

U. S. Gold Policy Heads For Crisis

Country Has Nearly 75 Per. of World Supply; Depletion of Foreign Reserves Looms.

By JOHN T. FLYNN
NEA Service Special Correspondent

Little by little all the gold in the world is drifting into the United States. And many people ask—what is the use of it? What is it doing to us? What is the effect on the rest of the world? And how is it going to end?

Let's answer the last question first. It is probably going to end in one of the strangest and greatest currency crises in modern history.

There is about \$25,000,000,000 of gold in the world. We have just about \$13,500,000,000 of it in this country. There is another billion and a half, but it is not ours—merely stored here for the account of foreign countries. But with \$13,500,000,000 you will see that we have around 75 per cent of the world's gold.

How long will it take to get the rest of it? In 1934 when we devalued, thus we have averaged a gain of \$1,500,000,000 a year. If we were to keep that up we would have it all in about four years. If the war continues any length of time, in spite of anything they may do, we will get so much of the gold that, for all practical purposes, speak in terms of gold, they will be broke.

Contradiction in Policy

Why does this gold come here? First, because trade balances have been in our favor; second, because foreign investors have sent their funds here for investment; but principally because Uncle Sam, under the President's gold purchase plan, literally stands in the markets of the world and offers to buy all gold offered to him at \$35 an ounce. The price before we started that strange policy was \$20.67 an ounce. As a result we are getting more than all the new gold produced and much of the existing supply.

But here is an interesting question: Why do we do this? I have many times asked people that question. I seldom can find anyone who remembers why we do it. It was started in 1933 when the president announced that he was going to create a market for farm products. Our export farm surpluses must be sold abroad.

To accomplish that the president took the advice of the late Professor Warren of Cornell. An Englishman, to buy wheat here, must pay for it in dollars. Hence, he must buy dollars first. He buys dollars by exchanging his own currency for dollars in the exchange market. The more dollars he can buy for his pounds the more wheat he can buy.

But Policy is Continued

So by reducing the amount of gold in the dollar, the president was told that foreigners could buy more dollars for their currencies and would thus be enabled to buy more grain and this would tend to move our surpluses out of the market.

That was the chief reason although the president did say it was a start toward a matured currency. The plan, of course, was a complete failure. Our farm surpluses are greater than ever; our foreign market for them worse than ever. And, of course, no one ever hears any more about it.

So by reducing the amount of gold in the dollar, the president was told that foreigners could buy more dollars for their currencies and would thus be enabled to buy more grain and this would tend to move our surpluses out of the market.

The great question then is—are we doing ourselves any harm by this? The answer must be yes. First of all, we are inflicting a terrible injury upon foreign countries. Their money troubles have much to do with their economic troubles, which are at the bottom of their wars.

Second, taking their gold this way tends to make them establish trade barriers in order to cut down the extent of their buying here. Because if they lose gold both by buying and by our gold drainage, they will soon have none.

But most serious is the prospect of what will happen when foreign gold reserves, after another two or three years, have been more seriously depleted. The only effect will be a currency crisis which we have deliberately created because we are unwilling to look a crazy policy straight in the face and correct it.

Janmoore Hotel in Portland Meets Public Demand

Because after several months' study the management of the Janmoore hotel in Portland has found certain demands are made by the people who visit Portland and stop in hotels, many of these demands are now being met at the Janmoore. First reasonable rates, room without bath single rate \$1.50 instead of a dollar for the second person in the room a charge of 50 cents is made. Room with bath \$2.00 single, \$2.50 double are the minimum rates. Second the Janmoore hotel makes no charge for your car in their fireproof garage. The garage is free. Third cheerful bright rooms, many of which have soft Monterey or Carmel colored furniture. Fourth family or group rates. A family of four, two adults and two children may have two connecting rooms with bath for as low rate as \$4.00 per day. Recently \$10,000.00 was spent on improvements at the Janmoore and now the manager, Ray W. Clark, formerly in business in Roseburg, announced that the Janmoore has the BEST HOTEL ROOM VALUE in Portland and he suggests that you try the Janmoore on your next trip. He also says that if you are not pleased with the rate and appointments of the rooms at the Janmoore he will pay your fare to another hotel. The Hotel Janmoore is at 12th and S. W. Morrison streets.

What Will You Be When You Grow Up, Sonny?



Bayonet drill is just a funny, new game for these young English "volunteers," but it's serious, life-and-death business for their older compatriots, pictured training on an unnamed beach in England.

