

Trend To Tighter Money Frets Some Businessmen

By WALTER BREDE JR.
AP Business News Writer
NEW YORK (AP) — Stepped-up consumer buying and a buoyant stock market put new bounce in the economy this week, but a developing trend toward tighter money worried some businessmen.

There was no doubt but that the cost of borrowing was heading higher — for consumers, farmers and shopkeepers as well as Sears, Roebuck, General Motors and U.S. Steel.

Latest sign of the way the monetary winds were blowing was a hike in the discount rate by the Federal Reserve Bank of New York, kinsman of the nation's central banking system.

This is the interest charged by the Federal Reserve on loans to commercial banks.

Chase Manhattan, First National City and the other big New York commercial banks lost no time passing the increase on to their customers.

The prime rate — the interest on short-term loans to big borrow-

ers with top credit ratings — was lifted from 3 1/2 to 4 per cent. Interest charges on loans to smaller borrowers are scaled upward from that floor.

The latest swing toward tighter credit came as businessmen in many lines reported cheering signs of a vigorous fall upturn.

This view was bolstered at week's end by the Federal Reserve Board which said economic recovery continued at a rapid pace last month and production has now regained more than half the ground lost during the recession.

The board reported a 2 per cent rise in industrial production, with its seasonally adjusted index up to 137 per cent of the 1947-49 average. That compared with 134 in July and 132 in June.

Other signs of improvement: Buyers from out-of-town department stores converged on New York's garment district in record numbers to reorder heavily for fall and place new business for winter.

Steel production for the week touched a new 1958 high. Output of U. S. mills was the highest in 14 months. Noteworthy gains were reported by manufacturers of television sets, paperboard, farm machinery and cotton textiles.

A wide segment of the American public seemed to be betting on more inflation despite the rising trend of interest rates. The stock market came within kissing distance of equalling its all-time high.

Stock sales in the latest week amounted to 15,730,680 shares compared to 11,306,284 shares in the previous week, and 9,651,243 in the corresponding week a year ago.

Bond sales had a par value of \$24,749,000 in the latest week, \$18,228,000 in the previous week and \$17,003,000 in the same 1957 week.

Budget Director Maurice Stans said the U. S. Treasury expects to wind up its current fiscal year with a record peacetime deficit of \$12,200,000,000.

It looks now as if profits of publicly reporting corporations will total about 36 billion dollars this year, compared to almost 43 billion in 1957.

How's business over-all? The Federal Reserve Bank of New York offers this comment in its September business review:

"There no longer appears to be substantial doubt that a recovery is under way. But the vigor and sustainability of the upswing remain uncertain."

Briefly over the business scene: Retail sales in August totaled \$17,100,000,000 — almost matching August last year. . . . Merger talk is swirling around Pan American World Airways and National Airlines, now that the two carriers have agreed to swap jet planes. . . . The textile industry unveiled two new miracle fibers this week: Tennessee Eastman's "Kodel" (which will compete with DuPont's Dacron), and Allied Chemical Corp.'s "Textured Caprolan" for nylon carpets. . . . National Homes Corp. is getting ready to market a pre-fabricated aluminum house. . . . Auto production continues to loaf along at less than half the year-ago pace as Detroit braces itself for a possible strike. . . . General Motors' latest car of tomorrow, the Firebird II, has no steering wheel. A single stick combines the functions of steering wheel, brake pedal and accelerator.

Police Report 3 Accidents

Police reported three accidents involving parked cars. Claude Silas Barber Jr. of Clatskanie was arrested early Friday morning after Roger Ford, 1115 East Main Street, said his parked car had been hit. Barber was charged with failing to leave his name and address at the scene of an accident, and additionally with having no driver's license.

No citations were issued when, police said, Ruby Faye Myers bumped a parked car owned by J. C. O'Neill when she was pulling from a parking space, or when Betty Bousquet, 1037 Eldorado, hit a parked car registered to H. J. Ellis, 636 Eldorado, in front of Ellis' residence.

Police also reported that Gary B. Froemke skidded on loose gravel and struck a car operated by Merle Sine in front of Sine's residence, 2033 Main Street. Police reported slight damage.

In other police action: Kay Isitt, 623 Oak Street, reported the theft of a 22 caliber pistol which he had left in the desk of the St. Francis Apartments office, same address. He said the theft occurred in the past 10 days.

Mrs. Geneva McAuliffe reported finding a woman's diamond ring about 5:30 p.m. Thursday in the washroom of a Texaco station in the 600 block of East Main Street.

SCOUT NEWS

WEED — "All girls in Girl Scout" is the goal of the Weed Girl Scout Committee which will start a recruiting program next week for interested girls, eight years old and up.

