

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
Series-Howard Foreman 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 bonus 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 toboggan 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 "the Americans never will get the money anyway, it surely would be wiser to take the only line that can increase the purchasing power of their customs."

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 \$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 followed, and this, plus interest charges, sales abroad of war stores and so on, eventually grew to \$11,867,943,000.

Of this \$4,600,000 went to Britain; \$4,025,000 to France; \$2,042,000 to Italy; \$320,000 to Belgium; \$300,000 to Russia (since repudiated); \$180,000 to Poland; \$115,000,000 to Czechoslovakia, and the rest, in amounts ranging from \$65,000,000 downward, to Jugoslavia, 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, 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 remounts, the allies paid \$2,700,000,008; 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 that 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., 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 Dropped Due to Lower Price Range.

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.

Average weekly sales in December were \$18,662,132, compared with \$20,213 in 1930, a decrease of \$1,758,061. Average weekly tonnage sales were 103,234, compared with 102,871 in December, 1930.

THE MISSUS ALSO ACTS AS COACH

Teaches Child to Walk, While Mate Tutors Runners



Herman Phillips,
Butler's track coach.



Mrs. Phillips,
Lou Ann's coach.

UG-BU-MA-MA-BO-OO-DA-DAD.

Which, in the "babeyse" 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 destroyed 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 destroyed 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 "prolific source of fraud," A. J. Hueber, real estate 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 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:

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- 3. The Presidents' Wives and Families.
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