

Outflow of American Dollars Cause of Worry to U.S. Government

Expenditures More Than Offset Trade Balance

Editor's note: What is meant by the campaign to "save the dollar"? How did the emergency come about? How serious is it? What is being done about it? These and other questions are discussed in the following dispatch.

By PHIL NEWSOM
UPI Foreign News Analyst

To Americans whose economic experience generally is limited to stretching the family pay check, government spending figures are so huge as to be beyond comprehension and therefore beyond much worry.

Within the U.S. govern-

ment, however, there is worry.

Its annual gross product totals more than most of its European Allies combined.

American sales abroad this year will total between \$4 and \$5 billion more than U.S. purchases in foreign countries.

The emergency started worry in Europe, too. That worry was over the effect U.S. restrictive measures might have on Europe's booming economy, to which American tourists annually contribute some \$2 billion, in which American business has an estimated \$30 billion invested in plant and equipment and which receives a further shot in the arm from the hundreds of millions spent on maintenance of U.S. troops overseas.

There have been reports that some Europeans who once preferred the proud American dollar to their own currencies are converting them back out of fear of the dollar's future.

As to the "whys," they are many. But they boil down to the conclusion that in a world in which it is committed to the support of freedom everywhere, the United States has been trying to do more than its share. Its foreign aid and other expenditures more than offset its favorable trade balance.

Many Changes Wrought

There have been far-reaching changes in the 13 years since then - Secretary of State George C. Marshall announced the inception of the Marshall Plan which was to pour billions of U.S. dollars into a revival of European industry.

West Germany provides the most startling contrast. In 1947, the scars of war still spread the length and breadth of West Germany - in the shipbuilding center of Hamburg, in Dusseldorf, cen-

ter of industry, and in Frankfurt, the money mart.

In the beginning the slogan was: "Aid for trade."

As European industry regained its footing and began actively to compete with U.S. industry, the plea became: "Trade not aid."

At any rate, before the Marshall Plan ended in 1951, the United States poured more than \$12 billion into the vast pump-priming operation. West Germany received about \$4 billion of it.

Massive U.S. aid did not stop with the end of the Marshall Plan. As the United States pressed its own fantastically expensive nuclear and rocket program, it poured billions more in military aid into nations around the world hard-pressed by Communism.

U.S. Warns Allies

Early this year, the United States began warning its Allies that U.S. wealth was not an inexhaustible horn of plenty.

Trade barriers set up to aid European industries in their recovery now must come down to give U.S. firms a chance to compete on even terms.

In most instances, cooperation was forthcoming. But those measures were not enough. The United States still was bearing a disproportionate cost of the world struggle to confine and push back aggressive world Communism.

For three consecutive years, the drain in U.S. gold supplies had exceeded \$3 billion. Its reserves were down to \$18 billion, actually not enough to cover foreign commitments.

As Treasury Secretary Robert B. Anderson and Under Secretary of State Douglas Dillon prepared to take off for Europe to lay the United States case before the governments of Bonn, Paris and London, the U.S. government took some immediate and unpopular steps of its own.

It ordered 264,000 Army dependents home, beginning Jan. 1 at the rate of 15,000 a month.

It told military purchasers to "buy American."

Armed services Post Exchanges were told to discontinue purchase of European goods. Foreign liquors, including Scotch, were cut off the buying list.

Opponents said it would destroy the morale of the armed services, that military transfers would increase because men with families would refuse to be separated long.

The order hit Scotland's most exportable product.

But altogether, the cutback was expected to save up to \$1 billion annually.

In Bonn, Anderson and Dillon ran into a stone wall. They asked that Germany make a direct contribution of \$800 million toward the annual cost of maintaining approximately 250,000 American troops in NATO's forward German wall.

The Germans refused. It would, they said, smack too much of occupation.

But they made a counter-

offer. They offered to pay \$600 million in advance on their debt to the U.S. They also offered to buy more U.S. military supplies.

But they refused to undertake anything which in an election year might add more burden to the German taxpayer.

Between the two sides was a fundamental difference of opinion. The West Germans held that the U.S. emergency was temporary. Anderson held that it was chronic - that one-shot measures would not help.

Questions of Interest

The Germans held that much of the U.S. difficulty stemmed from the flow of "hot money," that is money which flows from one side of the Atlantic to the other, depending on interest rates and opportunities for a return on investments.

As European interest rates fell, they argued, the flow once more would be toward the United States.

Any further charges for NATO, they argued, should be assessed against the NATO budget and not individual nations.

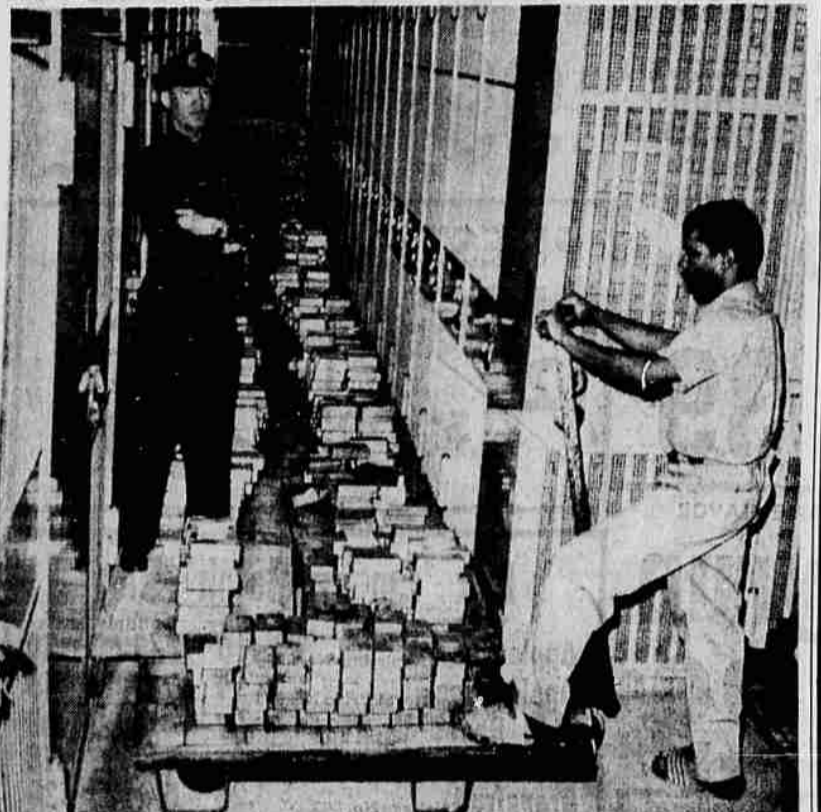
From England and France, the American representatives received sympathy and promises of support, but so far no money.

