

Business Outlook For 1949 Forecast

1949 IN A NUTSHELL

General Business	Off 5%	Building and Construction	Off 20%
National Income	Off 5%	Lumber	Off 5%
Farm Income	Off 15%	Foreign Trade	Up 5%
Bituminous Coal	Off 5%	Airline Passenger Miles	Up 10%
Anthracite	Off 10%	Military Activities	Up 50%
Crude Oil Production	Up 3%	Including Aircraft	Up 50%
Steel Output	Up 5%	Retail Trade	Off 5% to 10%
Automobiles	Up 10%		

Business and Financial Outlook for 1949

By Roger W. Babson

Total volume of business for 1949 will be less than that of 1948. There surely will be many soft spots.

General Business

Most industries will show smaller net profits. This means that, in many cases dividends will be less in 1949.

Military preparedness will be a new and powerful industry which this country never heretofore experienced in peace times. It is destined to bolster employment for some years ahead, but not the standard-of-living.

Inventories quoted both at their dollar values and in volume will increase during 1949. Both raw material piles and manufactured goods will be in greater supply during 1949.

Commodity Prices

Some rationing or priorities may be attempted in 1949. The public will make demands for price controls in the case of certain products. Beware of installment buying in 1949.

We expect the peak in wholesale commodity prices has been reached for this cycle. We therefore advise going easy on inventories. 1949 is a time to get out of debt and stay out of debt.

The retail price of some goods, other than food products, may be higher during 1949, but we believe that the Cost-of-Living Index has turned downward.

Retail price changes lag after wholesale price changes. This explains why we expect many retail prices on good quality merchandise to hold up for awhile after wholesale prices decline.

Farm Outlook

The total farm income for 1949 should be less than of 1948, due to lower prices for wheat, corn, pork, poultry, eggs and certain dairy products. Farmers should diversify more in 1949, get out of debt, putting surplus money into savings and prepare for real trouble some day.

The supply of certain vegetables and fruits should increase during 1949. The price of these should fall off barring some weather, insect or blight catastrophe.

Poultry and dairy products will also increase in volume during 1949, prices averaging less than 1948 prices.

Farmers will continue to work for extensions of subsidies. The above four farm forecasts assume normal weather. A drought could upset these.

Taxes

The Federal Budget will not be decreased during 1949.

Federal taxes will not be decreased during 1949, but there may be some readjustments to encourage venture capital and to ease the tax burden on wages.

We forecast that an attempt will be made by some cities to put ceilings upon real estate taxes or to collect local sales taxes.

Increases are liable to be defeated. Hence, labor leaders have naturally kept urging higher wages, although they may feel in their hearts that wages are high enough for the time being. We forecast that there will be some change of attitude in this regard and that wage leaders will be more interested in preventing the "bust."

If wages are too high, organized labor is the first to be laid off when business declines. Unorganized workers have the steadier jobs and will go through 1949 without losing their positions.

Some labor leaders will, during 1949, work for pension systems and sick benefits. This would be a constructive program for employers who can afford to do it, but many employers cannot afford even these benefits at this time. Both employers and wage workers will have some time in getting a program which will give steady work throughout the year. This is the best hope for these depressed times.

Bricklayers, painters and carpenters are criticized today for doing such a small amount of work, but we must remember the many days when they are unable to work due to weather and other conditions.

Inflation (high prices) comes when consumption exceeds production. This means that inflation can be checked only by increasing production or by reducing the money supply. The job of getting prices down today depends, therefore, upon what management and labor produce per hour. We believe that wage increases during 1949 will be accompanied by a corresponding increase in the per hour production.

Some object to the large profits that their employers are getting today compared with the 1930's. It should be remembered that during these depression years most employers had no profits whatsoever. We forecast that profits will continue to be regulated automatically by the law of supply and demand, rather than by the government.

At some time during 1949 we forecast that the point will be reached where the nation's inflated money supply will have become fully employed. Hence, emphasis may shift from efforts to stop inflation to efforts to halt deflation.

