

Devaluation of French Franc Seen Prelude To Price Spiral

United Press Correspondent
Paris — French Finance Minister Felix Gaillard set the wheels in motion by unofficially devaluing the franc. Now he is waiting to see which way they will turn.

The young financial wizard hopes this devaluation and a new "austerity" program will return the nation from the brink of bankruptcy.

But most experts — and many Frenchmen — believe the 37-year-old Gaillard's devaluation was just a starter, a prelude to a new wage and price spiral this fall and a general devaluation of the French currency at home and abroad.

France's economic problems come in the midst of its most prosperous postwar period. In-

dustrial production has increased 47 per cent during the past four years. Steel production is up 62 per cent over 1950. The nation is producing 58 per cent more iron ore each year. It has 75 per cent more electric power and produces 27 per cent more food and farm products each year.

And France is buying more, too.

Wait For Cars

With full employment — only 75,000 persons applied for jobs in May out of a population of 43 million — Frenchmen just wait six months to two years for new cars. They are buying television sets as fast as they come off the production lines.

It is this very boom at home which is causing France's eco-

nomie problems. It is the simple fact that France is importing more than it is exporting. Its currency reserves are all but exhausted and its credit is gone.

At present all that stands between France and bankruptcy is 200 billion francs (\$420 million) in Bank of France gold. This is melting away at the rate of 50 billion francs (\$120 million) a month.

One trouble is the Algerian war, now costing about one billion francs (\$2.8 million) a day. American Aid Declining

Another reason France no longer can keep up with its international trade deficit is the gradual cutting off of American aid funds.

U. S. aid, which ran at about \$700 million a year during the Indo-China war dropped off to about \$125 million this year.

Thus Finance Minister Gaillard faced an almost impossible situation when he began his program of "austerity."

He had to bring France's trade balance into line and he had to do it without cutting imports.

Gaillard's first move was to cut the 1957 budget. It has a projected deficit of \$4 billion dollars. By threatening to quit, Gaillard obtained a \$1,700,000,000 reduction in the budget, meaning less money for Frenchmen to spend at home.

Then he went after the problem of increasing exports. To do that he had to "unofficially" devalue the franc, from 350 to the dollar to 420 to the dollar.

Devaluation Unofficial

His devaluation was unofficial in that France still pretends the franc is 350 to the dollar. Technically all he did was slap a 20 per cent tax on imports (except raw materials) and grant a 20 per cent subsidy to exports (including tourist dollars).

It was the first devaluation of the long-suffering franc since 1949 and brought the franc to the rising black market level.

The move will affect Frenchmen, but will mean little to Americans and other foreigners, to the tourists, businessmen and buyers of French champagne, cars and perfume.

Gaillard hopes the new devaluation will bring more money from the five-million foreign tourists who come to France each year into banks and thus into French foreign exchange reserve.

But few French black market operators are worried.

"The official franc never quite catches up with the unofficial franc," one said this week. "Besides, I give immediate, personalized service."

The old Butterfield Stage route, which carried mail and passengers across the continent in the 19th Century, passed through a part of southern New Mexico and brought prosperity to a number of small villages that have since become ghost towns. The Butterfield Stage promised delivery of mail in 25 days, and was successfully raided by Indians only once.

Wyoming is known as the Equality State.



PAINFUL KNEE INJURY suffered in speedboat accident brings Actor Errol Flynn to New York hospital for examination. He plans to appear as prosecution witness against Confidential magazine aides in Los Angeles. (International)

Chiang Kai-shek Now Has Military Power To Launch China War

(Editor's note: A flood of reports about unrest inside Red China raises the question of a possible attack by the Nationalist Chinese from Formosa. The following dispatch gives an analysis of the situation.)

By ROBERT BROWN
United Press Correspondent

Taipei — Generalissimo Chiang Kai-shek now has the military power to launch a limited attack against Red China at any time, most observers here agreed today.

