

# Current Boom Bears Close Watching, Economists and President Believe

## Danger Signs in Record-Breaking Pace of Credit

By ROBERT F. MORISON  
United Press Correspondent  
Washington — (U.P.)—Is business too good for the nation's own good?

President Eisenhower thinks not. So do many economists in and out of government. But all feel the current boom bears close watching.

Economists are concerned generally with possible danger signs in the record-breaking pace of credit, spending, stock market prices and production. Too much of a boom could carry the seeds of a future decline.

Or as Mr. Eisenhower put it at his news conference last week: The twin dangers of deflation and inflation are always present. Now is the time to be watchful and to take the necessary measures to keep the economy in balance.

The measures taken so far have been curbs on housing loans and bank credit. Other factors being watched by the administration include:

- 1—Consumer credit—total consumer borrowing, including installment plan purchases, amounted to \$32,471,000,000 in June, compared to \$28,666,000,000 in June 1954.
- 2—Inventories—All inventories of goods were increased in the second quarter at an annual rate of \$3,500,000,000. A government economist described this as "not bad in relation to sales."
- 3—Capacity of industry to produce and the level of employment—Employment went over the 64,000,000 mark in June and unemployment stood at 2,679,000—lower than throughout 1954. Production pushed the gross national product—the total of goods and services produced—to a record \$383,000,000,000 annual rate in the second quarter. That was again of about \$8,000,000,000 over the first quarter, one of the greatest quarter-to-quarter increases in our history.
- 4—Prices—Both overall wholesale and consumer price levels have been relatively stable since 1952. However, prices received by farmers, which have been sliding downward since the postwar high in 1951 of 302 of the index to 243 in mid-June, "do create some worries." Prices farmers received were the first to decline before the onset of the 1930 depression. But there was no crop support program then to put a floor beneath the farmer's income.

The credit curbs were mild ones. The Federal Reserve System increased its discount rate—the interest it charges member banks to borrow money. The Federal Housing Administration and the Veterans Administration raised down payments and shortened repayment time on guaranteed loans or houses.

Congressional reaction to these steps has been mixed.

Sen. Arthur V. Watkins (R-Utah), a member of the Joint Congressional Economic Committee, praised the "mild" restraints.

"Too much credit is always dangerous," said Watkins.

Sen. Joseph C. O'Mahoney (D-Wyo.), also a member of the committee, said "credit inflation is clearly rising beyond safe limits." He called for further steps but said he did not want to speculate on the impending study by subcommittees of the Joint Congressional Economic Committee.

However, O'Mahoney added that "with consumer credit rising, with stock market prices at their highest level in history, and with farm prices falling steadily we have a very dangerous situation."

O'Mahoney said the "runaway stock market" is "the consequence of the administration being run by spokesmen of big business."

Sen. Pat McNamara (D-Mich.) took a different tack. He accused "the Republican bankers"—such as Secretary of the Treasury George M. Humphrey and Detroit banker Joseph M. Dodge, former Federal Budget Director—of "saddling new burdens of usury on the millions of people who borrow money." He said the higher Federal Reserve discount rates are "playing fast and loose with our future prosperity."

A government economist said

## MEDFORD MAIL TRIBUNE

Second Section MEDFORD, OREGON, TUESDAY, AUGUST 9, 1955 Six Pages

## Fly Watcher Learns Secret of How Flies Manage To Make Landings on Ceilings

By H. D. QUIGG  
United Press Correspondent  
New York—(U.P.)—"How does a fly land on the ceiling?" the man suddenly asked.

Beats the living daylight out of us. Is it important?

"Tell you what," the man said. "I'll bet you know all kinds of unimportant things. And I'll bet you have no idea how a fly lands on a ceiling, which is an extremely important operation—to the fly, at least."

Well, how come?

"A fly," said the man, "obviously can't fly upside down. He can't? Of course not. He's not built for it. Birds can't do it either. They've got to fly right side up or they don't fly at all. So you see the fly has a terrific problem, coming in for ceiling landing."

The man refilled his glass with scotch and water. He took a large

bite of shrimp salad and sat there chewing and looking wise. Finally he said:

"I used to do a little piloting myself about 25 years ago, flying a light plane. Well, here about six months ago we had a reunion, some of us old guys who used to fly together. Got talking about one thing and another, and the question came up."

The question?

"How does a fly land on the ceiling?"

Oh. That question.

"One of our group got so interested that he decided to do laboratory research. He went home, closed the bedroom door, opened the windows, and got a lot of flies in the room. Then he got a pair of binoculars, lay down flat on his back in bed, and started making scientific sightings."

He collected data, like a man with a telescope.

"Precisely. Now, here's the dope. For an ordinary landing, when a fly is just fooling around and isn't in a hurry, he does a half loop. Just at the top of the loop, his feet touch the ceiling and he lands. That's the simple fly landing."

Half Roll Landing

"But if he's going fast—being chased by another fly or something—the force is too much for him to pull into a loop. Too many G's on his wings. They couldn't stand it. So... he simply does a half roll. At the end of the roll, he hits the ceiling, runs a little way, and that's it."

Is this on the level?

"Certainly. After I got his report, I checked it myself. Only I used opera glasses instead of binoculars."

