

U. S. Has Written
21 Deficits in
Records.

BY JOHN T. FLYNN

NEW YORK, July 4.—The first of July rounds out, not merely a year of deficit, but almost 21 years of government deficits in the United States.

This statement will surprise many. It is supposed that deficits in this country came into being with our present perennial board—the depression. But this is not so. They began with the advent of the European war. In one form or another they have persisted since. And now they come to a magnificent climax with a deficit of over \$4,700,000,000 and a public debt of about \$4 billion dollars—all time high.

We must remember that in this country, our government is split up into various classifications. There are the national government, the state and the numerous local governments. All of them are spending money and collecting taxes for the purpose. All of them are running into debt at different periods and borrowing millions to pay their debts. When you want to know what the deficit of the United States is, you must look at the balance sheets of all these sections of government.

NOW if you will go back to 1915 you will see that the Federal government spent about 26 million dollars more than we collected in taxes. This continued until we went into the war and then on a grand scale swept forward until 1919, inclusive.

Then in 1920 and 1921 there were ostensible balances of the national budget, but deficits in fact. By 1922, when the Federal government began balancing its budget, the state began to unbalance theirs. The states and cities, hitherto very moderate borrowers, had learned the gentle art of borrowing money from our Liberty Loan drives. If we look at the combined budgets of the states, cities and all local units from 1922 to 1930 we will see that they were unbalanced every year. This was not confined to Democratic states. But Republicans and Democrats vied with each other in the race.

HERE are the combined deficits by years:

1922	.....\$151,800,000
1923	.....412,700,000
1924	.....219,000,000
1925	.....192,300,000
1926	.....321,000,000
1927	.....397,300,000

Then in 1931, the Federal Government resumed its unbalance. Here is its record in round numbers:

1931	.....\$462,000,000
1932	.....2,740,000,000
1933	.....3,600,000,000
1934	.....3,575,000,000
1935	.....4,700,000,000

All this means money that we have spent, but haven't gotten—money we have borrowed. Government expenditures which we have really not yet paid for, but which we are going to have to pay for in the future. We are going to have to keep up with the regular Government outlays in the future but pay all these billions besides.

In the coming year we will probably add at least another two billion to this deficit—perhaps more. The point is—when are we going to start paying our way?

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TRACTOR SALES UP
IN FIRST 6 MONTHS

Farm Income Shows Increase of 20 Per Cent Over Year Ago.

NEW YORK, July 4.—Demand for tractors which accounted for 40 per cent of agricultural machinery sales last year, showed marked expansion during the first six months this year, according to Farm Income.

The improved demand indicated the smaller units as well as the heavier types. It also reflected a larger farm income.

Farmers received approximately 20 per cent more in income from products sold during the first quarter of 1936 than in the like period a year ago, the report stated.

Reduced benefit payments in the first quarter this year resulted in only a 7 per cent gain for total cash farm income.

CAR PRODUCTION GAINS

Canadian Output Shows Rise of 4 Per Cent During May.

MONTREAL, July 4.—Automobile production in Canada increased by approximately 4 per cent during May, compared with the corresponding period a year ago, it was announced today.

Production during the month totaled 20,765 cars. More than 15,000 of this was sold in Canada.

Automobiles sold in the United States during May totaled 13,776, an increase of more than 60 per cent over the same period last year.

DIVIDEND IS ANNOUNCED

NEW YORK, July 4.—Directors of the Beneficial Industrial Loan Corp. have declared a quarterly dividend of 37 1/2 cents on common and 87 1/2 cents a share of the preferred stock. Payment is to be made July 30 to stockholders of record July 15.

FACTORY USES
GLASS BLOCKS
IN SIDEWALLS

Indianapolis Fan and Pump
Plant Reports 19
Years' Growth.

The first factory building in Indianapolis was introduced to the city in an addition to the company's extensive plant located at 1125 Massachusetts-av. Work started in the middle of March and was finished two weeks. The cost was almost \$34,000.

The firm was founded 19 years ago by Louis Schwitzer, president and treasurer. Its business has experienced a steady and substantial growth until it now employs approximately 700 persons.

Entered Other Fields

Beginning with the manufacture of fans, water and oil pumps, the company expanded into other fields. It now sells its products to several hundred concerns in more than 25 different industries, Mr. Schwitzer said.

The latest of several recent plant expansions made by the company added approximately 22,000 square feet of floor space.

