

Influences of Speculation On Government Bonds Studied

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New York — (UPI) — Now that the Treasury and Federal Reserve are studying the influences of speculation on government bonds, Wall Street notes the government bond has had trouble since speculation died. And speculation died with a big groan heard all over the financial district last year. Speculators, thinly margined, tried to take a big free ride in governments. In-

Pons Substitute Goes To Hospital

New York — (UPI) — Plucky soprano Dolores Wilson, who took off a neck brace to substitute for ailing Lily Pons at the Metropolitan Opera Monday night, collapsed after the final curtain and was taken to a hospital.

From the beginning of the opera, "Lucia di Lammermoor," the beautiful 29-year-old blonde was in obvious discomfort. In the final mad scene, her staggering was more than just acting. She made it to her dressing room after taking three curtain calls and collapsed there.

Dr. Morris Brann, the house physician, ordered Miss Wilson taken to University Hospital where neck was placed in traction. She was injured in an auto accident in Concord, Ohio, Jan. 16 during a tour of the Mozart opera group and was released from traction only last week.

Miss Pons was stricken last week in Palm Springs, Calif., and was forced to cancel her scheduled appearance as Lucia, which was to have been her only Met appearance this season. Miss Wilson had assured Met officials that she was recovered sufficiently to undertake the role.

Cast Threatens To Shed Brassieres

New York — (UPI) — Producer Luben Vichy complained to the licensing commissioner today that African belles in the cast of "Les Ballets Africains" are threatening to discard the brassieres forced on them by city censors.

Vichy asked License Commissioner Bernard J. O'Connell to arrange for assignment of an inspector backstage at the Lunt-Fontanne theater to enforce modesty. O'Connell ordered women members of the cast to cover their bosoms several weeks ago after an opening night display became the talk of the town.

Phone in Cab Makes Extra Buck

Detroit — (UPI) — Drive a cab? Here's one way to make an extra buck: Put a phone in. That's what Jim LaRowe did. He installed a radio-telephone in his taxi last summer. Since then, the 54-year-old part-time cabbie says, business has been booming.

LaRowe got the idea because many of his passengers asked to stop at phone booths to make calls, while doctors, attorneys and other professional men often fidgeted in the back seat wishing they weren't out of touch with their offices.

Installation of the telephone cost LaRowe \$50. He pays \$32 a month for 22 calls and 10 cents a minute for anything over that. The added expense has been more than made up for by increased business — particularly from regular customers who now phone LaRowe directly to request his services.

Cavalryman Ends 30-Year Career

Ft. Riley, Kan. — (UPI) — A 30-year Army career that began when Ft. Riley was the Cavalry capital of U.S. military forces ended recently for Master Sgt. Nathan B. Belgrade.

stead of the bonds rising after an offering, they fell and the speculators got a severe drubbing.

Wall Street holds that speculation is necessary in any good market. People have to be willing to take a risk from time to time. It's the thing that makes market broad and gives the investor who must sell at times a good price for his securities.

Of course, the rules have been lenient on speculators in government bonds. Margins are about what they were on stocks in 1929 — 10 per cent or so. And if you move fast on a new issue you can sometimes do it without any cash outlay. Everything is fine if

the bonds rise. If they don't you take a licking.

Long-Term Investors Favored
The government always can sell its bonds to commercial banks but this method builds a huge inflation potential. The ideal method is to sell to long-term investors who put the bonds away and live on the income.

Income on governments has been small and they give the holders no special privileges such as the municipals which are exempt from federal taxes. Also there is no patriotic urge to buy them now that no shooting war is in progress.

The government is hampered in its sale of governments for long-term by higher interest rates which are imposed through Federal Reserve policy preventing inflation.

High interest rates steer investors away from bonds into stocks. Prentice-Hall notes that even if given a 4 1/4 per cent coupon no rush to buy governments would result.

Insurance companies used to be big buyers of U.S. government bonds and their purchases were of the non-inflationary type. Now, faced with a big boost in income taxes, the insurance companies are turning more to the municipal bond market than to U.S. government bonds. This is helping municipals and hurting governments.

Prentice-Hall lists four possibilities for helping government bonds:

Return To Easy Money
1. A return to easy money policy on a semi-permanent basis. The Federal Reserve would be a barrier here in its anti-inflation policy.

