

## 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 Hart'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 Abramson, insurance man, is the target for criticism from Bailey, and Abramson buries the charges back at Bailey.

According to Abramson, 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," Abramson 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 CAITON

**BETTER TO MARRY**, by Ursula Bloom, contrasts the repressions and conventions which surrounded Victorian women 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 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 satisfying existence thereby, so satisfying, indeed, that her mother, when an admirer of her youth final 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 exciting. . . . Published by Dutton, the book is priced at \$2.

### Keep Cool



By Science Service

Loose, coarse-meshed porous clothes are the smart thing to wear in hot weather. Such clothing allows ventilation 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 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 Fals Do Swell Job of Hazing.

By United Press

SMITH CENTER, Kan., July 8.—Milo Chance and Edna Holmes, betrothed, 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 bells 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.

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## SAVANTS MAKE LIGHTNING BOLT IN LABORATORY

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

BY DAVID DIETZ  
Scripps-Howard Science Editor

TO shiny 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 intent and purpose a lightning bolt, leaps between the two spheres and reverberates back 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 bolt is.

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 is 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

## 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 returned 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 ten of spades, which was won in dummy.

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

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 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 did 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.

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.

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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-

## SHOALS TO BE 'YARDSTICK' OF POWER COSTS

BY WILLIAM F. COLLINS  
Times Staff Writer

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 enthusiastic 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.

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