

INTEREST EATS BIG SHARE OF SCHOOL FUNDS

\$102,460 Paid on Library
Bond Issue, With None
of Principal Retired.

BY LOWELL NUSSBAUM

Back in 1911, the citizenry of Indianapolis deemed it advisable to build a new public library, and the school board obliged by purchasing a site at Meridian and St. Clair streets, paying for it by issuing \$125,000 in bonds.

Today, the school city still owns the site, on which a handsome structure has been built, but it also owes the entire \$125,000 bond issue, despite the fact \$102,460 in interest has been paid. The bonds will not mature until 1946.

This incident, together with many similar ones, shown in a report compiled today by A. B. Good, school business director, provides a strong argument for backers of the "pay-as-you-go" plan.

Since 1872, when the first Indianapolis school bonds were sold, the school city has issued a total of \$15,674,300 in bonds. It still owes \$10,644,000 of that total.

Cost Is Enormous

Bond totaling only \$5,030,300 have been paid off in that 60-year period, but the staggering sum of \$7,053,688 has been required thus far for the privilege of keeping up with the building needs of a growing school population, and passing the bills on to posterity.

The practice of issuing bonds was started by the school city in 1872, when \$100,000 bonds were sold.

At that time the board was informed by its attorney, school records reveal, that the law permitted it to assume an indebtedness no greater than that sum, and required that the bonds be retired within five years.

To meet this retirement provision, the board refunded the issue four times, until the bonding power was enlarged in the 'nineties.

After that, issuance of bonds to meet cost of constructing school buildings and acquiring sites became a regular practice, but no extensive issues were sold until 1919, when the board issued \$1,300,000 for a unit at Tech, for repairs and real estate.

Amount Keeps Increasing

In 1920 issues sold totaled \$4,236,000, while in 1921 an even greater amount of bonds, \$4,736,000 were issued.

Nearly \$12,000,000 of the total amount of bonds issued in the sixty year period was sold in the last thirteen years.

Thirty years ago, in 1903, an issue of \$200,000 was sold. Of this amount, \$72,000 still is outstanding and will not be retired until 1936 and 1935. Interest thus far has totaled \$183,365. These are the oldest bonds still outstanding.

The following year the board floated an issue of \$150,000, on which \$140,962 interest has been paid and \$112,000 of the bonds still are outstanding.

Although the main library site was acquired in 1911 bonds for the library building were not authorized until 1915, when a \$500,000 issue was sold, the entire issue to mature in 1955.

Only One Bond Retired

Only one \$1,000 bond has been retired, leaving \$499,000 outstanding, and the school city paying out \$21,000 interest annually on the issue. Thus far, interest on the library building has totaled \$361,228.

Thus the library site and building bonds totaled \$625,000, of which only \$1,000 has been paid, and on which interest already has amounted to \$501,290, and which at their maturity, will total \$1,055,290, which is \$430,000 more than the bonds.

Many other amazing facts are shown by Good's summary of the schools' bonded debt. In 1894, the school city sold a \$60,000 issue, which has been paid off, but which cost \$62,100 in interest.

An issue of \$1,645,000 for building the Tech shop and power house and Schools 22 and 26 was sold in 1920. These bonds will not mature until 1940, but the board has bought up and retired \$202,000. Interest on this issue has cost \$947,952 thus far, and by 1940 will have cost \$1,496,202.

Interest Equals Principal

Considering the fact that the bonds were sold at a discount of nearly \$200,000, the interest in twenty years will equal the principal.

The present school board, Good pointed out, has retired more bonds than it has issued.

Since Jan. 1, 1930, when the present board came into power, bonds totaling only \$700,000 have been issued, while other bonds totaling \$1,247,000 have been retired, a net reduction in the bonded debt of \$547,000.

Darts Inside Door, Calls for Neighbors' Aid.

Mrs. Julia Ooghe, 70-year-old widow, outwitted a bandit Friday at her home, 1448 West Washington street.

Answering the doorbell, Mrs. Ooghe faced a man about 30, who walked in.

"I'm an agent," he said. "Give me all your valuable papers."

