

Peruvians Facing Financial Crisis, Say United States Could Cure Most Of Ills

By LARRY ALLEN
LIMA, Peru (AP)—Peru, the Andean Mountain land of the once powerful Incas, is facing financial crisis. Officials blame the United States.

They say there would be no economic troubles in this agricultural and minerals rich republic if the United States would just buy more of its products and lower tariffs on present imports.

Demand from the United States, arising out of the recession there, has tapered off sharply in the last year or so.

Heartened by the recent visit here of Vice President Nixon, Peruvians are hoping things will be worked out.

Lower prices and the fall in exports, not only to the United States but other foreign countries, have hit Peru so hard that the government will have to borrow heavily from its own central bank, or the U.S. Export - Import Bank, to meet its 1958 budgeted expenditures.

Fear The Worst

The exports and imports balance sheet didn't look so good for 1957—and economists fear it's going to be worse by the end of this year.

Exports last year brought in 339 million dollars. Imports totaled 448 millions.

While a big chunk of the imports were for foreign companies operating in Peru, the government nevertheless had to use about 31 millions of its gold reserves for payments.

Peru already owes 149 million to the Export - Import Bank for economic assistance. U.S. investments here total 450 million.

The right-of-center government of conservative President Manuel Prado inherited debts from the previous administration estimated at 45 millions. Struggling for a balanced budget, Prado has tried to trim expenses to liquidate this sum.

Prado, long has been beset by agitation for wage increases for the nation's workers. Despite attempted price controls, costs of living have risen steadily.

Increase Wages

To halt the wage boost demands, the government recently approved a general 15-20 per cent rise and then decreed there would be no more pay hikes for a year.

There are other problems facing the government of Peru—roughly shaped like California, but three times as big.

There is much unemployment. As in many Latin American countries, no government official seems to know just how much. The per capita income is only \$120 yearly.

Over half of Peru's 10 million people can neither read nor write. Poverty is widespread among the Incas and other Indians who make up more than 60 per cent of the population.

There's a deep feeling among many Peruvians that, while they blame the United States for financial and economic troubles, amendments can easily be made.

They figure it out simply—all the United States has to do is to buy just about everything Peru wants to sell and everybody here will be happy to clasp hands with Americans in warm friendship.

Want U. S. Money

They contend that since the United States spends billions of dollars on foreign aid for Europe, Africa and Asia, South America should get more.

Points like these and all economic complaints imaginable provided the ammunition for the hostile anti-American demonstration staged here by Peru's Communists against Nixon.

The Communist party technically is illegal in Peru, but it operates openly. Prado's government has shrugged aside the Communists as a threat to Peruvian democracy. Apparently that attitude is based on the fact that the Reds supposedly have only 6,000 members and 40,000 to 60,000 sympathizers.

But they are wielding power and influence in labor unions, universities, student organizations, and among the peasants.

Many Peruvians believe the government should curb Communist activities.



SECOND—Six southern Oregon men took place in National Guard 41st Division rifle competition during encampment just completed at Ft. Lewis, Wash. They are, left to right, sitting, Capt. John A. Parsons of Roseburg and Sgt. Gary B. Olsen of Creswell. Back row, Lt. Edward Prefontaine of Grants Pass, M/Sgt. Jim D. Schelenbaum of Grants Pass, Pfc. Larry R. Lane of Roseburg and Lt. Jack Phillips of Medford. (National Guard photo)

Decline In Farm Prices Weakens Eisenhower Claims

WASHINGTON (AP)—A decline of about 3½ per cent in farm prices this month has weakened somewhat Eisenhower administration claims about strength in the agricultural economy.

Reported by the Agriculture Department late Friday, the downturn ended a price advance that started last October to carry markets 9 per cent above levels of a year earlier and to lead Secretary of Agriculture Benson to forecast much better times for agriculture.

A June decline has been expected because this is the month when supplies of some crops start moving in big volume. These crops include wheat, vegetables and potatoes—all of which lost price ground.

The amount of the decline was a little more than most officials had expected. Nevertheless, farm prices as a whole still were 5 per cent higher than a year earlier.

Some of the sting was taken out of the decline by a decrease of one-third of 1 per cent in prices farmers paid for goods and services.

Wheat took the biggest price cut—dropping from a mid-May average of \$1.93 a bushel to \$1.79 in mid-June.

Two factors contributed to the wheat decline. These were a reduction in the government's price support rate and prospects of a big increase in the crop over last year.

The price report indicated that the support rate for this year's wheat crop will be \$1.82 a bushel instead of the \$1.78 minimum previously announced by the department. Announcement of this increase will be made next week. The rate last year was \$2 a bushel.

Three smaller armories may be built, however, the commissioners were told.

Maj. Gen. Rhomas E. Rilea, Oregon adjutant general, explained the armory situation in a letter to the commissioners. He disclosed preliminary plans to raze the old armory and replace it with a modern building a block square.

Two smaller armories would be built elsewhere in the city.

Rilea said the Defense Department has refused to consider a one-armory project, but officials have indicated they would "look favorably" on three smaller armories.

Local matching funds would be required for the proposed armory construction.

Two Portland Contractors Win Bids On Terminal

SEATTLE (AP)—Two Portland contractors were apparent low bidders on construction projects at the Beaver Army Terminal, the Army Engineers reported Saturday.

