain.

A mature white oak tree thirty feet in diameter and forty feet high evaporates into the air seven barrels of water every day it carries leaves.

Does that answer in part your question of the source of summer rains that we need to mature our crops? Does that explain why a treeless wilderness is so deficient in rainfall that it supports only a hydro-aerogenous life.

First we must cover the barren slopes with forest or grass and forest. That creates ground litter to hold back the water. When we hold back ground water, we raise the water table under the soil, create new springs, furnish an unending supply of water for our streams, hold back silt and the stream becomes clear, makes it better to live by and fish in.

More water, a more rapid growing forest; a better forest, more evenly supplied water and the life cycle begins.

ALL too frequently of late years

we hear of the cloud bursting rains that desolate the Mississippi valley. Such events do not occur in a forest-protected country. I am witness to a 29-inch 24-hour rain in Central America that did not raise the water in the Byana river more than ten inches. The jungle held it back, otherwise there would have been the usual Mississippi river parade, housetops floating out to sea.

An evenly distributed water supply through the medium of forests gives an evenly distributed rainfall. That means prosperity. An evenly distributed forest means evenly distributed forest products and that again spells prosperity.

The measure of any civilization is found in its wood-consuming capacity.

The fellaheen of Egypt, the manpower slaves of the world, consume three and one-half cubic feet of food a man a year. The per capita consumption of wood in the United States per annum is a cube of wood measuring six feet or 216 cubic feet. From the day we are born on a wooden bed to the day we pass out in a wooden box, our lives are circumscribed by forest products. Our rise as a civilization can be traced in our wood-consuming capacity.

INDIANA within the memory of our present older generation, produced its own forest products. In 1932, despite the depression, she imported \$27,000,000 of wooden products. That was one-half the total of state taxes; that was the additional burden we shouldered to pay for our timber butchering program since 1850.

And the end is not yet—not by a long shot. We will have this bill to pay to some other forest-producing state for years to come, or un-

GRAND JURY IS CHOSEN, STARTS WORK JULY 17

Judge Baker Asks Every Member About Bank Connections.

Completing organization Friday of a grand jury which for the first time in Marion county's history has a woman member, Criminal Judge Frank P. Baker asked each prospective juror if he or any member of his family was connected in any way with Indianapolis closed banks.

Another question put by Baker was whether any relatives of prospective jurors were employed by the state, city or county.

The latter questioning resulted in excusing William F. Sandstrom, 4465 Carrollton avenue, an automobile body trimmer, whose wife is employed as a superior court reporter.

The woman member is Mrs. G. W. Gordon, 1503 Park avenue, who gave her occupation as housewife. Other members of the jury are George W. Allie, 1523 Lawrence avenue, abstractor; Samuel H. Gardner, 2249 Park avenue, retired; Harry J. Gonder, 1222 North Lasalle street, cabinet maker; Jacob C. Beaver, farmer, Oaklandon, and George H. Blankenship, farmer, R. 6, box 40.

The jury will report for duty Monday, July 17.

BAN MACHINE GUNS

By United Press
SALEM, Ore., July 8.—A new law going into effect in Oregon prohibits importation or sale of machine guns in the state. The legislature passed the law in an effort to hamper any possibilities of gangster activity.

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