

# World Bank Loans Shielded From Being Written Off As Gifts From American People

## Terms On "Hard-Headed" Business Basis Cited By David Gordon, Staff Worker, On Visit With Roseburg Kin

By JEROME SHELDON  
Feature Editor, News-Review

America is lending money to Europe today through a medium which safeguards its loans against being written off as gifts by the American people. A "hard-headed businessman" might make the international investments which this nation is making with 47 other countries, with some promise of a return. This is being achieved through the International Bank for Reconstruction and Development, more commonly known as the "world bank," said David Gordon of Washington, D. C., in Roseburg Monday for a visit with relatives.

Gordon, who describes himself as "a handy man" on the staff of the World bank, explained that the organization was set up following the Bretton Woods conference in August of 1944. Forty-eight member nations have contributed to its capitalization of eight billion dollars.

At the largest member, the United States has paid or pledged approximately one-third of this figure. Other nations are represented by lesser amounts, proportionate representation on the board of directors.

Gordon pointed out that loans, mainly for technical and industrial development in the world's

backward areas, may be made only within the 48-member nations to a government, or under guarantee of a government to a private industry.

**\$680 Million So Far Loaned**  
Loans made during the three years of the bank's existence have totaled about \$680,000,000, largely in gold or in local currency of the nation involved, said Gordon. Most of the loans have been made in Europe, but several have also been made in South America.

One large loan was made in Brazil, backed by the Brazilian government, to the Brazilian



**POLICE SHOOT IT OUT WITH TRAPPED GUNMAN**—Heavily armed police reinforcements (left) arrive to aid policemen (background) engaged in a gun battle with a desperado trapped in a Chicago railway express office after wounding three officers. Gunman, identified by police as Edward S. Shumak of Chicago, was shot to death after police poured machine gun bullets and tear gas into the washroom. (AP Wirephoto—Copyright, 1949, by the Chicago Sun-Times.)

Traction, Light and Power company, a Canadian corporation, for hydroelectric development. Similar loans have been made in Mexico and Chile.

The World bank lends its technical assistance by sending missions to study overall development program of backward nations, establish overall priorities for needed projects, advise against unproductive use of money, and set-up banking and financial systems.

**Russia Excluded**  
Russia is not a member of the International Bank for Reconstruction and Development, but some nations within Russia's sphere in Europe are. The bank is "not an agency of U. S. foreign policy" and under its charter the bank cannot be governed by political considerations, Gordon pointed out.

Discussions have been held concerning loans to be made in Poland and Czechoslovakia, while a mission is now in Yugoslavia. A loan has been made to Finland.

**Benefits Outweigh Risk**  
Although there are certain political risks in making loans in these countries, the value of the loans often outweigh such risks, Gordon said.

"Our loans are not relief," he pointed out. "They have to be paid back, and they are used to increase production." The loans are what a "hard-headed businessman" might undertake, but could not necessarily afford because of the risks of foreign investment.

The bank can make such loans with the guarantees of the 38 member nations.

By the sale of bonds, the bank also gives the private investor a safe means to invest abroad. The bank has sold some \$282,000,000 worth of bonds to private investors, Gordon said.

Although the bank has been operating approximately three years, it is relatively soon to determine its value, Gordon pointed out. The bank will aid in restoring the balance of international trade and finances and in decreasing the dollar shortage in other nations, which cannot now produce goods at low enough cost to compete in the American market.

The bank provides a means for increasing exports to the United States and raising standards of living abroad. The World bank cooperates closely with America's Export-Import bank, and in Europe with the Economic Cooperation Administration. The latter administers Marshall plan aid.

**Cosmopolitan Staff**  
Gordon said there is a cosmopolitan atmosphere in the bank's headquarters in Washington, D. C. Employees represent 24 different nations. The president is Eugene Black, formerly senior vice president of the Chase National bank. He and the vice president are American; head of the loan department is British; head of economic research, secretary, Canadian; treasurer, Dutch, and general counsel, American. Other nationalities are represented at lower levels.

Gordon is a native of New Hampshire, formerly employed for a number of years by the federal government. He and his wife were here on their motor tour of the west. In Roseburg they visited at the home of Mrs. Gordon's twin sister, Mrs. Ross Newcomb, and her husband. They were to be here two days.

## Forest Fire In Idaho Spreads As Wind Develops

**BOISE, Idaho, Aug. 9.—(AP)—**A raging forest fire forced a 75-man work camp to move out of its path today as the wind-whipped blaze spread over mountainous central Idaho.

Six hundred men are at the scene, south of the Salmon river which cuts in a deep gorge through an area accessible only by pack train or from the air. Forest service officials said the fire has spread over an area of 4,000 to 5,000 acres with the blaze still unchecked. Barring rain, they said it might be a week before it is controlled.

Payette National Forest Dispatcher Vassar said a "blow up" during the night forced the 75-man camp to move.

The camp was re-established on a high ridge on the extreme east side of the blaze. "They'll be supplied entirely by air," Vassar said.

