

What About Government Bonds?

Babson Advises Investing in Other Things Also

By Roger W. Babson
(Special Correspondence)
Babson Park, Mass., Nov. 24—
How can the huge postwar U. S. government debt be serviced? When the total annual expenses of the government under President Coolidge (including army, navy, pensions, debt interest, etc.) were only three billions, how can we now provide the money to pay interest alone of six billions?

Increasing National
Prewar national income was about sixty billions. Our bankers state that Washington will provide the necessary money to pay interest on the \$300,000,000,000 debt by doubling this national income. By increasing prices, land values, etc., this can perhaps be done; but I am not too sure. Certainly, inflation would be a dangerous way out.

Statisticians believe that all nations must make some readjustments in their huge debts after the war. They see no reason why the United States—if we want our share of foreign trade—should not do the same thing. If so, how may our debt be readjusted?

Government Ownership
Some day the banks, together with the railroads, public utilities and certain large corporations, may be taken over by the government. This, however, will not happen until the next business depression. One step, however, we may expect any time. This will be to nationalize the twelve federal reserve banks and thus save the government the interest on bonds held by these reserve banks.

The federal government could also institute a 100% reserve policy and thus save the gov-



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ernment the interest on all government bonds held by the banks. This is now being advocated by the "London Economist." In fact, Geoffrey Crowther recently urged such a program before the Manchester (England) Statistical Society. This could be done, he claims, in a way not to hurt the banks, although I am not too sure of this.

Probable Refunding
My own present guess is that as the "E," "F" and "G's" become due an entire new system of refunding will be instituted which will both save the government money and not necessarily hurt anyone. For instance, maturities up to a limited amount—say \$5000—will be paid in cash. Larger holders can be given the option: (1) of accepting 2½% registered 50 year bonds—two per cent being retired by lot at par each year, it being understood that the government shall not buy any in the open market under par; or (2) of accepting 1% coupon 10-year bonds which would have a free market and have some tax advantage.

Along with such refunding, legislation will be passed by congress whereby insurance companies (and this will now be possible under the recent supreme court decision) will be allowed to value such 2½% bonds at par, and banks will be allowed to value the 1% bonds at par—whatever either issue may be selling in the open market. This program could result in cutting the federal interest costs about in half and ultimately in retiring the bonds.

All of the above means that the federal debt could be divided into two parts—like the departments of every bank—viz: a savings department and a commercial department. Those who want income will get 2½%, but they must be willing to forego liquidity until their bonds are called by lot at par. Those who want liquidity must be content with 1% interest, but they will always be able to sell their bonds. This should be no different from the way the banks are now treating us depositors in their two above mentioned departments.

Conclusion
We all should buy our share of war bonds series "E," "F" and "G." During the years ahead they may or may not be our best investment. Only the future can

tell; but this one thing is certain: If we will also buy a carefully selected list of good stocks, then we will have two barrels to our gun. If the bonds go down in price, the stocks should go up; while if the stocks go down, we will have a safe backlog in the bonds.

ARMY EXHIBITION STOPS OVERNIGHT

An army air force treasury exhibit, "Shot From the Sky," comprising a convoy of 23 trucks, stopped overnight in Medford yesterday en route from Portland to San Jose, Cal. The exhibit contained Japanese and German planes shot down in combat, together with enemy equipment and a big art collection of battle paintings made during combat.

Purpose of the exhibit is to sell bonds in the sixth war loan drive, to recruit WACs and to recruit war workers.

THE GRANGE
Central Point Grange
The Central Point H. E. club will meet with Mrs. John Bohnert, Wednesday, Nov. 29 for a one o'clock dessert luncheon. Co-hostesses will be Frances Hamilton and Thelma Dobrat. Election of officers will be held during the business meeting.

Eudora Bohnert will give ideas on Christmas decorations and Myrtle Patterson will furnish a recreation number.

