

Babson Advises Planning For Home Buildings Now

BY ROGER W. BABSON
BABSON PARK, Fla., Feb. 7.—Mortgage money is cheaper today than ever before in the history of the United States. Even the Co-operative banks, which have charged six per cent ever since their organization years ago, are now loaning money at four per cent. Moreover, the terms are very much easier than ever before. During the years preceding the last depression home mortgages were written for from three to five years as a maximum. Now the borrower can be accommodated by mortgages written for 20 years, or perhaps even longer.

Cost of Building
 Although it is much easier to borrow money today than during prewar days, the cost of home building now averages about 50 per cent higher. However, the carrying charges at four per cent on a house costing \$7,500 are no greater, in total, than were the carrying charges at six per cent on a house costing \$5,000 in prewar days. Hence, this is a good time to plan a new home. Surely the land should be purchased at once.

The very fact that money rates are very low and building costs are high makes mortgages less attractive to the lender. In fact, I see little inducement for private individuals to loan money on mortgages at this time unless they do it to help the sale of property which they desire to unload. As a cold business proposition, I should hate to tie up for twenty years at three and one-half or four per cent interest. This is why I am bearish on most high grade, long-term bond issues.

"Packaged" Mortgages
 Borrowers have another advantage today in many communities. I have just noticed an advertisement by the First Federal Savings and Loan Association of New Haven, Connecticut, offering to "loan money for building and equipping a home with all mechanical conveniences for comfortable living." This includes insulation, cooking range, refrigerator, washing machine, garbage disposal, ventilating fan as well as complete heating and lighting equipment and the latest plumbing fixtures. I understand that some banks are even including air conditioning.

Up to the present time, when these electrical appliances were available, it has been possible to buy them on installments, running over about 18 months. This, however, has been a heavy burden on young people. Now, under "packaged" mortgages, all these brand new appliances can be included with the original cost of the house, and paid for over a period of 20 years. Furthermore, this program is much more convenient to the borrower because he is dealing with and making payments to only one concern, namely the bank, instead of to several local dealers. I estimate the cost of such equipment would add only about sixty cents a month for every one hundred dollars worth bought on the above basis.

For Replacements
 To keep the house up-to-date, these "packaged" mortgages allow for replacement of appliances and provide payments therefor by the addition of a few cents to the above-mentioned monthly figure. It should also be remembered that under such a program the cost of the appliances is considerably reduced as the agent's commissions are either eliminated or cut down to a nominal figure. Whether or not your bank will pay for your electrical appliances, it will take your mortgage on a monthly payment basis which will include payment of taxes, insurance premiums, legal title fees, and other expenses. All of this amounts up to no more than you are now paying for rent. Moreover, under this new system you will some day own your home outright without any more payments.

Bullish Sentiments
 When I saw the government cancelling its big war contracts with the General Electric, the Westinghouse, and other similar companies after Japan collapsed, I became fearful. Although these companies would save considerable through the elimination of the excess-profits taxes, yet I doubted if new peace business would offset the loss of war business. The more, however, I study these "packaged" mortgages the more hopeful I become for the electrical appliance stocks. Certainly, if this new form of loaning money to home builders becomes general, it should be a boon to the electrical equipment industry. Home owners will buy much more equipment and much better equipment. Furthermore, this trend will make housework lighter, conserve and protect foods, and perhaps even reduce the cost of living. One other thought: This expansion should greatly increase the demand for "fix-it" shops which is a suggestion to returning G.I.'s.

SHARON'S SAFE WITH UNCLE GARY



ORPHANED when her parents were burned to death in their Philadelphia home, four-month-old Sharon Lee Hallowell (left) communes soberly with her uncle Gary Lee Williams, also four months old, at the home of Sharon's grandparents in Defiance, Pa. Sharon's mother saved her from the fire by rolling her in blankets down a porch roof. (International)

BOOKKEEPER SAYS SHE TOOK LOANS

GREENVILLE, Feb. 7.—A former bookkeeper for Roderick Davenport, erstwhile operator of the "Big Apple" loan brokerage business, testified in Pitt county Superior court today that she accepted loans from "investors" for several days after Davenport was indicted on charges of conspiracy to defraud and fraud by false pretense.

The witness, Miss Pauline Harrelson, worked as bookkeeper in Davenport's Rocky Mount office for about two months in the late summer of 1944.

In that period, she testified, she received \$22,795 from "investors" who got five percent interest weekly on money they loaned to Davenport, and she loaned to borrowers a total of \$7,261 on which they paid ten percent interest weekly.

Only one loan to a borrower went as high as \$100, Miss Harrelson testified, adding that the average loan ranged between \$5 and \$10. She said Davenport had two solicitors who obtained loans from "investors." One was paid a

straight salary and the other got a salary and commission, she testified.