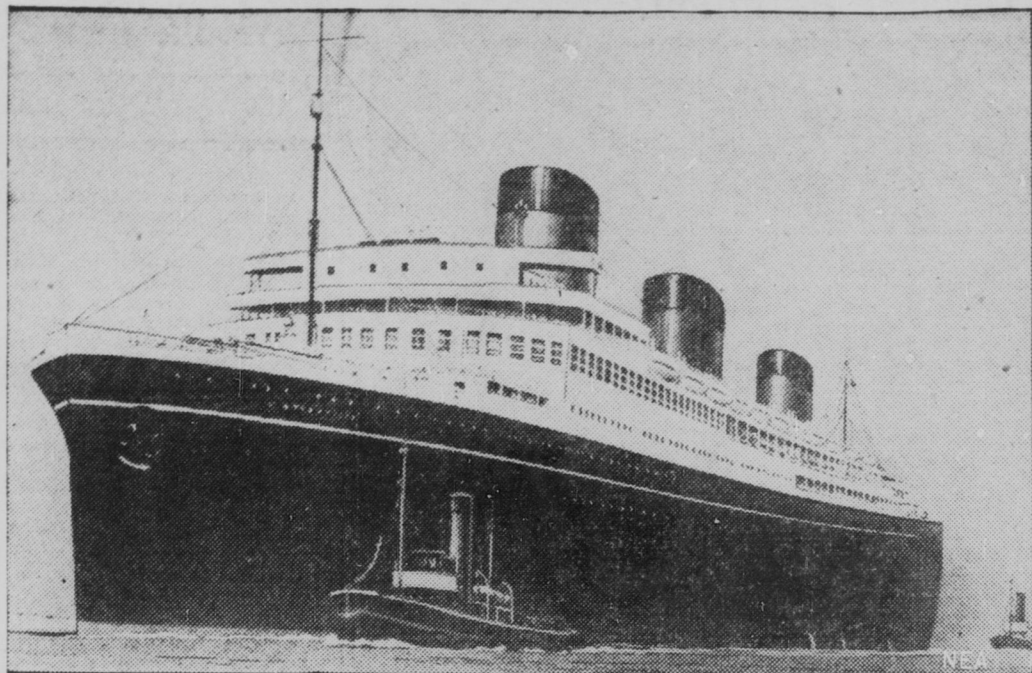
"I have none," Mrs. Ooghe said. "Drawing a revolver, the intruder said:

"This a hold up. Give me everything valuable you've got."

Mrs. Ooghe backed away. Reaching a bathroom, she darted inside and locked the door. Raising a window she called for help. Neighbors began running toward the house and the intruder fled.

The effect of marine climate on paintings and art objects is being investigated by the International Museums office, with a view to knowing the best precautions against damage in overseas transportation.

LINER NOW ONLY SMOLDERING AND DRIFTING HULK



Nothing remains of the \$18,000,000 French luxury liner Atlantique but a drifting, smoldering hulk in the English channel. The burning of this queen of the French south Atlantic service may have cost the lives of as many as thirty of her crew of 200 when they were taking her without passengers from Bordeaux to Le Havre on a trial run.

The French government plans an investigation of the causes of the tragedy, thus far totally unknown, and others which have recently overtaken the French merchant marine.

Above, the Atlantique as she entered service, fifteen months ago. Right, the smoke-enveloped hulk, photographed from an airplane which rushed the picture to London, whence it was transmitted to the United States by radio.

BILLS TO POUR ON LEGISLATORS

Scores of Measures Await
Inauguration Monday
of McNutt.

Indiana legislators were waiting for the inauguration Monday of Paul V. McNutt as Governor, as the starting gun in the deluge of bills which have been prepared.

The state legislative reference bureau reports that it alone has prepared 137 bills for members, which is five more than the number written at the same time in 1931.

Not only are platform pledges covered in these measures, but many have gone far beyond in order to strike at departments to which they are averse.

Representative Fabius Gwin, Shoals, has prepared a bill reducing the salaries of township trustees because their duties have been reduced one-third by recent assemblies.

Senator Herbert V. Tormohlen, Portland, is framing a bill setting up a state aviation board and providing for examination and licensing of pilots and planes.

Mrs. L. H. Brink to Play in National Bridge Final

New Legislators
Pharmacist Is
Named to Seat
in Legislature

Bern B. Grubb, new joint representative from Tippecanoe and Warren counties, is a native Hoosier, born at Harlan, Allen county.

Grubb was educated in the public schools and the Indiana State Normal college. He taught school several years before pursuing the profession of pharmacist. Owned and operated a retail pharmacy in Knox county for eight years prior to engaging in pharmaceutical manufacturing in Lafayette.

