



The Indianapolis Times

HOME EDITION

Fair tonight, with lowest temperature about 25; tomorrow, increasing cloudiness and rising temperature.

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DOLLAR SLASH MAY LEAD TO TRADE BATTLE

Immediate Domestic Effect of Devaluation to Be Nil.

59.06 CENTS IS VALUE

U. S., Great Britain War for World Markets Is Predicted.

WASHINGTON, Feb. 1.—Uncle Sam entered the international money markets today with a fund of \$2,000,000,000 while the American people began doing business with a 59.06-cent gold dollar in conformity with the most striking and vital experiment of the new deal.

The immediate domestic effect of President Roosevelt's devaluation of the former gold content of the dollar was expected to be nil. Commodity prices and the cost of living should rise a bit, but it should be a gradual process, accompanied, the administration believes, by increased income for the people. The dollar domestically still is worth 100 cents, but on the basis of its former gold content of one ounce of gold equals \$20.67, it is worth 59.06 cents.

The foreign effect was expected to be world-shaking.

In devaluing the dollar, Mr. Roosevelt incidentally created the \$2,000,000,000 stabilization fund with which to buy and sell gold, foreign exchange and government securities.

A world wide battle for foreign markets may develop around that fund, and between Great Britain and the United States. The fund's operation will be surrounded by the strictest secrecy, with only Mr. Roosevelt and treasury secretary Henry Morgenthau cognizant of its dealings. Under the law they may spend from it today or whenever they choose and need not report for three years.

President Roosevelt's dramatic action placed the American dollar in a bargaining position calculated to speed international currency stabilization. It gave assurance to business and capital that the dollar now is relatively stable.

Mr. Roosevelt, at any time can change the value he placed upon the gold dollar, but under the monetary law he is restricted to a range between 50 and 60 cents. The dollar, therefore, can go down 9.06 cents, no more, or it can go up four one-hundredths of a cent.

Silver Not Affected

Silver was not affected by the new monetary dispensation, but may figure in bargaining for international currency stabilization.

Mr. Roosevelt accomplished what was probably the most far-reaching new deal action, when he affixed his signature to a proclamation at 3:10 p. m. yesterday. He pegged the dollar in terms of gold at 59.06 per cent of its former value in an effort to:

1. Expand credit.
2. Stabilize domestic prices.
3. Protect American foreign markets.

The dealings of the stabilization fund are calculated to maintain the dollar at the 59.06 level in its relation to foreign currencies. They are intended to drive Great Britain and France to satisfactory international currency stabilization agreement. The alternative is international money war with foreign trade the stake. Great Britain has a \$1,800,000,000 stabilization fund. France would be a vitally interested third party because her gold standard hangs in the balance.

First Change Since 1873

Mr. Roosevelt's action was the first change in the gold content of the dollar since the United States went on the gold standard in 1873.

It created automatically for the treasury a profit on gold estimated unofficially at \$2,792,000,000. The dollar was devalued 40.94 per cent. The profit figure represents that percentage of this nation's store of gold. The government took title to all outstanding gold in this country Jan. 30. All but \$792,000,000 of the profit will be devoted to stabilization operations. The rest will shortly appear on the treasury books as a cash asset.

Neither the pegged position of the dollar nor the \$35 an ounce for gold is necessarily permanent. The President and secretary Morgenthau have authority to change them subject to certain limitations.

There is immediately in prospect new negotiation between London and Washington for currency stabilization. As he announced the new money plan yesterday, President Roosevelt told questioners it had not been preceded by discussions with foreign powers. Discussion may begin at any time and rather sooner than later unless Great Britain is determined to put up a fight to keep the dollar high in relation to the pound sterling.

The vital French interest lies not only in this titanic struggle for foreign trade but in the possibility that she and her small group of supporters may be driven from the gold standard.

The American gold price in effect today is \$1.70 above the price yesterday in London's free gold market. The \$35 American gold price may force the London quotation to that figure.

May Attract All Gold

Officials concede the possibility that the \$35 may attract all gold in the world market to the United States, compelling France and her allies to abandon the yellow standard.

Our own position now is described in some official quarters as "a return to an international gold bullion standard." That is, we will make our international settlements in gold.

Vern Sankey, Suspect in Lindbergh Kidnaping Case, Caught in Chicago

Federal Agents Give Notorious Criminal No Rest From Questioning: Utmost Secrecy Surrounds All Movements in Arrest and Quiz.

