

HUGE U. S. INVESTMENT MAY MEAN GOVERNMENT IS IN NATION'S BUSINESS TO STAY

Agriculture, Railroads and Other Enterprises Never May Be Able to Pay Back Money They Have Loaned.

ANNUAL INTEREST IS NOW \$306,580,608

One-Half of One Per Cent of Country's Entire Income Is Found Necessary to Pay Four Per Cent Yearly Return.

BY MORRIS DE HAVEN TRACY
United Press Staff Correspondent
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WASHINGTON, July 27.—It will take one half of 1 per cent of the entire national income to pay the government 4 per cent interest on the \$7,664,515,201.01 it has invested, or has potentially available for investment, in American business.

That means that 5 cents out of every \$10 received by every man, woman, child, business, or corporation in the United States, will go for interest to the new, silent partner in American enterprise. Out of every \$2,500 income, \$12.50 will go for such interest payments.

The citizen probably never will realize this, for the payment will not be made in taxes. The government, through loans to agriculture, to business through the Reconstruction Finance Corporation and through other channels, has taken its interest in business as a lender of money, not as a stockholder.

But the interest has to be paid, and is paid indirectly out of the national income—just as interest is paid to J. P. Morgan and Company on the bonds of American industry that it holds.

A survey of the United Press has shown that the government, since 1916, when it departed from its traditional policy of keeping out of business with the launching of the United Shipping board, has loaned or invested in American business \$3,096,329,687.01.

Through the Reconstruction Finance Corporation, the home loan banks and other agencies it is ready to invest a potential \$4,588,185,514 additional. That would make an aggregate investment of \$7,664,515,201.01.

One Half of One Per Cent To pay interest at 4 per cent on such a sum will require \$306,580,608.04 annually. The national income, according to the department of commerce, for the year 1930, was \$60,000,000,000.

The \$306,580,608.04 required for a 4 per cent return on the government's share in American business is one half of 1 per cent of that sum.

Perhaps the \$1,848,841,200 mortgage the government has on agriculture can be reduced to terms more easily understood.

In financing agriculture the government's investment stands like this:

Outstanding loans to farmers (exclusive of farm mortgages)—\$96,528,200.

Loans for farmers co-operatives (farm board)—\$170,000,000.

Loans on farm mortgages (farm loan board)—\$1,156,707,000.

Intermediate credit bank loans (farm credit)—\$110,000,000.

Invested in grain and cotton stabilization (farm board)—\$315,000,000.

Total—\$1,848,841,200.

That sum is equal to 6 per cent of the aggregate value of all the farm land in the entire United States. The department of agriculture estimates that the farmer is in debt to an aggregate of \$9,468,526,000.

Fifth of Loan Business

On the basis of that figure, roughly states, the government holds one-fifth of the entire loan business of the agricultural industry.

A glance at what it will require to maintain this investment of the government in agriculture, may be even more revealing.

If the government is to get 4 per cent interest on its investment, it will require \$73,953,648 out of the nation's farm income to pay it.

The aggregate income of agriculture, including the live stock industry and the income from forest products of all kind, in 1929, (the latest department of agriculture figures available), was \$10,146,720,000, which means that it will take three-quarters of 1 per cent of the total cash income of agriculture, livestock and forest product industries to pay the bill.

Beans, Peanuts Can Do It

Stated differently, it means that out of every \$2,500 of agricultural or allied cash income, \$18.75 will go directly or indirectly toward making that interest payment.

If the entire bean crop of the United States were turned over to pay the interest, it would fall about \$4,000,000 short. The entire peanut crop would be thrown in and would just about make up the difference.

If paid in wool that interest bill due the government would take nearly the entire crop, or, if paid in hogs, it would require, every tenth hog raised each year.

Even though it is spread over the entire agricultural industry the hog raiser's contribution to his silent, financing partner comes to \$8,669,270. That is equivalent to the hog raiser contributing one out of each 133 of his hogs to this purpose.

The government in all of this financing of business, specifies from time to time that it is a temporary measure, designed to relieve a temporary situation. The money all is to be paid back and the partnership liquidated.

Where Will We End?

But the sums involved are large. Agriculture, the railroads, many other enterprises are not yielding much profit from which borrowed funds can be paid back at present. Many believe the prospects for some of these—notably the railroads—may not be bright.

