

# Business Forecast . . .

(Continued from Front Page)

"fringes."

9. Europe must pay so much for oil that it will have less money for purchasing other goods.

10. Unexpected events will occur during 1957; however, as a whole, business will remain fair, but with smaller profits.

## MONEY OUTLOOK

11. As foreign countries must pay in gold or dollars for oil, their industries will be handicapped, unemployment will increase, and pressure for aid from the United States will be greater.

12. The Federal Reserve Board will not relax its restrictions so long as we have full employment in the United States; but if unemployment increases we may expect a relaxation. I am very glad Mr. Robert Cutler will again be Mr. Eisenhower's adviser.

13. Owing to the tremendous numbers of employees, suppliers, and retailers dependent upon the large corporations, these will be first to receive bank funds.

14. Many plans for expansions of plants, by both big business and little business, will be postponed. Most corporations will find it difficult to get new short-term money at any price in quantity; while long-term financing will be too expensive.

15. Tight money will cause state, municipal, and town governments to postpone plans for building roads, schools, and hospitals except in cases where the Federal Government pays most of the costs. This will put a damper on many lines of business.

16. Owing to these increased money rates, states, municipal, and town bonds, although tax free, have been declining rapidly in price. Most financial advisers forecast much lower prices for such securities. It is possible that the postponement of such building plans may so diminish demand for such money that these non-taxable bonds will sell at higher prices before the year is out. This postponement may also reduce the price of steel and other materials.

17. The money managers for each corporation, large and small, will now arrange their financing needs for two years by either securing the necessary funds now or reducing their requests.

18. Prices of corporation bonds will not recover so quickly as the non-taxables. I forecast lower prices for most corporation bonds.

19. Many of the smaller and newer corporations will be much disappointed by their inability to secure funds during 1957, except by selling convertible preferred stocks on terms very favorable to investors. It is well to issue such securities when money rates are low because the advantages continue for many years; but not when money is tight, as such securities then tie up the borrower for a long number of years at high rates.

20. This means that 1957 will be a good year for investors to switch from low-yielding stocks to attractive bond issues.

## REAL ESTATE OUTLOOK

21. Home building, corporate expansion, and municipal improvements will decline in 1957. Therefore, it will not be a good year for speculating in real estate.

22. Interest rates on mortgages will be higher in 1957. Loans not "federally" guaranteed will require larger margins.

23. Real estate in large cities will continue inactive with declining prices due to lack of parking facilities.

24. Suburban real estate will continue active, but fewer new houses will be built. Houses will be for sale by executives who have lost their well paid jobs.

25. Purchasers will give more attention to the size of the lots than to the houses. Better locations can be secured by buying existing houses. Modern Kitchens will become a "must".

26. Acreage near proposed shopping centers will be excellent for speculation. The automobile will continue to raise havoc with real estate prices, helping some locations and hurting others.

27. New inventions in connection with heating, lighting, and other features will make most older houses obsolete.

28. Large commercial farms

28. Large Commercial farms will continue prosperous. Small farms on the fringes of cities will be more valuable. The outlying medium-sized farms will be both expensive to operate and hard to sell.

29. The nearness to schools, churches, stores, and bus routes will become a more important factor in the resale of homes.

30. Those wishing to own a well located home to occupy will find 1957 a good year to buy or build; but a dangerous year for

speculation.

## STOCK MARKET OUTLOOK

31. It is foolish for anyone to now forecast the stock market for 1957. The Dow-Jones Industrial Average, now around 490, may decline to 400 or advance to 600 during 1957.

32. All investors will want "safety," but wise investors will first decide whether they also want "income" or "profit". Only by luck can you obtain all three features with certainty during 1957.

33. Investors can buy, during 1957, well-seasoned preferred stocks (preferably cumulative) which will give, with safety, a list of such to any reader so requesting.

34. During 1957 good utility stocks should be attractive for yield and marketability. The demand for electricity will continue to increase through 1957.

35. The above two recommendations, apply to those in moderate income tax brackets. The investor in medium or high brackets will buy during 1957 non-taxable state, municipal, or town bonds carrying "full faith and credit". Taxes will gradually increase during 1957, and non-taxable bonds will be more in demand from wise investors.

36. I am now prepared to advise readers who do not care for income, but only for profit. As above stated, the Dow-Jones Industrial Average may approach, during 1957, either 400 or 600. It will be very easy to make a mistake by either buying or selling stocks at this time, except for intelligent switches. I am willing to say, however, that readers should not get panicky and sell their oils. Even Gulf Oil, which has the largest interests in the very rich Middle East fields, should not be sold.

37. All sensible investors will carry good bank balances and reserves during 1957 so as not to be caught, whatever happens.

38. There should be no panic in the stock market during 1957. Stocks will either fluctuate near their present levels or else will gradually slide downward or upward. It will be risky to borrow money to buy stocks in 1957; rather, one might sell stocks to get out of debt.

