

U. S. Pays More Than \$5 Billion Annually on Debt

By CHARLES MOLONY
AP Newsfeatures

WASHINGTON—The government owes so much money—about three fifths of all that it owes in this country—that it is has to pay \$5,200,000,000 a year in interest.

It would pay more than that if the 12 Federal Reserve banks weren't holding its interest costs down artificially by keeping the prices of its bonds artificially high.

These bonds are the ones bought and sold on markets in New York and elsewhere just as corporation stocks are.

They are not savings bonds, which are in a different class. The owners of these cannot sell them to other persons, and the prices at which they can be cashed in to the government are fixed and unvarying.

The reserve banks keep the market bond prices at par or better by buying the bonds themselves if no one else will buy them at the "support" price levels fixed by the banks.

To show what that has to do with interest rates, let's take the case of a \$100 face value bond which sells for \$100 and on which the government pays \$2.50 a year, in interest.

The yield on that bond is 2 1/2 per cent. If the price of the bond went down to \$90 on the market, the \$2.50 a year interest would boost the yield above 2 1/2 per cent, for \$2.50 is a bigger percentage of \$90 than it is of \$100.

The government wouldn't feel any immediate difference on that bond when its price dropped from \$100 to \$90. It would have to keep on paying \$2.50 interest a year and pay \$100 for the bond when it fell due, because that was its promise when the bond was issued.

But when the bond fell due, things would be different. The government can't pay all \$137,000,000,000 worth of its marketable bonds off with cash on hand because it doesn't have that much surplus cash.

It can, however, borrow the \$100 needed to pay off your bond by issuing another bond. But if old bonds paying \$2.50 interest were selling at \$90, the government would have to pay higher interest on its new bonds—about \$2.66—to sell them for \$100 each.

As long as the federal reserve banks buy the bonds for \$100 or slightly more, that doesn't happen. The interest rate stays at 2 1/2 per cent and the government's interest costs stay down.

This is important for a lot of reasons. One is that keeping interest rates down on government bonds tends to keep interest rates low for corporations issuing bonds, and for other borrowers.

Some people think it is a mistake for the Federal Reserve banks to hold down government interest rates and thereby other interest rates.

They say making it cheap to borrow promotes borrowing and therefore adds to inflation, reflected in high prices, which the government says it is combating in other ways.

They take the position that one of the best tried and true ways of stopping inflation is to cut down borrowing by letting it become more costly.

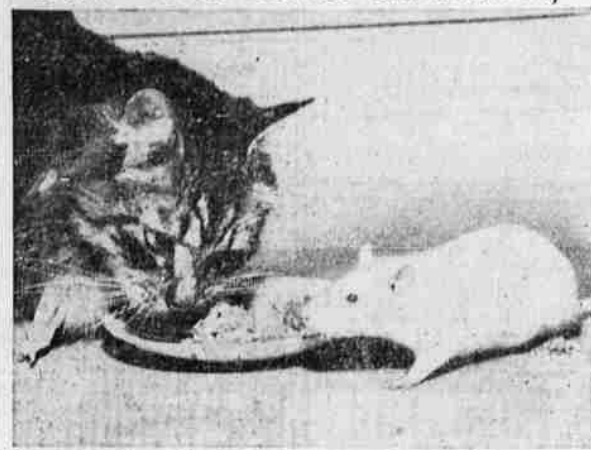
The Federal Reserve System and the administration, however, say that interest on the \$253,000,000,000 debt already accounts

Trainer New Step in Jet Aviation



America's first jet-propelled training plane, the Lockheed TF-80 Shooting Star, a two-seater counterpart of the P-80, was unveiled to the press at Burbank, Calif. An electrically operated "bubble" covers both the cockpits. Lockheed's Chief Engineer Hal Hibbard (left) shows the twin-seating arrangement to Brig. Gen. Thomas C. Darcy (right).

Doin' What Comes Unnatchery



Squee the rat and Terry the cat are just like that. The two unnatural friends eat and play together, and Terry even lets Squee climb on his back. The animals are owned by Seattle, Wash., couple.

for 13 cents of each dollar the government spends, and that paying more would increase the tax burden.

