

Loan Features of Marshall Plan Bring Complicated Problems

By PETER EDSON
NEA Washington Correspondent
WASHINGTON—Marshall Plan Administrator Paul Hoffman's reconstruction loan program for Europe isn't working out quite as expected. This part of the Economic Co-operation Administration job is directly under Wayne C. Taylor. He was formerly under-secretary of Commerce and a member of the Export-Import Bank board.

The original plan was for all ECA loans to be made for specific reconstruction projects by the usual Export-Import Bank procedure. Only loans that had good chances of paying out were to be approved, project by project.

Out of ECA's first year \$5,000,000,000 appropriation, \$1,000,000,000 was set aside for repayable loans, \$4,000,000,000 for free grants. But it was soon discovered that this 80 per cent grant-20 per cent loan ratio could not be applied right down the line for each of the 16 co-operating countries.

Countries like Sweden and Iceland needed only loans. Austria, Western Germany and Trieste could take only grants. Switzerland and Portugal were on a cash basis. Most of the countries, like Britain and France, needed both loans and grants. So mixed formulas had to be worked out, country by country.

Some Nations Remiss
Some of the countries have done excellent jobs in submitting estimates on their required reconstruction loans. Iceland knew just what she wanted in the way of a factory ship to modernize her fishing industry. Iceland got the first loan, and so far the only one, for \$2,300,000.

Turkey has submitted good estimates on requirements for her mining, power, agriculture and transport industries. Italy likewise has turned in specific plans on what she needs to rebuild power, textile, transport, chemical and shipping industries. Italy had many plants completely destroyed by the war. Rebuilding these plants and putting in modern American machinery make ideal projects for ECA loans.

Most of the European governments, however, made little effort to separate projects on which they wanted grants from those which should be financed by repayable loans. They just listed everything they wanted or needed, apparently hoping that the money might be handed out for free instead of for repayment. This had made it necessary for ECA to decide what should be financed by loan and what by grant.

There were complications in that too much detail was involved in handling separately all the small reconstruction projects which might be financed as loans.

To meet this situation, the idea was developed to make what might be called lump-sum loans covering a number of individual reconstruction projects. Technically, they are international trade balance of payment loans. Many of the ECA-Export-Import Bank loans will be negotiated on this basis in the future.

Liberal Terms Granted
Separate grant-loan ratios are being worked out for each country. Many factors have to be taken into consideration. What is each country's existing debt structure? At what dates must it repay other loans? How good a risk is the country? How long should its future loans run? When should repayment begin? It has been decided that all loans must be repayable within 35 years, at 2 1/2 per cent interest instead of 3 per cent. No repayments on principal or interest are to begin until 1952—end of the present ECA program. Some principal payments will be deferred until 1956. Some repayments will be on a regular semi-annual schedule. Others will be on tapered schedules, to fit in with the country's other obligations. Admittedly, this gives some countries better breaks than others. ECA says it can't be helped.

Nazi Air Blunders Studied by Britain

LONDON—(AP)—Stupidity and overconfidence probably cost Marshall Goering's Luftwaffe its chance of victory in the Battle of Britain, an analyst for the magazine "Aeroplane" has concluded. German flight experience gained on Franco's side in the Spanish civil war led to the Luftwaffe's major error, the magazine said.

"Successes of the Heinkel III and the Dornier 17 in bombing operations convinced the Germans that because they were sufficiently fast to outstrip most Republican fighters, heavy armament and armor could be dispensed with, and it was this mistake perhaps more than any other that cost them the battle of Britain," it observed. "The operational personnel had become aware of this fallacy by bitter experience when attempting unescorted bombing operations, but, as happens so often, the (Luftwaffe general) staff was blissfully unaware of reality."

This attitude was reinforced in the early phases of the European war where little opposition was encountered. But when Goering began his all-out attack on Britain in the late summer of 1940, there was a different greeting awaiting his lightly equipped airforce.

"The shattering fire power of eight 303 machineguns, which the Hurricane shared with the Spitfire, literally tore the unarmored bombers to shreds," the magazine said. The cumbersome bomber formations were so slow that escorting fighters found it almost impossible to maintain positions close to them, as they were ordered to do.

FROM NINE TO FIVE

By Jo Fisher



SUBMITTED BY MRS. M. L. WILLIAMS WASHINGTON, D. C.

I can't remember everything! At least I did remember what I forgot was important!



