

PAYMENT OF WAR DEBTS WOULD BE BAD FOR U.S.

Billions Loaned Never Left Country, Additional Flood of Money Has Poured in--Vast Sums Increase the Danger of Inflation

(By Frederick J. Haskin)
WASHINGTON, Jan. 14—Periodically the American people bethink themselves of the war debts—the loans to the allies in wartime—and wonder anew why they have not been paid. There is a good deal of editorial comment on the subject, and no lack of public commentators to declare that American taxes would be lower were the debts paid.
Subject Misunderstood
There seems to be a very general lack of understanding of the matter. It seems not to be realized that payment, especially sudden payment, would be about the worst thing which could happen at this time.
There are only three ways in which international debts can be paid. The first is by the shipment of gold. The United States does not want any more gold. Already it has some \$11,000,000,000, which is half the entire monetary gold in the world. More would be of no use to the United States, but would only serve to strip other countries and lessen their ability to purchase American goods. Frantic efforts are being made to extend American foreign trade. It is recognized that a material part of our prosperity depends upon ability to find foreign markets. Those markets could not be found if the prospective customers were stripped of their gold.
The second method of international settlement is through shipment of goods. That method of accepting pay-

ment of the war debts would be, if possible, worse than the acceptance of gold. It would mean that tariff bars would have to be lowered permitting the foreign goods to come in free. Although there has been a gratifying measure of re-employment since the depth of the depression, there still are millions of persons out of work. Were these foreign goods to be permitted favored treatment, the inevitable results would be closed factories and more out of work.
The third method is through services. This means that ships owned by the debtor countries would give preferred rates on American cargoes. Such a procedure, of course, would put the American merchant marine out of business. American-flag ships have difficulty as it is in competing with foreign-flag ships, but this would be the final stroke. Then insurance services would be added. Companies of the debtor countries would quote low rates, which would have the effect of damaging the business of the American firms. Various other services, normally in competition with Americans, would quote lower rates as a means of discharging the debt and the Americans in the same business would be at a rank disadvantage.
Business Investments
So it is obvious that acceptance of payment of debts by the allies would amount to a national tragedy. The gold, the goods, or the services would fall like a blight upon the United States just at the time when it is climbing out of the slough of depression.
In the first place the money never went out of the country at all. It was used right here to buy munitions, food, and every sort of war material. It was used to pay wages, and good wages, to hundreds of thousands of Americans. It was used to swell the profits of the contracting companies filling the orders. The treasury got a very substantial amount of the money back almost at once. Not only was there the income tax at

high rates, but there was the excess profits tax. It would be an almost impossible task to trace the funds, but it is a safe assumption that hundreds of millions went out of the treasury to loans to the allies and came full circle back within the year through the medium of taxes.
But aside from all that, an enormous flood of money has been coming into the United States, not in payments made by foreign governments to the United States government, but in the form of private funds sent here for investment. As a matter of fact this is more imported money than payment of official debts would bring. Were the foreign governments to pay the United States the money would go directly into the treasury and be spent, as most government money is spent, for non-productive purposes. As it is, the money is going into private business and being used to assist in the restoration of prosperity and the building up of profits. The treasury will get its full share of those through the income tax.
Figures have been compiled covering the last 21 months. They reveal that in that time \$2,281,659,000 has come into the country from foreign sources. Of this total, \$1,353,072,000 was in short-term banking funds—money to be lent to Americans. They were an item of \$905,429,000 for investment in American securities, stocks and bonds. There was a further matter of \$23,158,000 in brokers' balances.
Reason for Deluge
A good deal of this money represented the flight of capital. For example, when Italy began the conquest of Ethiopia and the League of Nations voted sanctions against Rome, many owners of capital became nervous, fearing a general European storm. Then came the Spanish civil war. There was also the reoccupation of the Ruhr by the Germans and the re-militarization of the Dardanelles by the Turks. People who had cash wanted to get it under cover, and people who owned land or other valuable chattels converted them and sent the money here. Then, too, there was an upturn here and confidence was felt in American securities. Many foreigners thought that American stocks were still at bargain prices.
Most of this money came from Great Britain. The British during these 21 months sent \$789,204,000 here for investment in American enterprises. Switzerland looks small on the map but looms big in finance. The Swiss, in this brief period, sent \$297,630,000 here for investment.

