

CASH CAN HURDLE BAR TO FINANCING EUROPEAN NATIONS

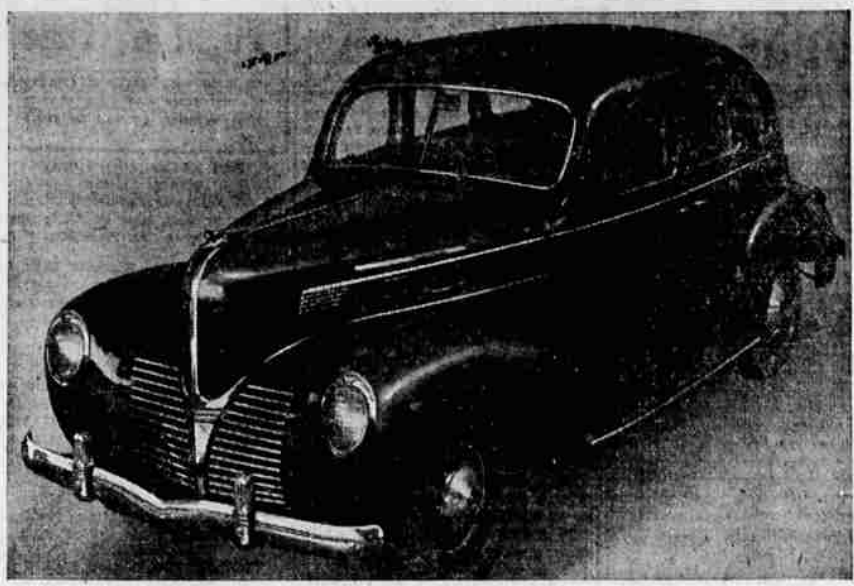
Loopholes Found by Fiscal Experts in Johnson Act Banning Loans to Powers Defaulting U. S. Debts

By Preston Grover
WASHINGTON—So many loopholes appear in the Johnson act that fiscal sharpshooters here predict that foreign-aiders, if pressed for credit, could borrow immense sums here in spite of the act's restrictions on loans to debt-defaulting nations.

In war time, of course, a different situation would prevail, as the neutrality act, when invoked, would prohibit loans of any kind to foreign nations or their nationals.

But the Johnson act was a peace-time loan embargo measure. It was passed by congress in 1934 in the wake of a flood of defaults in payments on war debts and other debts. It prohibits foreign governments from borrowing money in this country as long as they are in default

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Slender grace, combined with strength and symmetry, marks the exterior of the new 1939 Dodge Luxury Liner. Road illumination for night driving is made safer by headlamps set flush into the front fender curves where they are 13 inches farther apart and closer to the road.

in their payments. Since every important European nation is in that predicament, it generally has been assumed that they could not borrow a red cent in the United States.

Crisis Brought Scrutiny
The Czech war scare, coupled with talk of loans to help revive Czechoslovakia and perhaps other nations, has prompted a closer look.

The Johnson act, while prohibiting loans to debt-defaulting governments, does not prohibit loans to private concerns in those countries. Further, the attorney general has ruled that municipalities in the debtor countries can borrow here if their municipal bonds are not in default.

For instance, the city of London, if not in default on its securities, can borrow here.

As a matter of fact, 12 billion dollars or more of American money now is invested abroad, exclusive of war debts. Americans invested more than \$5,000,000,000 abroad during 1936 and 1937 although the net flow of capital was in this direction because of the rush of foreign investment in America.

May Run Into Billions.
With such openings through our credit barriers, the amount of buying which Europe could finance in this country is considerable. One important source said it might run to several times as much as the amount of foreign money now invested in this country. These foreign investments here amount to about nine billion dollars.

Actual dollar credits in American banks and other "quick" credits owned by foreigners can be used at once if foreigners wish to buy American supplies. "Long term" credits forming two-thirds of the total, would be converted into goods more slowly.

So far, this involves merely spending money already here, either secured here from abroad, or sent here for investment. But look what can happen.

