

# Hillsboro Argus

With Which is Combined the Hillsboro Independent Hillsboro Argus Estab. 1894 Hillsboro Independent Estab. 1873  
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## Happy New Year

The staff of the Hillsboro Argus extends a Happy New Year to Argus subscribers and their families, to advertisers and their families and others who have helped them in producing a newspaper in keeping with this fine community.

The past year has seen considerable improvement in the fortunes of the country and the great majority of the people. It is hoped that this will continue and will be even greater in the year to come.

While the spirit of Mars hovers over the old world, the dove of peace flies over the lands of the western hemisphere as attested by the spirit shown at the inter-American peace conference at Buenos Aires. The American people as a unit want to live in peace with their neighbors and are hopeful that the rest of the world will be so blessed in spite of the threatening clouds.

May the new year and many more to come be happy indeed, for all of our good friends.

## Babson Sees 1937 as First Prosperity Year

(Continued from page 1)  
where business is today. We are right square in normal times. For the first time in fourteen years, we are crossing the "X-Y" Normal Line on the way into a new prosperity era. A moment's retrospect shows the tremendous disaster that we have averted since we touched bottom in March, 1932. The total gain in business has been 78 per cent. Nearly a third of this rise has come during 1936 alone.

**1936 Remarkable Year**  
The year just closed has been remarkable one in many ways. While it is generally believed that elections do not change the basic course of business, most analysts concede that they are temporarily upsetting. The tide of recovery was running so strong in 1936, however, that it swept over every obstacle and washed out the old year in a burst of glory.

There are scarcely any figures available to compare 1936 with steady gains in jobs, payrolls, industrial activity, profits, and dividends. Topping off the year was a real post-election boom. Wave after wave of trade boosts and bonuses and dividends have been being lifted Christmas trade back to old-time levels.

**Eight Per Cent Gain for 1937**  
The momentum picked up by this surge of buying will carry into the New Year. Business in 1936 was good. Business in 1937 will be better. My estimate is for a 10 per cent gain in the first six months over the initial half of 1936. It is harder to make a definite prediction for the second half, but I think a five per cent over the closing months of the old year is within reason.

This would put my Babsonchart Index about five per cent above the level of the year 1935, and approaching 10 per cent over normal by next Christmas. The entire year's gain should average about seven to eight per cent above 1935. Business will be above the "X-Y" words in other words, in a prosperity era—for the first time twelve-month period since 1929! Unless—

**Labor Holds Whip-Hand**  
It is seldom that there is no "unless," 1936 was an exception. Then there was a very real and real bull market. Today, however, there is one major question in my mind—the labor problem. If this issue is not handled properly, business will receive a very rude setback. Workers are in the most strategic position today they have ever held.

Labor leaders can tie prosperity in a knot if they call a general walk-out or they can give prosperity a boost if they get the heads. Do not misunderstand me. I am not predicting grave national labor situations, even though some current situations do look threatening and even though there will be a big increase in the number of strikes. I merely say that if labor leaders try to push too far and too fast in their demands for higher pay and shorter hours, we are in for serious trouble.

**Four New Factors**  
There are four new factors in the picture today, which give labor such a strong hold on industry. First is the tremendous gain in the price of real estate. Second is the steady rise in living costs. Third, is the big gain in labor's influence as indicated by the election results. Finally, there is the "powder-keg" row between the Labor and the machinery trade organizations, particularly the latter, all increase the tension of the situation.

The real key to this puzzle is the Administration and its policy toward labor. The president's development. Mr. Roosevelt with his almost unanimous backing could swing the tide of battle in whichever direction he wished. Because of the president's unprecedented worker-following, the outlook for labor troubles depends to a large extent on Washington.

**Congress Not Harmful**  
In fact, much depends on Washington as far as most problems are concerned. The president's worker-following, the outlook for labor troubles depends to a large extent on Washington.

**Food Stores—Chain or Independent—** which have not yet joined in special selling campaigns would do well to take a leaf from the book of the stores which have. Pay the farmer a fair price, charge the consumer a fair price, advertise extensively—and consumption of commodities soars.—Industrial News Review.

## What Other Editors Say

### He Must Decide

While it may be off the record, it is generally known that, in Hood River county, there is much adverse criticism of the attitude of State Grange Master Ray W. Gill on the costly problem which involves the farmer as a result of the most recent waterfront strike.

