SUSAN OF THE WAVES

by ALLEN EPPES

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Susan Esterbrook, New York glamour girl, is being courted by Pierre Dupre, a Fighting Frenchman, and by Dick Craig, a young man whom she has known all her life. Then, she meets and is greatly attracted to Harvey Rogers, a young flyer. A few days later, as the result of the death of a favorite cousin overseas, she decides to join the Waves. Trying to forget her grief over her cousin's death, she phones Pierre and asks him to take her dancing. With Pierre at the time is Carl Cooper, a man who seems strangely interested in the war plant owned by Susan's father. He suggests that Pierre induce Susan to show him through the plant and hints that, unless Pierre cooperates, harm may come to his relatives in France. Pierre, realizing that Carl must be a Nazi, is badly worried. That evening, he and Susan run into Carl and a Frenchwoman at a supper club. When Carl tells Susan that Pierre would be interested in seeing the war plant, she's puzzled. Meanwhile, she has arranged to take Harvey out to the plant the next day, for her father wants Harvey to address the workers.

CHAPTER X

THE next day, Susan forgot all about Pierre, Carl Cooper and the rather odd Frenchwoman. Being with Harvey Rogers was such a pleasant thing, and the day such a perfect one, she gave way entirely to enjoying both the day and him.

Although it was winter-time, it was one of those rare New York days when it would appear that spring had slipped from the lap of winter, and gone for an early frolic. The feel of spring—a deceptive balminess in the air—was especially noticeable out on Long Island.

Susan stopped outside the subway exit to take a long, deep breath.

"Wonderful, isn't it?" she said.

"Perfect," said Harvey. "Let's take a taxicab instead of the bus. We can talk better in a taxi, anyway. And I feel like talking to you."

"I feel like hearing you," said Susan.

They found a taxi and got in. Susan took off her tricky little hat, and leaned her head back against the upholstery.

"Susan Esterbrook," said Harvey, "you are a treat for my eyes. Lovely, lovely Susan."

Susan smiled at him. "Nice things you say to a gal. Now go on and talk."

"It's about my leave," said Harvey. "It's been cut. I've got to leave at midnight."

SUSAN sat up quickly. "Oh! That's awful, Harvey. I was sort of counting on you to give me courage—you know, the old morale stuff."

Harvey laid his hand over hers. "What's up? Why should a girl like you need courage?"

"I'll be in uniform in a few days."

"Good Lord!"

"And I was hoping you'd be here a little longer, to buck me up, and tell me about the ropes."

Harvey tightened his hold on Susan's hand. "You in a uniform—regimented—dressed exactly like hundreds of other girls." Then, leaning nearer, he asked, "Do you know what it all really means?"

"I think I do," said Susan. "Anyway, I'm ready to face it."

"You know, of course, that being in uniform may interfere with any marriage plans you have," said Harvey. "I mean, marriage won't be so easy, once you've started drilling and all that."

"I can forget marriage for the duration, can't I?"

"Sure, but what about the man? Is it fair to him?"

"What man?"

"The man who's in love with you and wants to marry you."

"He'll have to wait, that's all."

"Then there *is* such a man?"

Susan nodded. "Two, as a matter of fact."

"Wrong," said Harvey. "There are three?"

"What do you mean?"

"I've gotten into line, Susan. I suppose it sounds silly—love at first sight, and all that. But that's the way it is with me."

"You mean you want to marry me—so soon?"

"The sooner the better," said Harvey. A dreamy expression came into his eyes. "Long, long ago I created a mental picture of a girl just like you. I used to climb up to the top of my grandfather's barn, jump off with a homemade parachute, and pretend a girl like you was cheering me on."

"WHEN you talk like that," Susan said softly, "a girl would have to be a hardened wench not to adore you."

"Meaning you might adore me?"

"Yes, Harvey," Susan said. "These few meetings with you have done things to my heart, and I'll admit it. But, you see, I—"

"Yes, Susan—go on, please."

"But let's not talk of marriage," Susan continued. "After all, we can't see very far into the future."

"I know," said Harvey. "And now that you've joined up, I suppose it's silly of me to dream of you waiting here for me."

"I'll be waiting, all right," Susan told him, "wherever I am. But we can't count too much on seeing each other very often, or for any length of time, now can we?"

Harvey shook his head. "Where will you be stationed?" he asked.

"I'm not sure, but I'll let you know."

"Then could I come to see you?"

"I'd love it, Harvey."