An opportunity for every Weed girl to join in the scouting program is extended, and registration will be held at the Weed Elementary School multipurpose room Monday night, September 15, from 7 to 8 o'clock.

Any girl, with or without previous Girl Scout registration, is welcome to attend and must be accompanied by a parent (mother, father or guardian) for the registration.

Mrs. Bernice Scribner, neighborhood chairman, announced the all-out efforts and stated the local committee was anxious to see that every girl was given an equal opportunity to become a Brownie or Girl Scout. The local membership was over 120 girls last year and the separate group programs initiated a well rounded scouting program that climaxed with a summer day camp held at Shasta Brown Ranch for the entire Southern Siskiyou area Girl Scout membership, and attended by approximately 80 Weed girls.

Weed is a member of the Shasta Area Girl Scout Council, headquarters at Redding, and has leaders quartered at the council plan. The summer day camp was made possible through the council membership.

CUB DEN 2

Cub Scouts of Den 2, Pack 4, recently celebrated their fourth year of using the "Keep Oregon Green" program material for part of their summer and fall meetings, with a "Keep Oregon Green" party.

Den chief Don Pleman led the first salute, and announced the den's coming field trip in which Smokey Bear posters will be put up in the woods. Boy Scout Ken Galloway read the Smokey Bear story to the cubs.

Th highlight of the party came when cub James Green cut the traditional green tree cake. Den chief Charles Galloway led the group in giving the conservation pledge.

Cubs attending were Steven Fristoe, Terry Wilkerson, Randy Hamon, Curt Morris and Gordon Tomlin.

Cubbing is one of the United Fund youth programs.

Home Extension

MALIN — The Malin Home Extension Unit held its organizational meeting on Tuesday evening, September 2, at the community hall with chairman Matilda Nedehalek presiding. Other officers are Dorothy Lindsay, vice chairman, and Marie Hale, secretary.

Program books for the year were handed out and will be completed at the October meeting which will feature a program on Inheritance.

Refreshments were served to the 12 members present by the new officers.

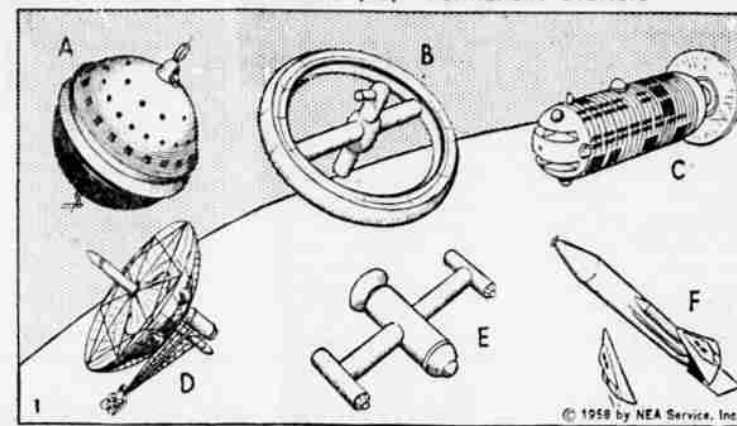
Private leaders, Mary Taylor and Matilda Nedehalek, gave the program on camp cooking in Malin Park on Tuesday morning, September 9. As part of the camp cooking lesson the 16 members present prepared their own lunch.

Obituaries

COX
Henry O. Cox, 77, a resident of Klamath County for over 30 years, died at his home in Merrill September 13. He was the last charter member of the Merrill Volunteer Fire Department. He is survived by the widow Geraldine Cox of Merrill; a brother Charles Cox of Tulelake, and several nephews and nieces. O'Hair's Memorial Chapel will announce the funeral arrangements.

SALK VACCINE
BUENOS AIRES (UPI) — The Argentine Central Bank granted import permits Friday for Salk anti-polio vaccine from Canada worth \$94,530.

OUTWARD TO THE STARS (16)—Permanent Orbiters



(1) Designs for permanent manned satellites, or space stations, have been proposed for years. Panel above shows several of these ideas (not drawn to scale).

Sphere (a) is the shape that gives the most usable space for its size.

At (b) is the well-known doughnut design of Werner von Braun, favored by many experts. Rotation around its hub provides artificial gravity at the rim. In the original design, a concave ring was planned to catch sunlight for power. Advances in atomic energy now indicate that a small reactor, located on a mast, could be used.