Hear That Squeal of Brakes?



Could you resist the appealing look Winston Hill, University of California student, demonstrates above? It's the latest thing in costume and technique for hitch hikers. Miss Hill hopes it will win her a place on her alma mater's hitch hiking team, which will race from Berkeley, Cal., to Seattle, Wash., against other college lift-thumbing teams.

Major General Shanks Passes Away at 79

WASHINGTON, April 10.—(AP)—Major General David Cuyler Shanks, 79, retired, died in Walter Reed hospital today after an illness of three weeks.

Enrollment of Graduate Students Jumps at O.S.C.

OREGON STATE COLLEGE.—A 12 per cent increase in graduate students at Oregon State college is noted this spring term as compared with last year's late registration for the final term near completion. The total graduate students in the second week of the spring term were 229 compared with 202 the year earlier. Total registration of all students

for the term passed the 450 mark, predicted earlier and was expected to be close to 450 when all enrollments are completed—a new record for spring term. All schools of the campus show increases with the exception of education and forestry.

Missionary Society in Meet

The Presbyterian Missionary society will meet Thursday at 2:30 o'clock at the home of Mrs. A. A. Bellows with Mrs. Thomas Summers and Mrs. George Sewell assisting hostesses. Mrs. W. M. Campbell will preside and Mrs. House Gton will conduct the devotions with Mrs. Ida Bailey in charge of the song book of prayer. Mrs. Dorris H. Bush and Mrs. Fred Fisher, program chairman, have secured Mrs. Paul Roeder to be guest speaker on the subject of Peru. Mrs. Roeder formerly taught school in Peru and will display various and costumes from the South American country.

Citrates Add to Woman's Strength

Experiments Show Heavy Gain in Powers of Endurance; Liquefied Wood is Boiled.

By HOWARD W. BLAKESLEE
Associated Press Science Editor
CINCINNATI, O., April 10.—Get the wife to drink citrates if she wants more strength to do the housework.

She may even do without the usual if she reacts to this drink like the young woman described to the American Chemical society today. Her ability to do physical work rose 68 per cent in a week's trial of citrates.

The experiments were reported by John A. Killian and Charles Odhamsen, of New York City. Small alcoholic drinks of either sodium citrate or citrate with sodium bicarbonate were given seven times a day. A little aspirin was added when it was discovered that it reduced muscular pain. The experiments covered five months.

The "guinea pigs" were six men and two women. They pedaled bicycles in a laboratory until exhausted. The average gain for all was 34 per cent.

The woman who went up 68 per cent had been accustomed to complete leisure from physical work.

Wood Liquefied, Boiled

A method of liquefying wood, so that it can be boiled like water in tea kettle, was also described to the society.

The steam of the boiling wood can be separated into all the primary, commercially valuable chemicals that form the original wood. Each kind of wood chemical boils at a different temperature. The industrial name of the process is distillation.

This was reported by Professor Harold Hibbert, of McGill university, Montreal, who a year ago announced discovery of a way to convert wood into vanilla flavoring.

He uses a new method of liquefying wood, by subjecting it to high pressures in a sealed tank whose atmosphere is pure hydrogen. The resulting liquid is about as clear as water. He said the raw materials in the liquid wood hold great promise for future new synthetic organic chemicals.

One substance which boiled off the liquid wood, he said, possibly can be substituted for coal as a raw material for manufacture of the new fiber, rayon.

Road Inspected to Eliminate Ferry

County Commissioner H. B. Roadman spent today at Kellogg, where, in company with representatives of the O and C grant land administration, an inspection was made of the Bullock road. The road is one being constructed from the Kellogg bridge to the Short ranch in the west side of the river. A 4 will connect with a CCC road, eliminating the Short ferry and providing an outlet for nearly a dozen large ranches.

Driver Examinations Scheduled at Sutherlin

Examinations of persons desiring permits or licenses to drive motor vehicles will be held at Sutherlin Tuesday, April 10, from 12 noon to 4:30 p. m. at the city hall. Ward McReynolds announced here today. Arrangements have been made, Mr. McReynolds states, whereby the examiners will make a special stop at Sutherlin on the 10th to accommodate residents of that area. The county has anticipated 35,000 in its 1940 road building budget to provide its share of the expense.