The taxicab was drawing up before the huge iron gates in front of her father's factory.

"Could you see me off tonight?" Harvey wanted to know. "I leave from Grand Central Station."

"Of course, I can," Susan said. "We'll meet early."

Harvey leaned a bit closer. "Susan, I'd—I'd give a lot to kiss you."

She lifted her face. "Then kiss me."

Harvey drew her into the circle of his arms. His lips found hers and clung, hungrily, adoringly.

THE guard at the factory gate peered into the taxicab. "Beg pardon, Miss Susan, but are you-all comin' inside?"

Susan jumped. So did Harvey.

"Oh, er—yes, Mr. O'Neill," she said. Then, feeling that she had to offer some sort of explanation for the love scene the man had just witnessed, she introduced Harvey, and said, "The man wants to marry me, Mr. O'Neill. Do you approve?"

The guard grinned. "I sure do. He looks like a pretty swell sort of young feller."

"Thanks!" said Harvey.

Susan squeezed his hand. "I've known Mr. O'Neill ever since I was an infant. He used to be our caretaker at our country place." She jumped out of the taxicab. "Come along, Harvey. We've got a lunch to eat, and you've got a speech to make."

(To be continued)

(The characters in this serial are fictitious)

On the Radio Chains

STATIONS:

Chain affiliation and where they are on the dial:

KALE (MBS) 1330, Portland; KEX (NBC-Blue) 1190, Portland; KGA (NBC-Blue & MBS) 1510 Spokane; KGO (NBC-Blue) 810, San Francisco; KGW (NBC-Red) 620, Portland; KJR (NBC-Blue) 1000, Seattle; KNX (CBS) 1070, Los Angeles; KOA (NBC-Red) 850 Denver; KOIN (CBS) 970, Portland; KOMO (NBC-Red) 950 Seattle; KPO (NBC-Red) 680 San Francisco; KSL (CBS) 1160, Salt Lake City.

Time Shown Is PWT

Monday

5:00 p. m.—Vox Pop, KSL; Terry and the Pirates, KGO, KJR, KEX; H. V. Kaltenborn, KOA; News, KPO, KOMO; Personality Hour, KGW; Uncle Sam, KNX; Heathman Concert, KOIN.

5:30 p. m.—Harry W. Flannery, news, KNX, KOIN; Voice of Firestone, KPO, KOA, KOMO, KGW; Jack Armstrong, KGO, KEX, KJR; Home-Workshop of the World, KSL.

6:00 p. m.—Lux Radio Theater, KNX, KSL, KOIN; Telephone Hour, KOA; Eyes Aloft, KPO, KGW, KOMO.

6:30 p. m.—Dr. I. Q., KPO, KOA, KOMO, KGW; Victory Parade of Spotlight Bands, KGO, KJR, KEX.

7:00 p. m.—Raymond Gram Swing, news, KGO, KEX, KJR; Carnation Contented Hour, KPO, KOA, KGW, KOMO; Screen Guild Play, KNX, KSL, KOIN.

7:30 p. m.—Information Please, KPO, KOA, KGW, KOMO; Blondie, KNX, KSL, KOIN; Johnny Harrell, KEX; Song Session, KGO.

8:00 p. m.—Fred Waring in Victory Tune Time, KPO, KOA, KGW, KOMO; Roy Porter, news, KGO, KJR, KEX; I Love a Mystery, KNX, KSL, KOIN.

8:30 p. m.—Cavalcade of America, KPO, KOA, KGW, KOMO; Counter Spy, KGO; Gay Nineties Revue, KNX, KSL, KOIN; Underground Passport, KEX; Greater Washington Hour, KJR.

9:00 p. m.—News, KOA, KSL; I Was There, KNX, KOIN; Telephone Hour, KPO, KGW, KOMO.

9:30 p. m.—Vox Pop, KNX, KOIN; Hawthorne House, KPO, KGW, KOMO; News, KSL, KEX, KJR, KOA; Dance Orch., KGO.

10:00 p. m.—Reporter News, KPO, KGW, KOMO; News, KOA, KOIN, KNX; Music for Romance, KGO; Vagabonds, KJR; Masterworks of Music, KSL.

10:30 p. m.—Dance Orch., KNX, KOIN; H. V. Kaltenborn, news, KOMO, KPO; Broadway Bandwagon, KEX; Nite Club, KGO; Gardening for Food, KGW.