A big order is to be placed by an English firm for steel, clothes, tires, or airplanes. The American firm is sold only part will be paid in cash, the rest in cash, the rest in one, two

or three year notes. The American manufacturer wants the job. Unless he is able to arrange the credit the English purchaser demands, he loses the contract. So, he asks his bank if it will buy the notes or lend him money on them so his capital will not be tied up. If the foreign company offering the buying is a substantial firm, such as the big British armament firm of Vickers, the bank may readily buy the notes and expect to rediscount them at the federal reserve banks.

And thus a big line of borrowing could be launched.

Profits Change Views
The extent to which such practices now are followed is unknown here. Probably it isn't large. It grew to real proportions, likely enough the courts would be asked to rule whether such business was in violation of the spirit of the Johnson act. But if the business was proving profitable at the time, it is doubtful how long a court decision would stand in the way. Tremendous pressure would be put upon congress to wipe out the barrier entirely.

In fact, the pressure is already being felt, not only to revise the Johnson act but to repeal it entirely so that, the argument goes, American credits can help along an international trade revival.

her grandfather, Lloyd Briscoe of San Diego, Calif., underwent a minor operation last week. He is 82 years old and all his friends here hope for his speedy recovery.

The young people, with Maurice Jack as leader, are holding Bible study class each Tuesday evening at 8 o'clock at the new home of Mr. and Mrs. L. C. Rusko. All are welcome.

Mrs. W. C. Jack and Mrs. Merle Jack attended the football game in Eagle Point last Friday, October 21, between Butte Falls and Eagle Point. The game resulted in a tie.

O. L. Davidson had charge of the work of finishing the interior of the Mission church with veneer plywood.

Mrs. Dick Swacker and daughter, Mrs. Averil Dellinger and children, all of Rogue River, were overnight guests of Mr. and Mrs. L. C. Rusko October 21.

Mrs. Mina Treffer of Butte Falls called on Mr. and Mrs. Robert Humphrey October 23. Mrs. C. W. Wadwell and sons, Glen and Junior, also spent the day with them.

Mrs. Dennis Clark and three children are visiting her parents in Colorado for a few weeks.

Reese Creek

REESE CREEK, Oct. 27.—(Sp.)—Reese Creek home and school circle and school will put on a Halloween party at the school house Friday evening, October 28, at 8 o'clock. Pies and ice cream will be sold. A fish pond will be there. Proceeds will be used to buy Christmas candies for the children. All school patrons, parents and friends are invited. The Reese Creek amateurs will put on a good program.

Mr. and Mrs. James McDowell and Marilyn spent Sunday afternoon, October 23, with Mr. and Mrs. W. C. Jack. Mr. and Mrs. Ernest Albers and family spent the evening with the family.

Mr. and Mrs. C. E. Bellows and family attended the show in Medford Saturday evening, October 22.

Mildred Hansen spent the week-end with her parents at Brownsboro.

Thomas Vestal is on the jury list in Medford for a while.

Mr. and Mrs. Ralph Merritt attended church at Eagle Point Sunday evening, October 23.

Mr. and Mrs. Robert Humphrey and Mr. and Mrs. W. R. Lamb are enjoying new radios purchased in Medford this past week.

In the past 40 years the trees on the hills and in the homes were never more beautiful than this fall.

Armistice Day Proclaimed With Guideline for Peace

WASHINGTON, Oct. 27.—(AP)—President Roosevelt, proclaiming November 11 Armistice day, said yesterday, "Peace can be obtained only by non-aggression."

The president's proclamation, issued in conformity with various congressional resolutions, said: "It is especially fitting at this time of world unrest November 11, 1938, the twentieth anniversary of the armistice, should be observed with suitable ceremonies manifesting our belief that peace can be attained only by non-aggression, and can be made enduring only by respect for the rights of others and good will among the nations of the world."

The proclamation directed flags be displayed on all government buildings Armistice day.

Crippled Bay Bridge Diver Winning Back Use of Body

ST. LOUIS—(UP)—Eighteen months ago Ray Woods, mild-mannered little dare-devil who became the country's No. 1 bridge jumper, was told that if he lived he would be a helpless cripple.