Glass blocks were chosen for portions of the side walls to give the factory an attractive and modern appearance, to improve lighting in the factory, and because of the insulating qualities of glass, Louis H. Schwitzer Jr., vice president, said.

Blocks Expensive

He said the glass blocks are considerably more expensive than the other brick used in the building. It is believed that a saving can be effected in heating and lighting, however.

The glass masonry was purchased from the Owens-Illinois Glass Co. plant at Muncie. Executives of this company reported a growing demand for glass blocks and said that an addition to the Muncie unit is being rushed to completion to enable quadrupling of glass block production.

Glass blocks transmit light but are not translucent. They are hollow and contain a partial vacuum of from 40 to 60 per cent. The glass blocks are described as affording insulation within themselves and are said to be ideally suited to plans for air conditioning. This type of glass masonry was developed less than 40 years ago.

Develop Stoker Business

A rapid growth in business was given as the reason for the latest addition to the Schwitzer-Cummins plant.

Four years ago the firm began making automatic stokers to add to its line of products, now including ventilating, and air conditioning equipment. The stokers, identified by the name "Stokoli," are sold in every locality in the United States where coal is used for heating, Mr. Schwitzer said.

"Products from the Indianapolis factory can be found in every country in the world," Mr. Schwitzer said. "For example, water and oil pumps made here are used in the motors which pump oil in the Texas oil fields. Others are on dredges and excavators in India and Asia. The truck trains which cross the Andes of South America are equipped with our superchargers which maintain the same power at 12,000-foot altitudes as at sea level."

VALUE OF 25 STOCKS
SHOW GAIN IN WEEK

Representative Chicago List Rises \$2,943,750 in Period.

CHICAGO, July 4.—Twenty-five representative stocks listed on the Chicago Stock Exchange had a market value at the close of business for the week ended July 3 of \$599,333,125, an increase of \$2,943,750, or 31 per cent, as compared with the market value of \$596,389,375 at the close of the previous week, according to a compilation by Paul H. Davis & Co., members of the Chicago Stock Exchange.

At the close of the corresponding week a year ago, the same 25 stocks had a market value of \$594,843,000, indicating an increase during the year of \$364,490,125 or 61.28 per cent.

CUSTOMS REVENUE
SHOWS DROP HERE

Number of Transactions Doubled, Wray E. Fleming, Reports.

Collections in the Indiana district of United States Customs were approximately \$3,000,000 less this year than last, the annual fiscal report issued by District Collector of Customs Wray E. Fleming disclosed today.

But the number of transactions handled was doubled, according to the report. Collections totaled \$7,367,683.94. The decline in collections was due, the report said, to reduction in tariff rates which were effective Jan. 1.

Merchandise imports by mail brought revenue of \$25,422.23, reflecting larger volumes of importations by individuals and state business firms.

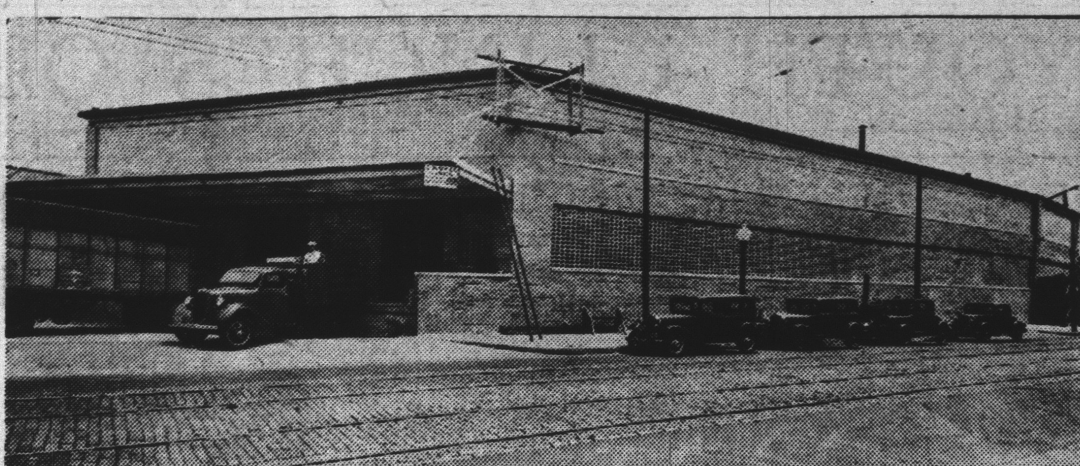
TELEPHONE RATE CUT

Michigan Utility Commission to Save Customers \$1,500,000.

