

# Federal Authorities Crack Down On Inflationary Acts

By WALTER BREEDE Jr.  
 NEW YORK (AP) — Uncle Sam cracked down hard this week on inflationary aspects of the boom. The crackdown — a new and tighter government squeeze on credit — found most lines of business surging ahead at breakneck speed. Primary aim of the new government move; to make it harder for consumers to go into hock, and more expensive for businessmen to borrow money.

Here's how the government did it: Federal Reserve banks hiked the interest rate that commercial banks must pay on the huge sums they borrow from the Federal Reserve System. The new rate—2½ per cent—is the highest since 1924. This means that your neighborhood bank may have to pay more for the money it borrows, and will probably charge higher interest on the money it loans out. Speculators in everything from used cars and fire-damaged merchandise to stocks, bonds and real estate will find working capital harder to come by; consumers may pay

higher rates on home mortgages and auto loans. (This week General Motors Acceptance Corp., world's largest auto-financing firm, raised its interest charges.) Coming at this time, the credit clampdown pointed up the amazing resurgence in business sentiment since the Sept. 26 stock market slump that followed the first news of President Eisenhower's illness. According to many economists, business in the last few weeks has spurred ahead so fast that dangerous runaway tendencies have developed.

At the start of this week, the stock market buoyantly thrust to within striking distance of the all-time peak it had reached just before the President's heart attack. (At week's end, the market declined moderately on news of the Federal Reserve's higher rediscount rate).

Total business activity, after hitting a record annual pace of 31½ billion dollars in the third quarter, gained added momentum this month. Store sales forged ahead. Department store business at latest count was a hefty nine per cent ahead of the year-ago rate. Dun & Bradstreet said total November retail trade would come to 15½ billion dollars, a new high for that month.

The steel and auto industries, working overtime, were straining to the hilt. Steel output (estimated this week at nearly 90 per cent of capacity) fell short of booming demand. The auto industry rolled out its seven millionth car of 1955. That compares with a total production of less than 6,700,000 cars for all 12 months of 1950, up to now the record-breaker.

Booming exports were reported by U.S. business leaders attending the annual meeting of the National Foreign Trade Council.

Meanwhile, the upsurge in production, sales and business overall had inflationary side effects. First, there was the danger that consumers—being on-the-cuff as never before—might get so deeply in hock that they'd have to quit buying many consumer goods until their debts got paid off.

The boom also generated an upward pressure on prices. Steel scrap—virtually important to price-making in a price week. Prices were headed higher at the consumer level, too. Sears, Roebuck & Co. said its spring catalog, out in January, would show price increases averaging two per cent. Nash-Kelvinator announced a round of price boosts on its 1956 home appliance line; Alexander-Smith raised prices of its rugs and carpets three per cent, effective Dec. 1. Trade sources said prices of home heating oil would soon go up in the eastern part of the country.

A third troublesome aspect of the boom was the continuing shortage of raw materials. For one example, publishers' stocks of newsprint (The paper you're reading from now) have fallen to their lowest level in 22 years as consumption of the material pushes to a record high.

## Scottish Rite Leaders Listed

The leaders of the various Klamath Falls Scottish Rite bodies include Charles T. Carlson, Venerable Master, Lodge of Perfection, chartered October 23, 1935 and Andrew H. Sullivan, Wise Master, Klamath Chapter of Rose Croix, chartered October 20, 1937. Other officials include Oral E. Thompson, Commander, Klamath Council of Kadosh, chartered October 18, 1939 and Clarence A. Humble, Venerable Master of Kadosh, Klamath Consistory, chartered October 18, 1939.



SCOTTISH RITE LEADERS try out the meeting hall in the lodge's new Temple on Walnut Street between Seventh and Sixth streets. From left they are: Herman Givold, secretary of the Scottish Rite Building Association; O. E. Thompson, commander, Klamath Council of Kadosh; Clarence Humble, venerable master of the Consistory; A. H. Sullivan, wise master, Klamath Chapter, Rose Croix; and Charles T. Carlson, venerable master, Lodge of Perfection. The public is invited to the dedication ceremonies planned for 2 p.m. today.

## Rite Lodges Cover Oregon

The Scottish Rite lodges in Oregon consist of bodies in Baker, Klamath Falls, Medford, Roseburg, Eugene, Salem, Portland, Coos Bay and Seaside.

The public invitation today at 2 p.m. to the dedication of the new Klamath Falls Scottish Rite Temple, 632 Walnut Street, outlines some of the aims of the body.

It states that the Scottish Rite of Freemasonry is an institution whose principles are outlined by purity of life and rectitude of conduct, by noble deeds and great aspirations. Its teachings make the eyes of its members more keen to observe the needs of their fellowmen and their hearts sympathetic to the touch of misfortune. Membership involves obligations of specific duties so that members may make the world a little better and life brighter for those less fortunate than themselves.

The members of the lodge have extended an invitation to the public to inspect the new Temple on this dedication day.

## Hitcher Reports Theft By Driver

A billfold containing \$63 was lost early Saturday morning at a Klamath Falls restaurant by Ben Blakzer of Sherwood, who said the driver with whom he had "hitched" a ride took it, Klamath Falls police said today.

Blakzer said a suitcase left in the auto he was riding was also missing. He said the pair had stopped in Klamath Falls shortly before 2 a.m. Saturday in having something to eat. While Blakzer was away from the table to play the juke box, driver, billfold and auto all disappeared, he told police. The pair were en route to Red Bluff, he said.