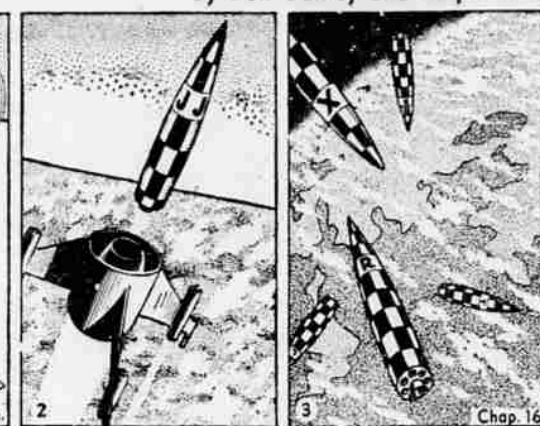
Huge station at (c) is design of American rocket engineer G. Harry Sline. Rotating wheel at end houses living quarters.

Strange shape at (d) was proposed by the Britons H. E. Ross and R. A. Smith. It is essentially a giant mirror which focuses the Sun's energy on boilers to power the living quarters in the mast.

The German, Kraft Ehrlich, has offered numerous designs. Two are sketched at (e) and (f). Four-man station at left revolves about storage and instrument center in hub. Working and living quarters are in two outriggers. At right is a station that could be constructed from bodies of Atlas ICBM missiles—a form of "hardware" now available.

(2) But before construction of a space station can begin, materials must be placed in orbit. One

By Don Oakley and Ralph Lane



suggestion is to use economical remote-controlled jet carriers to lift cargo rockets part of the way — actually, vertical-takeoff-and-landing launching platforms. These could give a rocket an initial boost of hundreds of miles an hour and save it from having to use its fuel going through the densest part of the atmosphere. As a result, payload could be increased.

(3) Firing of the cargo rockets would be timed so that they were placed in close orbits. Identified with markings and broadcasting their positions with solar-powered transmitters, they would wait until men were sent up to "corral" them.

Next: Building the Space Station.

Business News

By FLORENCE JENKINS

Gremlins, known to the newspaper industry as "type lies," have been infesting the Herald & News. Mayor Leonard H. Petrik of Malin is one of those who has been on the receiving end of mistakes. . . . In a couple of stories, at least, another Malin man was given the title of mayor, for example. . . . Mayor Petrik has not complained, but in fairness to a man who has given hours of service to his community, this apology is made. . . . Petrik was appointed as mayor a year ago last summer upon the resignation of Edward McCulley. . . . he has not filed for reelection this year but his name will probably reach the ballot through petitions circulated by his friends. . . . Malinites have until Oct. 3 to file for city offices and there are a whole batch of posts to be filled at the November election.

Asphalt Paving Co., Box 547, Klamath Falls, was awarded a contract by the city of Klamath Falls for improvement of Van Ness Ave. from the southwesterly line of Eldorado Ave. to the west line of Lot 29, Block 12, Eldorado Addition, and Hawthorne St. from the southerly line of Van Ness Ave. to the Oregon State Highway right-of-way. (Improvement unit No. 143) on its bid of \$9,686.05.

New dentist. . . . Dr. Robert L. Jensen will be associated with Dr. Fred Krauel in offices in the new Klamath Medical Clinic at 1903 Main St. . . . born at Bend, he was graduated from the University of Oregon with a B.S. degree in 1951 and from the University of Oregon Dental School in 1955. . . . he spent two years in the Army with 16 months' duty in Korea and at Letterman General Hospital, San Francisco. . . . then a year with a teaching fellowship in oral surgery at the University of Oregon Dental School. . . . his background was reported to us by Dr. Horace M. Miller, head of the department of exodontia at University of Oregon Dental School.

Tidewater Oil Co. has declared a regular quarterly dividend of 30 cents per share on the company's outstanding cumulative preferred stock, payable Oct. 19 to shareholders of record at close of business on Sept. 16.

An award was made by the Malin City Council Thursday night to Cascade Boiler Erectors, Inc., of Eugene, which entered a joint bid with Industrial Mechanical Contractors, Seattle, of \$22,322 for constructing a new water main, connecting it to the existing Malin water system and removing and reinstalling the existing 100,000-gallon steel water storage tank.

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SALK VACCINE
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All Oregon residents of 18 years and younger are invited to become stockholders and sell shares in the Portland Zoo's Railway System. . . . top salesboy or girl will earn a \$1000 three-day trip for himself and parents to Disneyland. . . . there are lots of other prizes. . . . the contest may be entered by mailing name, address and parents' written authorization to compete to the Portland Zoo Railway, 1014 Portland Trust Bldg., Portland 4. . . . the contest runs for 30 days.

LaVern H. Jones, Box 465, Oretch, Klamath Falls, has completed the two-year home-study course, tractor & heavy equipment diesel of the Interstate Training Service of Portland, according to C. E. Green, school director.