The fire has been the indirect cause of one death, Hans T. Holt, 74, of the Golden Anchor mine died when his truck overturned as he drove another man to the fire lines.

Another Idaho fire was reported controlled. The controlled place is in the Boise National forest northeast of Idaho City. It has destroyed 2,400 acres of timber.

Fire fighters were taken to the Salmon river fire from as far as Salt Lake City, Reno and San Francisco.

Dave Johnson, aviation editor of the Idaho statesman at Boise, who made a flight over the fire, said flying embers were starting spot fires ahead of the main blaze.

**HELENA, Mont., Aug. 9.—(AP)—**Man was winning today his fight against the torrent of fire that consumed 13 fellow humans and devastated 6,000 woodland acres. The wild flames were being corralled by 500 tolling men, dog tired and grimy after a four-day struggle. A. D. Moir, Helena National Forest Supervisor, said the blaze should be 100 percent con-

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## War Fear Easing, U. N. Secretary Says In Report

By MAX HARRELSON  
**LAKE SUCCESS, Aug. 10.—(AP)—**U. N. Secretary-General Trygve Lie has advanced a six-point program to strengthen the world peace organization and reduce the dangers of war.

The program is outlined in Lie's fourth annual report which was published Monday. The report, by far the most optimistic yet written by the Secretary-General, said the fear of war has definitely decreased since his last report.

He called the past 12 months "a year of progress towards a more peaceful world." Biggest factor in the improved atmosphere, he said, was the lifting of the Berlin blockade.

At the top of his six-point program was continued consultation and conciliation among the big powers. He offered to help bring the East and West together in such outstanding world problems as the German, Austrian and Japanese peace treaties, atomic control and creation of an international police force.

"It is essential," he said, "for the great powers to keep in contact, to talk things over, and seriously to negotiate with one another."

His other points dealt primarily with controversies before the U. N., such as the disposition of Italy's pre-war colonies, the admission of new members and the creation of a 300-man U. N. guard force to aid peace missions abroad.

One of the hottest issues was the Italian colonies question which comes up in the general assembly in September. Lie jumped into the big power squabble with a proposal that the colonies be placed under direct U. N. trusteeship, with a single administrator responsible directly to the trusteeship council.

Russia has insisted on a direct trusteeship over the colonies with a council or commission doing the administering. The United States and Britain have pushed a plan which would place the colonies under trusteeship, with individual territories being administered separately by Britain, Italy and France.

## Shopkeeper Makes Good On Rash Promise To Kid

**SPOKANE, Aug. 9.—(AP)—**Two little boys about five years old looked longingly at a display of hunting knives, their eyes fastened on a card of pearl-handled knives.

One held up a tiny plastic toy animal before the shopkeeper: "Will you trade this for one of those knives?" he asked.

"No, the only thing that I'll take for one of those knives is your two front teeth," joked the man.

His mistake. A few days later the boys were back. One displayed a wide gap in his mouth and two front teeth in the palm of his hand.

He got the knife.

Black bears are fond of roots, nuts, berries, and fruit, but will also eat flesh and fish.

## Blockading Of Red Chinese Ports Poses Tough Subsistence Problem

By JAMES D. WHITE  
Associated Press Foreign News Analyst

Chiang Kai-shek's strategic device for blockading Red Chinese ports is working.

That is, it is not winning the civil war or preventing its loss for free China is crumbling steadily.

But, by cutting the reds off from normal foreign trade via the sea, Chiang is driving them more firmly into the arms of Soviet Russia than ever before. The prospect of normal trade between red China and the West is fading.

With Shanghai dying on their hands as a great port, the reds are planning an organized evacuation of the city's surplus population and plan to reduce its eventually to about half its present swollen population of six million people.

The reds could be expected to align themselves politically with Moscow, but economically the cards were stacked at first in favor of considerable trade with the west. This trade, everyone felt sure, would be largely on red terms, but still was alluring enough that many foreign businessmen planned to stay on and give it a whirl. The fact was and still is that Soviet Russia cannot be expected to supply the vast range of industrial and consumer goods which China needs to rebuild.

**White Elephants Acquired**  
But since the blockade by sea and air went into effect after the fall of Shanghai, shipping has been greatly curtailed. Factories lacked raw materials. The jobless increased. The currency slipped. The reds realized what white elephants they had fallen heir to in the places like Shanghai and Tientsin. Without a large volume of foreign trade, they mean nothing but trouble.

**Deodorant Offer Draws Huror From L. A. Mayor**  
LOS ANGELES, Aug. 9.—(AP)—The mayor of Los Angeles has accepted an offer from a Miami, Fla., chemical company to supply gratis its deodorant in removing unidentified foul odors that have been permeating the atmosphere here.

Saying he appreciated the humor of the situation, Mayor Fletcher Bowron commented that his office "still has the odor of a bag of Florida oranges that was presented to me several weeks ago by some well meaning citizens of your state who were vacationing in California and enjoying our delightful summer weather."

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