

HOPE FADING FAST FOR COLLECTION OF WAR DEBTS

CAPITOL HILL IN QUANDARY OVER EUROPE STAND

Reduction, Cancellation or Repudiation Is Prospect Confronting U. S.

12 BILLIONS INVOLVED

Washington May Wait and Let Debtors Take Onus of Defaulting.

BY WILLIAM PHILIP SIMMS

Scripture-Howard Foreign Editor

WASHINGTON, Jan. 16.—Capitol hill today was trying to make up its mind whether to follow President Hoover's advice and try to save a few cents on the dollar out of the \$12,000,000,000 war debts due this country, or wait and let Europe take the onus of repudiation.

Less than thirty days ago, congress distinctly was hostile to Hoover's proposed revival of the world war foreign debt commission to re-examine Europe's dwindling capacity to pay. It smacked too much of further debt reduction. But so swiftly has the European financial bogman descended in that time that it is beginning to be realized by the most optimistic debt-collector that, barring a miracle, America's choice lies between voluntary reduction or cancellation and point-blank repudiation.

Wilson Urged Loans

A growing number of officials here, therefore, are inclined to agree with the outspoken conservative London Saturday Review which bluntly declared that "as the Americans never will get the money anyhow, it surely would be wiser to take the only line that can increase the purchasing power of their customers."

Individual members of congress are beginning a fresh study of the war debts. How, when and why were they contracted? Where, and for what was the money spent? On what grounds do the British, French and others base their claims for reduction or cancellation? The first Liberty loan authorizing a \$3,000,000,000 credit to the allies was passed by congress just eighteen days after we entered the conflict, in April, 1917.

9 1/2 Billions Loaned

"The extension to these governments of the most liberal credits," President Wilson said, "becomes a duty in order that our resources may so far as possible be added to theirs."

Three other Liberty loans totaling \$10,000,000,000 followed, and this, plus interest charges, sales abroad of war stores and so on, eventually grew to \$11,897,943,000.

Of this, \$4,600,000,000 went to Britain; \$4,025,000,000 to France; \$2,062,000,000 to Italy; \$420,000,000 to Belgium; \$300,000,000 to Russia (since repudiated); \$180,000,000 to Poland; \$115,000,000 to Czechoslovakia, and the rest, in amounts ranging from \$65,000,000 downward, to Yugoslavia, Rumania, Austria, Greece, Estonia, Finland, Lithuania and Latvia.

Of the total, \$7,000,000,000 was loaned to the allies prior to the armistice and \$2,521,000,000 after that date. The balance is accounted for by interest, relief loans, war supplies sales, and so on.

Little Money Exchanged

Practically none of the allies received actual money. It was almost exclusively a matter of credits. The allies bought goods or services from Americans and gave chits in payment.

Americans cashed the chits at the federal reserve bank, and the bank was reimbursed by the U. S. treasury out of funds realized from the sale of the Liberty bonds.

For munitions and armaments, the allies paid \$2,700,000,000; for exchange and cotton purchases, \$2,644,000,000; food stuffs, \$3,000,000,000; relief for the occupied regions, mostly in France and Belgium, \$338,000,000; redemption of maturing securities, mostly British, \$650,000,000; tobacco and other supplies, \$760,000,000; transportation and shipping, \$300,000,000; interest, \$730,000,000, and miscellaneous.

Cancellation Talked Early

Hardly had peace been signed than Britain and France began to agitate for cancellation. They urged that inasmuch as America did not send over appreciable fighting forces for more than a year, her dollars merely took the place of men in the trenches. The war had become her war as much as theirs.

America replied that her men were on the job when the crucial moment came and that the advances were bona fide loans. She also pointed out that, as the above expenditures showed, much of the money went for other than war purposes.

Furthermore, she contended, all debt settlements had been on a basis of capacity to pay, and she had knocked off 28 per cent for Britain; 58 per cent for France; 54 per cent for Belgium; 79 per cent for Italy, etc.

In other words, she concluded, she virtually had cancelled the actual war debts already and was asking only that the commercial parts of the obligations be paid.

COMMODITY SALES OF A. & P. SHOW INCREASE

Dollar Volume Drops Due to Lower Price Ranges.

Sales of the Great Atlantic and Pacific Tea Company for the five-week period, ending Jan. 2, were \$91,310,661. This compares with \$100,101,068 for the same period in 1930, and is a decrease of \$8,790,407, or 8.78 per cent.

December sales, expressed in tons, were 516,171 this year, compared with 514,356 in December, 1930. This is a gain in quantity of merchandise sold of 1,816 tons, or 35 per cent. Average weekly sales in December were \$18,262,132, compared with \$20,020,213 in 1930, a decrease of \$1,758,081. Average weekly tonnage sales were 103,234, compared with 102,671 in December, 1930.