His affiliations include fraternal, social and civic organizations, the Lafayette Chamber of Commerce, Indiana Pharmaceutical Association, American Pharmaceutical Association, and National Wholesale Druggists' Association.

Particularly interested in restoration of local control of government and "getting government out of business," he also is interested in public health and education legislation.

Marriage Licenses
Herman Smallwood, 50, of 3301 Hovey street, and Sarah Anna Allen, 39, of 2301 Hovey street, houseworker.

Emmet Robert Miller, 24, of R. R. 5, Box 41, Clark, and Audrey Mary Guitish, 22, of Indianapolis.

Jacob Wolf Marcus, 27, of Cincinnati, O., correspondent, Eunice Irene Harvey, 24, of Lincoln hotel.

Clay E. Bowman, 49, of 320 West Washington street, operator, and Mary Adelaide Hovick, 19, of 604 West Washington street, factory worker.

James Donald Carter, 23, of 1601, 23rd, and Mary Louise Moorman, 18, of 60 North Chester street.

Anthony Simon, 22, of Ft. Benjamin Harrison, soldier, and Victoria Ann Schaffer, 18, of 768 North Haugh street, houseworker.

Mouse birds of Africa are dull-colored birds, with very long mouse-like tails.

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PLAN TO MEET TAXATION ISSUE STILL IN DOUBT

Democrats' Program Yet
Speculation Subject
After Parley.

BY MARSHALL McNEIL
Times Staff Writer

WASHINGTON, Jan. 7.—The Democratic plan to meet the budget issue remained in doubt today so far as the public has been informed.

After the conference with President-Elect Franklin D. Roosevelt, it was reported that the "for-gotten man" would have to pay greatly increased income taxes, and the indication was that his richer brothers would be exempt from any greater surtaxes than in existing law, and that corporations' tax burdens would not be further increased.

But Democratic Leader Henry T. Rainey (Ill.) who attended the conference, said upon his return that he was not sure that any new taxation would be necessary.

And Speaker John N. Garner was reluctant to commit himself, or say when the ways and means committee formally would discuss the problem. Indeed, he hinted that he himself had a suggestion for another way out.

Wait Hoover's Beer Stand

The present tax confusion is not without its political side, for the intention seems to be to do practically nothing until it is determined whether President Herbert Hoover will permit beer to be legalized and taxed.

Some think Mr. Hoover may be under great pressure to sign a beer bill, if the result of a veto would be increased income taxes.

The reports from New York were that the Democrats intended to hike the present normal income tax of 4 per cent on the first \$4,000 of net income to 6 per cent, and the present rate of 8 per cent on all net income in excess of \$4,000 to 12 per cent. There was no indication that either the surtaxes or the corporation taxes would be increased.

Thus, this would not be a reimposition of the war-time federal revenue system, for then surtaxes went to 65 per cent on incomes in excess of a million, while they are but 55 per cent now.

Rebellion Is Aroused

This suggestion immediately aroused something akin to rebellion among many of the rank and file Democrats of the house, a considerable number of whom want no new taxes at all, hoping to meet the budget issue with drastic economies.

The Democrats apparently aim at reaching a total of \$492,000,000 by means of new taxes and economies. They propose to save \$100,000,000 more than President Hoover suggested in federal expenditures next fiscal year; they propose re-enactment of the 1 cent federal gasoline tax to raise \$137,000,000, a proposal also made by the administration; they hope to get \$125,000,000 annually from a beer tax; and by adding \$203,000,000 from income taxes would be about \$355,000,000 to the good.

President Hoover proposed to raise the \$492,000,000 by re-imposing the gas tax, and levying a general sales tax of 2 1/2 per cent to yield \$355,000,000 annually.

SANITARIUM IS SUED FOR \$7,500 DAMAGES

Man Charges Negligence in Caring for Him as Cripple.

Oscar F. McLain, a cripple, Friday filed suit in superior court seeking \$7,500 damages from Sines Sanitarium, Inc., 1427 North Delaware street, charging negligence in caring for him as a patient.

Suffering from nervous collapse, the complainant avers, McLain became a patient in the sanitarium Sept. 24.

He charges officials of the institution "carelessly locked him in a room on the second floor," although he was unable to care for himself.

They failed to fasten a window, the suit alleges, and McLain fell from a second-story window. He suffered compound leg fractures and other injuries in the sixteen-foot fall, the suit states.

The plaintiff then was placed in a room and strapped to a bed for five days without medical attention and not permitted to see friends and relatives, the complaint alleges.