If Gill believes he owes a debt of loyalty to organized labor, we would be the last to suggest that he break faith with his union friends; but many fruitgrowers and other farmers, many of them members of one or other of the Granges have a feeling that he also owes a debt to agriculture and horticulture, especially keeping in mind the fact that he has been honored by farmers by being elected as leader of an organization so essentially associated with the great farming industry of Oregon.

Of course, we realize that Gill and other leaders of the State Grange have long cherished a hope that a farmer-labor movement might gain enough strength in this state to become an overwhelming political factor, but two waterfront strikes within a period of four years and the troubles have opened up a great gulf between real farmers and these badly-managed unions, a gulf which it will take many years to bridge. Unfortunately for the success of this plan, these waterfront strikes have hit the farmer where it most hurts—in the pocket-book, until he has come to regard himself as the "goat" which is sacrificed as a peace offering when troubles between longshoremen and their employers are being settled.

Gill, last Friday, emphasized the prosperous condition of the Grange in Oregon today, and the Grange in this state has an excellent chance of gaining even more strength, if its leaders will make up their minds to give it their undivided loyalty. If other allegiances make this impossible, there is but one course open to them.—Hood River News.

### Advertising Sells Commodities

Before Thanksgiving this year, progressive food stores of the country carried on an aggressive turkey sales campaign. More turkeys were sold than ever before, and at prices that were attractive to consumer as well as producers.

Sales methods varied somewhat in different localities—but the participating stores seemed to appreciate the value and necessity of newspaper advertising. For example, here is an excerpt from the report of one large chain system: "Newspaper advertising was carried in all the principal metropolitan and rural newspapers in our territory. . . . Before our Thanksgiving demands had been filled there was a decided scarcity of turkeys of the top grade in our market." Another chain reported: "We have advertised turkeys in approximately 250 newspapers this week as well as 750,000 circulars which were distributed to the consuming public's homes. Present indications are that we sold about 30 per cent more turkeys for Thanksgiving this year than a year ago."

Newspapers have been a potent factor in other food sales campaigns—such as the recent beef and real drive. Similar future campaigns—of which the first will feature grapefruit—are planned.

It is apparent that this is good business all around—for the farmer, for the merchant, for the newspaper and for the consumer. In the past some retailers have attempted to terminate newspaper advertising—and they have usually found that it was the poorest kind of economy. "The paper"—whether it be a daily or weekly—is a fixture of the American home and finds an eager audience.

## Our Yesterdays

### Fifteen Years Ago

Argus, December 29, 1921—George Armentrout, county pioneer, dies at Forest Grove December 19. Mrs. John Schaefer dies at Mountaineer December 20.

Miss Pearl Smith, formerly of the Argus staff, and Peter Borgen of Portland married at Forest Grove December 24.

Mrs. Anna Helmold, 70, died at Blooming December 25.

Hillsboro club re-elects following officers: Dr. L. W. Hyde, president; Charles E. Wells, vice-president; Glenn Belle, secretary, and F. J. Sewell, treasurer.

Oregon Dairymen's league votes to liquidate at its Portland meeting Tuesday.

Benton Bowman of Hillsboro and Manche Langley of Forest Grove re-elected president and secretary-treasurer, respectively, of Washington County Bar association.

Mrs. Clara Jack dies December 26.

Mrs. L. C. Rogers of Cornelius dies December 23.

### Thirty Years Ago

Argus, December 27, 1906—Mr. and Mrs. Henry Wehrung celebrate golden wedding anniversary.

Only four people attend district school meeting. Willis Hardware company of Banks has purchased the Banks Feed store.

Miss Naomi Nicodemus weds Adrian Dant of Reedville December 24.

City council buys Shute park for city purposes at cost of \$1622.50.

W. H. Wehrung to leave Friday for Seattle to select the site for the Oregon building at the Seattle Yukon fair.

Raymond Dixon drowned in Tualatin near Forest Grove when boat strikes submerged log and capsizes.

Samuel Everett, 76, dies here December 26.

William Clapshaw, 67, dies at Hillside December 24.

A. B. Findley elected master of Leedy Grange at Cedar Mill.

John W. Peters of Hillsboro selected on Pacific university debating team.