That was on March 22, 1937, the day he jumped from the San Francisco-Oakland Bay bridge, was blown off balance in the midst of his 186-foot plunge, and was pulled from the water with several crushed vertebrae.

"He won't live 24 hours," physicians said. Woods fooled them. He's the only man ever to jump from the bridge and live to tell about it.

"He'll be a bed-ridden cripple," the doctors insisted. He fooled them again. Last summer he swam a mile every day.

"He'll never be able to walk," they said.

And Ray Woods intends to fool them on that one, too. He leaned on his crutches, smiled a determined smile, and vowed: "I'll be walking normally within a year... two years at the most."

Then he added: "But I'll never dive again. Even if I regain the use of

at the P-T. A. Friday, Mr. Hamilton explained the different bills that will come up before the voters.

The new fire engine has been seen quite frequently on our streets. The fireman's ball to be given Saturday night will be held at the city hall. There will be good music.

Mrs. Ross, sister of Mr. Hackler and Mr. and Mrs. Larkins and Mr. Ross of Sacramento are guests at the Hackler home this week.

Mr. and Mrs. Eiler, who visited with Eiler's parents, Mr. and Mrs. S. Hamilton left for Wakefield, Kans.

A camp fire supper was cooked by the Girl Scouts Friday at the Columbia orchards.

Mr. and Mrs. Lem Frink returned from Everett, Wash., where they attended the wedding of Mrs. Frink's brother.

Miss Julia Sidley spent the week-end with her parents at Lake Creek, and Miss Frances Fitzgerald spent the week-end with her parents at Sams Valley.

Mrs. Thurston spent the week-end at her home here.

Mr. and Mrs. Bill Hotchkiss attended the wrestling matches in Medford Monday night.

Irene Alcock who is in nurses training at the Multnomah hospital in Portland, spent the week-end visiting friends.

Moore Hamilton of Medford, spoke

my legs, I could never stand the physical shock of striking the water. And even if I could, I have no desire to dive now."

The same dogged courage that led him to defy death in countless high dives all over the country, has enabled Woods to win at least a partial victory in his battle for recovery.

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Beware Coughs from common colds That Hang On

No matter how many medicines you have tried for your common cough, chest cold, or bronchial irritation, you may get relief now with Creomulsion. Serious trouble may be brewing and you cannot afford to take a chance with any remedy less potent than Creomulsion, which goes right to the seat of the trouble and aids nature to soothe and heal the inflamed mucous membranes and to loosen and expel germ-laden phlegm.

Even if other remedies have failed, don't be discouraged, try Creomulsion. Your druggist is authorized to refund your money if you are not thoroughly satisfied with the benefits obtained. Creomulsion is one word, ask for it plainly, see that the name on the bottle is Creomulsion, and you'll get the genuine product and the relief you want. (Adv.)



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Talent

TALENT, Oct. 2.—(Sp.)—Tom Lamb left Wednesday for Red Mountain on a hunting trip.

Mrs. John Reed of Griffin Creek visited with Mrs. Lowe, Saturday.

Mr. and Mrs. Joe Middleton and family left for Coldwater, Kan., Tuesday.

Mr. and Mrs. T. Prettymann returned from a trip to Oklahoma. They moved into the house recently occupied by the Middletons.

Talent football team was defeated by Jacksonville Friday, 7 to 0.

Moore Hamilton of Medford, spoke

Discovery Month!

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TAKE A LOOK! New Styling of Rear Ensemble! Graceful sloping lines, which flow back to tall-light in one smooth, unbroken contour, completely conceal the new-type Dodge luggage compartment which is 27% larger than old "trunk style" compartments.

TAKE A LOOK! New Individual-Action Front Wheel Springing, with spiral-type springs of Amols Steel, levels out the road—makes driving a thrilling experience!

NEW headlamps mounted in front fenders for safer night driving! Thirteen inches wide apart and clearly defined limits of the car for oncoming motorists in rain, fog and dust!

TAKE A LOOK... That's All DODGE Asks!

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