Charles S. Camplan bid \$45,974 for rehabilitation of a workshop building at the Beaver Army Terminal. Five other bids were opened. The government estimate was \$50,900.

The United Contracting Co., also of Portland, was apparent low bidder for paving of railroad crossings in the igloo area at the terminal. United bid \$56,275. The government estimate was \$52,510.

Emotional Disturbances Major Student Problem

By G. K. HODENFIELD
AP Education Reporter
CLEVELAND (AP)—Emotional disturbances among college students have become a major educational problem, an expert in the field declared today.

Dr. Dana L. Farnsworth, director of Harvard University's health service, said at least 10 per cent of all college students have serious psychological difficulties, severe enough to warrant professional help.

In an address prepared for the annual convention of the National Education Assn., Dr. Farnsworth said the disturbances could result in scholastic failure, apathy, depression, excessive anxiety, compulsive behavior, obsessive thinking and even physical illness.

There are no reliable statistics, he said, to indicate how many of those who drop out of college do so because of emotional conflicts. But, he added, "in my own insti-

tution we have good reason to believe the proportion is considerably more than one half."

The ultimate causes go back to the home life, community life and the social environments from which the student comes, he said.

"I am among those," he said, "who believe that the present generation of students has ideals fully as good, if not better, than those of earlier college generations. I see no signs of a moral breakdown originating in our colleges."

"What I do feel strongly about is the massive assault on the integrity of our young men and women of college age in the form of examples set by their elders. Our young people are as often disappointed in representatives of their parents' generation as they are in rebellion against them."

Welfare Commission OKs First Quarter Allocation

PORTLAND (AP)—The Oregon Public Welfare Commission Friday approved allocation of \$8,490,746 for the first quarter of the next fiscal year.

That was an increase of \$400,000 over the allocation for the first quarter of the 1957-58 year.

Welfare officials said the increase is due to an increased number of cases and increased costs in the aid to dependent children and aid to the disabled.

The cost for general assistance in May was reported at \$3,141,331. That was \$83,000 down from April expenditures but up from the \$2,887,746 paid out in May, 1957.

Commissioners approved an increase in payment for welfare patients at the Multnomah County Hospital. The new rate-effective July 1—will be \$17.50 a day compared with the present rate of \$13.25.

Honor Policeman Held For Looting Police Property

NEW YORK (AP)—An honor policeman was accused Thursday night of looting police property clerk safes of \$27,000 in the past two months.

Authorities said patrolman Jean H. Jackson, 35, a Negro, admitted spending much of the money on women and high living. Jackson, father of two sons, has been separated from his wife for 10 years.

He was booked on a grand larceny charge. Police said \$23,000 was taken from the Manhattan office safe, and \$4,000 from the Bronx office safe.

Cash totaling \$13,443 of the loot—concealed in a black tin box—was recovered at the home of a friend.

Jackson was the sixth city policeman arrested in the past week. Four were seized early Saturday—three narcotics squad detectives on charges of attempted extortion, and a patrolman accused of assault and robbery in company with two ex-convicts. Last Tuesday a patrolman was charged with felonious assault.

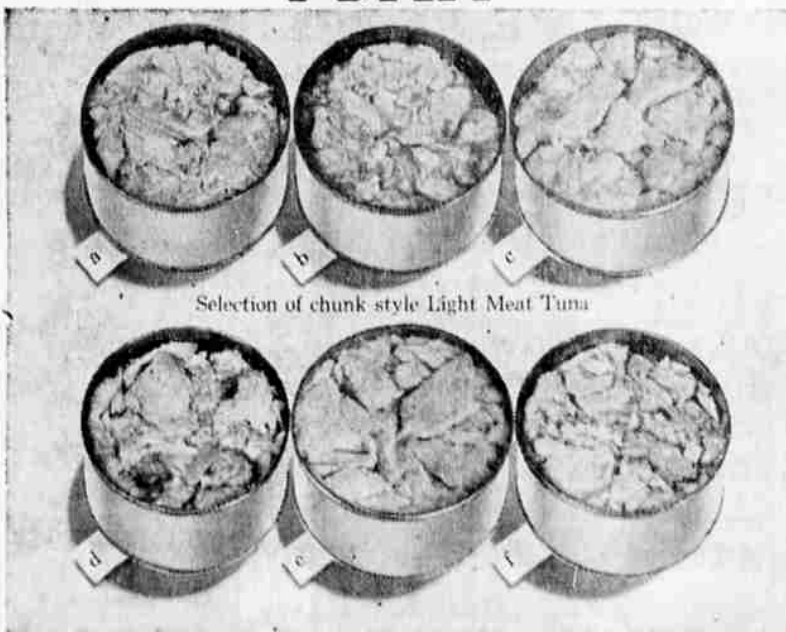
Shipbuilding Company Gets Federal Contract

PORTLAND (AP)—A shipbuilding company here has received a 1½ million dollar contract for reactivation of three Navy ships now in mothballs.

The Willamette Iron and Steel Co. of Portland was awarded the \$1,282,900 job to reactivate the LST-type vessels now in the Tongue Point mothball fleet.

J. C. Haynes, manager of the firm's marine division, said the company will hire 300 to 400 men at the peak of the repair period, halfway through the 90-day job.

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