LANSING, Mich., July 4.—The State Public Utilities Commission has lopped \$1,500,000 off the total telephone bills of 550,000 Michigan customers for the next year.

Reduced rates charged by the Michigan Bell Telephone Co. will generally become effective on the next billing. The commission estimates that about 60,000 subscribers in towns outside of Detroit will pay reduced rates and 138,000 Detroit customers will benefit.

SCHWITZER-CUMMINS CO. USES GLASS MASONRY



The first building in the city in which recently developed glass blocks were used extensively is an addition to the Schwitzer-Cummins Co. plant at 1125 Massachusetts-av. The addition was made at a cost of approximately \$34,000 and gives the local makers of stokers, pumps and fans an added 22,000 square feet of floor space.

E. B. Ball & Son, Contracting Firm, Just Completed the Work.

Glass block construction is the "coming thing," Mr. Ball predicted. Two "windows" in the 10th-11th side of the new building are seven feet wide and about 200 feet long.

Although the glass walls are only four inches thick, they have the same heat and cold resistance as a 13-inch brick wall, Mr. Ball said. The blocks admit a diffused light, he said, that is easy on the eyes, having no sun glare.

The glass block "windows" are divided by walls of regular glazed bricks. They are set in regular brick mortar. The blocks are tied together alternately with galvanized strips. Every 22 feet there is an expansion joint, Mr. Ball said. The base for the tiers of glass is a concrete window sill.

To provide for expansion and contraction, the glass walls rest on a

cushion and are separated from the T-beam at the top by a three-quarter inch space filled with calking compound such as is filled in between paving bricks.

The blocks are 4 inches thick, five inches high, and 6 inches long. They take up the same space as two ordinary bricks.

A few of these blocks were used in transoms in a new Butler fraternity house and in the James B. Roberts School for Crippled Children, Mr. Ball said. Otherwise, the Schwitzer-Cummins factory is the only building in the city, Mr. Ball said, where the new type masonry has been used.

HOME FINANCING
BREAKS RECORD

FHA Mortgage Commitments Exceed 1935 Total in 6-Month Period.

Times Special

WASHINGTON, July 4.—Record-breaking figures in home financing by private capital under the insured mortgage system were announced today by Stewart McDonald, Federal Housing Administrator.

Commitments to insure home mortgages made by the Federal Housing Administration during the first six months of 1936, the entire year of 1935, were \$1,175,543,754, as compared with \$1,088,584,582 for all of 1935. The Housing Administration makes such commitments when it accepts mortgages for insurance.

The statement further reveals that June figures in home mortgage commitments outstripped those of any other month since the passage of the National Housing Act. The previous record was \$35,599,760 in May, 1936. From Jan. 1 up to and including June 30, 1936, the dollar volume was \$1,175,543,754, as compared with \$1,088,584,582 for all of 1935.

Large-scale housing operations which are not included in the total of home mortgages accepted for insurance showed a similar gain during the first half of 1936. Mortgage commitments on these projects amounted to \$20,482,158 on Jan. 1, 1936, while on June 30 they totaled \$43,308,858.

Up to and including June 30, the total volume of private capital represented in commitments amounted to \$344,422,436 for \$5,593 mortgages. Rejections amounted to \$65,793,831, while the balance of mortgages in process including conditional commitments, amounted to \$4,959,791.

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This type of customer has, in many cases, the alternative of buying power from a company or setting up its own generating plant. Large commercial and industrial customers pay less proportionately than smaller ones, the commission finds. This class, composed chiefly of buyers of power, buys 51.3 per cent of the electric energy sold commercially and industrially and pays 26.9 of the total revenue of the electric utility industry, the report says.

NEW HOME LOANS
EXCEED REFINANCING

Value of Insured Mortgages High in Four States.

Times Special

WASHINGTON, July 4.—The volume of new home construction financed under the insured mortgage system of the Federal Housing Administration exceeds the volume of refinancing mortgages on existing homes in four states by the Federal Housing Administration.