THE MISSUS ALSO ACTS AS COACH

Teaches Child to Walk, While Mate Tutors Runners



Herman Phillips, Butler's track coach.

U-G-BU-MA-MA-BO-OO-DAD.

Which, in the "babysue" of Lou Ann Phillips, 9-month-old daughter of the Coach and Mrs. Coach, means that her "daddy" may be the owl's eyes as a coach for university runners, but that when it comes to coaching her to walk there's no one like her mother, Mrs. Louise Phillips.

And Mrs. "Coach" has several handicaps thrown in the way of her coaching that her husband is not bothered with when he trains Butler collegians to run. For instance, take a tooth! Lou Ann has two full-grown ones and more coming, and it's that "coming" that bothers the maternal coaching.

"But I'm not rushing her along in her walking," explains Mrs. Phillips.

And that advice goes double for her husband in coaching runners.

U. S. DESTROYER TOWED TO PORT

Brought Safely In After Collision at Sea.

By United Press

NEW LONDON, Conn., Jan. 1.—Her bow water-logged and trailing, the coast guard destroyer Weldon C. Herndon came into port today on the end of a tow line after a thrilling adventure at sea.

The Herndon, one of the trim ships in the coast guard navy, displayed twisted and buckled plates. The freighted Lemuel Burrows of Boston had rammed it, endangering her crew of ninety-nine officers and enlisted men in "pea soup" fog off Block Island Friday.

The 300-foot destroyer was down slightly by the bow, indicating it shipped water into its fire room. It was towed stern-foremost by the coast guard destroyer Acushnet.

The Burrows, understood to have suffered slight damage to its prow, did not come into the harbor and was understood to have proceeded to New York, where it will enter drydock.

PROPOSED STAMP TAX FOUGHT BY REALTORS

Source of Fraud, Board Writes Congressional Committee.

Vigorous denunciation of the proposed stamp tax on real estate transfers, now pending before congress, is made by the Indianapolis Real Estate Board in letters being sent to Washington committee members today.

Describing a similar tax abolished in 1924 as a "profit source of fraud," A. J. Hueber, real estate legislative committee chairman, said: "Our experience shows that the 1924 tax permitted unscrupulous persons to establish a fictitious valuation on real estate transfers."

"We are opposed unalterably to the federal government taxing real estate. Real property is the main dependence of local governments, and we believe that the federal government should not encroach in this field."

Coal Output Declines

Indiana coal production for the last week of 1931 was 232,000 tons less than the amount mined in the corresponding period of the past three years. In 1923, the December weekly average was 514,000 tons.

Help in School Work

Among bulletins offered to the public by our Washington Bureau in the past are a number of titles of particular interest and value in school work. Our Bureau has made a selection of eight of the most useful and valuable of these to students and teachers, and offers them in a single packet. The titles are:

1. Citizenship and Naturalization.
2. The Presidents of the United States.
3. The Presidents' Wives and Families.
4. Manual for Debtors.
5. Common Errors in English.
6. Choosing a Career.
7. The British Parliamentary System.
8. Countries of Europe Since the World War.

You can get this packet by filling out the coupon below and mailing as directed:

CLIP COUPON HERE

Dept. 7, Washington Bureau, The Indianapolis Times, 1322 New York Avenue, Washington, D. C.

I want the SCHOOL PACKET of eight bulletins, and inclose herewith 25 cents in coin, or loose, uncanceled United States postage stamps to cover return postage and handling costs:

NAME

STREET AND NUMBER

CITY STATE

I am a reader of The Indianapolis Times (Code No.)

Upper Center—Coach Phillips training a university sprinter. Lower—Mrs. "Coach" training Lou Ann to walk.



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Speedy Electric Clock Had 72-Minute Hours

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Mrs. Phillips, Lou Ann's coach.

"H'E'S a good guy!"

"Say, do you know he was in the Olympic games at Amsterdam, Holland, in 1928. He holds the university's record for the 440 and 880."

And while "studies" at Butler university are uncorking these comments about Herman Phillips, the university's track coach, they might find the modest speedster teaching a group of "frosh" the whys of handball, or a track "find" how to pass the baton in a relay.

And, mayhap if one was a mind-reader, he'd find Phillips wondering how the other coach in the family was getting along with her training of her "track team."

Look to the right and you'll read how Mrs. "Coach" Phillips, wife, gets a bouquet or two from her novice.

KILLED AS HE HUNTS FOR JOB

Struck by a truck as he was hitch-hiking to Dayton, O., to seek work, Lester D. Hanscom, 35, of 1333 North Pennsylvania street, was killed instantly Friday afternoon at Cumberland.