11:00 p. m.—This Moving World, KEX; Charles Lavere, KGW; Dance Orch., KOIN; News, KOMO, KGO, KNX; Folk Music, KJR.

Tuesday

5:00 p. m.—Big Town, KSL; Terry and the Pirates, KGO, KEX, KJR; Anity Carol, KNX, KOIN; News, KPO, KOMO; Personality Hour, KGW; Navy program, KOA.

5:30 p. m.—Horace Heidt, KPO, KOA, KGW, KOMO; Harry W. Flannery, news, KNX, KOIN; Jack Armstrong, KGO, KEX, KJR; Judy Canova Show, KSL.

6:00 p. m.—Burns and Allen, KNX, KSL, KOIN; Mystery Theater, KPO, KOA, KGW, KOMO.

6:30 p. m.—Victory Parade of Spotlight Bands, KGO, KEX, KJR; Fibber McGee and Molly, KPO, KOA, KGW, KOMO; Report to the Nation, KNX, KSL, KOIN.

7:00 p. m.—Raymond Gram Swing, news, KGO, KEX, KJR; Passport for Adams, KOIN, KSL; Bob Hope Show, KPO, KOA, KGW, KOMO; Inglewood Park Concert, KNX.

7:30 p. m.—Congress Speaks, KOIN; Red Skelton, KPO, KOA, KGW, KOMO; Red Ryder, KGO, KEX, KJR; Two Piano Team, KNX; Edwin C. Hill, news, KSL.

8:00 p. m.—Fred Waring in Victory Tune Time, KPO KOA, KGW, KOMO; Roy Porter, news, KGO, KEX, KJR; I Love a Mystery, KNX, KSL, KOIN.

8:30 p. m.—Johnny Presents, KPO, KOA, KOMO, KGW; Duffy's, KGO, KEX, KJR; Big Town, KNX, KOIN; News, KSL.

9:00 p. m.—Salute to Youth, KPO, KOA, KGW, KOMO; Judy Canova Show, KNX, KOIN; Homicide O'Kane, KGO, KEX; Buy Washington, KJR; American Melody Hour, KSL.

9:30 p. m.—Edwin C. Hill, news, KNX; News, KSL, KEX, KJR, KOA; Hollywood Theater, KGW; Dance Orch., KGO; Million Dollar Club, KOIN; The Boeing Hour, KOMO; Light and Mellow, KPO.

10:00 p. m.—Dance Orch., KJR; Reporter News, KPO, KGW, KOMO; News, KOA, KOIN; Music for Romance, KGO; Masterworks of Music, KSL.

10:30 p. m.—Dance Orch., KNX; Taylor Maids, KGW; This Nation at War, KJR, KEX; Nite Club, KGO; Edwin C. Hill, news, KOIN; Sweetheart Swing Time, KPO.

11:00 p. m.—This Moving World, KJR; Harmony Team, KGW; Dance Orch., KOIN, KOMO, KGO, KNX; Eyes Aloft, KEX.

A nylon synthetic rope, stronger than manila or sisal, is used as climbing rope by U. S. mountain troops.

What About Future of Interest Rates?

Babson Believes Postwar Rates Will Be Higher

New York City, Oct. 11—(Spl.)—From the December, 1941, low in 19 cities of 2.40% as the average rate for top-notch commercial loans to bank customers, interest rates have been gradually creeping upward. In August, 1942, the average bank rate was 2.48%. By June of this year rates were up to 2.76%. Currently the bank rate for commercial loans is averaging 3%. Rates for prime commercial paper now average ¾%. These are up over the average for 1941, but unchanged from the average for 1942. I believe that after the war all interest rates will be higher.

Supply and Demand Set Former Rates

Up to the time of the New Deal, economists considered the actual hard-earned savings of individuals as the primary source of capital. In the past, out of such accumulations were financed our railroads, public utilities and other great enterprises. The rate of interest depended upon the amount of such capital available at any given time and the faith of the owners thereof that it would promptly be paid back when due with money of equal value. In other words, upon the old law of supply and demand, we depended for interest rates. Now under our "managed currency" system the picture temporarily is changed.

Because of the large current supply of money, rates for commercial paper and the yields on short-term, high-grade bonds are absurdly low. Dollars are being multiplied very rapidly through the expansion of bank credits. But the rapid rise in the quantity of dollars has been at the expense of their intrinsic value. If the Federal Reserve authorities should change their policy and tighten the supply of money, we could have sharply rising interest rates. This may become necessary in order to attract investors' funds to government bonds and notes in any really substantial amount.