Florida heads the list, with 83 per cent of the commitments of the Housing Administration to insure mortgages being used to finance construction of new homes and only 37 per cent to refinance the debts on existing homes. New York is second with 57 per cent for new construction and 43 per cent for refinancing. Wisconsin is third with 54 per cent for new construction and 46 per cent for refinancing. Idaho ranks fourth with 53 per cent for new construction and 47 per cent for refinancing.

Six other states are ranging above the average for the country as a whole, which is around 35 per cent for new construction and 65 per cent for refinancing. These states and their percentages for new construction are: Connecticut, 47 per cent; Mississippi, 46 per cent; North Carolina, 46 per cent; New Mexico, 44 per cent; Michigan, 42 per cent; California, 40 per cent, and New Jersey, 39 per cent.

BOOSTS DIVIDEND RATE

Transamerica Corp. to Pay 40 Cents a Share Annually.

SAN FRANCISCO, July 4.—Directors of the Transamerica Corp. have raised the annual dividend from 30 cents to 40 cents a share, it was announced today. The former annual rate was 30 cents a share.

The directors also declared a semi-annual dividend of 20 cents a share, and in addition, voted a special payment of 5 cents for the semi-annual period ended June 30. Both dividends are payable July 31 to holders of record July 15.

SEAT VALUE INCREASES

NEW YORK, July 4.—Plans are being arranged for the sale of a membership on the New York Stock Exchange at \$125,000, an increase of \$10,000 from the previous transaction, exchange officials announced today.

New Business Books
Available at Library

The following new business books are now available at the business branch of the Indianapolis Public Library:

THE COMING REAL ESTATE BOOM, by Ray Wadsworth. To Rent—Buy a house with a big margin. To Own—Do not pay off the mortgage. Mortgages are now a safe investment. If stuck with real estate, hold on.

LIFE INSURANCE: A CRITICAL EXAMINATION OF THE FACTS, by Edward Berman. A comparative study of costs in fifteen life insurance companies.

CLUB ECONOMICS: SUGGESTIONS FOR MEMBERSHIP CLUBS AND HOW TO OPERATE WITHIN THEIR BUDGETS, by A. F. Beve. The average citizen belongs to at least one club and often to several.

MAKING LETTERS TALK BUSINESS, by Sherman Perry. A manual of business letter writing prepared for use in a large American corporation.

POOR'S REGISTER OF DIRECTORS, 1936. In addition to the corporation list and the individual list, this new edition also includes a geographical section.

DOMESTIC POWER
MOST EXPENSIVE

Federal Commission Gives Results of Survey.

Times Special

WASHINGTON, July 4.—Commercial and industrial users of electric power pay much less for it than domestic consumers. These findings were reported today by the Federal Power Commission in its fourth of its volumes on rate schedules in the United States.

The commission finds, after a nationwide survey, that more than 67 per cent of all electric energy sold in the United States is sold to commercial and industrial users. Of total revenues collected by companies, 53.3 per cent is paid by commercial and industrial users.

This type of customer has, in many cases, the alternative of buying power from a company or setting up its own generating plant. Large commercial and industrial customers pay less proportionately than smaller ones, the commission finds. This class, composed chiefly of buyers of power, buys 51.3 per cent of the electric energy sold commercially and industrially and pays 26.9 of the total revenue of the electric utility industry, the report says.

FOREIGN BONDS RISE

30 Representative European Issues Up 3.31 Per Cent in June.

Times Special

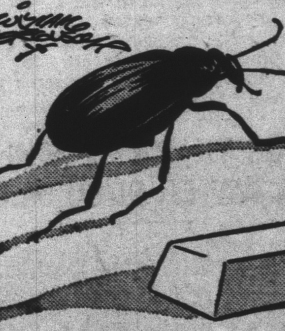
NEW YORK, July 4.—Foreign dollar bonds advanced during June, according to the Foreign Bond Associates, Inc., index of 50 representative issues, which stood at \$7,776 on June 30 compared with \$6,376 on May 31. The 30 European issues in the index rose 3.31 per cent and the 16 South American issues 2.10 per cent, while the 4 Australian issues fell 2.2 per cent.

THIS CURIOUS WORLD + By William Ferguson

The DARTER, A BIRD OF SOUTH AMERICA, ITS HEAD AFTER PREY BY MEANS OF A SPRING-LIKE KINK IN ITS NECK!

INSECTS ARE THE MOST SERIOUS
THREAT TO MAN'S SUPREMACY ON EARTH

...YET, NOT A SINGLE SPECIES GROWS TO A LENGTH EXCEEDING 10 INCHES.



