

By Raymond Clapper

Impressions of Vienna: Clapper
Writes of Coffee Shop Americans,
Spies, and the Duke's Detective.

VIENNA, Oct. 7.—More things to write home about from Vienna: The grim history in those 2-groschen coins, with two small ciphers sitting in the elbow of the large figure "2"—meaning that during the transition from inflation these coins represented 200 kronen, originally about \$50 and now worth two-fifths of a cent.



Mr. Clapper

The story of the young man whose parents, before the war, took out an education endowment policy for \$60,000—which became payable after inflation—so that when he collected the money he had just enough to buy a new hat.

The packed Vienna Opera, with men predominating in the audience, almost everyone following the opera from libretto and many reading the score as the music proceeds; many others doing their eyes to take in nothing but music.

The group in the Louvre Coffee Shop where Robert Best of the United Press and I sat down for a quiet cup of coffee and before the evening was over had been joined in succession by the following: Henry Stebbins, assistant commercial attaché at the American Legation; Charles Brookhart, son of the former Senator from Iowa who is our trade commissioner in Warsaw, here on leave; Mr. Lindsay, publisher of newspapers in Marion, Ind., and Sarasota, Fla.; a Chicago Tribune correspondent who was a lieutenant in the Russian Imperial Army.

One elderly gentleman who sat down with us and began reading his newspaper proved to be the father-in-law of Fodor, the famous correspondent of the Manchester Guardian.

Meets Duke's Protector

Finally, toward midnight, a hulking, broad-shouldered Scotsman, the jolliest Scot I have ever met, came in. He had to have a double cognac the first thing.

He was the Scotland Yard inspector assigned to the Duke of Windsor, and he was just off duty, having parked the Duke and Duchess safely in their hotel for the night. He has been at the Duke's elbow for 18 years, through the world-wide selling trips as Prince of Wales, through the accession to the throne, and the romance and the abdication.

He told endless stories about himself, about arguments with taxi drivers and so on, but not one word about the Duke and Duchess—not even after six cognacs, which is the height of self-control and explains why he is the only one of the Duke's original entourage who survived the Duchess.

Joe Davies, our ambassador to Moscow, and Senator Guffey of Pennsylvania sauntering through the lobby of the Bristol Hotel.

The good old American Express, an unfailing aid to American travelers.

My Diary

By Mrs. Eleanor Roosevelt

Hyde Park Has Home-Coming, With
President and His Mother Back.

HYDE PARK, N. Y., Wednesday.—My mother-in-law's steamer docked fairly late yesterday evening, but she was brought off the boat with her luggage so quickly that it seemed no time at all before we were up at her house on St. Stephen's St. She made up her mind that, in spite of the lateness of the hour, she wanted to motor straight to Hyde Park.

It began to rain last night, but that did not daunt her in the least. When I went over to the house this morning, I found her most cheerful and apparently untired, supervising the unpacking of her bags.

We were all in Hyde Park by midnight, or a little after, last night. I expected the President's party to arrive from the West by 9:45. However, first word came the train would not be in before 10:30 and they usually happen. It grew later and later and they didn't arrive until 11:30. James and Betsy came in with my husband and they are all going to Washington tomorrow.

Receives Press on Porch

After the President arrived at the house, he sat on the front porch and the entire press came up to ask questions. I very rarely stay for press conferences because I always have the most terrific urge to ask some of their questions for them!

They want to know so many things I would like to know also. I suppose I might get a great deal of explanation and knowledge if I insisted on asking questions in private, but it always seems to me a little unfair to force anyone to talk when they might be thinking of something else. In addition, it is certainly better for me to know only what the general public knows via the newspapers. Then there is never the slightest danger that I will tell something which I should not tell, for I know nothing except what anyone else who chooses to read the public press may know.

My mother-in-law is full of her experiences abroad and of the kindness which was shown her everywhere she went. I am sure the rest of the pleasant experiences she has done her a great deal of good. She looks well and is in grand spirits. When pumpkin pie appeared for lunch, some of us who have a regard for our figures, took fruit instead. With a twinkle in her eye, she looked at us and said: "You don't know how good it is. Hyde Park's pumpkin tastes better than anything else. I shouldn't eat pie, but I am enjoying it a great deal."

New Books Today

Public Library Presents—

Of the many colorful personalities which have emerged upon the American scene during the present decade, that of John L. Lewis, the dynamic champion of unskilled labor, has proved to be of more than passing significance.

Cecil Carnes, newspaper reporter turned author, has assembled facts concerning the personal history and background of his son, John L. Lewis, combined them with excerpts from speeches and reports of Mr. Lewis and his confederates in the world of organized labor, and produced the biography JOHN L. LEWIS, LEADER OF LABOR (Speller).

