

Racial Situation in Nation's Capital a Powder Keg



Your Money's Worth

By SYLVIA PORTER
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WHAT IS DOLLAR DEVALUATION? — II (2nd in Series of 5 Columns)

"Devaluation of the dollar would be as shattering a blow to U.S. power, prestige and health and to the well-being of every American as a takeover of the entire U.S. by the Russians," one of the nation's top currency experts said to me in an off-the-record talk the other day. "It would mean instantaneous disaster for the foreigners who own \$20 billion of dollar claims today and it would lead to a complete breakdown of our entire international financial system."

In less dramatic words, President Kennedy, Treasury Secretary Dillon, Reserve Board Chairman Martin — to name just a few — have said the same thing on-the-record and there is no possibility whatsoever that we will devalue the U.S. dollar in the foreseeable future.

Nevertheless, fears about devaluation are spreading as we continue to spend far more abroad than we earn abroad, as the deficit in our balance of payments remains dangerously high, as foreign claims against our gold reserve mount, as our gold supply shrinks. Here's an attempt to translate the devaluation bafflegab into our words.

Q. What is devaluation of the dollar?
A. The dictionary definition of devaluation is "to diminish the value of something." In the case of the dollar, if we devalued, we would diminish its value in terms of gold and also in terms of other currencies — assuming other nations did not immediately copy us and devalue their monies to precisely the same degree as we did the dollar.

We would devalue by rising the price at which the U.S. government stands ready to buy from or sell gold to any qualified foreign government or banks or international organization.

The price of gold today is \$35 an ounce and it has been frozen there since we last devalued in 1934, almost 30 years ago. Say we raised this price from \$35 to \$70 an ounce. The gold value of the U.S. dollar would be 1/70th of an ounce instead of 1/35th. The dollar would have been devalued by half.

Q. How could devaluation be achieved?
A. It could be done only by an act of Congress. Under the Bretton Woods Agreements Act of 1945, the President cannot even propose devaluation unless Congress first gives him the authority to do so, and even a rumor of this request would plunge the free world into monetary chaos. Also we would have to obtain the approval of the International Monetary Fund, to which we and most nations of the West belong, for all member countries have pledged not to make any major change in the value of their currencies without the IMF's okay.

Despite widespread belief to the contrary, the dollar could not be devalued by any "stroke of the pen" deal!

Q. Why does anyone favor dollar devaluation?
A. Because our foreign creditors have such enormous dollar claims against our gold reserve and our hoard has been shrinking, the proposed "solution" is that we write up the value of gold so we'll have a "profit!" — and so will all other countries owning gold — the basic precious metal that backs paper currencies today.

If we raised the price of gold from \$35 to \$70, our \$15.6 billion gold reserve would be worth \$31.2 billion. We would have doubled the amount with which to settle claims against us. At \$70 an ounce, our gold would be a much less attractive buy to foreigners.

Because our dollar's value in other currencies would be cut in half, the cost of our goods to foreigners would be cut in half too. Theoretically, our exports would be twice as attractive, and theoretically this would boost our sales abroad. At the same time, the value of a dollar to a foreigner would be cut in half and the cost of goods we import would be doubled. Theoretically, imports would be much less attractive and we'd be less eager to buy imported goods. For instance, a German car costing \$2,000 or 8,000 marks would cost \$4,000 for the same 8,000 marks. All this assumes other countries would sit by and let us devalue our dollar by ourselves and not follow suit.

They could not sit by and let us do this — which is why a unilateral devaluation by the U.S. is unthinkable.

Brothers Killed in Light Plane Crash

Puyallup, Wash. —UPI— Two brothers were killed when their light plane crashed into trees at the south end of the runway at Thurn Field early today.

They were Al and Wayne Wiles, both of Puyallup, Al, 35, was piloting the Stinson four-place when it crashed. Pierce county sheriff's deputies said the plane either hit a fog bank and then went into the trees or the plane's motor stalled as the craft went into a turn.

Editor's note: What kind of city will civil rights demonstrators find when they stage their "March on Washington" Wednesday. The following dispatch reports on the capital's racial situation.

By LOUIS CASSELS
United Press International
Washington —UPI— Marching on Washington to call attention to racial problems is like carrying coals to Newcastle.

The nation's capital already has plenty of racial problems of its own. It is the only U.S. city in which Negroes outnumber whites. Its 456,000 Negro and 344,000 white residents live year-round in acute awareness of the tensions that build up in a city when it desegregates at a rate generally considered too slow by one race, and too fast by the other.

Ten years ago, Washington was a city with segregated schools and public facilities. Today, Negroes enjoy unrestricted access to hotels, restaurants, theaters and other public accommodations. To refuse service to any person because of his race is a crime punishable by law.

The public school system has been completely integrated since 1954. Washington's principal industry, the federal government, hires and promotes without regard to race.

About three-fourths of the residential areas within the District of Columbia boundaries are occupied predominantly or exclusively by Negroes.

To white residents, the change has been dizzy fast. They grumble about Negroes "taking over" the city. And they blame Negroes for the high rate of aggravated assaults, robberies and other crimes which have made it unsafe to walk the streets of the capital at night.