A showdown may come this month in the Paris meeting of the NATO foreign ministers. Consensus among economists seemed to be that the dollar was not in immediate peril and that it still was a desirable currency.

Nonetheless the United States' Allies had been put on notice that the present trend could not continue.

The more drastic the U.S. restrictive measures, the greater the effect on their own economies.

There have been many suggested cures. One would change U.S. tax laws to help U.S. firms compete abroad. Others would limit the funds American may take abroad. The most drastic and the least likely would be devaluation of the dollar.



METAL PILED ON FLOOR - Because of the heavy flow of gold from the U.S. Assay office on Wall Street in New York, bars of the precious metal are piled on the floor of the Federal Reserve Bank, waiting to be counted, weighed and stored in the mesh cages belonging to foreign countries. The gold is shuffled around the vault to settle debts between depositors. Here bank employee Ernest Capers, wearing steel protective shoes, handles a load of gold bars. At rear is guard Hank Raduns. (UPI Telephoto)

New Ideas in Teaching Typing Being Studied at Oregon State

Corvallis - (UPI) - A promising new concept of teaching typing more "by ear" with the aid of individual earphones and dictating-transcribing machines is being tried for the first time this fall at Oregon State college.

If benefits outweigh costs involved in the system, the idea may bring special new teaching equipment to typing rooms and help produce faster and better typists in a shorter time.

Under the experimental plan devised by Robert Wiper, OSC secretarial science instructor, each student has earphones through which instructions are received either from the teacher speaking into a microphone or from machine recordings of lesson material.

Different Drills

By flipping switches on the control panel in the front of the room, Wiper can have several groups of students on different typing drills, depending on their needs and abilities.

The big advantage of the system is that it allows instruction to be "geared to the individual student - each progressing as fast and far as possible." At the same

time, make-up work and special remedial help can be given easily and conveniently without upsetting the rest of the student typists.

Individual criticisms can be made over the earphones without having "others listen in" and without student embarrassment, he noted.

The earphones also shut out noise from other machines and help students concentrate on the job at hand. Each earphone has individual volume control so that every student is assured of being able to

hear - a problem in rooms where typewriters are banging away. Having to stop the entire class to give instructions to just a few students is avoided with the system too.

Detailed Comparisons

Detailed comparisons are being made this term between three classes using the experimental equipment and three that are not. Gains in speed, accuracy, and production are being tabulated.

These comparisons will measure the value of the new system, but Wiper and the students involved in the experiment are highly enthused about classroom results to date. They feel the system speeds up the teaching and learning processes.

Cost of equipping a 30-student classroom with the special equipment runs about \$1,800. OSC had most of the equipment donated for the study by a business machine manufacturer.

Wiper believes the system might have particular benefits for adult education classes and business colleges where students vary greatly in typing skills and instruction needs.

He got the idea for the earphone network from a language instruction laboratory. A member of the OSC staff for the past four years, he earlier taught at Lebanon and South Salem high schools.

THE COURT HELD
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COLLEGE OF LAW
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Child Custody Jurisdiction
Depends on Domicile

Mary and her husband Ed, had been married for several years but their relationship was becoming progressively worse. They decided to separate, but Ed later claimed that Mary would not let him see their three youngsters, so he brought suit in Arkansas for custody of the children. While the custody suit was pending, he took the children to live in Washington state. The Arkansas court, meanwhile, awarded custody and separate maintenance to Mary. She then filed suit in the State of Washington, seeking to obtain custody of the children by a writ of habeas corpus. Ed, however, claimed that the Arkansas court had no power to award custody of the children to Mary.

THE COURT HELD: Custody awarded to Mary. A child custody decree of another state will not be changed nor will jurisdiction in such matters be assumed by a Washington court unless the children are domiciled in Washington. They were not domiciled in Washington, the court reasoned, since they were there in disobedience of the valid order of an Arkansas court.

This column of general legal principles is presented by the Willamette University College of Law. It is not to be taken as legal advice. Slight changes in the facts may change the outcome of a case.

Plants 'Mugged' For Identification

Honolulu - (Science Service) - The technique used successfully in the recording and identification of human criminals is now being applied to biological specimens in the field.

Dr. Harold St. John of the B. P. Bishop Museum of Honolulu who is now teaching at the University of Saigon, Vietnam, has reported the use of a placard with movable numbers and a special, easily read sized scale in photographing trees and other plant specimens discovered and collected on botanical trips.

The sets of numbers such as those used on house doors and front gates were slipped into aluminum holders such as are also available in American hardware stores. The painted numbers also have clear glass beads that reflect the flash if the photograph is made in poor light. A special scale was devised to indicate the exact size of the tree or other specimen.

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