The author follows the career of Mr. Lewis from his first contact with labor militant during the coal strikes following the Great War, through his affiliation with the American Federation of Labor and his activities as president of the United Mine Workers of America, to the final break between craft and industrial unionism and the establishment of the C. I. O. The book ends just before the Tampa Convention of the A. F. of L., which again made Mr. Lewis headline material, and until the passing of time permits of a more profound evaluation of this character will be similar to that as a timely sketch of the life of a man who, says the author, "has built up one of the most powerful personal labor machines in America."

GOOD descriptions, illustrations and stories of historical events make LONDON'S OLD BUILDINGS (Houghton), written and illustrated by Jessie D. Wright, more than merely a collection of dates and facts. The book holds the attention of a lover of London as firmly as does a travel story.

London offers examples of every style of English architecture—Saxon, Roman, Norman and Tudor, ecclesiastical and secular; and in this volume each type is described. The modern use of these old buildings is explained, and directions given for the discovery of many which are tucked away in obscure corners, unnoticed by the casual passerby. Adventure awaits the traveler here, whether he plans a real trip to these shrines or takes his outing via the "arm chair" route.

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The New Deal—An Itemized Inventory Our Town

Roosevelt Administration Faces Grim Task of Paying Recovery Bill

(Fourth of a Series)

By Marshall McNeil

WASHINGTON, Oct. 7.—The No. 1 fiscal fact of the New Deal today is that, having lifted Governmental expenditures to a new plateau from which return will be slow and difficult, and having thereby raised the national debt to a new and enormous peak, it now faces the grim problem of paying the bill.

There are two ways this can be done:

1—By reducing expenditures and depending upon the recovery push to send national income to a point which will greatly increase tax revenues under existing laws.

2—By reducing expenditures and thoroughly revising upward the income tax laws.

This is the issue that now confronts the New Deal, and which will plague the next session of Congress, a session that will be ill at ease in meeting it because 1938 is an election year.

THERE is at least the prospect now that the Roosevelt Administration is on the path toward a thoroughgoing revision of the revenue laws. The President has conceded the "immediate need for a careful survey of the present tax structure" and he has promised Congress the facts by November.

Heretofore the New Deal has employed the "bum's rush" tax technique, embellished with political trimmings.

But it appears now—with Roosevelt Magill, the Columbia University tax expert, in the Treasury as Undersecretary—that the way is open to overhaul the tax structure completely, to put the income tax on a fairer and broader basis, and to eliminate the hidden nuisance taxes.

The New Deal inherited these latter from the Hoover Administration, and President Roosevelt has condemned them but Congress since March 4, 1933, has complacently continued them year after year at the request of the Treasury or the White House.

Four months after the advent of the New Deal, the fiscal year 1932-33 ended with a deficit of \$3,063,000,000, resulting from expenditures of \$5,142,000,000 and ordinary receipts of \$2,079,000,000. The gross national debt that June was \$22,538,000,000.

By that time the legislation of the famous "Hundred Days" was being administered: The public works program had started; the various large unemployment relief campaigns were under way; the Hoover-created Reconstruction Finance Corp. had been supplied with more money to lend to banks, railroads, insurance companies, etc.; relief for farmers, home owners and the unemployed youth had begun; great

navigation, flood control and hydroelectric projects were under way, and the NRA was preparing to loose the Blue Eagle.

With the end of the first full fiscal year of the New Deal, expenditures had jumped to \$7,105,000,000, and although tax revenues had increased, the annual deficit had grown by nearly a billion dollars and the gross national debt was up by more than \$4,500,000,000.

The first of the series of piecemeal New Deal tax bills was enacted in that fiscal year of 1933-34, to the accompaniment of considerable political thunder. This was the beginning of the hair-trigger technique, recently brought to its latest climax with the tax loopholes bill, which was enacted to the tune of a lot of front-page, big-name publicity that originated in the White House.

IN 1935 there came the grave question of tax revision, and the "soak-the-rich" bill was passed to beat back the advances made by Huey Long's share-the-wealth movement.

In 1936, because Congress passed the Soldiers' Bonus Bill over the President's veto, he countered with another white revenue rabbit—the tax on corporate surpluses which caused corporations last year to disgorge earnings in the form of dividends to escape the tax. But shareholders paid on these in their individual income taxes. This particular corporation tax is now the subject of a special Treasury study, induced by wide and vigorous complaints from businessmen. It may be amended to cure its inequities.

It was while the tax loopholes measure was before Congress this year that the Administration was given one more opportunity to broaden the income tax base, in the rates on the lower and middle incomes and pave the way toward elimination of the nuisance taxes. This was when Senator La Follette (Prog. Wis.) offered his income tax amendments to the Senate. The Senate approved them. But Mr. Roosevelt's leaders got busy and the Senate reversed itself within a few minutes.