39. The way to make money in the stock market is: (1) Confine your purchases to the stocks of the leading companies in each industry. (2) Diversify moderately and do not try to pick out winners remembering that, whether you buy or sell, someone (probably as smart as you) is doing the opposite at the same time. (3) Store up cash when most people are bullish; use this cash to buy stocks when most people are bearish.

40. We are no longer on the Gold Standard but on a Political Standard. Although the Law of Action and Reaction will ultimately rule, yet periods of prosperity can artificially be extended by manipulating money rates, subsidies, and other financial props.

41. Every reader should have a little stock in one of the local banks in which he has his account. Bank stocks should make money during 1957, whatever the "blue chips" do.

## INTERNATIONAL AND OTHER AFFAIRS

42. During 1957 the Administration will do everything possible to keep us out of war. It certainly will not get us involved with England, France, Israel, or their allies.

43. So long as President Eisenhower is in good physical condition (as Commander-in-Chief), he will back the United Nations with our Army, Navy, and Air Force. This is the only way in which he will be tempted ever to enter World War III.

44. The United States will not use the A Bomb or H Bomb during 1957 or give these bombs to any other nation. However, to save the United Nations, President Eisenhower will give that organization all the bombs it wants.

45. 1957 should be a good year to make tax-exempt gifts to colleges, hospitals, and other worthy causes. You, however, should give a stock which shows you a profit, and let the beneficiary do the selling. 1957 should be an especially good year for such institutions to make drives for funds.

46. Householdors will avoid making unnecessary purchases on installments until the international situation clears. Several feasible plans are being considered, one of which is to have a very small tax on every gallon of oil moving through the Canal with the understanding that the money will be used for financing the Great Dam on the Nile River which the Egyptians so much

# Ed Dempsey Heart Sunday Chairman Of Brookings Heart Fund Drive

Appointment of C. Edward Dempsey of Brookings as Heart Sunday chairman for the Oregon Heart Association's 1957 fund-raising campaign has been announced by Mrs. Forrest Erickson of Estacada, past president of the American Legion Auxiliary, Oregon department, who is state Heart Sunday chairman.

Mr. Dempsey will direct the need. This would make unnecessary any expropriation of the rich Middle East oil reserves and any renegotiations. Either expropriations or renegotiations will scare our investors out of making further foreign investments.

47. The big thing that Russia wants is not so much the oil fields as freedom to pass through the Dardanelles. This will be an important feature of a settlement of the Suez Canal problem. I further forecast that the Republic of Panama will attempt to undo the "steal" which we perpetrated in 1904, in order to build the Panama Canal.

48. I would be unfair to readers of this Forecast not to mention the great importance of Mr. Eisenhower's health. In connection with any building, business, investment, or other program, it should be continually kept in mind.

49. Better fed and more intelligent populations, both in the United States and elsewhere, will continue to increase. Important new discoveries and inventions will take place. Twenty years ago we were enjoying the prosperity brought on by the Electrical Era. Then followed the Motor Car and Oil Eras which we have recently been enjoying, plus a Chemical and Building Boom. These coming together account for the great prosperity of the last ten years. Sometime we will witness a business readjustment, but it will be followed by a new Electronic and Nuclear Era. Therefore, be optimistic.

50. In closing, I urge my friends to read the 8th Chapter of the Bible Book Deuteronomy, which was written 3,000 years ago and is as applicable today as ever. Incidentally, it mentions Egypt, which even then was an important factor in world events.

Heart Sunday campaign in Brookings on February 24 when similar efforts will be made in more than 50 Oregon cities between 1 and 5 p.m., following conclusion of Sunday morning church services.

Volunteer are being enlisted now for the door-to-door solicitation climaxing the month-long Heart Fund campaign. In many cities the ringing of church bells will signal the start of the four-hour door-to-door campaign.

"This Heart Sunday activity is the prime effort of the Heart Fund campaign in Oregon," Mr. Dempsey said, "and I am confident, too, that the people of Brookings will welcome these volunteers who are giving unselfishly of their time and efforts."

Mr. Dempsey has taken an active part in many civic activities including the Masonic Lodge, the Elks club, Rotary club, and the Chamber of Commerce.

He pointed out that funds derived from the Heart Sunday campaign are used to finance the Oregon Heart Association's research and education programs. The Oregon Heart Association has allocated \$30,000 for research in Oregon during the coming year, including projects at the University of Oregon Medical School, Reed college and the University of Portland.

Mrs. Erickson said the state committee is "deeply grateful to Mr. Dempsey for accepting this sizeable task" and urged the people of Brookings to "join this great volunteer army dedicated to the fight against heart disease."



A baby boy was born to Joyce and Jimmie Phillips on December 28 at the Seaside hospital. Dr. Ronniger was in attendance.

A baby girl was born to Betty and William Schaefer, also on December 28, at the Seaside hospital. Dr. Ronniger was in attendance.