And, it is almost certain that widespread armed revolts against the China mainland would follow any attack.

For Chiang, who retreated to Formosa eight years ago, there have been encouraging signs during the past few weeks.

Reports from Canton say that posters have recently appeared proclaiming "expell Mao Tse-tung" and "welcome President Chiang Kai-shek."

Students in the industrial city of Wuhan, in central China, have been shouting such slogans as "welcome to the Kuomintang (Chiang's own party) to come back quickly."

Could Drop Paratroopers

Only last Thursday Peiping announced the arrest of a rebel group in northern China.

It is generally agreed that Chiang's Nationalist air force is capable of launching bombing raids or dropping paratroops in Red China—thus touching off a war overnight.

The question is whether the Nationalists have the naval and logistic ability to sustain a full-scale invasion of the China mainland.

The key point is whether Chiang has enough ships and planes to move a major portion of his 600,000-man force across the 100-mile Formosa straits.

Armchair strategists say Red China's three million-man military force would simply open

up, let the Nationalists pour in, and then swallow them. But military experts agree it is not that simple.

Expects Support

Chiang personally is convinced that once his troops gain a foothold on the mainland there will be wide support from Chinese there.

He also is counting on desertions from the Red Army. Reinforcing this belief is the fact that 14,000 Red prisoners who fought in Korea decided to join the Nationalists on Formosa rather than return to the Communist mainland.

Chiang himself had admitted that he will need American backing (although not U.S. troops) in order to retake the mainland.

The Nationalists are not likely to make a move without American agreement unless they are certain that internal conditions in Red China are right.

Eight years and the tremendous odds against him have made much of the world doubt that Chiang would ever attempt to retake Red China.

But Chiang has made a remarkable comeback from the dark days of 1949 when American aid was cut to a trickle and most of the world was ready to write off Formosa.

Body of Seattle Woman Found Beaten to Death

Seattle — The body of Mrs. Pearl Marie Jones, 55, was found in her apartment here Sunday and King county coroner's deputies said she apparently had been murdered some time Friday.

A claw hammer and bottle were found in the apartment, mementos probably were used to beat her to death.

Winston Churchill's Son-in-Law Dies Of Pill Overdose

By DANIEL GILMORE
United Press Correspondent

London — A police investigation into the apparent sleeping pill suicide of Anthony Beauchamp, 39-year-old son-in-law of Sir Winston Churchill, turned today to London's smartest society leaders.

Beauchamp, pronounced "Beetsham," estranged husband of actress Sarah Churchill, was found dead in his luxurious Hyde Park Gardens flat, a telephone dangling near his lifeless hand.

Police and firemen broke into the apartment after they received a telephone call from a former lady-in-waiting to the Queen. They said Beauchamp, a husky, dark-haired society photographer, had died of an overdose of sleeping tablets.

On Top of World
"This must have been an accident," Beauchamp's sister-in-law Mrs. Clive Entwistle insisted. "Anthony was shortly going to produce a new film and was on top of the world."

Police based the suicide belief on a report by Lady Jane Vane-Tempest-Stewart, 25, a maid-of-honor at the coronation of Queen Elizabeth II, who said she talked on the telephone with him apparently as he lay dying.

She said Beauchamp telephoned her of his intentions and that she called police emergency number 999 in a frantic plea for help.

"I pleaded with Anthony," she told police. "I tried to persuade him not to be foolish. I was frantic. While I talked suddenly the line seemed to go dead."

Police misunderstood her excited and confused pleas and sent a car to her apartment instead. She directed them to Hyde Park Gardens where they broke into Beauchamp's apartment and found him dead.

Marriage On Rocks
Beauchamp, whose mother operated an exclusive photographer's studio in Park Lane, was born Antony Entwistle, but changed his name in 1939. He became wealthy in his own right photographing Britain's stage and society beauties. He went to Hollywood where he photographed Marilyn Monroe and nearly became an actor.