Altogether the New Deal's various changes in the tax laws have been estimated to add a billion and a half dollars to the annual Federal tax "take," not including revenue from beer and liquor, which were legalized and taxed under the New Deal.

THE beer and liquor levies constitute a large segment of the indirect or hidden taxes which



The bill the Government has run up for WPA workers, like those shown above, makes the jobs of the officials (below) difficult. Left to right, they are Daniel Bell, acting Budget Director; Guy T. Helvering, Internal Revenue Commissioner, and Henry Morgenthau Jr., Secretary of the Treasury.

produce about half the Federal income.

The New Deal has kept the nuisance taxes and added to them, but it has also suggested various other measures of tax reform, which Congress has thus far declined to act on. Mr. Roosevelt, like his predecessors, has asked for legislation closing the tax loopholes caused by issuance of tax-exempt securities. Undersecretary Magill also has suggested mutualization of the Federal Government and the states of the salaries paid employees of both. (Congress apparently has decided that neither of these things can be done without a Constitutional amendment, and that takes time.)

The President also has suggested, unsuccessfully, that the Federal Government put a stop to the preference given taxpayers in the "eight community property" states. He also has recommended

that Congress rewrite the percentage depletion provisions of the present law, which permit oil and mining corporations to deduct from 5 to 27½ per cent of their gross income for the depletion of their mines and wells, even after the cost of the property has been completely written off. But Congress put that in the deferred file, too; an issue to be considered next session.

Having passed up the repeated opportunities for a thoroughgoing revision of the tax laws, the New Deal has had to continue borrowing to finance its relief, recovery and national defense programs, until the gross figure now is around 37 billion dollars.

This borrowing policy has been tied up with two other Federal fiscal developments under the New Deal:

1. The Administration, early in its career, was given power to call in all gold and gold certificates, and the President was empowered to devalue the dollar in relation to gold. The Government took over all the gold, including that held by the Federal Reserve System, and with the "profits" realized from the devaluation, a two billion dollar secret fund was set up to stabilize the dollar abroad.

2. The crashing of banks as the New Deal took office resulted in prompt enactment of new banking laws, giving the Government greater authority in the banking field.

HOW the borrowing has been carried on, and how the banks have been used in this connection, is explained in the Twentieth Century Fund's recent study of the national debt and Government credit.

"Reduced to its simplest terms," the study says, "the United States borrows largely from the banking system, partly through the Federal

Reserve banks and member banks, and pays out the borrowed funds in the form of relief and emergency expenditures. American business deposits the proceeds, and because of the lack of commercial demand, reserves pile up in the banks. The banks, in turn, invest in low-interest-bearing obligations of the Government because there is no other profitable use for funds."

The Treasury has been able to rent money very cheaply. Early in the New Deal, it led the way toward reduction in interest rates by acting on the British example and refinancing about five billion dollars of long-term high-interest Liberty bonds, saving the President said, about 100 million dollars annually in interest charges.

IN sum, the New Deal's fiscal problems arise out of four major efforts:

1.—To provide relief and make-work for the jobless and in so doing to prime the industrial pump.

2.—To increase mass purchasing power.

3.—To rehabilitate agriculture, help home owners, the young and the aged, and to promote national defense.

4.—To borrow money to pay the bill.

This borrowed money helped tide us over a great emergency. Its expenditure has helped bring about general business recovery, although most of the fundamental problems still exist.

Having borrowed itself deeply into debt in bad times, the Government now faces the greater problem of meeting the bill in good times.

This is Fiscal Fact No. 1 of the New Deal today, the facing of which requires more courage than spending at least more political courage.

NEXT—The New Deal and foreign affairs.

By Anton Scherrer

Kiser's Grocery Was Riley's Refuge
When Poet Had to Use Telephone;
Chronicler Reveals a Love Story.

THIS is as good a time as any to tell you about Gottlieb Kiser's grocery on the northwest corner of East and New York Sts. It's gone now like a lot of other good things. The building is still there, however, and looks just the way it did when James Whitcomb Riley used to drop in to do his telephoning. Mr. Riley lived around the corner in Lockerbie St. at the time.

Mr. Riley hated telephones like everything, and wouldn't have one in his home on a bet—not at the start, anyway.

That's why every time he tried, the telephone "rared up on him" and hit him in the face. I happen to know that because Mrs. George A. Solomons and Miss Caroline Kiser told me about it the other day. Sure, they're the daughters of old Gottlieb.