Daily Weather Report

Forecasts
Medford and vicinity: Partly cloudy tonight; slightly colder tonight; Saturday, cloudy.
Oregon: Clear tonight; slightly colder in valleys tonight; Saturday, increasing cloudiness with rain near coast; slightly warmer Saturday.
Local Data
Temperature a year ago today:
Highest 50; lowest 52.
Total monthly precipitation 2.54 inches. Excess for the month .52 inches.
Total precipitation since September 1, 1944, 4.98 inches. Excess for the season 1.20 inches.
Relative humidity at 4:30 p. m. yesterday 72%; 4:30 today 94%.
Tomorrow
Sunrise 8:13 a. m.; sunset 5:43 p. m.
Boise 40 27
Boston 30 20
Chicago 35 25
Denver 69 51
Eureka 37 27
Havre 41 31
Los Angeles 75 48
Medford 53 35
New York 44 31
Omaha 53 31
Phoenix 88 49
Portland 53 42
Reno 54 39
Roseburg 50 39
Salt Lake 48 38
San Francisco 61 45
Seattle 51 41
Spokane 48 36
Washington, D. C. 44 34
Yakima 48 27

Closing time for Sunday too late to classify 4:30 Saturday afternoon—please remember

PILOT'S HECTIC DAY CAPPED BY RIDDLED 'CHUTE

U. S. Eighth Air Force Headquarters, England (AP)—Lightning pilot 2nd Lt. Jack Denny of Los Angeles, bailing out wounded from a fighter falling on Normandy, had had such a hectic day that he half expected his parachute to be full of holes.

On the way down, he saw what he partly expected. Said Denny: "The damn thing was." He was coming down on a parachute which had been ripped by flak "and half of the panels were just sieves." Below him was a sandy field, and he landed in that, hitting hard, knocking himself out, "and the Red Cross people who rescued me told me later they had to pull me out of the ground."

Canopy Blew Off
The hecticness had begun when Denny's unit was strafing. "I was shooting up flak towers," the 23-year-old Californian said, "and I had just riddled my sixth tower when my plane was hit by enemy ground fire.

"The left engine was hit and then the tail. When I banked,

more flak came up and shattered the canopy and blew it off. Bits of the canopy struck me in the right eye and blood blinded me. Then flak hit the right engine and that started acting up.

"I called for help over the radio but my buddies couldn't find me due to the low clouds, so I went on, headed north. I managed to get up to 11,000 feet but an 88-mm. shell hit the tail of the plane again and I started losing altitude.

"I nursed the plane along, dropping lower and lower. I thought everything had happened to me that possibly could happen. Then out of the clouds, four FW-190's jumped me."

Jumps at 600 Feet
Denny got out of that one by ducking into the clouds. But he was having his troubles. "I managed to get along 200 miles to the Normandy beach-head," he said, "before the second engine conked out." It was time to leave that Lightning, and Denny did it—at 600 feet, with a parachute full of holes.

When they had pulled him out of the ground he was taken to a hospital and awarded the Purple Heart—while he was still there.

Evangelist Patzsch Attracting Throng At Nazarene Church

The special evangelistic campaign at the Medford Church of the Nazarene, Holly at First, is widening its circle of attraction, according to Rev. Fred M. Weatherford, pastor.

Tonight, Evangelist E. E. Patzsch's topic is, "A Timely Exhortation." He will give a reading in the Italian dialect. He will also sing and play the trumpet.

The evangelist will be heard three times Sunday. He will speak at the great Sunday school rally at 9:45 a. m. at which time a beautiful gardenia corsage will be presented to each of the first 100 visitors present. He will speak at 10:45 a. m. from the topic, "To Whom Shall We Go,"

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and at 7:30 p. m. from the topic, "The Glory of the Cross." The public is invited to all services.
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8 thru 14 . . . \$25.00 each 15 thru 24 . . . \$10.00 each

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Contest Rules: Contest closes November 30, 1944 and all entries must be postmarked not later than midnight of that date. All entries submitted become the property of Bu-Tay Products, Ltd. Each entry must be accompanied by a Rain Drops box top or reasonably exact facsimile thereof. In the event of a tie, duplicate prizes will be awarded. Decision of the judges will be final.

Mail all entries to: BU-TAY PRODUCTS, LTD., Dept. 24
4609 HAMPTON STREET, LOS ANGELES 11, CALIFORNIA

6 good ways to use vegetables now available

Parasip-Carrot Casserole—Put 2 cups each of peeled and sliced parasips and carrots in alternate layers in a well-greased 2-qt. casserole. Sprinkle with 3 tbsps. flour, 1½ tbsps. salt, ½ tsp. pepper; add 2 cups milk; dot with 2 tbsps. butter or margarine. Bake in moderate oven (400° F.) about one hour or until tender and well browned. Serves 6.