By United Press

CHICAGO, Feb. 1.—Crack justice department agents pitilessly questioned Vern Sankey today seeking to link him with the most notorious kidnaping of all time—the Lindbergh case.

The questioning which has gone on without surcease since the South Dakota outlaw was captured yesterday was led today by an unnamed secret agent who rushed here by airplane when word was received at Washington of Sankey's arrest.

Files of the Lindbergh case were brought to the questioning chamber today.

Sankey was given no rest from the questioning. Federal agents worked in relays. The suspect was held in a tiny room in the suite of Melvin Purvis, chief Chicago federal investigator.

Sankey's responses to questions were checked as rapidly as given by long distance telephone with department of justice headquarters in Washington and New Jersey police officials at Trenton.

Almost constant communication by telephone was being maintained with these offices.

It was believed that additional justice department agents who have been working on the Lindbergh case since the famous flier's baby son was kidnaped and murdered a year and eleven months ago were en route here.

Utmost secrecy surrounded the federal activities. Sankey's arrest was not even announced locally until after the news had been given out in Washington, an unprecedented procedure.

Question after question was being flung at the South Dakota rancher in hope of finding some clue to the mystery of abduction. The serial numbers of some \$3,000 in bills found in his possession were being checked, despite Sankey's statement that the money represented ransom from the abduction of Charles Boettcher II, of Denver, which has been changed to smaller bills some time before.

From the guarded statements of the questioners it was learned that Sankey talked freely regarding every detail of the kidnapings of Boettcher and Haskell Bohn, of St. Paul, which he had confessed to. This was regarded with suspicion by the federal agents.

Faces Murder Charge

They pointed out Sankey had been positively identified in both these cases and that he had been named in confessions of accomplices. In these cases also he faces a simple charge of kidnaping while if linked to the Lindbergh case he faces a murder charge in addition.

Helen Matten, woman found living in Sankey's apartment, was believed by police to be without knowledge of his identity. They questioned her for many hours, but she appeared to be ignorant of Sankey's true name and only regarded questions blankly when asked if she knew "Vern Sankey." She knew the suspect under the alias of W. E. Clark.

Thomas E. Dahill, chief of police, and M. F. Kinkead, prosecuting attorney from St. Paul, arrived today with extradition papers signed by Governor Floyd B. Olson seeking return of Sankey to Minnesota.

Purvis informed the Minnesota officials that the government is not yet through questioning Sankey and until then he will not consider extradition requests.

'Battle of Secretaries' Upsets Hoosier Politics

BY DANIEL M. KIDNEY

Times Staff Writer

Not the "battle of the century," but the "battle of the secretaries" is upsetting Hoosier Democratic politics at the present moment.

Using ruses, the participants might be introduced as "Batling" Ben Stern and "Pleas the Panther" Greenlee. For it is these two boys who are staging the main go.

Mr. Stern is secretary to Senator Frederick Van Nuys and Mr. Greenlee secretary to Governor Paul V. McNutt. Both like to assume the roll of king maker, it is reported by visiting politicians, returning from either the state or national capitals.

Patronage is the weapon being used by each in the effort at Democratic party domination and control.

When Mr. Greenlee ordered Miss Ruth Bledsoe fired from a position as stenographer at the statehouse last Saturday, he was frank to admit that it was in retaliation against her uncle, Judge Martin Pigs, who got her the place.

Judge Pigs, Pleas charged, was entirely too active in his support of

division and were being sent out today with approval of Floyd I. McMurray, superintendent of public instruction.

He calls the questioning a survey of the attitude of Indiana school administrators toward personal habits of prospective teachers. The questions are arranged so that the form can be checked with a plus sign for desirable traits, minus for undesirable and zero for questions that should not have been considered.

Questions were drafted by Clarence Murray of the teacher license

LIGHT CO. CUT OFFER LIKELY TO BE TAKEN

Commission Studies Proposal to Slash Rates Here 5 Per Cent.

GIVE DECISION SATURDAY

Saving of \$440,000 Promised If Show Cause Suit Is Dropped.

Decision of the public service commission on the proposed 5 per cent rate cut agreement of the Indianapolis Power and Light Company will be made public Saturday at 10 a. m., it was announced today by Chairman Perry McCart.

Acting on the advice that "half a loaf is better than no bread," it appeared that the commissioners are likely to approve the rate cut plan.

According to company figures this will mean a saving to consumers of \$440,000 a year.