Hartfield Stores, Inc., with headquarters at Los Angeles, report total sales of \$1,909,891 for August, a 4.4 per cent increase over the same month last year, according to Leo Hartfield, president of the chain. . . . cumulative sales for the fiscal year showed an increase of 3.2 per cent over last year.

Experts have figured out you have only one chance in 100 games of winning at Patience, the game of solitaire called Auld Lang Syne by Hoyle.

The Oregon Fish Commission at Portland announces the promotion of Reed C. White, former superintendent of the Klaskanine salmon hatchery, to the post of assistant director of fish culture. . . . also, Richard S. Harrison, formerly at Bonneville fisheries station, has been promoted to superintendent and will head operations at Sandy.

Oregon tied with Virginia for second place in the nation (with a percentage rating of 95) for achievement in traffic and highway engineering. . . . California was first. . . . award was presented to Oregon Highway Engineer W. C. Williams by Alton P. Bonderson, district director for National Safety Council. . . . Williams gave credit for the award to his staff. . . . and cautioned that, while the most modern highway engineering has and will save many lives, by far the greatest cause of the tragic highway toll is the individual driver. . . . hence the biggest and most difficult task is still ahead.

Wheat exports of 27,863,917 bushels valued at \$48,116,848 were shipped to Japan through Oregon ports last year. . . . this quantity exceeded by 673,000 bushels the total production by Oregon's wheat farmers in 1937. . . . in wheat production, Oregon represents about 2.34 per cent of the total U.S. production and if that was the ratio followed in wheat shipments to Japan, that item of commerce would still be worth about \$1-1/4 million annually.

UNION ELECTION
ASHLAND — In an election Friday, held under the auspices of the National Labor Relations Board to select a bargaining agent for employees of the Lithia Lumber Company, the employees cast 81 votes for the International Woodworkers of America and one for the Lumber and Sawmill Workers Union. Five votes went to neither. The IWA was accordingly certified as the bargaining agent.

TV Quizzer Taken Off Air

NEW YORK (UPI) — "The \$64,000 Challenge" television quiz program, accused of a "fix," has been taken off the air.

The Rev. Charles E. Jackson of Tullahoma, Tenn., told the Nashville Tennessean last week he was supplied with an answer while a contestant on the show last Dec. 29.

The sponsor, P. Lorillard Co., in an announcement Friday, said it was revising its fall TV programming to get as varied an audience as possible. The company noted it is a co-sponsor of a similar show, "The \$64,000 Question."

"Challenge" will be replaced by a special news program Sunday night on CBS. It was to have moved to NBC next week but will be dropped.

Neuberger Undecided

WASHINGTON (AP) — Sen. Richard L. Neuberger (D-Ore) Friday said his doctors feel his medical outlook following cancer surgery is excellent but he won't decide until 1960 whether to run for a second term.

Neuberger said in a letter to constituents that the tumor's discovery "emphasized a thousand times" his sponsorship of legislation to increase funds for cancer research.

"The matter no longer concerned only other people; it concerned me, too—directly," he said, speaking about his recent operation for removal of a malignant tumor of the testis.

Neuberger, still undergoing a course of radiotherapy as a precaution, said "Things have fallen into a new perspective. . . little things which previously seemed important now are inconsequential."

'Bomb' No Bomb Hubby Explains So All Depart

LAFAYETTE, Calif. (AP) — Mrs. Rosemary Scott heard a tick-tick-tick and saw a strange orange metal box in her garage.

She telephoned the sheriff's office. Deputies and bomb experts from the fire department and the Navy all rushed to her home.

For three hours they sweated it out, trying to discover how to disarm the thing.

Then husband James Scott, a freight agent, arrived from work. "Hey," he shouted, "What're you doing with my register?"

Enlightened, Scott explained "It's an impact register to measure the shocks on freight cars."

Everyone went home.

Known Composer Under Knife

PORTLAND (AP) — Ernest Bloch, 78, an internationally known composer, has undergone surgery for cancer.

A family spokesman said Friday night that Bloch underwent a three-hour operation here Aug. 29 for a malignant condition of the lower colon.

A Good Samaritan Hospital authority Friday night said the composer's condition was good.

Bloch, a native of Switzerland, has lived at Agate Beach on the Oregon coast since 1940.

CITY BRIEFS

Classroom Teachers — will hold their first meeting of the school year Thursday at 4:15 p.m. at Fairview School. The program will feature two films, one dealing with joining the teaching profession, the other, "One Million Men in '64," with crowded classroom conditions nationwide. Following the program, committee reports will be given. All interested teachers in the city system are invited to attend.