## The Great American Home



How much more powerful are the laws of nature and economics than the laws of men. The drought, the AAA and short supplies, plus better business and heavier consumption, have doubled farm prices during the last four years. Now, what about the outlook for farm prices this year?

**Another Good Year on Farms**  
Grain and cotton prices depend on the weather and plantings. Based on current acreage estimates and barring drought, prices of these products should not be much higher next December than they are today. Meat prices will edge upward for our livestock population is near the lowest point in years. Dairy, egg, and poultry prices will advance under the impetus of higher producing costs during the first half. Good prices plus higher production should lift farm income between five to 10 per cent during the new year.

Farm profits will be somewhat less due to mark-ups in the prices of products which the farmer has to buy. With farming continually more profitable, good land (now up against 75 per cent for industrial activity and 30 per cent for retail prices). This coming year the gap will narrow. I look for a five to eight per cent rise in living costs against only a three per cent gain in 1936.

In the vanguard will be clothing price-tags. They have been at a standstill for the last three years, but they will move ahead eight to 12 per cent in 1937. Food bills will

**Extend Leases Now**  
The same applies to rents. If you have a favorable lease extend it NOW for a five-year period. After a 10 per cent advance last year, rents will probably increase another five per cent in 1937—maybe more in well-located areas. With the optimistic prospects for building, a renter I look forward to a profitable year for real estate men with rising values and with activity at least 20 per cent above 1936.

The outlook for real estate and building is typical of the outlook for all capital goods industries such as locomotives, ships, power stations, and machinery. These businesses are due for a much sharper percentage improvement than the consumer goods industries. Employment in the heavy group a year ago was 75 per cent of normal; today it is 85 per cent; and by next Christmas it should be 95 per cent.

**Where to Get Jobs**  
The 3,000,000 heavy industry workers who are still jobless should dwindle to 2,000,000 by the end of 1937. This would leave only 6,000,000 out of jobs next December and this number 4,000,000 are floating jobless or are unemployed. By far the best bet for new jobs will be in these industries. My advice to young men looking for a job today is to learn a building or machinery trade or to join the sales force of a building materials or machinery concern.

Skilled workers are going to demand, and get, higher pay in 1937. While total employment should increase perhaps five to eight per cent, wage rates should be stepped up by at least that amount or more on the average. Payroll totals should show a rise of less than 10 per cent. But remember fatter payrolls mean heavier producing costs. The latter in turn mean either a mark-up of selling prices or a cutting of profit margins.

**Sees Rising Prices**  
Three years ago higher costs would have meant slimmer profits. This year they will mean higher selling prices. This holiday season we are waving good-bye to the era of sponsor market. For the first time since 1929, we shall see prices during 1937 controlled by the seller and wages by the employer.

Gone, temporarily at least are the days when orders were taken below cost simply to keep the machinery from getting rusty. Gone are the days when people would work for nothing simply to keep up their courage. In addition to higher producing costs the Robinson-Patman Price act, if strictly interpreted, will push distribution costs higher. All this will be mirrored on wholesale and retail invoices.

**Sharp Mark-Ups Ahead**  
Wholesale quotations on 784 products—from raw material to finished goods—have risen three per cent in the last three months and are at a new top since September, 1930. Next Christmas the price average will be five per cent—maybe 10 per cent—higher than it is today.

Four years ago wheat was selling at the lowest price in three and a half centuries—41 cents a bushel. However, it was cheaper than to pay freight, corn was being burned for fuel in place of coal. Milk was being poured on the streets to reduce over-supplies of butter and cheese. There was a bounty on baby pigs.

Today wheat is around \$1.35 per bushel. Corn is being imported from Argentina. Much bulk butter sold in United States markets comes from abroad. Bacon is delicious once again. This all goes to show

be five to eight per cent higher. Monthly electric and gas statements will be slightly lower. Those who use oil should make contracts now as a protection against a 10 per cent advance.

**1937 Salesman's Paradise**  
Merchants can honestly plug the "Buy Now—Higher Prices Coming" appeal in their advertising. Salesmen can safely jack up their sales quotas and advertising appropriations by at least 10 per cent—probably 20. During the first two years of the 1937 will be the return of the seller's market for the first time since 1929.

