

# GREENLEE AND M'KINNEY LINK IS SEEN IN REPORT OF WPA INQUIRY INTO STATE CHARGES

Cases of Alleged Coercion in State, Made by Senator VanNuys, Came From Backers of Pleas, Results of Probe Indicate.

(Continued From Page One)

timekeeper, Mr. Hostetter was boomerang Greenlee. Mr. Coy conferred with him and told him to stop it, the report said. But Coy didn't tell him to back Townsend and therefore was given an okay for following Mr. Hopkins' instructions against using WPA for a candidate, the report continued.

Second case was Art Webb, Greencastle, who told investigators that he was a Greenlee supporter and denied that he had been told to switch to Townsend or leave WPA.

#### Report Found False

Third case was Charles R. Deets of WPA at Lafayette, who was charged with filing a slate of Townsend delegates. This was found to be false, although his son, having the same name, and a student at Purdue in the same class as Mr. Townsend's son did work to procure Townsend delegates.

Fourth case was that of Ollie Davis, who was transferred from Terre Haute WPA to the Statehouse. He denied any attempt at political coercion by Mr. Coy, as had been charged by the Greenlee forces.

Fifth case was Frank Morton, Valparaiso, and Charles Skillen, Winamac, who supported the story of M. J. Sallwasser of WPA that he had told them Gov. McNutt had broken with Greenlee, but denied that they were told "we are not putting any Greenlee men to work."

#### Alleged Abuses Cited

Sixth and what might be termed the VanNuys' exhibit was the alleged political abuses in St. Joseph County. There Mr. Williams found, as charged, that the majority of the nonrelief WPA employees running as delegates had been selected by the "Montgomery organization."

Senator VanNuys had asserted that they were hand-picked by Chester A. Montgomery, state securities commissioner and old-time Democratic political "boss" in St. Joseph County.

That WPA political coercion was not used there was indicated by the defeat of those delegates, Mr. Williams pointed out.

Senator VanNuys expressed pleasure at the findings and the view that Mr. Hopkins upheld his position against coercion.

#### Satisfied With Report

"I am perfectly satisfied with the report," Senator VanNuys said. "And I am convinced that Mr. Hopkins is in sympathy with my position and will not permit any political to be played in WPA in the future."

Senator Sherman Minton, who termed the original VanNuys charges "purely political," offered the following comment on the report:

"It checks exactly with all the experience my office has had in tracking down complaints of the disgruntled."

Nominally Senator Minton is a backer of Greenlee for Governor, but his ardor cooled with Mr. Greenlee's launching the "McHaleeans" charges, against the McNutt organization.

Senator Minton still considers himself a McNutt man.

#### Complete Text Given

The complete text of Mr. Williams' report follows:

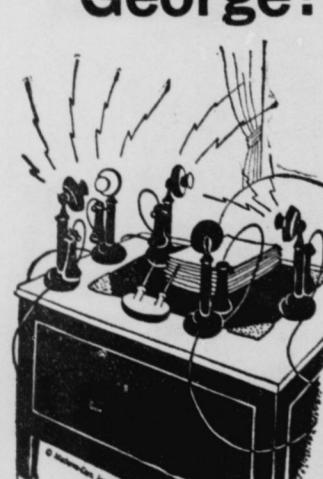
"Dear Mr. Hopkins:

"Pursuant to your instructions I have made an investigation of the complaints of Senator VanNuys relative to alleged political abuses on the part of WPA officials in Indiana. I have either interviewed personally, or have had interviewed by competent investigators, all of the persons referred to by Senator VanNuys in his letter to you. I am outlining below the results of these interviews."

"J. Curtis Hostetter, publisher of the Rockville Tribune, and WPA timekeeper, has informed me that Mr. Hostetter was summoned by Mr. Coy for a personal conference with the implication that Mr. Coy attempted to apply pressure upon Mr. Hostetter to persuade him to abandon support of Candidate Greenlee.

"My findings are that Mr. Coy

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## TOWNSEND AND COUGHLIN BLOCS MAP STRATEGY

Social Union Leaders Cool to Idea of Combining Forces, Is Claim.

BY ARCH STEINEL

State leaders of the Townsend Old Age Revolving Pensions Plan and the National Union for Social Justice were concerned today with preparation of fall election plans that would best advance the objectives of their respective organizations.

Two methods have been suggested, it was learned, as follows:

1. A fusion or independent ticket.
2. Obtaining the endorsement of nominees of old line parties for their platforms.

The National Union leaders, however, look with disfavor on an independent ticket or even a coalition with the Townsend Plan forces in the November election, prominent Coughlinites declared.

#### Candidate Support Claimed

O. P. Craig, the organization's new state supervisor, said that endorsements of the 16-point program of the National Union may be sought from congressional nominees, but decried any plan that might swing followers of Father Coughlin into a "third party" move.

Mr. Craig and other leaders said that in the First, Fourth and Fifth Congressional Districts the National Union has received pledges for its program from Rep. William T. Schulze, Rep. James Farley and Benjamin J. Brown, Kokomo, Republican nominee for Congress in the Fifth District.

To be conservative, we need not be reactionary. We can not close our eyes to the unpleasant fact that unemployment, farm relief and disjointed economy are national problems or that they have been averted and soothed by the New Deal.

## Republicans Must Maintain Conservatism, Says Moses

Not Sorry to See 'Radicals' Go to New Deal, He Declares.