To Negroes, the barriers which have fallen are less conspicuous than the formidable ones which still remain. They grumble about the informal but effective conspiracy between lending institutions and real estate interests which keeps them from obtaining homes in the all-white suburbs, and compels them to pay outrageous prices for overcrowded housing in the inner city. They blame discrimination for the fact that Negro incomes average only 70 per cent of white incomes, and Negro youths are four times as likely to be unemployed as white youths.

Despite their frictions and mutual resentments, Washington's whites and Negroes have one great common bond. Both are frightened by the possibility that accumulated tensions might blow off in a major race riot.

This specter has haunted the city since last Thanksgiving day, when 300 persons were injured in a Negro-white melee which broke out in the D. C. stadium following a football game.

Fear of a race riot has made responsible Negro leaders weary of resorting to such weapons as massive sit-ins or picketing demonstrations here. And it has made responsible white leaders aware that there is no time to lose in removing the remaining roadblocks to equality of opportunity.

It has also made both groups a little nervous about Wednesday's "March on Washington." That's why Negro leaders have been at such pains to insure an orderly, peaceful rally. And it's one

Hatfield Appears 'Calm' on Filmed Television Show

Salem —UPI— Gov. Mark Hatfield and newsmen Charles Collingwood will appear calm and relaxed at 10:30 p.m. Friday when "Portrait" is broadcast over CBS-TV.

Their apparent calm belies the electric air of frantic activity which surrounded the taping of the program at Hatfield's home here Monday.

Scores of cameramen, directors, producers, technicians, and truckloads of equipment converged on the northwest corner of High and Kearney streets early Monday.

Lights were installed, furniture moved, cameras placed, microphones set up.

Crowd Gathers
The Hatfields, who were away for the week end, met Collingwood in Portland in the morning. They arrived in Salem shortly before noon. Streets were blocked off while pictures were taken of

their house. Crowds of on-lookers gathered.

Mrs. Hatfield had left instructions to prepare lunch for 14. She ordered a quick change, and 40 were fed.

After lunch the taping of the interview began. A sound recorder went out, and they had to start over. Then a grass fire threatened a nearby television relay, and fire trucks roared past the house while Hatfield chatted unconcernedly inside.

Wife Watches in Truck
Mrs. Hatfield, still wearing an apron from lunch, sat in one of the television trucks and watched the program on a monitor.

The Hatfield living room became oven-like from the heat of television lights. When it was over, a director commented on Hatfield's relaxed air.

"I don't feel relaxed," the governor smiled as he wiped perspiration from his brow. A director, after reviewing the taped interview, commented "that's the best interview we've ever done. The governor is charming, and he's so articulate."

Graham Calls for Start of New Fad
Los Angeles —UPI— Evangelist Billy Graham Monday night called on the youth of Southern California to start a "new fad" of religious devotion.

"This could bring about a youth revolution which is needed desperately in our country," Graham told 42-108 persons attending the 10th meeting of his current crusade, which ends Sept. 8.

"As a group of young revolutionaries, you could turn your world upside down," he said. "You could play a part in the history of our times."

Noting an increase in teenage crime, Graham said there were "thousands of 16-year-old failures in American life" whose problems were "basically spiritual."

"If ever the church needed to make the Gospel relevant to the teen-ager, it is today," he said. "These young people are looking for something to believe in, something to which they can commit themselves."

Destroyer Collides With Japanese Ship

Eureka, Calif. —UPI— A Navy destroyer escort collided with a Japanese motorship in the fog in Humboldt Bay Monday, but no injuries were reported on either vessel.

The destroyer escort USS Edmonds, under the command of Lt. Cmdr. Sandy Locheim, had been on a Navy week end in Eureka along with another destroyer escort and a destroyer. As the three ships left in the fog with visibility less than 100 feet, the Edmonds scraped the side of the motorship Kinko Maru, which was riding at anchor.

The Navy ship bore the brunt of the damage with its port side davits and lifeboat smashed and some radar rigging damaged.

Circuit Rider To Be Returned To Park

Salem —UPI— Oregon's circuit rider was scheduled to return to the Capitol park this afternoon to resume a stand taken on April 19, 1924.

The bronze statue of a circuit rider atop his horse was toppled and smashed by a falling tree during last year's Columbus Day storm. The rider's head was crushed, seams split, and mounting bolts stripped.

It cost \$5,400 to have a new head recast and other repairs made by Vancouver, Wash., sculptor James Lee Hansen, the secretary of state's office announced.

The Oregon National Guard and Highway Department loaded the statue on a special truck for the return to Salem this morning.

No special ceremonies were planned for its return. Phinister Proctor created the statue which was a gift of Robert A. Booth, former state senator and Oregon pioneer. The statue was unveiled April 19, 1924.

Senate Extends Aid Funds for Airports

Washington —UPI— The Senate, beating back an economy drive, voted Monday to extend for three more years the current authorization of \$75 million annually in federal aid for airports.

The Senate rejected 64 to 14 a move by Sen. William Proxmire (D-Wis.) to cut the program back by one third, or to \$50 million a year.

The following funds would be allocated, to states on a 50-50 matching basis in each of the next fiscal years beginning July 1, 1964:

Oregon, \$901,766; Idaho, \$657,532; Washington, \$873,862.



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