Incredible as it sounds, insects are not to be considered lightly as a distinct threat to man's rule on earth. Size counts for little, as has been seen in the case of the extinct dinosaurs and insects are developed to a degree of efficiency far beyond man's possibilities. An invading horde of locusts can cause greater destruction upon a country than any human army ever could.

TRADE GROUPS
STUDYING NEW
ANTI-PRICE ACT

Federal Commission Orders
Counsel to Report on
Extent of Duties.

BY HERBERT LITTLE

WASHINGTON, July 4.—Business men and the Federal Trade Commission are studying the new Federal Anti-Price Discrimination Act to decide whether it will affect business vitally or have only slight effect.

The commission, entrusted with its enforcement, has directed Chief Counsel W. T. Kelley to study the law and report back on the extent of the commission's duties thereunder. Until this is done, no drastic action is expected.

In business circles, speculation as to possible wide reorganization is widespread, and ambitious plans are being made tentatively to obey—or avoid—their provisions.

Fake Payments Curbed

One interesting possibility is that co-operative brokerage houses may be set up by purchasers of goods. The new law forbids "fake" brokerage payments to a brokerage house which is merely a creature of the purchaser—and a mask for an added discount. But a provision allows co-operative organizations to distribute profits to their members.

Farmers insisted on this. So now the chain stores and other big buyers of goods from both manufacturers and wholesalers may organize co-operatives, some believe, in an effort to skin off a little of the middleman's profit for themselves.

The act's greatest impact is to be on wholesale trade, it is expected, although its provisions apply to every sales transaction in interstate commerce.

Main Provision Cited

The act's main provision, forbidding so-called "quantity discounts" to big purchasers, does not mean "due allowance" for bona fide differences in cost of manufacture, sale and delivery.

But if proof is presented to the Trade Commission of an "unfair" price discrimination to a big buyer, the law forbids it on the seller, who must show that the discount was a fair one.

A tremendous possible change in industry would occur if industrial concerns decided to buy or build their own plants to produce their own raw materials, as a result of the price provision.

Changes Are Expected

For instance, steel companies may have to charge the big makers of tin cans, razor-blade and such fabricated materials the same price for steel that the little men in the same business pay. At present the big buyers get considerable discounts. If these discounts are shaved down under the law, the canners and razor-blade men may find it cheaper to buy steel mills of their own.

Such a tendency, if carried far, would make for a vertical integration of industry, with one corporation owning plants all the way from the raw material to the finished product on sale in a retail store—like the unique Ford Motor Car Co. setup today.

There are dozens of such situations which will take much study, commission action, court action and the evolutionary process of adjustment to determine finally.

ELECTRICITY OUTPUT
REACHES NEW HIGH

Gains Range From 10.5 to 27.1 Per Cent During Week.

Times Special

CHICAGO, July 4.—The output of electricity in the United States rose to a new all-time record for the week ended July 27. All states were included in the compilation. Gains, comparable to the corresponding 1935 period, ranged from 10.5 per cent in the Pacific Coast section to 27.1 per cent in the Rocky Mountain region.

The Midwest area consumption ranked next in line, showing an increase of 21 per cent over the 1935 mark, accounted for by heavy concentration of the industries, it was said.

333 PER CENT GAIN
IN INCOME REPORTED

Power Company Issues Statement on 12-Month Period.

Times Special

CHICAGO, July 4.—Net income of the United Light and Power Co. increased 333 per cent to \$2,676,245 for the 12 months ended May 31, compared to the preceding 12-month period.

Earnings on preferred stock were \$5.80 a share compared to \$1.34 in the previous period. Gross income for the year amounted to \$81,547,942, a gain of \$6,564,541 over the preceding 12 months.

INDIANA FIRM EXPANDS

Lincoln National Life Co. Names Sales Agent in Hawaii.

PORT WATNEY, July 4.—Entry into the Territory of Hawaii has been announced by the Lincoln National Life Insurance Co. The Theo. H. Davies and Co., Ltd., has been appointed general agents for the entire territory and is to maintain offices and a separate life insurance department in Honolulu.

S. E. Werden has been named manager of the life department. The Lincoln National Life now operates in 35 states, the District of Columbia, the Canal Zone, and the Territory of Hawaii.