Not every one is convinced that repayment of all this money is to be expected.

To what that will lead is an intriguing question—not to be answered here.

In surveying the government's

Esthonian Tomboy Hopes to Span Ocean for New Thrill

NEW YORK, July 27.—It took a World war and a revolution to get Elvy Kalep the thing she wanted most in the world—an air pilot's license. The girlish Esthonian flier, who is here preparing for a trans-Atlantic flight to Athens in August, with Roger Q. Williams as co-pilot of her plane, said today that she still might have been on terra firma in her native land if the demolition of her home had not resulted in sending her to Germany to live, before the Republic of Estonia emerged from the chaos of war.

"I always 'was a tomboy,'" said Miss Kalep in her perfect British governess English. "I have hated dolls and loved to build things that broke up my mother's furniture, and how I longed to see the lands I studied in my geography! Well, I have. All but Australia, and next month I shall have a good look at the Atlantic ocean, too, en route to Greece.

"I love adventurous sports. When I took to the air in Germany I knew that there never would be such a thrill as piloting my own plane.

"So I learned to, very secretly, and when I returned to my Esthonian home, less than a day away from Petrograd, I was eligible for a pilot's license, and they gave it to me, the first civil license issued in the republic. It is still the only one issued to a woman."



Elvy Kalep

MISS KALEP long nurtured a hope of making a solo trans-Atlantic flight, she said, but she has handed the honor over to her friend Amelia Earhart, and will be perfectly contented with

Singing Ghost
Posse Fails to Capture Musical Spook in Convict Cemetery.

JOLIET, Ill., July 27.—The musically inclined ghost with a dismal baritone voice disappointed Sheriff Oliver Flint and seventy-five possemen who waited in a convict graveyard Tuesday night.

And Sheriff Flint, sleepy from his long vigil, was more than ever convinced that the neighbors' stories about a white-shrouded figure that wanders among the graves singing "Rock of Ages" are a lot of "silly notions."

Folks that live near the old burying ground of prisoners from Illinois state penitentiary were not so sure it was silly.

"It's just the wind moaning through the trees on the hilltop," said Sheriff Flint, "the wind and the shadows."

But Anthony Grohar and George Perinar who live nearby felt differently.

"I've heard the ghost," said Grohar, "I heard it singing 'Rock of Ages' and 'Onward Christian Soldiers.'" Perinar agreed.

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CANADA STEPS IN TO SMOOTH IRISH DISPUTE

Premier Bennett Offers to Make Peace for England; Rivals Accept.

BY CHARLES MCANN
United Press Staff Correspondent

OTTAWA, Ontario, July 27.—Prime Minister R. B. Bennett of Canada, official host to the British empire economic conference, has offered his good offices in the solution of the latest British-Irish dispute, and they have been accepted, it was learned today.

A minister of the Canadian government, acting under Bennett's secret instructions, has been selected as intermediary. The negotiators are J. H. Thomas, Dominion minister in the coalition Labor-Conservative British cabinet, and Sean T. O'Kelly, chief delegate of the Irish Free State.

Bennett, a hard-boiled Canadian, who is holding out for empire preferential treatment on wheat, when his own wheat men say they do not want it; who, in his late fifties, is a brilliant lawyer, portly like President Hoover, graying and virile, has stepped into an obvious breach.

The British-Irish "crisis," a symptom rather than a cause in the centuries of dispute between southern Ireland and England, arose just before the conference.

It concerns the payment by Ireland to Britain after the post-war guerrilla fighting of the so-called war, of \$15,000,000 a year in installments for land acquired by the government in providing small farmers with allotments.

The Irish government refused to pay, asserting that the land was Irish anyway and that the treaty had not been approved by the Irish people as opposed to the original free state government, with which Eamon de Valera now prime minister, refused to co-operate.

Britain imposed special tariff duties on Ireland in retaliation. Ireland responded with special duties. They affect 92 per cent of

Ireland's exports, which are to the United Kingdom, and many British exports to Ireland.

Argentina to Remain Neutral
By United Press
BUENOS AIRES, July 27.—Reports that Argentina planned to form an alliance with Brazil and Chile to prevent the threat of war between Bolivia and Paraguay were officially today. It was said officially that Argentina would observe strict neutrality.

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