inside business

No "Win" buttons spark new battle on inflation

NEW YORK — And so we Americans are launched on another of our great, and noble, crusades against inflation — this time, happily, without a "WIN" button to our names — but the chances again seem slim that we actually will achieve the Jerusalem of stable prices.

For one thing, most of the would-be generals don't seem to have the foggiest idea which direction they're suppose to be marching.

So if the troops already have started muttering mutinously, who can blame them?

by LOUIS RUKEYSER

One "expert," for example, uses up a fair portion of the current issue of a national magazine to inform us confidently that the chief true source of our present inflation is our greedy consumption of high-priced imported oil.

It's a snazzy argument, slick as oil, appealing simultaneously to the puritanical urge to don the hairshirt and to the political desire to escape blame. And it makes just about everything except sense. Inflation is a money disease, not an oil disease: consider West Germany, Switzerland and Japan, each of which imports proportionately far more oil but nevertheless far less inflation — because it has printed money far less recklessly. Importing so much oil can be dangerous for other reasons, but as an alibi for inflation it ran out of gas long ago.

NO, THOSE WEIRD, and little understood, fellows at the Federal Reserve Board are at the root of the problem, after all — trying to please the politicians, and fool the people, by paying us each year more than we've earned. And in attempting to curb the recent runaway rates of money creation, chairman Paul Volcker has chosen the only possible highway to stability.

Why, then, must one continue to be dubious about the likely success of the crusade?

The odds against these policies are based primarily on three other "P's": personalities, the past — and politics.

The personalities of those directing national economic policy do not inspire confidence in a sustained assault against inflation (and a sustained assault, not just for months but for years, is a prerequisite for success). Jimmy Carter still has, on balance, the advisory team that urged "stimulus" (and hectored the Fed) in 1977 — and tried to con the public with a phony, and diversionary, "wage-price" program in 1978. His budgets remain grotesquely far from balanced; and they're likely, in a recession, to get farther. At the Fed itself, it is only a few short weeks since Volcker barely prevailed, 4-3, against those governors who resisted even minimal tightening. And while we are assured the Fed now will concentrate on controlling the growth of money, rather than fiddling, ineptly and unproductively, with interest rates, the board's staff still is dominated by those whose every instinct, and habit, has been in the other direction.

Which takes us to the past, and to Volcker's most recent predecessors — to Arthur Burns, who promised a steady, noninflationary monetary policy, and then conspicuously failed to deliver it; to G. William Miller, who talked real tough about inflation, and then helped it run past 13 percent. In business, he would have been fired; in Washington, he was made secretary of the treasury.

AND THAT'S THE third "P": politics. Congress has remained relatively docile about Volcker's actions so far, waiting, as usual, for the gusts of public opinion to tell it which way to lean. But as election year unfolds, as unemployment chugs inexorably upward, as slow medicine fails to produce overnight results, we can expect to see more demands for "stimulation" and more pressure on the monetary authorities to accommodate the traditional game.

Will Volcker be able to resist the triple squeeze of Carter, Congress and the Credit markets? Can he take the heat from the AFL-CIO, the black caucus, Teddy Kennedy and the Harvard Department of Economics? Or will the frights of fall become the slackenings of spring as the U.S. tries once again to put off, and thus make even more severe, the inevitable reckoning? Even if the Federal Reserve Board has at last sighted the real Jerusalem, this latest Children's crusade could be a disappointingly short one.

Family garage buzzes with business

While most garages are filled with automobiles and boxes that wouldn't fit in the attic, Ed and Marie Knull have opened a business that caters to everything from "baby carriages to 707s."

Master Craft Upholstery has been in business for four months in Sandy, but the experience behind the name dates back 24 years. Ed Knull has been in the upholstery business in San Diego, Calif., and Milwaukee, Wis. and during that time has upholstered just about everything, hence the promise to refinish anything from prams to planes.

Knull and his team have reupholstered "a couple planes" at the Troutdale Airport since opening for business and several more are waiting. That job involves using fire retardant materials and careful scrutiny from the Federal Aviation Administration. "Everything you take out has to go back in the same way," according to Ed.

Businesss contacts have been established to do upholstery work for Carlson Chevrolet on warranty work, Sandy Auto Body and Mt. Hood Body Shop.

Master Craft Upholstery is geared to upholster household furniture and refinish vans. "Anything that has a stitch in the material, we can do," Knull says. And the work is unconditionally guaranteed as long as it is owned by the customer.

The firm offers an unlimited choice of colors, textures and even does leather upholstering, something other upholsterers often steer away from. "Lots of guys don't even mess with it," Knull says, "because any mistake is costly."

Knull is working out of the garage at his home at 37020 SE Sandy Heights Road until he can secure a permanent location in the Sandy area.

Photos by Dan Dillon

Master Craft Upholstery is an at-home operation with a wide range of services offered. Here helpers Howard, left, makes buttons for John, foreground, to install. Ed stitches a diamond pattern in the upholstery while his wife, Marie, "the boss", watches the operation.

Work starts on Savings and Loan

Construction is under way on a new home for Benj. Franklin Federal Savings and Loan Association's new branch office in Sandy.

The savings and loan association plans to open late this year in a temporary office facility located on the site and will continue to operate from the temporary office until the new permanent structure is completed.

The new office, scheduled to open in March 1980, will be located at 17500 Strauss Ave., at the northeast corner of Strauss Avenue and Pioneer Boulevard.

Plans and specifications by Bruce A. Samuelson, A.I.A., feature Colonial decor in keeping with the architectural theme of Benj. Franklin offices throughout the state.

The exterior will be white Colonial with large bay windows and a rooftop cupola. Complementary landscaping will be installed around the building.

The interior decor will include a 26-foot customade curved walnut counter with four teller windows. A special feature will include custom carpeting which incorporates the Presidential seal and a patterned "portrait" of the firm's namesake, Benjamin Franklin.

Customer parking will be located on the north side of the building with access off both Strauss Avenue and Pioneer Boulevard. A convenient drive-up teller window will be located on the east side of the building with an entrance off Pioneer Boulevard.

Employment Division rates with the best

The Oregon Employment Division is one of the top-producing Employment Security agencies in the nation.

That was the word this week from Ray Thorne, administrator for the division. He said the division fills a high percentage of job openings received, ranks as one to the lowest in unemployment insurance administrative costs and is high in placement services for all classes in the applicant pool.

The state division provided training and related manpower services in two Oregon Administrative Districts under Comprehensive Employment and Training Act (CETA) contracts during fiscal 1979.

During this time, approximately 160 participants were enrolled in CETA on-the-job training programs, 200 in classroom training and 400 in work experience.

On July 1, the Employment Division became the prime sponsor for the Balance of State CETA program when the Manpower Planning Division was transferred from the State Executive Department.