The truck careened from the National road, struck an automobile and 150 feet away, William Orebaugh, R. R. 8, Box 141, driver of the truck, who took deputy sheriffs the steering gear of the vehicle snapped, and was slated on a charge of involuntary manslaughter.

The car which was struck was driven by E. E. Pursley, 106 West North street, an acquaintance of Hanscom's, who was slowing down to offer Hanscom a ride. The rear of Pursley's car was wrecked, but he was not hurt.

Hanscom's head was crushed beneath a rear wheel of the truck, which hit him while he stood by the traction tracks.

Hanscom's body was sent to the city morgue. "He had been without employment several weeks," it was said.

His death was the fourth traffic fatality in Marion county this year.

The City in Brief

Three directors of the James Whitcomb Riley Memorial Association have been re-elected. They are Evans Woolen, president of the Fletcher Trust Company; Peter C. Reilly, president of the Republic Creosoting Company, and Arthur R. Baxter of the Keyless Lock Company.

"Free Gold or Free Silver" will be the topic of a debate by the Scientific Club of Indianapolis at a noon meeting Monday in the Architects and Builders building, Pennsylvania and Vermont streets.

C. J. Holloway, superintendent of agencies of the Western and Southern Life Insurance Company, was guest of F. E. Brawley, manager of the Indianapolis agency, during a series of business conferences recently.

Of 51,126 living alumni of Cornell university, 104 are residents of Indianapolis and 427 of the state, it was disclosed in statistics in the new alumni directory released today.

LICENSES ARE ON SALE

Hunting, Fishing Permits Ready at Conservation Bureau.

Hoosier hunters and fishermen may buy their 1932 licenses today at the fish and game division headquarters of the state conservation department, according to announcement by Walter Shirts, division head.

Resident licenses to fish, hunt and trap are \$1. Non-resident fishing licenses are \$2.50 and non-resident hunting license \$15.50.

Persons under 18 may fish without a license. All persons may fish in the county of which they are a resident without a license.

MILLS TO SPEAK HERE

Treasury Undersecretary To Be on Rotary Program.

Ogden I. Mills, undersecretary of the treasury, will be one of the principal speakers at the twentieth district conference of Rotary International at the Claypool Feb. 22 and 23.

After returning from nineteen months' service overseas, Mills was elected to congress from New York, and served until 1927, when he was appointed to the treasury post.

Included among the speakers are Governor William E. (Alfalfa) Bill Murray, of Oklahoma, who notified Dr. John H. Beeson, of Crawfordsville, district governor of the Rotary, several weeks ago that he would appear on the program.

HIGHER INCOME TAX URGED BY FARM LEADER

Federation President Also Asks Congress to Lower Exemptions.

By United Press

WASHINGTON, Jan. 16.—A tax program designed to bring in about \$1,500,000,000 of additional federal revenue was advocated Friday on behalf of farmers by Chester H. Gray of the American Farm Bureau Federation.

Gray's proposals, made before the house ways and means committee, included higher income taxes than those proposed in the administration's \$920,000,000 tax increase plan and a special levy on income from American investments abroad. Gray estimated these investments totaled \$16,000,000,000.

Gray would increase the tax on corporate incomes to 15 per cent. The administration proposed a 12 1/2 per cent tax. The rate now is 12 per cent.

Farmer Little Affected

The farm leader also proposed a 10 per cent tax on estates and gifts, which he estimated would yield \$1,000,000,000 yearly. He said 80 per cent of the tax should be given the states, leaving the federal government \$200,000,000.

"Under present conditions of agriculture, increases or decreases in federal income taxes will have little direct effect on individual farmers," Gray said. "The average of all individuals reporting in 1930 to the treasury showed an income of \$5,100."

"The average for agriculture for the same year was \$598, according to the agriculture department. It would be better for the nation if agriculture could earn enough to come within the income tax bracket."

Asks Lower Exemptions

Gray agreed with the administration in advocating increased individual taxes, especially in the higher brackets, and a lowering of present exemptions to \$1,000 for a single person and \$2,500 for a married person.

In defense of lowered exemptions, which would increase the number of taxpayers, Gray said "This group of our population should be reached if for no other reason than to develop in it a tax consciousness."

The farm bureau representative opposed special sales taxes suggested by the administration, especially the proposed automobile manufacturers' tax. He said sales taxes "lie on the shoulders of the average consumer."

In the Air

Weather conditions at 9 a. m.: Northeast wind, 16 miles an hour; temperature, 36; barometric pressure, 30.40 at sea level; ceiling, overcast, light rain and fog, light local smoke, estimated 1,500 feet; visibility, three-fourths of a mile; field, soft.