## from THE SKETCH PAD

By BARBARA KENSLE

Today in the Conference Room of the Klamath County Library the Klamath Art Association is having their Annual Silver Tea, from 2 p.m. to 4 p.m. The public is most cordially invited to attend the tea and view the art exhibition by the members. The exhibition will be varied, ranging from paintings in oil and watercolor to weaving and plastic-glass. It will offer the viewer some idea of the varied art mediums that are being used in the Klamath area. Along with the exhibition will be a display of some of the Christmas decorations that are being made by the art association for new members and extra financial support from the community. Membership dues are as follows: Active membership, \$5 per couple; \$3 per person; \$1 per student. Associate membership, \$2 per person. Dues or donations may be paid at the tea or may be mailed to Klamath Art Association, Box 995, Klamath Falls, Oregon. It is hoped that the community will support the organization by their attendance at the tea.

## ARRIVAL

MANILA (AP)—Badrj Nath Nanda, New Indian minister to the Philippines, arrived Friday but failed to receive the usual entry courtesies extended diplomats.

## Farm Solution Plan Presented

CLEVELAND (UP) — Treasury Secretary George M. Humphrey today outlined a five-point program for solving the farm surplus problem.

The program, Humphrey explained, depends greatly on "prosperity for industry," because "its workers are his (the farmer's) customers."

The plan, which Humphrey called "the middle way" in a speech prepared for delivery before the 29th annual session of the National Grange, included:

1. Flexible price supports which "do not try futilely to repeal" the laws of supply and demand.
  2. "Carefully planned restrictions of production."
  3. Expanded research to find new crops and new uses for farm output.
  4. Cautious selling of farm surpluses here and abroad, coupled with "strenuous efforts" to increase consumption everywhere.
  5. "A dynamic program of soil conservation."
- Beside what a positive program can do, Humphrey said the growing population "with three million more mouths to feed each year will eat into both limited current production and surplus at an amazing rate."

CAIRO (AP) — Egyptian officials said Saturday they still were awaiting U.N. response to Egyptian counterproposals for easing tension along the Israeli-Egyptian border in the El Atja area. Officials said they handed their proposals to the U.N. chief truce supervisor, Gen. Edson L. M. Burns, last week when he presented the plan — drawn by U.N. Secretary-General Dag Hammarskjöld and himself.

## Luther Smith Grand Chief

The four bodies of the Ancient and Accepted Scottish Rite of Freemasonry, sitting in the Valley of Klamath Falls, Orient of Oregon, acknowledge and yield allegiance to the Supreme Council (Mother Council of the World, of the Inspectors General, Knights Commanders of the House of Solomon of the 33rd and last degree of the Rite, for the Southern Jurisdiction of the U.S., whose See is at Charleston, South Carolina. Luther A. Smith is Sovereign Grand Commander; Claude P. Young, Grand Secretary General, and Leslie M. Scott, Portland,

## Slow Drivers Get Warning

SACRAMENTO (UP) — Slow drivers were on notice today that if they persist in blocking the normal flow of traffic they will be arrested by the Highway Patrol. Ross R. McDonald, deputy patrol commissioner, issued orders saying "enforcement action is necessary in the case of slow drivers blocking the normal flow of traffic and those motorists who persist in driving in the passing lane on multilane highways."

## The Southern Jurisdiction is composed of all states west of the Mississippi River and south of the Mason-Dixon line. The Supreme Council for this jurisdiction was instituted in Charleston in 1792.

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## Dope At Kimpo Said 'Easy'

SAN FRANCISCO (AP)—Narcotics were "easy to get and cheap" at Kimpo Air Force Base in Korea, a former Air Force jet mechanic testified Friday before a Senate subcommittee making a nationwide study of illicit dope traffic.

The witness, who testified anonymously by order of the subcommittee chairman, Sen. Daniel D-Tex., said there were "at least 50 to 100 men who used narcotics" at Kimpo, which is near Seoul, during the 10 months he served in Korea.

He said he was "high on marijuana most of the time I was in Korea." In response to a question by Sen. Daniel, the witness said the men didn't know nor care that Red China was spreading the use of narcotics among U.S. servicemen. "They just wanted the stuff," he said.

Col. George H. White, district supervisor of the U. S. Bureau of Narcotics in California, Arizona and Nevada, testified dope traffic has increased greatly since World War II in this country. White, one of the final witnesses at the hearing here, said the three main sources of supply are Red China, Mexico and the Mediterranean-Middle East area.

The hearing will continue in Chicago on Monday.

## Carlson To Rule Over Dedication

The dedication program of the Klamath Falls Scottish Rite Temple today at 2 p.m., in the Temple at 632 Walnut Street, will be presided over by Charles T. Carlson.

The invocation will be given by the Rev. George A. Milne with the address of welcome by Paul O. Landry, mayor of Klamath Falls. Andrew G. Loney will direct the music with a vocal selection featured by Don McKennie with Ruth Lobaugh, accompanist.

The presentation will be conducted by Leslie M. Scott, Portland, sovereign Grand Inspector General in Oregon. The dedication ceremony tableau will be presented by Scott, Harold O. Brandenburg, Arthur W. Schaupp, Paul O. Landry and Don Hensley. The benediction will be given by the Rev. Galen H. Onstad.

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