Every hour of effort and every dollar of expense put into selling work in 1937 will return what two years ago would have cost twice as much. I urge every salesman and every salesman to work his head off in 1937. Get your reward for all the hard work of the past few years. Sunny selling days will not last forever!

**Best Sales Areas**  
Results will vary of course in different sections. Back in 1933 my sales map showed only one gold, or excellent state and 30 blue, or poor states. Today this same map shows 20 gold states and only two blue. In 1933 and what two may in 1939! I urge every salesman and every salesman to work his head off in 1937. Get your reward for all the hard work of the past few years. Sunny selling days will not last forever!

**Bonds at Ceiling**  
Bond prices are the most amazing factor in the security markets today. They are selling at the highest prices in history. Since June, 1932, the yield of the average bond has dropped from 7 1/2 per cent to 4 1/2 per cent. The 1937 outlook for bonds depends almost entirely on the course of money rates. My forecast is that the latter will continue to avoid getting burned by government refunds all its short term debt into long-term issues at about 2 1/2 per cent. After that rates will depend more upon the commodity prices and general business.

**Bull Market Not Over**  
The outlook for money rates is a big influence also on stock prices. Big returns on savings bank deposits, bonds, mortgages, and high-grade preferreds will not coax money out of good sound stocks. The tremendous volume of money seeking investment with prices of dollars in December alone will prevent too big a stock sell-off. 1936 dividend increases and extras, plus possibilities of still higher earnings over the next few years, give well-chosen stocks added attraction to those who want protection against a rising cost of living.

In spite of the 30 per cent gain in stock prices during the last 12 months, I believe that many stocks are not over-valued. There may be periods of backing and filling, but the basic trend is still upward. The bull market which began on July 8, 1932, has not reached its peak.

**No War in 1937**  
No one can deny that the overseas situation is critical. Europe and Asia today closely resemble the conditions of 1912-14, a general war involving Fascism vs Communism is inevitable; but a general European war will not come in 1937. There will continue to be revolutions within nations; but no

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This same commission ruled that this position constituted a bar to membership in the legislature. Lessorad's petition for a declaratory judgment upholding his right to the senate seat contends that he is only an employee and not an "officer" as contemplated by the constitution. The attorney general would rule him out as a legislator. Furthermore Lessorad contends he was not appointed to his post but was "employed."

With five per cent of the motorists responsible for 90 per cent of the traffic accidents, R. H. Baldock, state highway engineer, advocates permanent revocation of the operators' licenses of accident-repeaters as the only solution to the traffic accident problem. Oregon already has plenty of safety laws to protect the motoring public if the more rigidly enforced, in Baldock's opinion.

Reports from Portland indicate that the state will be asked to contribute \$3,000,000 toward the financing of the proposed 1939 world's fair to be held in that city in celebration of the completion of the Bonneville dam. Just how the money is to be raised has not been decided. When Governor Olcott convened the legislature in special session in 1921 to finance a proposed "Industrial Exposition" to be held in Portland in 1925 the lawmakers promptly turned thumbtack under the proposition. The burden onto the property owners through a tax levy. A proposal to finance the state's contribution to the fair through an increase in the gasoline tax, especially those who belong to the wheat league or the wool or apple growers who do not propose to let Gill or any other leader stand in the way of a program that promises any relief from the present economic situation, is a threat to the financial stability of thousands of innocent bystanders.

Of course any legislation of the Oregon lawmakers may enact to require compulsory arbitration of labor disputes would only apply to local strikes, such as that in the woolen mills at Portland or strikes by teamsters, truck drivers or other purely local groups. It would have little, if any effect on the maritime strike which is after all, the one which is pinning the producers right now. That involves a national issue and will require federal legislation if it is to be reached. All the Oregon legislators can do in this connection will be to memorialize congress and even such action can be expected to meet with serious opposition on the part of organized labor.

Hereafter state officials and employees who tour the country at public expense attending conventions and conferences must limit their expense claims to \$7 a day. This amount is expected to cover Pullman charges, meals, hotel rooms, taxis, tips and incidentals. "Deadbeat" also came in for a share of attention at the hands of the board when it was voted to summarily dismiss any state employee who attempted to crawl out from under a soldier's bonus loan or to unload on the bonus commission or land board a piece of property which he had purchased with a state loan and on which he had allowed the interest and taxes to accumulate. Also came in for an effort to discharge his rightful obligations.