Gottlieb Kiser's grocery also supplied all the candy Mr. Riley bought for the kids of the neighborhood. One year, Mr. Riley asked the Kiser girls to give him the names of 18 kids, and sure enough that Christmas every one got an autographed copy of Mr. Riley's poems. The next year he repeated the performance, and then the kids thought they had to do their part, and so they took up a collection and gave Mr. Riley a Christmas present, too. After that, Mr. Riley stopped giving Christmas presents.

Gottlieb Kiser's grocery also supplied Mr. Riley with his sauerkraut. The Kisers made their own kraut, and Mr. Riley used to tell them that that it was the best ever. Even after Mr. Riley got the habit of spending his winters in Florida, the Kiser grocery used to keep him supplied with home-made sauerkraut. Never charged him a cent for it, either.

Story of Thwarted Love

That's nothing, though; wait until you hear this one. Before the Kisers came to Indianapolis, they lived in Ft. Recovery, O. That was back in the late Sixties I guess. Well, one day when Miss Kiser was a little girl, she went to Dr. Townsend's Medicine Show, and there she remembered seeing two kids. One was Jim, the son of Dr. Townsend, who helped his father sell a medicine guaranteed to cure tape-worm.

The other kid's name was Jim, too, and he played a fiddle to keep the crowd in good humor.

Dr. Townsend also had a lovely daughter, Hattie by name, and the more the fiddler saw of her the more he liked her. Pretty soon, he fell in love with her, but Hattie couldn't or wouldn't see it that way. I don't know whether Hattie's behavior had anything to do with it, but shortly thereafter the fiddler left the show. Before he left, however, he gave a little party for Jim and Hattie and their father, and it was on this occasion that he made a little speech, in the course of which he expressed a hope that things might be brighter the next time they met.

Well, the next time they met was years later, sometime around 1880, as a matter of fact. Believe it or not, by this time Jim Townsend was a Senator, and Jim the Fiddler was a poet in his own right—our own Jim Riley, of course.

As for Hattie, I don't know what happened to her. To hear Miss Kiser tell it, however, that's the reason Mr. Riley never got married.

Jane Jordan—

Jane Warns Deserted Wife Against
Second Marriage to Her Employer.

DEAR JANE JORDAN—I am a married woman but don't know where my husband is. He left me some time ago and I never have heard from him. I have a son larger than I am. I have been keeping house for a man who has a daughter and he wants me to marry him, but I haven't even tried to get a divorce because I would rather have my husband. I don't know why he left for we didn't have any children. This man I keep house for is awfully jealous and awfully hard to get along with. He doesn't care much for my son. They can't get along very well. In fact this man can't get along with anyone well. At times I think I would like to marry him for I do like him a lot. I don't know if I should try to find my husband or just forget him and get a divorce. I wonder if you could help me any.

PEGGY.

Answer—It is fortunate for you at this time that you are not divorced and therefore are not free to accept your employer's offer of marriage. Isn't it obvious to you that the man's relationship with other people is impaired? The inability to get along with one's fellows is one of the most serious impediments to a successful marriage. You feel this instinctively or you wouldn't have written.

Have you ever wondered why you consider such an unattractive proposal at all? Almost every woman longs to be relieved of the task of taking care of herself. She feels safer when she turns the job over to an able husband, most of whom won't accept another. Wouldn't it be better simply to face the fact that you are alone in the world temporarily, and must depend on your own efforts at least for some time to come?

Confidence in your own ability to take care of yourself will give you independence so that when and if you choose another mate you will not be influenced by the drive of fear to select someone unsuited to you.

Note to L. L.—A child may take his stepfather's name, but it will not be legal unless the name is changed by the courts. See a lawyer.

JANE JORDAN.

Put your problems in a letter to Jane Jordan who will answer your questions in this column daily.

Water O'Keefe—

WITH the price of meat in the stratosphere, the butchers are the economic royals of the moment. Pretty soon a man will be able to negotiate a first-mortgage on a slice of roast beef.

No wonder the rodeo is packing them in at Madison Square Garden. It isn't the steer-topping or the bronco busting that's attracting people; right now it's the cheapest way to see a good-sized piece of meat. The divorce suits of the future will have the aggrieved wife demanding the custody of the lamb chops.

Apparently George Bernard Shaw is as wise as he himself thinks he is. The old sage saw what was coming 60 years back when he was a vegetarian.

It might give rise to a serious diplomatic incident if a customs inspector caught the Duke and Duchess of Windsor smuggling in a mutton chop when they arrive here.

Jasper—By Frank Owen

By Mrs. Walter Ferguson

FROM my kitchen window I see five empty houses. All are freshly painted and are charmingly livable, yet three have had unlighted windows for more than a year. They are houses that would be nice homes for children.

Pray don't get the idea from this that there is a surplus of residences in our city. Quite the contrary. People are crying for places to live. People are crying for places to live. People are crying for places to live.

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Side Glances—By Clark

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