Some See Change in Economic Theories

Economic principles cannot always be depended upon to hold water consistently. Their course can be diverted to some extent by wars, legislation and perhaps by human nature. The old "quantity" theory of money is that increasing the amount of gold or silver money always causes higher commodity prices and/or lower interest rates. The new conception of the "quantity" theory of money is as follows: Any increase in its quantity, however derived, will lower rates; also that all forms of new bank credits, although perhaps basically dangerous, can be a real source of capital. In other words, these quantitative professors believe that the money market may be manipulated so it is no longer necessary to wait for individuals to accumulate or save capital.

Both the old and amended money theories assume that the faith of the lenders will remain 100% and constant. Loss of faith by the lenders will offset the effects of more available money and credit. If lenders come to believe that the money which they are to get five or ten years hence in payment of their loans will be poorer money and will have less purchasing power, then these lenders will demand a righer rate to compensate for this risk. Fearing this "loss of faith" factor is the reason why I expect higher interest rates after the government takes off its control which some day it must do.

Capital Derived From Production

All of us have some capital. It may be represented by the clothes we wear or the stocks, bonds and real estate which we own. Capital is primarily derived from work or production. It may consist of factory buildings, machinery, raw materials, farm produce, barns or inventories. Examples are almost inexhaustible. The principal sources of capital are (1) consumers' thrift; (2) direct capitalization of the product of labor; (3) governmental thrift or taxation for capital purposes; and (4) new bank money or a deposit credit resulting from a loan.

The first three of the abovementioned sources of capital are absolutely sound. I am not so sold on the fourth which is nothing more than borrowing. There is now too large an amount of borrowing or expanding bank credit against the purchase of government securities. The size of this is far above the amount of brokers' loans preceding the 1929 stock market crash. And all this credit is being secured at a ridiculously low interest rate. I wonder how long the Federal Reserve system can go on buying, for its member banks, government securities to the extent it has been doing and letting the banks expand their credits for this purpose.

Ultimate Interest Rates Will Increase

As an inflation brake and to stop expanding bank credits, the treasury department is now endeavoring to get government bonds into the hands of individuals rather than into banks. But to do this they must ultimately pay higher rates of interest on government paper. If rates go up, investors' bond portfolios will shrink in value and there will be a general switching to equity stocks. This is another reason why I am bullish on the stock market and do not like high-priced, low-yield bonds.

Even a small rise in interest rates will help banks and their stockholders. Long-term, high-grade bonds held by banks will, of course, then slide off. However, rates for unsecured and for collateral loans, together with loans on real estate, should rise to swell the banks' gross income. Banks holding a large quantity of short-time investments in governments, municipals and commercial paper will be in the best position. Such banks can jump back into the corporate bond market later on and pick up some bargains in discount bonds. Banks holding large quantities of long-term bonds may take a licking.

Phoenix

Phoenix, Oct. 11.—(Spl.)—Many of the boys from this community who are in the navy have been on leave the past few weeks. They included Dale Cobleigh, Otis Johnson, Fred Wilcox and Herbert Taylor.

The freshman class was initiated at school last week by the seniors. They provide a great deal of amusement for their fellow classmates, also the faculty.

George W. Dietrich who lives west of Phoenix is convalescing at home after a serious fall from a ladder while picking pears for Cyrstal Springs.

Several men have already killed their buck this season. They are Olin Barlow of 5th street and Mr. Bean of Church street.

Earl Johnson and son Donald have been hired to do the janitor work at Phoenix school after the resignation of Milo Furry.

Mrs. Mabel Bourne and Mrs. Alice Hallgren have returned to their homes after having been in the WACs for about four months. They did not re-enlist when the Women's Auxiliary Army Corps was changed to the Women's Army Corps.

Mr. and Mrs. Tom Caster have gone to Odell, Oregon, to work in the fruit. Mrs. Caster's mother is taking care of the children while they are away.

Mr. and Mrs. Bert Stancliffe received a V-mail letter from Cecil Wise stating he was somewhere in North Africa.

Floyd Miller was struck in the forehead by a swing Monday at school. He received a serious cut but after having several stitches taken is able to be back in school again.

Mr. and Mrs. Eldred Colver visited relatives and friends in Phoenix recently. Mr. Colver has been stationed at El Paso, Texas and was on a furlough.