He and Sarah Churchill were married in a secret ceremony at Sea Island, Georgia, in 1949, four years after Miss Churchill divorced comedian Victor Oliver. Friends said their marriage has been on the rocks for about two years and that they had not been living together.

Beauchamp admitted to reporters recently that he and Miss Churchill were living apart, but he said that did not mean a divorce was "imminent."

Bellingham Woman Fails Driver's License Test

Bellingham — Mrs. Marie Tichelaar, 34, Everson, failed her driver's test Friday. She was doing fine until she lost control of the car, swerved across the street and slammed into the wall of the police station.

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On The Side

By E. V. Durling

(Distributed by King Features Syndicate, Inc.)

In France chimes are to be substituted for telephone bells. That is really a step in advance. The result should be very soothing. Should be done in this country. I suggest telephone chimes that play tunes. What would be some good tunes for telephone chimes? How about "I Hear You Calling Me"? Or "All Alone on the Telephone"? Or "Call Me Up Some Rainy Afternoon"? Or "Are You There, Moriarity"? Asking

Queries from clients. Q. Discussing the proposed film version of a "Blues Opera" by Harold Arlen, I claimed there was a "Jazz Opera" presented at the Metropolitan Opera House. Right? A. Quite right, sir. It was a German opera, titled "Johnny Spier Auf." Lawrence Tibbett starred in it. The Warner Brothers bought the film rights to this jazz opera but never produced it. Q. When "Two Ton" Tony Galento is reported to have said of a ring opponent, "I'll moiger de bum," to whom was he referring? A. Believe it was Able Simon. Q. What is meant by the "Three-B Girl"? A. This refers to a young woman whose major measurements put her in the "oomph girl" class. These measurements, bust, waist and hips are styled "Bust, Belt and Beam." Hence the "Three-B." Please Note

There is reported to be a new type of British lens that magnifies print 20 times. That should be useful in reading the small print in printed contracts. Incidentally, too many people fail to read that part of a printed contract. As far as I am concerned, I view with suspicion any contract that utilizes small print.

Overweight

One-fifth of the adult population of the United States is overweight. So research has revealed. There are in this country about 103,000,000 persons over the age of 21. About 50,000,000 are male, 53,000,000 female. So approximately 10,000,000 men are on the fat side. Most of the plump males don't worry too much about being overweight, though according to physicians, they should.

Most women do worry about being a bit fat. Or, should I say "bulgy"? Anyway, according to the aforementioned research there are more than 10,000,000 overweight adult females in this fair land of ours. No wonder the girdle business is so good and the figure streamlining salons are reporting capacity business. By the way, sir, how does your wife look in a bathing suit this summer? Does she hear any whistling when she strolls by the sea?

Who's Who

Of the feminine stars now shining in Broadway stage hits, Ethel Merman, Julie Andrews, Judy Holliday and Florence Eldridge are all listed in the 1957 edition of "Who's Who in the Theater." Rosalind Russell is not so honored. Evidently, despite her success in the stage play "Auntie Mame," Rosalind still is considered strictly a film star by the publishers of the monumental work aforementioned. It seems a silly omission.

Asides

The average salary of British airline stewardesses is the equivalent of \$27 a week. Stewards on United States operated lines are paid more than three times as much. That is, \$85 a week and up. Am asked how soon after his arrival in this country Charlie Chaplin became a millionaire. Couldn't say definitely, but it was reliably reported in 1922, ten years after his arrival here, that Chaplin had a fortune amounting to \$3 million.

Romance
Nearly all the great romances involve women between the ages of 30 and 40 from the time of Cleopatra until the present day. So says a feminine subscriber who apparently has been doing some extensive checking on the history of that thing called love. She points out that Wallis Simpson was 40 when she married the Duke of Windsor. Elizabeth Barrett was 40 when she eloped with Robert Browning. Fannie Osbourne was 40 when she married Robert

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