Ordered to Show Cause

That sum is approximately half of the \$900,000 excess profits now being made by the company, according to charges filed with the commission by Sherman Minton, public counselor.

Matter upon which the Minton commission was based was made public in a series of articles in The Indianapolis Times.

The commission summoned the company to show cause why present rates should not be lowered and scheduled a hearing for today. The hearing was postponed until Saturday.

Should they accept the cut it will mean that the suit to show cause audit and appraisal of company properties made, upon which permanent rates will be based.

In the interim, the 5 per cent reduction will be in force, starting three days after the agreement is signed by the commissioners.

Meanwhile an alternative plan, which would give more than 5 per cent to the rank and file consumer, also is being studied, it was learned.

Study Another Plan

Ruling on the rate agreement was not made today, since the commission has not had sufficient time to study the proposal, it was announced by Chairman McCart, who adjourned the hearing until Saturday.

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REORGANIZATION TOPIC BEFORE G. O. P. GROUP

State Committee Holds Informal Session Here.

Reorganization of the Republican state committee was among the topics informally discussed at a meeting of the committee today at Claypool headquarters.

Under the election laws the regular reorganization takes place May 16, following the primaries and the local reorganization programs.

The meeting was called by Chairman Don Irwin, Frankfort, and was the first held in several months.

Office Thieves Get \$226

Thieves broke into offices of the Phoenix Mutual Life Insurance Company, 722 Meyer-Kiser bank building, last night and rifled a cash drawer of \$226, Louis G. Ferguson, 5601 Broadway, manager, told police.

'Better Treat Her Right'

'I Wish I Had a Machine Gun,' Grits Pierpont as Mary Kinder Is Taken, From Him.

BY STAFF CORRESPONDENT

GOLDEN STATE LIMITED, EN ROUTE TO CHICAGO, Feb. 1.—"They'd better treat her right," Harry Pierpont brooded darkly last night as his thoughts turned to his separation at Kansas City from

"Why should a girl marry a guy who's going to be electrocuted?" the trigger man of the Dillinger mob muttered, arguing with himself more than talking at large.

His cold, blue eyes dulled by lack of sleep, Pierpont sat with bowed head as the train neared Kansas City and his separation from the girl who, it was reported on the train, will become a mother.

"We were married after a fashion," Pierpont explained. "I can't tell you the details now, but some day we'll make them public. We got that license in Tucson merely to make our marriage formal."

Pierpont's hopes of spending a final few moments alone with his sweetheart were foiled when the train pulled into Kansas City.

A horde of Kansas City police, city officials, newspaper men and photographers descended in a swarm on the traveling penitentiary and blinding flashes of the photographers made the car a bedlam.

"They better treat her right," he said.

WAITS WORD FROM SON



Happy that his son was not killed when captured and still hopeful that the nation's No. 1 public enemy is not guilty of all the crimes attributed to him, John Dillinger Sr. (above), respected Mooresville (Ind.) citizen, waits anxiously on his farm for word from the "terror mob" leader.

"I expect to hear from him soon," he said. "I will go to him if he sends for me."

MILD WEATHER TO STAY, IS FORECAST

Armington Sees Nothing to Indicate More Cold.

Continued mild weather was forecast for today and tomorrow by J. H. Armington, meteorologist, who said there is no indication at present of a recurrence of the extremely cold weather which gripped the city the first of this week.

Temperature tonight is not expected to drop below 25 degrees, and the mercury probably will climb into the 40s tomorrow, he said.

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Whether or not teachers should be active politicians is developed in another series of questions asked.

At the bottom of the questionnaire the matter is put up to the superintendent as a problem in this manner:

"If there were two applicants of equal qualifications would you select the one that drinks or smokes or the one that doesn't?"

Honest answers may furnish basis for a new teacher ethics, it was pointed out.

TERROR MOBSTERS ARE IN STATE PRISON CELLS; RUSHED FROM CHICAGO

DILLINGER TO FACE MURDER TRIAL FEB. 13

Speedy Justice Sought by Prosecutor Who Says 22 Saw Killing.

By United Press

CROWN POINT, Ind., Feb. 1.—Identified by twenty-two witnesses as the machine gunner who killed Detective Patrick O'Malley during the bank robbery at East Chicago, Jan. 16, John Dillinger, public enemy No. 1, awaited arraignment today on charges of murder in the commission of a holdup.

The prosecutor said he would move to have the trial start Feb. 13.