Of the 1,110 varieties of trees in the United States only about 100 have enough commercial value to be of broad economic significance.

Officers Elected By Oregon Educators Assn.

PORTLAND, (AP)—The Oregon Education Association closed its annual convention here after a record attendance of 3,500 at the three-day session.

Errol Rees, Lake Grove, was elected president and in a com-

panion session, Harold O. Palmer, Klamath Falls, was elected president of the Oregon Business Education Association.

Other officers of the education group: Martha Shull, Portland, vice president; trustees, Neil Brown, Salem; Earl Condit, Portland; Austin Scraftford, Hillsboro; Frank Thomas, Grants Pass; Helen Whitecomb, The Dalles; Henry Tetz, Heppner; James Bushong, Bend; A. L. Beck, Canby; E. H. Silke, Springfield, and Harriet Brumbach, Nyssa.

The other business group officers: Joseph Updegraffe, Baker, vice president; Eldridge Huffman, Umatilla, corresponding secretary; Margaret Ghormley, Canby, secretary-treasurer.

Aged Woman Recovering From Seven-Story Fall

PORTLAND, April 5.—(AP)—Mrs. Margaret Albertson, 70, is recovering from a seven-story fall from a hotel window here more than a year ago.

St. Vincent's hospital reported the woman soon can go home. Her drop was broken by a car was awning over the sidewalk at the Park Hotel. She had suffered multiple fractures of the chest, legs and pelvis.

The woman said after the accident she had become dizzy while looking out the window and lost her balance.

The capital of the secluded realm of Yemen is San'a.

Millionaire Draft Dodger is Denied Conviction Review

WASHINGTON, April 6.—(AP)—Serge M. Rubinstein, Russian-born international financier, yesterday was denied a Supreme Court review of his conviction on a charge of violating the selective service act.

Rubinstein was accused of filing false statements with his draft board. These included assertions that he was essential to war-time operations of some of the companies he controlled.

He was sentenced in federal court in New York City to 2 1/2 years in prison and was fined \$50,000. His appeal papers stated he has been in custody since he was sentenced April 23, 1947.

Rubinstein came to the United States in 1938. In Wall Street operations he reportedly ran a small stake into a fortune estimated at \$5,000,000.

Among other actions yesterday, the court:

Agreed to review the trial of Samuel Taylor, Alabama Negro sentenced to death for rape of a 14-year-old white girl.

Agreed to review the murder trial of Gailther (Red) Lovelady, Texas Negro, who was sentenced to death in the fatal shooting of John Brewer, a city marshal of Lexington, Texas.

Upheld a contempt conviction against Harrison Parker, Chicago churchman. Parker was sentenced to 90 days in jail for filing a "scurrilous affidavit and exhibits" in the office of the clerk of the Cook County circuit court.

IWA Meeting Straddling Canada-U. S. Line Planned

VANCOUVER, B. C., (CP)—A proposal for holding the International Woodworkers of America's annual convention this year so that both Canadian and United States delegates may attend, despite Communist border-crossing bans, has been approved by the union's B. C. district council.

The suggestion is that a giant tent be erected on the border at the peace arch, near Blaine, Wash. Canadian members would sit on the Canadian side of the tent, with American members occupying seats on their side of the boundary.

The district council will send the proposal to L. W. A. president J. E. Fading of Portland.

Manhattan is 12 and one-half miles at its longest and two and one-half at its widest.

A. J. Rossi, Ex-Mayor Of San Francisco, Dies

SAN FRANCISCO, April 6.—(AP)—Angelo J. Rossi, 70, mayor of San Francisco from 1913 to 1914, died yesterday.

When he was 9 years old, he started work as an errand boy with a florist here. He became senior partner of the big florist shop, Angela J. Rossi Co., Inc.

Wood Molasses Tried as Feed For Cows and Swine

The old gag about teaching cows to eat sawdust may no longer be much of a gag if feeding trials with wood sugar molasses now under way at the Oregon State college experiment station prove successful. This molasses, made from Douglas fir wood waste, is being fed to dairy cattle and swine in a long-range study of the feed value, uses and cost of this waste wood product.