Board Meeting — BPW Club dinner meeting Monday, September 15, at the Willard Hotel at 6:30 p.m.

Rummage Sale — Delta Kappa Gamma rummage sale will be held at the Pelican Theater Building, Thursday and Friday, September 18 and 19, from 4:30 to 8:30 p.m., and Saturday, September 20, all day. Articles include curtains, draperies, footwear, overcoats, floor polisher, golf clubs, ice cream freezer, children's clothes, etc. Rummage may be left at the Pelican Theater Building Thursday at 4 o'clock. Call Mrs. Paul Deller, TU 4-5156, or Mrs. Al Brandt, TU 4-3629, to have it picked up.

Klamath Lutheran — Ladies Aid will meet Tuesday, September 16, at the church. The coffee hour will start at 7:45 p.m. Hostesses will be Mrs. Floyd Ralston, Mrs. Richard Pope, Mrs. Douglas Knudson, and Mr. Robert Speelman. This first meeting of the fall is important and a good attendance is hoped for. There will be discussion on the circuit convention held in Minneapolis.

Family Nights — in Peace Memorial Presbyterian Church will start

Fall Meeting Slated By YMCA

Evaluation of progress made by the Young Men's Christian Association, and ways to speed progress, are to be discussed at the group's annual fall meeting today.

Bill DePew, a past board president, is general chairman of the conference to be held in the Andrew Collier Lodge at Lake of the Woods.

A worship service led by Bob Johnson and Paul Campbell will follow a noon lunch prepared by Mrs. Edith Johnson, Dave Totton and Lyle Kellstrom are assisting in the conference planning.

Special attention will be given to recruitment and training of additional volunteer laymen.

Republican Group Names Chairman

A Gladstone insurance executive, Wesley Phillips, is the new chairman of the Young Republican Federation of Oregon, it was announced Saturday.

Fred W. Heard of Klamath Falls, a district director of the Republican organization, said Phillips succeeds Portland attorney Harvey J. Osborn who resigned to devote full time to personal business.

Phillips, a Milwaukee resident, is alternate chairman of the Clackamas County Republican Central Committee and has served as the group's treasurer and as chairman of the county Young Republican organization.

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Youth Placed On Probation

One of three youths who made the mistake of probing a police officer's car was placed on a year's probation in district court Friday afternoon.

Ronnie Virgil Haskins, 19, 816 Oak Street, was placed on probation for stealing a fishing rod and reel from a parked car. With Haskins were two juveniles who were placed under juvenile authority.

City Patrolman Ray Howard said his wife saw three youngsters probing about their car late at night. Howard, clad in a bathrobe and carrying a flashlight and pistol, saw the youths move on to a neighbor's car.

He followed them, he said, and when they ran he shouted a warning and fired a shot in the air. One stopped short and the other two were soon caught.

Howard said they stole a fishing rod and reel from a parked car belonging to Jimmy Thomas, 1937 Oregon Avenue. The property was recovered.

In other district court action: A complaint against Jack Liptberg, charged with giving liquor to minors, was dismissed on motion of the district attorney because of insufficient evidence. A complaint against Duane Meredith Day, accused of assault with a deadly weapon more than a year ago, was dismissed upon motion of the district attorney because a complaining witness refused to testify.

Robert Ray, accused of forging a \$42 check in Merrill August 11, waived a preliminary hearing and was held to the grand jury. He was jailed in lieu of \$3,000 bond.

Labor Unions Give Warning

WASHINGTON (UPI) — The AFL-CIO has warned that employment has not risen to match an increase in industrial production officially reported to have wiped out more than one-half of the recession decline.

The labor organization issued a statement late Friday asserting that 7.6 per cent of the labor force is out of work—"the highest war period, after adjusting for seasonal changes, except for one month in 1945."

The statement followed an earlier report by the Federal Reserve Board noting a widespread business pickup since last spring.

The report, most hopeful issued by any federal agency since the recession began, said "rapid recovery in economic activity continued in August" highlighted by a 2 per cent increase in factory and mine output.

It said steel ingot production reached 61 per cent of capacity, showing more than the usual seasonal rise from July, and production was set for 65 per cent of capacity in September.

The steel boost was registered despite a sharp drop in automobile industry activity due to shutdowns for retooling.

TROUBLESOME MOLARS

McALLEN, Tex. (AP) — In 1920 Quirino Ramirez of Hargill developed a toothache and drove a buggy into Raymondville and had the troublesome molar extracted. Ramirez had a toothache again recently. He came here to have his six remaining teeth pulled and Dr. E. G. Garza obliged. Ramirez is 108 years old.

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