



The Indianapolis Times

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.

By United Press
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 devaluating the dollar, Mr. Roosevelt coincidentally 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 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 9.6 cents, no more, or it can go up four one-hundredths of a cent.

Silvers 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 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 devaluated 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 now 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 Kidnapping 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 Verne Sankey today seeking to link him with the most notorious kidnapping 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 kidnapped and murdered a year and eleven months ago were en route here.

Secretary Surrounds Moves

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.

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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 kidnapping while it linked to the Lindbergh case he faces a murder charge in addition.

Helen Mattern, 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 "Verne 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.

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AUTOS CLAIM EIGHTH VICTIM

Injuries Fatal to Man Hurt
in Collision Between
Truck and Car.

Injuries received in a collision between an automobile and a truck Tuesday proved fatal early today to John Stein, 60, of 229 South Warman avenue. Mr. Stein, who died at city hospital, was the eighth victim of traffic accidents this year.

He was riding in a truck driven by Harvey Robertson, 29, of 314 South Holmes avenue, which was in collision at Addison and Jackson streets Tuesday with a car driven by Clarence Coone, 43, of 552 South Addison street. Three other persons were injured, less seriously, in the accident.

Question after question was being flung at the South Dakota rancher in hope of finding some clew to the Lindbergh 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 had 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 kidnappings of Boettcher and Haskell Bohn of St. Paul which he had confessed to. This was regarded with suspicion by the federal agents.

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 McCarr. who adjourned the hearing until Saturday.

Should they accept the cut it will mean that the suit to show cause will be dropped and a complete 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.

After unsuccessfully

After unsuccessfully fishing with pole and hook, Carrier spied the finny thief and shot him with a rifle. The false molars were found inside the eight-pound jackfish when he cut it open.

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**TOUCHY COUNSEL HINTS
FACTOR NOT KIDNAPED**

**State Hasn't Proved He Was
Abducted," Declares Attorney.**

By United Press

CRIMINAL COURTS BUILDING, CHICAGO, Feb. 1.—John (the Barber) Factor never was kidnapped for ransom, Defense Counsel William Scott Stewart told a jury today in his closing argument for Roger Touhy and two Touhy gangsters charged with the Factor abductions.

"There was no real evidence presented in this case that Factor actually was kidnapped," said the defense counsel as the case neared the stage of jury deliberation. "The state hasn't proved that Factor was kidnapped, let alone linking the abduction to Touhy."

Alleged Bandit Held in Stickup of Roberts Dairy Here.

Trial of Willard Kelly, indicted in connection with the \$850 holdup of the William H. Roberts dairy Oct. 1, 1932, was postponed again in criminal court.

The trial had been postponed from today until Feb. 12, but because trial of Miss Cora Steele, teacher indicted in theft of teachers' retirement fund bonds, had been set for that day, it was continued until after the Steele trial is concluded, no definite date being set.

Kelly was arrested originally in connection with the murder of Sergeant Lester Jones, but was cleared of connection with that case.

Times Index

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 McCarr.

Acting on the adage that "half a loaf is better than no bread," it appears 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 charges were 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. In the interim, company attorneys sought to dismiss the suit and at an oral argument Tuesday made the rate cut offer.

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**RULES JUDGMENT MUST
BEAR INTANGIBLE TAX**

**Sales Levy Also Applies to \$113,400
Verdict, Lutz Says.**

One hundred and fifty retail grocers, butchers and coal dealers who procured a \$113,400 judgment against Marion county for poor relief supplies must pay an intangible tax on their individual share.

This was the ruling made to the state tax board today by Attorney-General Philip Lutz Jr.

In addition, the gross income tax must be paid on the sales, the ruling set out. This brings the total tax on judgment and sales to 1 1/4 per cent.

**KELLY HOLDUP TRIAL
DELAYED INDEFINITELY**

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