(Continued From Page One)

whole way. Some of them, particularly the Southerners, are not yet ready to do that.

But they will come to see, as the South is increasingly industrialized, that their interests lie with us. It probably is too late for a general choosing up of new sides before the fall election. A start can be made, however, with 1940 in view.

No one who has had an eye on the political scene for the last 10 years can doubt that the Republican and Democratic parties have lost their traditional identity. President Roosevelt has now made the Democratic Party the radical party. Let us accept the challenge on that basis. Let us stop this pussy-footing and become frankly the conservative opposition.

To be conservative, we need not be reactionary. We can not close our eyes to the unpleasant fact that unemployment, farm relief and disjointed economy are national problems or that they have been averted and soothed by the New Deal.

#### Attacks 'False Promise'

It is in our approach to these problems that we must distinguish ourselves clearly from the Roosevelt party. Above all, we must not adopt the false premise that prosperity can be regained by limiting production of real wealth—food, clothing and manufactures.

Nor can we hope to get anywhere by echoing the Roosevelt thesis that the only way to prosperity is to permanently improve and employment expand with full government.

Since the Democrats have thrown it overboard, let us adopt the Jeffersonian thesis that that government is best which governs least. The physical frontiers, as the pro-

townsend convention set

Though coalition is frowned upon by the National Union, it has attracted some support with Townsend Plan Clubs, it was learned.

"The Townsend Plan leaders are flirting with the idea of aligning themselves with the National Union and also are discussing a move for an independent ticket," one send Plan Becker said.

Both groups include organizers who feel that their chances of electing Congressmen favorable to their cause would be enhanced if they supported nominees on both sides.

The Townsend Plan forces are awaiting a state convention to be held in Castle Hall on June 1 when it is expected a definite program will be formulated. Approximately 250 delegates of state clubs are expected to attend.

#### Denies Loss of Strength

The convention is to name a liaison officer for Indiana who would work directly under the national organization.

C. F. McCampbell, state area manager, denied reports that the convention might name a separate Townsend Plan ticket.

He also denied rumors of disintegration of the Townsend movement in Indiana.

While Townsend clubs continue their weekly meetings, the National Union leaders have shifted their tactics to a plan of holding unit meetings in a centrally located place in downtown Indianapolis.

Mr. Craig recently succeeded Samuel C. Cleland, Fort Wayne at-

hers who often tell us, are indeed gone, but the industrial frontiers can still be pushed miles in every direction. We are not yet so many and the land is not yet so small that a goose-stepping governmental system offers our only hope for survival.

#### Leads for Showmanship

I am not ready to assume that the people of the United States must be frozen into castes, pigeon-holed, tagged and wet nursed by the government at Washington. The people of this country are still capable of working out their own destiny if given a reasonable chance.

A majority of them want only the chance. To this majority the Republican party must appeal.

Unless the appeal is fumbled by political stupidity, we shall come back into power, perhaps not this year, but certainly four years hence. Our immediate concern must necessarily be ways and means of doing up our cause in a saleable package.

Political showmanship is all-important both for our immediate self-interest and for the ultimate good of the country.

#### Favors Federal Spending

Mr. Eccles was one of six youthful bankers appointed to serve on the reorganized board in February of this year. He is 45.

His views in favor of Federal spending and free use of Federal powers to govern credit have been known since his spectacular testimony before a congressional committee in 1933.

He took office Feb. 1 as chairman of the board of governors. His term expires in 1940.

After a day in which the bankers heard attacks on Democratic national administration policies, they were warned by Gov. McNutt last night at a dinner in the Claypool against the dangers of "unbridled speculation" because of the present expansion of credit.

"There are temptations on every hand and particularly do they lie at the desks of the loan officers of our banks," the Governor said.

"Already evidences are appearing that in some places the desire for earnings has overcome the trained caution which should be universal in the banking business if we are to prevent recurrence of the troubles of the last five years," the Governor said.

#### Many Opportunities for Loans

"I am not at all certain, on the other hand, that we have reached the stage of recovery where overconservatism is not a retarding influence," he said.

"Idle money means idle men," declared the Governor.

"In every community there are opportunities for the making of safe and sound investments and loans which will be repaid when due and which will start the flow of necessary money into business channels and thus further relieve unemployment ills."

"Today, as never before, the economic future of our country rests in the hands of sound and courageous and optimistic bankers," he said in conclusion.

Dr. W. F. Gephart, vice president of the First National Bank at St. Louis, Mo., said that a cheap money policy was responsible for "our currently low money rates."

#### Polish Parliament Called

By United Press WARSAW, May 22.—The new cabinet today called a special session of the Diet for Wednesday. Circles close to the government understand the cabinet would ask the legislators for far-reaching powers to cope with unemployment and the difficult economic and financial situations.

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## INDIANA BANK LEADERS HEAR ECCLES TODAY

Federal Reserve System Chief to Speak at Luncheon.

(Continued From Page One)

Indiana Bankers Association president, and Arthur V. Brown, Indiana National Bank president.

Mr. Eccles, a native of Utah, was special assistant secretary of the Treasury in 1924 and at one time was mentioned as a presidential candidate.

The party left for breakfast at the Indianapolis Athletic Club.

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**Trade Balance Unfavorable**

**WASHINGTON, May 22.—United States foreign trade showed an unfavorable balance of \$8,947,000 during the month of April, the Commerce Department reported today.**

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