Miss Harrelson also testified that persons who borrowed from the "Big Apple" were required to leave checks as security for the loans, regardless of whether they had bank accounts.

Judge J. Paul Frizzelle instructed the court reporter to enter an exception to every question asked a state's witness by the prosecution, saying such action would make the proceedings more orderly and save time. The defense has been taking exceptions to practically every state question.

Five alleged associates are on trial with Davenport.

Under the leadership of the famous general, Colonel Gregory saw action in Africa, Sicily, Italy, France, and Germany as the Seventh Army rolled to victory.

A graduate of The Citadel, Class of '39, Colonel Gregory makes his home in Danville, Va. At present he is stationed at the Army Ground Forces' headquarters, Washington, D. C.

COLONEL GREGORY PLANS VISIT WITH FRIENDS IN CITY

Lt. Col. S. S. Gregory, Jr., the late Gen. George S. Patton's anti-aircraft officer, is expected to visit friends here during the next few days.

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Men fought for 3 things... Wealth, Power & Frisco Sal!

SUSANNA FOSTER
TURMAN BEY
ALAN CURTIS

FRISCO SAL

with
ANDY DEVINE
THOMAS GOMEZ
COLLETTIE LYONS
FUZZY KNIGHT

Popeye Cartoon
 World-Wide News

ROYAL

TODAY and SATURDAY

DICK TRACY

HUGH HANCOCK
 BOB HOPE
 CONWAY - JEFFREYS - MAZURKI - GREEN

EXTRA
 Comedy - News &
"THE MASTER KEY"

BIJOU

Today and Saturday
 Death Leads The Way!
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Top Action... Top Songs
 with the Cowboy King of the Juke Boxes!

RIDERS OF THE DAWN

with
JIMMY WAKELY
"LASSES"
 WHITE
JOHNNY JAMES

Added
 Chapter 6—"MANHUNT OF MYSTERY ISLAND"
 "Skip The Maloo"
 Comedy

EXPANSION PLANNED
COLUMBIA, S. C., Feb. 7.—(P)—Central control and a \$22,500,000 expansion program for state-owned colleges was recommended today to the general assembly. The recommendations came in a 437-page report of a study made at a cost of \$15,000 by George Peabody college of Nashville, Tenn., under direction of the State Research, Planning and Development board.

QUINTUPLETS
 always rely on this great rub for **CHEST COLDS**

To Relieve Coughs—Aching Muscles
 At the first sign of a cold—the Quintuplets' chests, throats and backs are immediately rubbed with Musterole.

Musterole instantly starts to relieve coughs, sore throat and aching muscles of colds. It actually helps break up painful local congestion. Makes breathing easier. Great for grown-ups, too!

MUSTEROLE

FIREMAN HURT
ROCKY MOUNT, Feb. 7.—(P)—One local fireman was hurt and several hundred dollars worth of equipment damaged today when fire broke out shortly after noon at the Dixie Feed and Provision company here.

Manor
 House of Double Features

NOW PLAYING

Gene FRAZEE and Brad TAYLOR in **Spinnin' a Rainbow**

FEATURE NO. 2

PRC — Buster CRABBE
 Host of THE MIDWINTER
Fighting BILL CARSON

CHAPTER NO. 4
ZORRO WHIP
 Late Show Sat. 11:30

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Featuring **ADELE MARA**
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PREPARE THEM WITH CREAMY **BLUE PLATE Mayonnaise**

—made the home-kitchen way with fine salad oil. You'll enjoy its mellow, yet zesty flavor on salads and in sauces, too.

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BLUE PLATE fine foods

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MORE DELICIOUS than ever before!

BLUE PLATE Peanut Butter

New—prepared by our "VERI-SMOOTH" process

It's something really special—the new Blue Plate Peanut Butter. It's made by our exclusive "Veri-Smooth" process that gives velvety texture and saves all the fine peanut flavor for you. A pleasure to spread, doubly enjoyable to eat. And one of your most nourishing foods—rich in health-giving vitamins and proteins.

Serve this *Tasty* company treat

There's nothing more tempting than a delicious assortment of peanut butter spreads, which you can easily make by blending in fruits, chopped luncheon meat, and other handy ingredients. Serve on salted crackers, browned in the oven.

Here are a few suggestions (You can invent many more of your own)

- Mix Blue Plate Peanut Butter and chopped ham—baked or broiled.
- Blue Plate Peanut Butter mixed half and half with orange marmalade.
- Mix Blue Plate Peanut Butter and chopped raisins.
- Blue Plate Peanut Butter with chopped fresh apples or cherries or both.

These can also be served in sandwiches, on party crackers or melba toast.

The New **BLUE PLATE Peanut Butter**

BLUE PLATE MEANS FINE FLAVOR