Well, it's little-known tales of achievement like that that leave you gasping. Here and now, we're issuing a clarion call for members in the Midsummer Society of Flywatchers of America.

Somewhere, sometime, someone might see a fly try a loop landing at top speed, lose control, crash, and burst into flames. This thing will be bigger than even the Society of Girl Watchers.

Next week: How flies take off from the ceiling.



**DENIED COMMISSION** — Eugene Landy, 21, an honor graduate of the Merchant Marine Academy at Kings Point, N. Y., works aboard a Sun Oil Co. tanker at Marcus Hook, Pa., after signing on as an able-bodied seaman. Landy was denied Naval Reserve commission because of his mother's past Communist Party affiliation.

## Littrell Parts To Open in Brookings

Littrell Parts, Medford, will open a new retail store in Brookings, Ore., on about Oct. 1, it was reported this week.

E. A. Littrell, head of the firm which now has stores in Medford and Grants Pass, said a new building in Brookings has been leased. He said the rapid growth of the coastal community, and a demand for the firm's products there, is the reason for the expansion.

George Pittman, who has been with the Medford store for about 10 years, will move to Brookings as manager. Mrs. Margaret Tokar, a Littrell employee for six years, will also go there as bookkeeper. Don Johnson, who has been a salesman in Brookings since January, will also work from the new branch store.

The complete line handled by the parts firm will be available, and the store will be stocked weekly by truck. Some 38 employees will serve customers of the three stores.

Salem —(U.P.)— Cecil M. Sly, Crook county school superintendent, will replace W. E. King, Pendleton, as text book commissioner, Rex Putnam, superintendent of public instruction, has announced.

the government's moves in the past 10 days to tighten credit are aimed at "taking the very top off the boom, before it hits you. You then remedy any serious slump, that might develop."

Another economist said the only sense in which he could consider the present boom as "too good" was that it contained "upward pressures" of costs and ultimately on prices.

In effect, he said, if consumers buy too much, businessmen expand and order supplies to satisfy anticipated future demand. If this is done too fast—faster than the goods can be supplied—prices go up. However, he said he saw no evidence at present of such excesses in buying and building.

Portland —(U.P.)— Georgia-Pacific Plywood company has announced the purchase of Feather River Pine Mills, Inc., of Feather Falls, Calif.

Albany, Ore. —(U.P.)— Kenneth Betz, a Jordan district beef and sheep raiser, has been named Linn county Grassman of the Year.

## New Chief of Police Named at Myrtle Point

Myrtle Point, Ore. —(U.P.)—William T. Tankersley has been named chief of police here, succeeding Richard E. Vines, who was dismissed after being accused of converting bail money to his own use.

## Pinball Vote Petitions Slated for Circulation

Portland —(U.P.)— Petitions to bring Portland's latest anti-pinball law to a popular vote were expected to begin circulation today.

Joe Dobbins, used car dealer who is spearheading the referendum move because "it is just plain horse sense" to license the devices as means of raising revenue, said City Auditor Will Gibson had approved referendum petition forms.

Deadline for the 12,211 signatures needed is 5 p.m., Sept. 3.

# WEEKS & ORR

SOUTHERN OREGON'S OLDEST AND LARGEST FURNITURE STORE

YOUR CREDIT IS GOOD HERE! OPEN YOUR ACCOUNT TODAY!

## A REPEAT OFFER!

BY POPULAR DEMAND!



**SPECIAL! While They Last!**

### Butterfly LAWN CHAIRS

Wrought Iron, Canvas Covered — Choice of Eight Colors.

Specials Never Before Offered in Medford at this Low Price...

# \$4.95

EACH



### CIRCLE CHAIRS

Same Choice of Colors

# \$5.95

EACH

SEE OUR WINDOWS!

EASY TERMS • NO CARRYING CHARGES OR INTEREST



**Meet George Greenlaw—a safe driver.** An important part of George Greenlaw's job as a telephone man is driving this installer's truck safely. And like the thousands of other telephone drivers, he took a special course in what we call "defensive driving." As a defensive driver, it's a habit with George always to expect the unexpected... to put his foot on the brake at all intersections, yield the right-of-way cheerfully, and keep a sharp eye out for pedestrians. Thanks to this outlook, George Greenlaw and other Pacific Telephone drivers covered more than 80 million miles last year without a single fatal accident. Safety like this pays off for telephone people and their families, of course. And for you, too. For it helps make the streets and highways safer for everyone. Pacific Telephone.

Road tests are taken periodically by George Greenlaw and other telephone drivers. These stress safety, alertness, quick reaction, and rules of the road.

Vision checks with a precision instrument are scheduled every two years—another important part of our defensive driving program.

Your telephone gives you better service because telephone people are trained to work safely... which helps keep skilled people on the job to serve you.

The telephone people of Medford work to make your telephone a bigger value every day

Your business office: 123 N. Barrett St., Tel. 2-6101

**DR. CORNELL SABO**  
ANNOUNCES  
His Return from Military Service and the  
**RE-OPENING OF HIS OFFICE**  
for the practice of  
**DENTISTRY**  
305 Medical Bldg • Phone 3-3934