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DOORMAN SURRENDERS IN RACKETEER KILLING



Edward Maloney, the doorman sought in connection with the killing of Larry Fay at the racketeer's New York night club, is shown above (left) after he had surrendered to police. With him is his attorney, William A. Blank.

When Maloney testified that he had been drinking so heavily that he had no idea of what happened the night Fay was slain, police launched a search for a second man in connection with the crime.

9 Major Crime Causes Are Listed by Expert

Prohibition and Dishonesty in Finance Held
Responsible for Most Violations.

CHICAGO, Jan. 7.—Criminal tendencies are produced by nine major causes, in the opinion of Frank J. Loesch, president of the crime commission here.

Prohibition and dishonesty in finance are responsible for a major number of violations, according to Loesch, who also is a member of President Hoover's commission on law enforcement. He blamed the former for at least a fourth of all law infractions.

Loesch, 80-year-old lecturer of the Northwestern law school, said he reached his conclusions from "personal experience, wide reading and information which came to me in my several official capacities."

He regarded the cure in each case "not so difficult to put forth as tiresome to carry out."

Loesch listed crime causes as follows:

1. Largely unassimilated immigrants from eastern and southeastern Europe.
2. Slum districts in larger cities.
3. The eighteenth amendment and prohibition laws.
4. Incompetent, corrupt and political-ridden police.
5. The automobile.
6. Dishonesty in high finance.
7. Incompetent and inefficient prosecutors.
8. The Negro law-breaker.
9. Decline of religion and authority.

"Alien groups not familiar with our language and the principles of our government have given rise to a problem that requires teaching of clean politics and the guidance of immigrants toward citizenship," Loesch said.

As "cures" for crime, he cited better housing, lower rents, clean streets and "breathing places" with eradication of slums. He blamed prohibition as a major crime breeder and held it responsible for demoralization of laws.

"A permanent independent police chief and detectives with scientific crime fighting equipment and a secret staff attached to the chief and unknown to the regular force" were recommended by Loesch as an effective method of fighting crime "waves."

LEA FACES NEW TRIAL

Former Senator to Be Charged With
Banking Laws Violation.

By United Press
KNOXVILLE, Tenn., Jan. 7.—Former United States Senator Luke Lea, Nashville publisher, will be brought to trial in federal court here on charges of violating the national banking laws, James A. Wharton, special assistant United States attorney-general, announced Friday.

He charges officials of the institution "carelessly locked him in a room on the second floor," although he was unable to care for himself.

They failed to fasten a window, the suit alleges, and McLain fell from a second-story window. He suffered compound leg fractures and other injuries in the sixteen-foot fall, the suit states.

The plaintiff then was placed in a room and strapped to a bed for five days without medical attention and not permitted to see friends and relatives, the complaint alleges.

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The plaintiff then was placed in a room and strapped to a bed for five days without medical attention and not permitted to see friends and relatives, the complaint alleges.

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'PATRIOTS' OPEN NEW FIGHT TO BAR EINSTEIN

Membership in Anti-War
Organizations Cited
as Reason.

By Scripps-Howard Newspaper Alliance

WASHINGTON, Jan. 7.—A new attack on Albert Einstein, eminent German scientist, is being planned by "patriot" groups here.

Attempts are being made to have Dr. Einstein denied the right of entry to this country when his vessel reaches California, in spite of the fact that he holds a visa issued by the department of state. The first attack was made when Einstein applied for a visa, and was accused by the Woman Patriot Corporation of being a Communist.

Within the last few days members of the California delegation in congress have been asked by representatives of the National Defense Council to protest to immigration authorities against Einstein's admission.

They think Dr. Einstein should be barred as a member of the World's Congress Against Imperialist War, the Workers' International Relief, and the War Resisters' International.

The Californians have refused to take the request seriously, and no official complaint has been filed.

Einstein is on his way to California to engage in research work at the California institute of technology.

The woman Patriot charges, filed with the state department here and transmitted to Berlin, roused a storm of ridicule and protest. The state department issued a statement saying that Einstein had been examined in regard to his application "in the same manner as any applicant," and had been found admissible.

The Woman Patriot has in the past also attacked Franklin D. Roosevelt, Senator Thomas J. Walsh, and other distinguished Americans, and carries on a campaign against the child labor amendment.

Miss Mary G. Kilbreth, chairman of the corporation, now is opposing the five-day work week.

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