WINTER SCENE IN OCTOBER—Premature visit of winter brought about three inches of snow to Meadville, Pa., and left the scene above at Allegheny College. Students walk through the center of the campus from Brooks Hall in the background. (AP Wire-photo)

Hubby's Snoring Halted Just As He Was About to Catch Mermaid

By HAL BOYLE
NEW YORK—(AP)—This morning I was sleeping peacefully, and all of a sudden I started dreaming.

I dreamt I was swimming again in the sapphire seas of the South Pacific. A light breeze dimpled the waves and the sun shone warm and fair. White seagulls wheeled overhead with faint clamorous cries, or rested on the surface, rising and falling . . . rising and falling.

A dim shaft moved up through the waters before me and broke the surface. It was a mermaid. . . A beautiful mermaid with tan cheeks and blue eyes. She had long wet golden hair, and there were crimson popples tangled in it.

"Hello, big boy," she said, laughing. "Have you got a pocket comb I can borrow?"

"I reached for my comb and then felt embarrassed. For some reason — you know how silly dreams are—I didn't have any pockets along.

"I must've left my comb on the beach," I mumbled.

"How annoying," said my lovely companion. "You shore people sure are useless."

We swam along together in silence for a while, and then she said: "Did you ever kiss a mermaid?"

"No."

"Wouldn't you like to, big boy?" she said, brushing against me softly. Her scales felt smooth as silk.

"I thought it over as I switched from a side stroke to an Australian crawl. Why not? Who would ever know the difference?"

"Sure I would."

"Well," she said. "Let's play tag. If you catch me, you can have a kiss."

Strangely, then— She tossed her golden head and gave a flip of her shining tail. The race was on. The blue waters churned to white foam. I flailed the waves. I was gaining. . . gaining. . . gaining. . .

All at once the sky darkened and hid the sun. The gulls flew away with shrill calls of terror. A freezing wind sprang up. The sea grew icy cold.

The mermaid sank below the surface. Her golden tresses waved wanly. She held up her arms and looked at me with a mocking smile. I dived and swam after her. But I had no breath left and I was strangling. . . strangling. . .

Then I woke up. My face was wet and my arms were tangled

in the bed clothing. Frances, my wife, was standing over me, holding a small glass of water in her hand.

"Wake up, Rover," she said. "You have to go out and earn us a living."

Snoring Halted
"But why did you have to drip water on my face?" I asked.

"To stop your awful snoring," said Frances. "I was desperate. 'Couldn't you just've made me turn-over on my side?'"

"Listen, Rover boy, I've been turning you over and over like a flapjack. Every time I got you on your side you flopped over on your back again. And the way you waked your arms around—why, a person would think you were swimming."

"I'll get up and go to work on one condition."

"What is that?" said Frances.

"That if I start snoring tomorrow morning you'll drip warm water on me instead of cold water."

"Why?"

"Never mind. I'll explain the whole thing tomorrow. And will you be surprised?"

"Tonight I'm going to eat some pickles, chili, and ice cream before going to bed. And I'm going to put a comb in my pajamas pocket. I feel sleepy already, waiting to go fishing in dream-land."

May Ban Lightning To Prevent Forest Fires
SCHENECTADY, N. Y., Oct. 21. — (AP) — Rainmaker Vincent J. Schaefer says it may be possible to prevent forest fires started by

lightning—by eliminating lightning itself.

Schaefer explains that highly active cumulus clouds usually grow into lightning-producing thunderstorms. He suggests that by transforming such clouds into snow, lightning can be eliminated.

Two years ago Schaefer, weather scientist at General Electric's Research laboratory here, made rain and snow by seeding clouds with dry ice from an airplane.

Schaefer's suggestions were made in a report to the U. S. Forest Service on his studies of thunderstorm conditions at the Priest River Forest experiment station in Idaho.

GRAVEL PLANT RESUMES
The Umpqua River Navigation Company's gravel plant at Reedsport is again in full operation after a series of breakdowns that seriously curtailed production for almost a week. Much of the gravel put through the plant at present is being used on the highway improvement job between Coos Bay and Coquille.

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Foresight Pays Off For Home Dweller

PORTLAND, Oct. 21.—(AP)—Joe Gaudo's house sits at the end of a steep incline on S. W. Water Avenue and cars used to come down out of control, threatening to push his house over a 20-foot embankment. So he put a guard rail of railroad steel, 10 under ground and 3 feet above, in front of his porch. It paid off yesterday—a truck overturned and the guard rail held most of the 15-ton load of steel scrap the truck dumped out.

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