2. An official peg under government bond prices, at or close to par. Also highly unlikely the Federal Reserve would go along, says P.H.

3. Forgive the capital gains tax in whole or part for investors who shift from stocks to government bonds and hold them for a specified period, say two years. This, Prentice-Hall believes, undoubtedly would shift billions of dollars from stocks to bonds.

"It would certainly check, if not drastically reverse, the bull market in stocks," it notes.

4. The government could issue "cost of living" bonds, a move that would be succumbing to the reality of inflation and change government bonds into guaranteed real income securities.

The most likely prospect of these four, says Prentice-Hall, is partial forgiveness of the capital gains tax for investors who switch out of stocks into designated long-term government bonds.

This method has been under consideration by others in the financial district and more is expected to be heard from it as a solution to the Treasury's present dilemma.

Education Captures Fancy of Americans

New Haven, Conn. — (UPI) — Yale philosophy professor John E. Smith told a group of freshmen that the subject of education has finally captured the American fancy.

"When a topic reaches the place where it competes with newspaper space in America with the accounts of politicians and embezzlers, it has indeed arrived," he said.



CLOSING TENT flaps to keep out the cold, these Alaskan-bound "50ers" camp in Hinsdale, Ill., overnight. They are Mr. and Mrs. Ronald Jacobowitz and their 20 months old daughter, Sandy. The adventuresome Jacobowitz is leader of a group of 37 persons bound for Alaska to settle down, now snowbound in Illinois when several of their 14 vehicles broke down. They had hoped to reach Alaska in a month.

Retired Judge Takes Own Life

San Francisco — (UPI) — Retired Chief Judge William Denman, who served on the Ninth Circuit Court of Appeals for 22 years, was found shot to death in his home Monday night, apparently a suicide.

The distinguished 86-year-old jurist had been despondent since the death of his wife, Leslie, on Feb. 8. The couple had been married 53 years.

Denman's body was found by houseboy Fred Woo in the judge's study. He had been shot through the head, and a .38 caliber automatic pistol lay nearby.

Denman was born in San Francisco Nov. 7, 1872, and graduated from the University of California in 1894. After a long career of law and teaching, he was appointed to the Ninth Circuit bench in 1935 by President Franklin D. Roosevelt.

The judge became known as a champion of judicial independence and the rights of all men, regardless of color or creed. He was appointed chief judge of the Circuit Court in 1948, and served until his retirement from the bench in 1957.

Device Avoids Rear-End Crashes

Albany, N. Y. — (UPI) — Motorists on the New York State Thruway can take advantage of a simple safety device to avoid rear-end collisions.

Along the side of the 506-mile roadway are small reflectors mounted on posts and set 132 feet apart.

They are a convenient way to measure safe distances between cars. When the weather is good, drivers should allow at least a two-post interval between them and the car up ahead. When the weather is bad, four posts should separate the autos.

Almost 90 per cent of American homes are of wood frame.

State Funds Used For Art Museum

The first major art museum to be established with state funds is North Carolina's Museum of Art in Raleigh, which has a two and a half million dollar collection, including the works of Rembrandt, Rubens, Van Dyck, Hals, Nattier and Gainsborough.

Theft of Markers Said Discouraging

Washington — (UPI) — The Coast and Geodetic Survey is quite disappointed with the way Americans are stealing the government's permanent survey markers while strolling about the nation.

The markers are small discs usually imbedded in rock or concrete. They are placed by the Survey to mark longitude and latitude, elevation, magnetism, gravity and direction.

The discs are used by engineers, surveyors and government agencies as the basis for maps and charts, and for private and public engineering projects.

Nature lovers, small boys and amateur explorers seem to have developed an affection for the markers which have been disappearing at a rate of more than 1,000 yearly.

Child Given Away; Mother Arrested

San Pedro, Calif. — (UPI) — A 32-year-old mother who walked into a hotel bar and gave her 4-month-old daughter away was scheduled to be arraigned today.

"I don't want the kid any more," she said after giving the child to a bartender Sunday. She then walked out.

Police said that Mrs. Lylia Brown had lived at the hotel up until two months ago when she was evicted because she couldn't pay her rent. She gave herself up Monday and was held by police as a habitual drunk. The baby is now in custody of juvenile authorities.