Light New Airway

WASHINGTON, Jan. 16.—A lighted airway will be established soon from Albany, N. Y., to Boston, via Springfield, Mass., the department of commerce announced today. Establishment of the line has been authorized by the interdepartmental committee on civil airways.

said Colonel Clarence M. Young, assistant secretary of commerce for aeronautics. The lighted airway will be 121 miles long.

Wings Transparent

WASHINGTON, Jan. 16.—How would you like to fly in an airplane whose wings you could see through? The navy has such a plane. And the wings aren't made of glass, either.

The result is accomplished by a new kind of fabric covering. It is a fine steel-wire screen, stretched over a wing framework like ordinary fabric.

The little steel wires are finer than silk threads, so fine that they make the fabric as transparent as a screen door. After the fabric is stretched over the wing, a coat of clear dope is applied. This hardens, just like varnish.

The result is a wing you can see through. The navy is trying it out on a plane at the Philadelphia navy yard.

Century Starts Line

The much-heralded extension of Century Airlines through Indianapolis today was near realization, with start of a series of test runs, carrying freight, Wednesday.

Three tri-motored Stinson monoplanes, two carrying a ton of freight each, and the third carrying officials, landed at municipal airport Wednesday en route from Chicago to Cincinnati. One plane daily will be operated during the test period. No passengers are being carried at present.

Postal Veteran Dies.

RICHMOND, Ind., Jan. 16.—Henry W. Deuker, who served as assistant postmaster of Richmond for twenty years, is dead of heart disease.

Checking Accounts

Interest Paid on SAVINGS and Certificates of Deposit

NOT TOO LATE TO JOIN OUR CHRISTMAS CLUB

AETNA Trust and Savings Co.

23 N. Penn. St. Indianapolis 3711

Fletcher Ave. Savings & Loan Assn.

10 E. Market St.

Has paid dividends on savings for 41 years.

Taxes Expert Will Address Realty Board

Guy Cantwell

"A Tax Program for Indiana" will be discussed by Guy Cantwell, member of the Indiana university extension division lecture staff, before members of the Indianapolis Real Estate Board at Thursday luncheon, Jan. 28, in the Washington.

Cantwell will offer facts recently developed by the I. U. bureau of business research on tax reform in other states, and will show how some of these changes might affect the Hoosier tax situation. Investigations of the I. U. bureau of co-operative research on school finance will be given.

Cantwell, former president of the Indiana board of agriculture, has been a member of the board since 1922. He is director of the Central States Grain Association and former director of the Indiana Livestock Breeders Association. He is known as a farm institute speaker and served in that capacity for seven years with the Purdue university extension staff.

Spent \$22,000,000

Today highway officials frankly admitted that they are going to do all in their power to keep every cent they can in their department. They have become accustomed to spending about \$22,000,000 a year.

Following the announcement that Floyd E. Williamson, state auditor, is ready to distribute some \$4,000,000 in the cities, counties and towns fund of the state gasoline tax collections, Ralph Simpson, assistant director of the state highway department, announced that \$8,000,000 of the 1932 gas tax already is obligated by his department.

He emphasized that the letting of paving contracts will be far ahead of former years with the third of a series to be advertised for March.

Total to 250 Miles

Ninety-two miles are to be contracted for Feb. 7, and sixty miles already have been awarded, according to figures from William J. Titus, chief engineer. The March letting will bring the total mileage under contract to more than 250 miles, he said.

Thus the speeding of contracts is being relied upon to "save the bacon."

The state highway department has revenues from several lucrative sources. They include the gas tax (3 of the 4 cents collected), automobile license plate sales and federal aid. Failure to collect the latter in 1930 caused a senate investigation in 1931. But the end of the fiscal year 1931 found the department with more than \$6,500,000 in its own treasury.

Barred by Court

This was attributed to the fact that it was barred by court action from putting into effect an anticipated blacktop paving program. This year the state gas tax has been so tight for blacktop and it is entered in regular competition, although three times Director John J. Brown has sought a special ruling from Attorney-General James M. Ogden to permit the old method of blacktopping.

So all efforts have failed, but the concrete boosters, who seem to have a calm sea now and fair sailing, still are on the alert, expecting blacktop to "chisel in" some new place.

The threat of taking highway funds is well founded was brought home to the officials today when Senator Joe Rand Beckett announced that he wants them to maintain all the county roads and take that burden off the local tax duplicate.

Decided 35 of 78 Cases

Handed Down in 1931.

With some four hundred cases pending before the supreme court, seventy-eight were decided during 1931, a tabulation made today disclosed.

Cost of the high court to Hoosier taxpayers during the fiscal year was \$11,369.84, records compiled by Floyd E. Williamson, state auditor, for his annual report show.