# Brookings Items

The Misses Elsie and Evie Rosenthal, operators of a private nursery school in Sunnyvale, California, with their mother, Mrs. Juliet Rosenthal, were guests this week of Mr. and Mrs. C. Ed Dempsey.

Sergeant Gordon L. Foster and wife of Fairchild Air Force Base in Spokane, Washington spent the Christmas holidays with Gordon's parents, and Mrs. Alvin Foster. Gordon will report at a base hospital in California December 31, where he is taking treatments for arthritis, and his wife will remain at the Foster home until his release from the hospital.

Mr. and Mrs. Marion Foster and family of Florence and Mr. and Mrs. Calvin Foster and son of Grants Pass spent part of the holidays with their parents, Mr. and Mrs. A. O. Foster.

Gene Richards, now in the U. S. N., spent Christmas with his parents, Mr. and Mrs. Albert Richards, returning to his base Saturday night. He expects to be sent to Japan sometime in the spring.

Mrs. Edith Moore left the past week for Oakland, Oregon where she will visit her niece for several weeks.

Mrs. Eva Lea Long and Mrs. Clara Kerns returned Thursday from Klamath county. Mrs. Long visited her son at Merrill and Mrs. Kerns with her daughter, Mrs. Rolf Johnson and other relatives.

Mr. and Mrs. Clarence Dial were in Portland visiting relatives. Mr. and Mrs. Walter Wollam returned Sunday from Azusa, California after spending Christmas with their son and family.

Mr. and Mrs. Harold Cooper entertained a group of friends at cards Thursday evening.

Mr. and Mrs. Pete Lesmiester spent the holidays with their daughter in Fresno, California.

Miss Joy Gott, Linfield college, McMinnville, Miss Joyce Washburn, Southern College at Ashland, Ralph Engle, Willamette U. of Salem and Gene Weeks, Oregon State were all spending the holidays with their parents.

Miss Rachel Woodward of Bellingham, Washington, Miss Ruth Woodward of Casteline, California and brother, Terrel, and his wife of Coquille were Christmas guests at the home of their sister and brother-in-law, Mr. and Mrs.

KEEP OREGON GREEN

# N.R.C.A. Approves Brookings Spot

The formation of a local Credit Association in Brookings and at Gold Beach has been approved by the National Retail Credit Association, according to Mr. L. S. Crowder, manager at the national office in St. Louis, Missouri. The Credit Bureau of Curry County, with offices in the Johnson-Hurst building, was named as the local service agency.

The N.R.C.A. represents over 50,000 credit granting business and professional firms in the United States and Canada. 1000 local Credit Associations have been organized and approved by the National Unit for the purposes of protecting the credit granter interests nationwide. The N.R.C.A. furnishes credit educational material, organizes credit classes for office personnel and devotes its time to the furthering of the best interests of credit granting business and professional firms.

A local Credit Association will be organized shortly after the holiday season in both Brookings and in Gold Beach, and regular meetings presided over by local officers will be commenced.

Bert DeMoss.

A large group of friends and parents of the Baptist church Sunday school enjoyed the children's Christmas program Sunday evening, December 23. The Sunday school teachers had worked hard to get 82 youngsters to perform before an audience. Treats were given to all children present.

Mr. and Mrs. Westly Kindel and daughter, Jacqueline, returned from a week in Los Angeles visiting relatives, in time for school.

Mr. and Mrs. John Hogan, former residents of Brookings, but recently of Santa Cruz, California have returned here and may plan to reside here again as they have property here.

Mr. and Mrs. Stanley Patterson entertained Mr. and Mrs. Gilbert Christensen and daughters, Marjorie and Sue, and their married daughter, Janice and her husband Alvin, and his grandparents, Mr. and Mrs. H. Baker of Crescent City at Christmas dinner.

Marjorie Christian and Kim Wallom, students at Milo Academy near Roseburg were home for the holidays.

# WE MUST HAVE DEADLINES

In order to bring the news and advertising to you, the public, on time and of the best quality possible, We must have deadlines on getting these items into the Pilot office. We ask you to start the New Year out by helping us by abiding by the following:

## NEWS DEADLINE

All News Must Be in the Office By 10:00 a.m. on Wednesdays

Any items received earlier than this time will help out greatly. Call 3725 or bring your news items to the Pilot Office as soon as possible.

## AD DEADLINE

All Advertisements Must Be in the Office By 12:00 Noon on Tuesdays

Ads 1/2 page or larger should be in on the Thursday or Friday of the week preceding this deadline. Your cooperation on this will be a big help. Classified ads should be in by Monday at 5 p.m. to get on the classified page. Classified ads in after that time will be Too Late to Classify But will be taken for that week until the regular deadline of Tuesday Noon.

THANK YOU

OUR RESOLUTION—A Bigger and Better Newspaper for the Brookings-Harbor Area

# BROOKINGS - HARBOR PILOT