NOSES, CHINS AND CHEEKBONES AS INDICATORS OF APTITUDE

"Nature is Not Haphazard," Says Management Consultant on Personnel, in Telling How He Picks Men

NEW YORK, Jan. 15—A man with a cheekbone prominent at its forward corners is cautious; a man with a prominent nose-bridge had a high quality of defense, which makes him react aggressively to a perilous situation; a man who is "long-headed," with a lengthy expanse between his ear openings and the frontal sinuses registers in his brain much of what he sees; a man whose nose tilts upward is superficial in observation; a man with a prominent chin has plenty of stamina; a man with a cheekbone prominent throughout recuperates quickly from fatigue; a man with a large, full puffy upper lip is full of optimism.
These are some of the rules by which George R. Lightowler, management consultant on personnel, judges men's suitability for jobs, he said recently before a technical group in a speech reprinted in part in the current issue of Safety, the organ of the American Museum of Safety and the Greater New York Safety Council.
He Explains His Ideas
Excerpts from his explanation of his ideas, recalling physiognomographical theories of Lombroso, which experience did not support, follow:
"Nature is not haphazard. It has imprinted upon our faces for every one to see those definite indices of character which, if we only can read them, tell us what a man can do—what he is particularly good at, what he is particularly poor at.
"You all know the location of the cheek bones. The zygomatic arch is the proper technical term. The cheek bone starts at the front of the face just below the eye socket and bends around the side of the face, eventually tying back to the skull just in front of the ear. Every one has these cheek bones, but have you noticed that with some people they are more prominent than others? With some they stand out like big lumps. With others the whole face in this region is more flat. A person's native tendency to caution is in direct ratio to the prominence of this cheek bone on the forward corner, just at the side of the face. A full high cheek bone—a cautious person. A low, flat cheek bone—a person without caution.
"Nature has more than one string to her bow. You will see many people who do not have a high index of caution, yet their record shows they are seldom involved in accidents themselves. These people are what we can best term as defensive. Caution is a static faculty. A person with a high caution proceeds carefully and, as I have already said, slowly. The faculty of defense is dynamic. In an emergency, caution causes a man to remain rooted to the spot—freeze. Defense causes him to jump—do some thing. He may jump from the frying pan into the fire, but he will instinctively act. He will protect himself even though in doing so he causes the other fellow to get hurt. This is, of course, an extreme case.
How to Recognize Defense
"I am a little hesitant of telling you

how to recognize defense. No one faculty ever stands alone. Defense can be recognized by the prominence just above the eye level. A low flat bridge is slow at starting defensive tactics. A high defense manifests itself as a big, hawk's beak. A middle of the road average is the best for all purposes.
"Look at a man for the distance from his ear opening forward to his frontal sinuses. That is the way to judge his perceptive ability. The longer that distance—it gives him a long headed appearance with the ears set far back—the more the details of what he perceives register upon his brain.
"The next thing to look for in a workman is that which energizes this perception. Look for the length of the nose forward from the face together with the tilt, whether it is upward or downward. The ideal nose will be prominent in lower section, in the soft fleshy section which is below the bony section. Furthermore, it should stick straight out and not point much either up or down. You will notice as a rule that a nose which tilts upward is seldom long. In other words it is the sign of a superficial observation. A nose that points downward at the end watches details. In extreme cases it will magnify details out of all proportion. Therefore, I say the nose should be fairly long, tilting neither up nor down.
"The greatest percentage of accidents occur, I have been told, not at the start of the day, but toward late morning and still more late afternoon. The fatigue factor is directly responsible.
"Have you ever seen the little fellow tire out the big fellow? If you will observe closely, you will see that the tireless little fellow has a much more prominent chin—I said chin, not jaw—than the big fellow.
"I spoke before of fatigue from the stamina angle. Now I would like to talk of fatigue from the recuperative angle.
"Recuperation can be judged by the same cheek bone you look at for the index of caution. For caution you observe the prominence on the corner of the face just toward the front. For recuperation you observe the prominence of the cheek bone on the other side of the face from the ear forward. Whether the face is fat or thin means little. What you are looking for is the prominence of the cheek bone as it sticks out. If the side of the face is flat—no quick recuperation. If you see the old bone stick out—and it can stick out in extreme cases a half inch—quick recuperation.
"No matter how carefully work is

COLUMN MEASURE

A good reader wishes to know why the word "Yule" appears in newspaper headlines so much more frequently than "Christmas." If "Good Reader" ever tried to write a headline—and make it fit—he would quickly find the answer to his question. The width of a column is one of the most uncompromising facts in the world.—Vancouver Province.
planned, no matter how thorough the safety engineers are, there are certain jobs which are just downright dangerous and nothing can be done about it. Bridge builders, window cleaners, coal miners, high-pressure still tenders, a hundred others, fall into this category. When a man knows he is in a dangerous job, unless he has optimism, he worries. When he worries he gets sick or nervous. That is when something happens to him. A native optimism will cause the upper lip to show large, full and puffy. If the lip is small, if it gives the appearance of tightness or if there are deep holes right at the corner of the nose, that man's optimism is low. He will worry—have no confidence in himself. Then watch out for trouble."

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