Delmore Lessorad, state senator from Multnomah county, has filed suit in the circuit court in Portland for his right to a seat in the forthcoming session. Lessorad is an attorney for the World War Veterans State Aid Commission. Attorney General Van Hook, in recent opinion to Thomas Graham Jr., senator-elect, also an attorney for

A report on state building needs, just released by the State Planning board, emphasizes the immediate need of a state library building and another office building. Replacement of the present supreme court building and office building by new structures at some time in the future is also envisioned by the planners who call attention to the need for purchasing necessary ground for building sites at this time, recommending acquisition of the four blocks immediately north of the present capital site. With federal grants available through PWA the report points out the library and office buildings could be financed at this time with state appropriations of only \$750,000 for each.

**Cane with Carved History in Window**  
A cane on which is carved a history of the Masonic lodge is shown in the Argus window this week. It was purchased at a household sale at Curtis, Neb., 50 years ago, and is now the property of Mrs. J. L. Adamson of Aloha. The window also contains a White Leghorn egg weighing 5 1/2 ounces and measuring 2 1/2 by 1 1/4 inches, brought in by Irma Helm of near Laurel; a triple pine cone found by pupils of the Groner school and brought in by O. B. Kraus; and some second-crop apples found on an early transparent tree by Otto Jossi of Helvetia.

## Might Be Different

If the pay of the union leaders was to be stopped for the period of a strike the same as the striking worker there might not be so many strikes. We wonder if most workers realize that while their pay stops under strike conditions the pay of those who lead them into such strife goes on. It was recently brought out that Harry Bridges, radical alien labor leader, was receiving \$75 a week as a member of the board of the International Longshoremen's association, besides his salary as head of the Pacific coast group of the Maritime Federation of the Pacific.

## Good Exhibit Needed

Governor Martin has taken steps to see to it that Oregon has an appropriate exhibit at the San Francisco exposition in 1939. Oregon has failed to have exhibits at recent world's fairs and it should by all means have a worthy one at the coming fair in our sister state to the south. The legislature should, without hesitation, take this question into consideration and provide amply for such a display. Oregon has much to gain from so doing.

## Kidnapers are at work again and the 10-year-old son of a Tacoma, Wash., physician is the victim. The federal government has done excellent work in rounding up these beasts and it is sincerely hoped that action will be swift in this case. No penalty can be too severe for the kidnap. The anxiety caused the family and the danger to the boy is beyond description.

## Hood River growers challenge State Grange Master Gill and members of the Grange legislative committee to state whether they will support Oregon agriculture or work in the interests of striking unions. The story of the last two months shows definitely that the interests of the two groups are entirely different and the request of the growers is sound as Oregon farmers, businessmen and workers have suffered big losses due to this vicious strike.

One of the best indications of improved conditions is the increased revenues in the county tax department, where payments have been coming in better than for many years. A far different picture it is from that of four years ago when scrip was issued to cash county and school warrants because of the great tax delinquency.

We are glad to see Madame Perkins, secretary of labor, asking for an early maritime peace, even though it is belated. She properly cites the public interest as being paramount. The public will not long endure the impossible situation that now exists and it is high time that the leaders on both sides take recognition of this fact.

Heads of two Berlin papers will be replaced because they refused to obey orders of the German propaganda ministry. Freedom of the press as enjoyed in the United States is this country's greatest protection against dictatorships and the intolerable conditions that go along with them.

Sherwood Commercial club is making a progressive move when it plans the revival of its potato show. It will be January 8 and 9 when everyone will have an opportunity to make good exhibits. May it meet with success.

## Jots in Jest

February is usually the least rainy month of the year in London, but this year "Ain't Going to Reign No More" seems to be the theme for December.

Dr. Erik Ljungner, Swedish geologist, believes that South America once was buried under an ice cap—probably the greatest hangover on record.

Thief entered a Troy, N. Y., apartment and stole rope from a dumb waiter and a clothesline. Probably he wanted to start a good nickel cigar factory.

In Canberra, the capital of the Australian Commonwealth, no one has ever committed a serious crime. The newspapers there must give exciting weather reports.

That Atlantic City lighthouse offered for sale ought to be a bargain at any price for harassed Prince Edward of England.