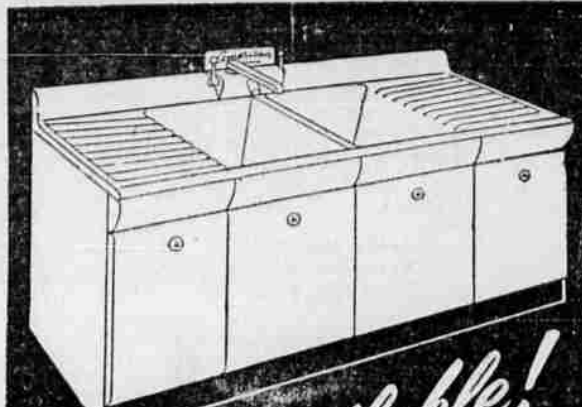
While the particular molasses in these tests is made from Oregon wood sent to the federal forest products laboratory at Madison, Wis., the product could be made in the alcohol plant at Springfield, Ore., or similar plants that might be established in the future. By a chemical process wood cellulose is converted into sugar, in which form it may be used for feed or continued on to become alcohol.

The swine feeding study, first of its kind in the nation, will compare the feed value of the wood molasses with cane and beet sugar molasses and will test the value of brewer's yeast as a supplement in a wood molasses ration.

Eight lots of fall-farrowed pigs from the college herd are being used. One lot receives the basal ration of barley, tankage, alfalfa, bone meal and iodized salt. The other seven receive the basal ration with various cane, beet and wood molasses combinations substituted for barley and tankage. Pigs are weighed every two weeks and checked for diet deficiency symptoms.

The comparative value of wood sugar molasses and beet molasses in improving the palatability of low quality hay is being studied in the dairy cattle feed tests.

Three lots of purebred Holstein and Jersey heifers are under test. One lot is fed chopped low quality oats and vetch hay and three pounds of ground barley daily; the second receives wood sugar molasses in place of the barley, while the third gets beet molasses. These feed tests will continue until May 1, with additional trials planned later by the cooperating agencies.



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Gift Gossip

By MARGIE

Hello there, all you scientific people! Don't you sometimes wonder about Lucite? What it is, and where it comes from? Would you believe me if I told you it is made of coal, air and water? 'Tis true, no less. First they are combined in a gaseous form. Then, under terrific pressure, the gas becomes a thin liquid. Finally the liquid is polymerized (don't ask me!) and comes out as Lucite, or Crystalite, or Plexiglass, depending upon what company is making it, and what it is used for. So that, kiddies, is my little lecture for today, and if you'll put on your old gray bonnet and jog down to DOROTHY'S, at 115 S. Stephens St., you can see oodles and slathers of the finished product in all its beautiful splendor.

Lucite resembles petrified Jello in six delicious colors, and you simply can't imagine the countless articles that are made from this magic material. Hat stands, frinstance, that spiral gracefully to form a jaunty perch for your chapeau when not on duty. Coat hangers in sizes to match your shoulders. Powder boxes with puff included; you can see it right through the transparent container. Cigarette boxes and/or jewel boxes, cute stuff for parlor or bedroom. Contents can be noted at a glance without lifting the lid. All in Lucite and all at DOROTHY'S, where you never know what's coming up next.

Everyone has a well-bred conception of the cleverly designed grand pianos of crystal-clear Lucite. Some are player pianos that give with a tinkling tune when the lid is lifted. In these you can actually see the wheels go round as the little perforated cylinder turns with a right good will. Just crank 'er up and let 'er ramble. Did you ever think of gift wrapping a piano? DOROTHY'S will do it for you, on the double; and isn't somebody going to be surprised! Lucite compacts are a pleasant thought, too. Go prospecting for Lucite at DOROTHY'S on Stephens. And don't forget the store over Sunnyside way. Adios, amigos, Margie. —(Pd. Adv.)



You can't realize how much easier it is to sit down and do a week's batch of ironing on one of the new Speed Queen Ironers until you actually try it. Then you'll put your ironing board in the same classification as the washboard! Stop in and take a look at the new Speed Queen models.



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