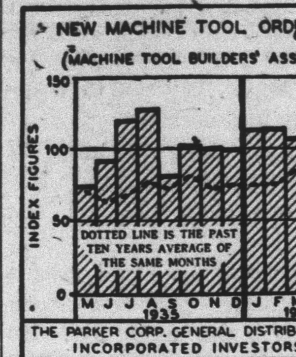
RADIO SCHEDULES RISE

CHICAGO, July 4.—Stewart Warner Corp.'s radio schedule for the current season has been revised upward at least 100 per cent, officials said today. This increase is to take care of the heavy orders placed by distributors.

All Markets Observe Holiday

Livestock, commodity, stock and bond exchanges remained closed today in observance of the Independence Day holiday. Quotations will be resumed on The Times financial page Monday when all markets reopen.

Busigraphs



There are some industries whose production carriers far more significance than just their own activity. Such an industry is the manufacture of new machine tools, for the purpose of machine tools clearly indicates future manufacturing activity. New machine tool orders in May passed a year ago by 62 per cent, while in the first five months of this year activity exceeded the same 1935 months by 79 per cent. These increased orders indicate greater industrial activity in the months ahead.

BOOK APPROVES
TRADE TREATIES

Author Says New Deal's Policy Deserves Full Support.

By Scripps-Honolulu Newspaper Alliance

SAN FRANCISCO, July 4.—The New Deal's reciprocal trade agreements deserve "full support," in the opinion of M. J. McCarthy, export manager of Stanton & Berry, freight brokers.

McCarthy's statement is made in a booklet just published by his firm on exports of California dried fruits. In endorsing the Administration's trade policy McCarthy also stated the viewpoint of the San Francisco Chamber of Commerce.

"Considering the principle behind the reciprocal trade agreements," said McCarthy, "it is believed that as the people come to understand what it means to the economic welfare and prosperity of the country as a whole, the advocates of 'self-containment' and 'buy American' will find themselves listening to their own echoes."

Says Better Ideas Lacking

"It is one thing to harass the policy of the State Department concerning reciprocal trade agreements and another to suggest, or offer a better plan which would retain our international trade without permitting imports."

"It should be borne in mind that our trade agreements are made with the view to securing the maximum amount of international commerce and the minimum amount of disturbance to our domestic industries and home markets."

"If we fail to recognize this principle, in what other manner may we halt the loss of our export market?"

"We would then witness a steady decline in our exports, the serious problem of disposing of our own surplus, the lowering of wages, increased taxation, increased unemployment and, in the case of agriculture, the abandonment of many farms."

BUSINESS PROSPECTS
CLOUDED BY DROUGHT

Labor Unrest Also Seen as Factor Retarding Recovery.

Times Special

NEW YORK, July 4.—In its weekly summary of the general business situation, the Standard Statistics Co. reported today as follows:

"Continuing drought conditions in the Northwest and growing labor unrest have tended to cloud an otherwise bright business picture. There have been only scattered rains in the dry areas recently, with the result that further deterioration in crops doubtless has taken place. Complaints of poor pastureage also have been received. Consequently the flow of milk has been reduced and raw milk prices have firmed. In fact, quotations for all dairy products have strengthened in reflection of the prospective lower supplies."

"The drought situation is serious, and widespread as it is, it will have the effect of reducing the purchasing power of a large number of individual farmers, even though Federal relief will be forthcoming."

On Commission Row

(Reprinted From Late Times Yesterday)

(Quotations below subject to change as average wholesale prices are offered by local commission dealers.)

PEACHES—Basket, crate, 24-lb. crate, \$1.50. Ruckleberries, 50c. California Bing, 15-lb. box, \$2.75. Limes—Mexican, carton, 30c. Bananas—Seven, carton, 30c. Apples—Transparent, \$2.25. Lemons—Sun-shine, 25c. Oranges—California (vine ripened) jumbo, \$2.75; standard, \$2.50. Indurans—16-lb. box, \$2.50. Georgia, Unseeded medium, half bushel, \$1.85. Apricots—24-lb. lug, \$1.75. Plums—Basket, crate, 30-lb. box, \$2.50. Seedless, 25-lb. crate, \$2.25.

VEGETABLES—Beans, green, round stringless (hamper), 5c. Beans—Round grown, 4c. Cauliflower—California (12-lb. crate), 40c. Celery—Michigan washed and trimmed (10-lb. basket), 40c. Cucumbers—Hothouse (10-lb. basket), 75c.