Fire Destroys Elevator Motor at Grand Hotel

The electric motor operating the elevator of the Grand hotel was destroyed this morning, due to a short circuit, which started a fire and necessitated calling the city fire department. The damage was confined entirely to the motor.

The first savings bank was said to have been instituted at Bern, Switzerland in 1787. It was for account only.



To avoid that run down feeling, cross streets cautiously.

You may smile at safety, but you can't laugh off an accident.

Time gained at a street crossing is very often lost in the Emergency Ward.

SAFETY and COURTESY are Traffic Twins. CARELESSNESS and FAILURE are also Twins.

Nine accidents out of every ten can be prevented.

The ability to do the most damage doesn't decide the Right of Way.

Good judgment and safe driving go together. . . Practice them.

Many a serious accident has been prevented because some driver exercised good judgment.

A careful driver and a good set of brakes is a combination of few mistakes.

LOOK OUT FOR CHILDREN. . . You never can tell what they'll do.

The Judge says: "TAKE TIME OR DO TIME"

Douglas Quota For C. M. T. C. Doubled

Enlistments Open to 12 Youths But Applications Expected To Far Exceed That Limit.

Douglas county's quota for the annual Citizens' Military Training camp at Vancouver, Wash., has been enlarged for the third time and authority has been received to enlist 12 youths for the camp. H. O. Pargeter, C.M.T.C. chairman for Douglas county, announced today.

Each year Douglas county has exceeded its allotted quota, Mr. Pargeter states, and it is expected that this year will be no exception, despite the authority for more enlistments.

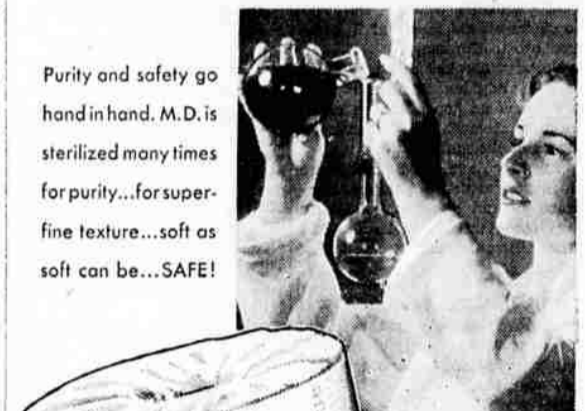
Originally the county was given a quota of six recruits. This number last year was raised to eight. However, there were 18 applicants, and as some counties failed to reach their quotas, Douglas county was permitted to send 12 applicants. This year the original quota has been raised to 12. Mr. Pargeter is hopeful, and it is probable that more than that number will be accepted in the event quotas given

other counties are not filled. The annual encampment will be held from July 2 to 31. Enlistment is open to young men from 17 to 26 years of age. They will receive travel pay and camp expenses and will be given fundamental training in military tactics. The camp is divided into groups and recruits serving second or third year enlistments are placed in advanced groups. Mr. Pargeter has been furnished with application blanks and full information concerning the camp and will be glad to contact any interested young men.

Floor Sanding and Refinishing
CHAS. KEEVER
Phone 651-J Phone 128
Temporary address R. F. D., Oakland, Oregon

Developing and Printing roll of 8..... 25¢
One 5x7 Enlargement FREE
The Film Shop
222 No. Jackson St. Phone 9-Y

PURE for your protection



Purity and safety go hand in hand. M.D. is sterilized many times for purity...for super-fine texture...soft as soft can be...SAFE!

M.D. SANITARY NAPKINS

M.D. TISSUE

Busiest Cigarette in the Country ... that's Chesterfield



Miss Aasta Pedersen... the smiling hostess who welcomes guests at one of New York's most famous hotels. She will tell you Chesterfield is the busiest cigarette in the place.

Going "two packs at a time" because Chesterfield is today's definitely milder, cooler-smoking, better-tasting cigarette

These three qualities—MILDNESS, COOLNESS, TASTE... are the sum and substance of real smoking pleasure. You enjoy all three in Chesterfield's right combination of the world's best cigarette tobaccos.

At over a million places where cigarettes are sold you can see these clean white Chesterfield packages going into more pockets and more handbags every day. All over the country smokers are finding out you can't buy a better cigarette.

Chesterfield

Today's DEFINITELY Milder, Cooler-Smoking, Better-Tasting Cigarette

It's good old RHEINLANDER IN A NEW SPRING DRESS

SEATTLE BREWING & MALTING Co.
Since 1878 ★ Emil Beck, President