

Here's Why England Is Always Short Of American Dollars; Austerity Fails

NEW YORK, July 12 (AP)—Some folks are beginning to wonder why England is always short of dollars. The answer is probably just the same as all too often in your own case: there are a lot of things you want — if only you had money enough to buy them.

The British, and much of the rest of the world, are like that. There are many things that the United States has and makes that they want and need, if only they had enough Yankee dollars. The dollar shortage is as simple as that.

When you are faced with the same shortage, there are several things you can do. You can make something and sell it for the dollars to buy what you want and need; or you can offer your services for wage or fee.

The British have been trying that one, too. They have been boosting production as much as possible, but they are having trouble selling that product for dollars. We aren't buying as much from them as they'd like. Americans say the British goods are priced too high, and besides we are now making more of many things than we can sell, so that all markets, domestic and foreign, are shrinking.

Another thing you can do to relieve an acute dollar shortage is to borrow from the bank, from relatives, from the pawnbroker. The British have tried that one, also. They borrowed nearly \$4 billion from Uncle Sam back in 1946 and said, "now everything will be jake." But it didn't turn out that way. They ran through the \$4 billion with remarkable speed. Then the Marshall plan came along to give them more dollars, about a billion a year. In spite of that they are running about a half billion dollars behind again. That is, they are buying that much more than they can sell.

A third thing you yourself do when faced with a shortage of dollars to buy the things you want, is to do without. The British are trying that, and calling it austerity. The government tells the individual Briton just what American goods he can buy, and how much. That is to save the dollars for the things it deems more essential — mainly raw materials and machinery for turning out British products to be sold in the world market, preferably for dollars.

The British have tried all of them, and now say that it still isn't enough.

Probably they would like to have some more dollars as a grant or loan. But they know the amount

they might hope for grows smaller each month as the American business cycle declines.

The British are also trying more and more to make sure that what they buy comes as far as possible from outside the dollar area. The trade pact with Argentina was for that purpose; they take Argentine meat and pay for it with British goods, among them crude oil—thereby supplying almost all of Argentina's foreign oil needs. Until this recent pact, American oil companies supplied those needs.

England seems intent on pushing her dollar shortage through a harder deal like the one with Argentina. American businessmen already are complaining loudly about that.

Another thing England could do, many observers point out, is to devalue the pound sterling. Now, officially at least, you must have four American dollars to buy something British sells for a pound. If the pound were devalued to \$3 to the pound, say, that would mean you could buy the same British product for \$3 instead of \$4. Some say that if Britain did that she could start her goods moving again in world trade.

British officialdom has been saying, however, that it won't devalue the pound, that it prefers to muddle through—with American financial aid and bilateral, barter trade treaties—until the pound sterling is actually worth \$4 again in the eyes of the world. Right now, while \$4 is the official price, you can buy a pound in unofficial markets for much closer to \$3.

Of course, Britain will go on saying that right up to the time it devalues, supposing that it does.

But Britain's chronic state of being short of dollars, its new policy as revealed in the Argentine pact of making bilateral, exclusive trade pacts, and the question of devaluing its pound sterling — all are probably being given a good going over this week as U.S. Secretary of Treasury John W. Snyder tours Europe. Just what America can, and will, do about it should be apparent shortly.

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Model Plane Contest Set For Week-End

A record breaking number of entries, estimated to exceed 250, are expected to participate in the state-wide model plane contest to be held on Saturday and Sunday, July 16 and 17 at Eugene. This will very likely break the mark set last year, according to Plymouth dealers of Oregon who are sponsoring the annual contest.

Spotlighted on Saturday's program will be speed and stunt events scheduled to take place on the University of Oregon campus and using the Weibfoot baseball field.

The following day will see free flight models performing at the Eugene airport. Awards will be made following events on each day.

Contest plans for the 1949 state meet will offer prizes including

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three scholarships to any Oregon college or university to be offered to winners from 14 to 18 years of age.

In addition to the scholarships, there will be presented four all-expense-paid trips to Detroit, Michigan. Here, winners in all the state meets will compete in the August 22-29 Plymouth third international model plane contest for \$8750 in prizes.

Contestants in the age group nine to 26 years may win the trips while additional awards will be presented to winning modelers in all age groups.

Klamath Falls Plymouth dealers who are helping to sponsor the state model plane contest are Burns Motors, Lombard Motors and Dimbat Motors.

Engel Faces Grand Theft

SAN FRANCISCO, July 12 (AP)—Sigmund Engel, aged but dapper Bohemian, faced a new and—for him—unusual charge today: grand theft without ransom.

Engel, jailed in Chicago, is accused by authorities of having netted perhaps millions of dollars in 50 years of fast love-making, and quick getaways.

But Mrs. Irene Grimes, 49, says it wasn't that way in her case. Filing a \$10,000 grand theft charge against Engel yesterday, she told

District Attorney Edmund G. Brown:

Engel bumped her in a downtown store and started fast-talking in Hungarian. He posed as a diplomat and promised—for the \$10,000 cash—to help her obtain passport difficulties for her relatives in Hungary.

Mrs. Grimes' attorney, Lois Preston, said it was the intent of the new charge to keep Engel in jail until a search is made for a missing trunk. She told Brown the trunk probably contains a lot of cash.

The Republic of Brazil is bound by all except two of the South American republics as well as the three Guianas.

Kenney Named To Marshall Post
WASHINGTON, July 12 (AP)—W. John Kenney, former undersecretary of the navy, today was appointed chief of the Marshall plan mission to Britain.

Kenney was sworn in at once. He plans to leave Friday for the new post, but may delay his departure to accompany Economic Cooperation Administrator Paul G. Hoffman. Hoffman will not start, he told reporters, until the ECA appropriation is approved by congress.

Kenney, 45, succeeds Thomas K. Finletter, who resigned the London post recently.

Last Few Days! Come In Before Aug. 31 For Your **Wool O'West Gift Blanket**

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