Alden Wright and Marvin Madden are now stationed in England. Bert Marshall and Odell Garrison are somewhere in the South Pacific. Clorin Moore is stationed at Phoenix, Arizona. Frank Ritchie is going to Officers Training school at San Diego, Cal. Junior Medcalf is stationed at Treasure Island, San Francisco. Wheldon Sloan is at an army air base in Brownsville, Texas, and David Williams is training to be a pilot at San Antonio, Texas. Clarence Betz is somewhere at sea. All of these boys are former students of the Phoenix school.

The new members of the Phoenix school faculty are Mrs. Wilda Franks, first grade; Miss Grace Renzema, fourth grade; Mrs. Ruth Clark, seventh grade; Mrs. Kathryn Stancliffe, eighth grade and Alvin Wheeler, science and math, in the high school.

SHARE-RIDE BACKFIRES

Cleveland (U.P.)—Mrs. Emily Hood believes the share-the-ride plan is a fine, patriotic idea, but not when it leads to share-the-husband. Mrs. Hood recently instituted a $50,000 alienation of affections suit against a red-haired divorcee, Mrs. Ann Adkins, who, she claims, stole the love of George Hood when the two joined a car pool at the Addressograph-Multigraph plant here.

THE WORLD AT ITS WORST

By GLUYAS WILLIAMS

STRANGE AS IT SEEMS by JOHN HIX

Crossword Puzzle

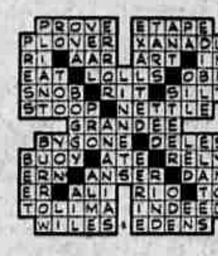
ACROSS

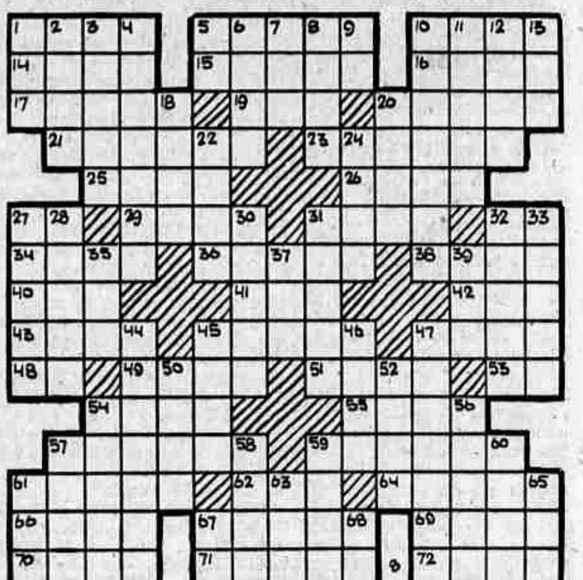
1—Heavy metal
5—Anguish
10—Sailor
14—Completed
15—Lifeless
16—Petition
17—Ancient race of India
19—Gear tooth
20—Pert. to sun
21—European herb
22—Persons of vicious instincts
25—Jules Verne character
26—Property
27—Spanish (abbr.)
29—Period of fasting
31—Flank
32—Man's nickname
34—Barbarians
36—Thin and haggard
38—Sand hill
40—High note
41—Fury
42—Error
43—Serpents
45—Bone in arm
47—Chimney dirt
48—Musical note
49—Fasteners
51—Girl's nickname
53—Negative
54—Diet
55—Large swells
57—Coat fastener
58—Thrashes
61—Famous sled dog
62—Night before
64—Measuring device
66—Impulse
67—Holy person
68—English public school
70—Game animal
71—Religious belief
72—Germ

DOWN

1—Obtained
2—Egg-shaped
3—Sour fruit
4—Twaddles
5—Prefix: double
6—Without repetition
7—Sign of zodiac
8—Debauch
9—Right (abbr.)
10—Ladled
11—Rent-free land
12—Meadows
13—Thick black liquid
18—Crippled
20—Tasty fish
23—Flat bell
24—Ignited
27—Cut
28—Heart beat
30—Appendages
31—Walk furtively
33—Charged particle
33—Slow (mus.)
35—Short fibers on flannel
37—Jug
39—Organization for entertaining soldiers (abbr.)
44—Splash
45—Until
46—Harsh sound
47—Spiritualist's meetings
50—From outside to inside
52—Parties
54—Protrude
56—Large fish
57—Nude
58—Close
59—Transmit
60—Pear-like fruit
61—Unopened flower
63—Contend
65—Finish
67—Scale (abbr.)
68—Toward

ANSWER TO PREVIOUS PUZZLE





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