Should the notorious Indiana outlaw be convicted, electrocution at the state prison will be mandatory.

Dillinger is expected to plead not guilty. He has retained W. W. O'Brien, noted Chicago criminal attorney, to defend him.

Among the witnesses who identified Dillinger in connection with the East Chicago holdup were Walter L. Spencer and Edward L. Steck, vice-presidents, and James A. Dalton, cashier of the bank which was robbed.

They said that Dillinger was in the institution for fifteen minutes and that they all got a good look at him.

They told Prosecutor Robert G. Estil of Lake county that Dillinger pulled a machine gun out of a suit case, in full view of every one, swept it around the bank and moved down the street with the machine gun.

Dillinger was brought here from Tucson, Ariz., where he was captured last week with Charles Makley, Russell Clark and Harry Pierpont, three of the ten convicts who escaped from the state prison at Michigan City last September.

Up in Smoke

Cigaret and Liquor Tax Figures Given.

WASHINGTON, Feb. 1.—The average American smoked 894 cigarettes last year, drank less than one pint of legal liquor, and more than five gallons of legal beer, internal revenue bureau statistics showed today.

Taxes were paid last year on 12,645,361 gallons of distilled spirits, nearly half in December, following repeal of prohibition. Taxes were collected on 4,706,599 gallons of rectified spirits and wines and on 21,053,123 barrels of beer.

Hourly Temperatures

| | | | |
|--------------|----|---------------|----|
| 6 a. m. | 29 | 10 a. m. | 29 |
| 7 a. m. | 29 | 11 a. m. | 30 |
| 8 a. m. | 28 | 12 (noon) ... | 30 |
| 9 a. m. | 28 | 1 p. m. | 30 |

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Pierpont Placed in First Car, Makley in Second and Clark in Third; All Under Heavy Guard.

LODGED IN SEPARATE CELLS AT PEN

5,000 Jam La Salle Street Station to Catch

Glimpse of Desperadoes as Train

From Arizona Pulls In.

BY ARIZONA GALLAGHER

Times Staff Writer

MICHIGAN CITY, Ind., Feb. 1.—The Dillinger terror mobsters, minus the man from whom they take their name, "came home" to Michigan City state prison today under a heavy guard of Indiana state police and Chicago detectives.

Shortly before noon today the frowning portals of the state penitentiary received three of the ten men who shot and slugged their way out of the institution last September and since have committed the depredations which earned them the name "terror mob."

A small army of uniformed policemen and plainclothes men met the Golden State limited when it pulled into La Salle street station at Chicago at 9:30 a. m.

The three mobsters, Harry Pierpont, alleged trigger man of the Dillinger gang; ruddy-faced Charles Makley, and Russell Clark, his head swathed in a crown of bandages, were arriving after a tiresome trip from Tucson, Ariz., and after a bitter battle between three states for their custody.

Corridor of the station that led to the elevator was bristling with the upper level was bristling with machine guns as the mobsters were escorted by a detachment of thirteen cops.

A horde of newspaper men and photographers, decrying glares of the group and the recurring glares of the mobsters, were arriving after a tiresome trip from Tucson, Ariz., and after a bitter battle between three states for their custody.

Many pulled their coats over their heads and kept their faces covered until the photographer horde moved out of the car.

As the final chapter was being written today in the amazing career of the captured members of the "terror mob," Pierpont, Makley and Clark became noticeably more depressed.

From a late hour on Tuesday night until Wednesday morning, they regaled Captain Leach, Attorney-General Phillip Lutz and other members of the party with stories of prison life, high life in Chicago and Florida and reminiscences of the four-month search for the "terror mob" over a score of states.

As the train passed through Mission and Illinois streets, Makley, whose good nature has been unbounded during the long trip from Tucson, became morose. His mood seemed to have been induced by the actions of the Kansas City reporters and photographers. Earlier last night, Makley and Pierpont swapped stories with Captain Leach. At times the stories became hilarious.

"I thought you had me one night," Pierpont said to Captain Leach. "But all I got was a bad scare."

"It was during the highly advertised Indiana highway blockade," the bandit chief laughed. "I had been reading how the militia had been called out to stop us. One night I was on Road 40 when I saw a red light straight ahead."

"The car was the highly advertised Indiana highway blockade," the bandit chief laughed. "I had been reading how the militia had been called out to stop us. One night I was on Road 40 when I saw a red light straight ahead."

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