Firemen Called To Extinguish Hair Fire

Memphis, Tenn. — (UPI) — Mrs. James Banks called the fire department.

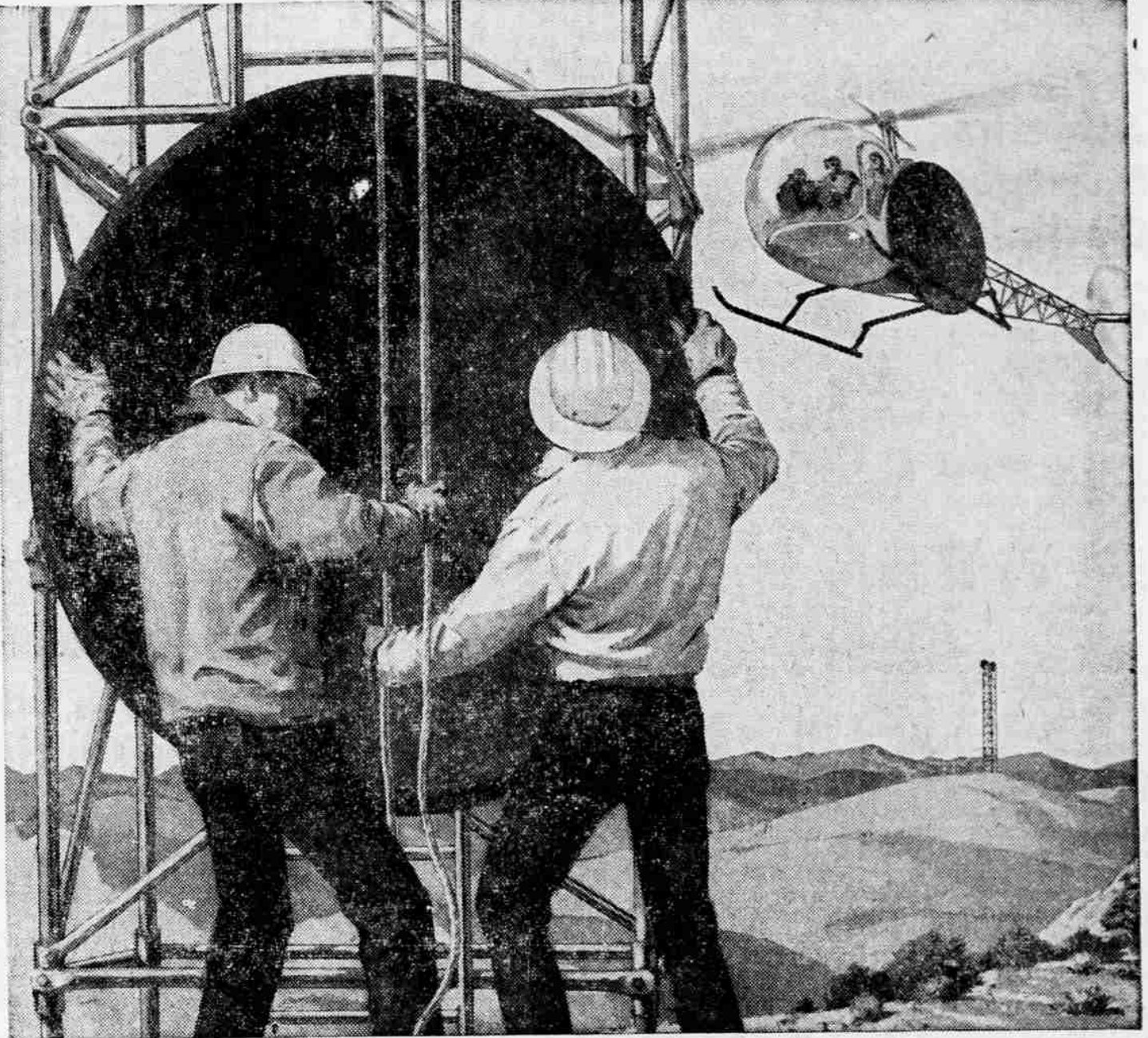
"Where did you say the fire was?" the dispatcher asked. "In my hair, that's where."

Chicken In a Basket

Serve fragrant, crispy fried chicken piping hot in individual baskets lined with paper napkins. Eaten out of hand, chicken served this way received an enthusiastic reception from teenagers.

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