Acorn (Danish) Squash, Baked Whole—Put whole squash in oven, and bake at moderate temperature (375° F.) about one hour or until done, depending on size. Cut in two just before serving, dab butter or margarine in each half, and sprinkle with a little brown sugar and salt mixed together, or with salt and pepper, and return to oven for a few minutes.

Or Stuffed—Stuff halved raw Acorn (Danish) Squash with hash or Spanish rice or sausage mixture. Bake in moderate oven (375° F.) about 50 minutes or until squash is tender.

Mashed Rutabagas (Yellow Turnips) and Potatoes—Pare and cut rutabagas lengthwise in halves or quarters, or dice them. Cook, covered, in just enough boiling water to keep them covered, until tender (about 20 to 30 minutes). Drain; season with salt and pepper, cream or milk, and butter or margarine. Mash and combine with equal amount of mashed potatoes.

Baked Pumpkin—Incidentally, winter squash is interchangeable with pumpkin in this and many other dishes. Cut pumpkin into pieces suitable for serving. Remove seeds, but do not peel. Place in single layer in large shallow baking dish, and bake in moderate oven (400° F.) about one hour or until tender. Season with salt, pepper, sugar, and butter or margarine. Serve on shell, or scoop out, mash, season, and serve.

Rutabagas (Yellow Turnips) Au Gratin—Combine 4 cups of diced cooked rutabagas with 2 cups medium white sauce, adding ¼ cup grated American cheese, and seasonings to taste. Place in well-greased casserole; sprinkle top with a little additional cheese; bake in hot oven (450° F.) about 20 minutes, or until cheese is melted and rutabagas are thoroughly heated.



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RINSO 24-oz. box 21c
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Softasilk Cake Flour 2 1/2-lb. pkg. 26c
Macaroni Durum Hard Wht. 1 1/2-lb. pkg. 22c
Macaroni Dinner, Kraft. (1/2 pt.)—pkg. 10c

Cheese Sprd. Old English (3 pts.)—5-oz. 23c
PINE-APPLE Crm. Shefford Cheese (2 pts.)—5-oz. 18c
Velveeta Cheese—Kraft (8 pts.)—1/2-lb. pkg. 24c
Sno-White Salt Plain or Iodized; pkg. 7c

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SQUASH, half or whole, lb. 4c
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DUZ GRANULATED SOAP 2 1/2-oz. pkg. 21c

Edwards Quality Coffee 2-lb. jar 45c
lb. jar 23c

Beans Idaho Reds or Small Whites 5-lb. bag 43c 2-lb. bag 21c

SPLIT PEAS Green and yellow. 2-lb. pkg. 24c
M-J-B RICE White and brown. 2-lb. pkg. 25c
DRIED PEACHES Clean, tender Del Monte. 2-lb. pkg. 29c
RAISINS Seedless Thompsons. 2-lb. pkg. 24c
CANE SUGAR 10-lb. Sack (Stamps 30, 31, 32, 33, 34, 40) 59c

Nob Hill COFFEE 2-lb. bag 39c
Whole bean, lb. 20c.
Airway COFFEE 3-lb. bag 49c
Whole bean, lb. 17c.
COCOA Our Mothers. 1-lb. pkg. 12c
HEMO Borden's. 1-lb. glass 59c
Canterbury Tea 1/2-lb. pkg. 43c
Black, 3/4 lb. 22c.

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SUGAR BELLE PEAS, Fancy No. 2 Can 16c
TOMATOES, Gardenside (30 pts.) No. 2 1/2 Can 15c
GREEN BEANS, Briar Cate, No. 2 can 17c
DICED BEETS, All Gold, No. 303 jar 12c
SPINACH, Emerald Bay, No. 2 1/2 cn. 17c
TANG, PREM MEATS, 12-oz. can 29c
NUMADE MAYONNAISE pt. 27c
Quart jar 47c
SALAD DRESSING, Duchess pt. 23c
Quart jar 35c
FRUIT JELLY, Tea Garden, 20-oz. jar 26c
GRAPE JAM, Libby's Amita, 2-lb. jar 35c
APPLE BUTTER, Libby's No. 2 1/2 jar 31c
APRICOT JAM, S & W 2-lb. jar 48c
TOMATO JUICE, Sunny Dawn, (40 pts.)—46-oz. 21c
CHERUB MILK (1 pt. can) 3 tall cans 25c
MADEIRA WINE (Similar to Sherry) Fifth \$2.39
MADEIRA WINE (Similar to Tokay) Fifth \$2.39
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