Stock Market
1949 will not be a better year stock market wise than 1948. Investors will especially get out of most of their assets in big "volunteer" in case of war cities, re-investing in companies whose assets are well distributed and safe from attack.

The Administration will not want to go too high on account of the consequent effect upon labor's demands. Commodity speculation will continue to be curbed.

The wisest will not try to pick any special "winners" in 1949, but will diversify broadly. Those who have too many stocks will gradually build up good reserves, in cash or Government bonds, for the big break which will come some day. Careful buyers of stocks will insist on making full payment and avoid borrowing during 1949.

Safe dividend paying stocks will be in greatest demand, especially if double taxation on dividends should be eliminated.

Bonds
We are definitely bullish on low-coupon, long-term, taxable bonds as money rates will gradually increase.

If Congress should exempt dividends from federal taxation, 1949 will see a further falling off in the prices of certain tax-exempt bonds.

We forecast no change in the nation's monetary policy relating to credit control and interest rates during 1949.

Investors will give more attention to diversification in 1949 and will try to have their bond maturities either fairly short or staggered.

Real Estate
City real estate will continue to

Hillsboro Argus

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A MOVIE PHOTOGRAPHER focuses both camera and lights on Scientist Irwin A. Moon in this schoolroom scene from "God of the Atom." This sermon from science film, produced by Moody Institute of Science in Los Angeles, is to be shown at 7:45 p. m. Tuesday in the First Christian church in Hillsboro.

Hillsboro Ministerial Group Sponsors Science Films

In a three-day meeting sponsored by the Hillsboro Ministerial association, three sound-color films revealing the close relationship between science and religion will be shown in Hillsboro churches. The films have been produced by Moody Institute of Science, a branch of Moody Bible Institute, Chicago. They are "The God of Creation,"

to be shown at 7:45 p. m. Monday in the First Congregational church, "God of the Atom," to be shown at 7:45 p. m. Tuesday in the First Christian church, South Third and Baseline streets, Tuesday at 7:45 p. m., and "Voice of the Deep," which will be shown at 7:45 p. m. Wednesday in the First Baptist church.

In the first sequence of "The God of Creation," space and its galaxies of stars are explored through the telescopes of Mt. Wilson observatory. Then, in sharp contrast to the immensities of the universe, the wonders of the everyday world are shown in a few seconds by time-compression photo technique. Close-up shots of a caterpillar wiggling into a butterfly are also shown.

For the third part of the film, the audience is permitted to examine the minute perfection of the microscopic world. Sunlight falls on leaves, manufacturing plant food in the process of photosynthesis. Through photomicrography, millions of parasites are seen swimming in a drop of water.

"God of the Atom," approved by the American Scientific Affiliation and recommended by the Atomic Energy Commission, includes actual photographs of the Nagasaki and Bikini explosions, as well as scientific apparatus used in atomic research. Narration is by preacher-scientist Irwin A. Moon, famous for his "Sermons from Science" demonstrations during World War II.

In an exclusive sequence, photographs of the giant 184-inch cyclotron at the University of California are shown. Concrete walls have since been built around the cyclotron, which has been rendered dangerously radioactive.

"God of the Atom" concludes with a summary of the world crisis caused by the discovery of atomic power, and offers a unique solution to the problem.

Discovery that the "silent deep" is not silent after all forms the basis for the film, "Voice of the Deep." Contrary to the age-old belief that there is no sound under the sea, "Voice of the Deep" reveals that fish have a definite language of their own. Their aquatic conversations in the film resemble peculiar quacks, grunts, whistles and clicks of a barnyard. A congregation of snapping shrimp sounds like a crackling forest fire, while a school of Chesapeake Bay croakers was once mistaken for an invasion of enemy ships.

California Folk Visit Over Holiday
By Mrs. Anna Saltzweid
SCHEFFLIN—Mr. and Mrs. Jim Meek and son of Tulare, Cal., were holiday guests of her parents, Mr. and Mrs. Hugo Sahnaw and other relatives.

DuWayne Barth of Sabin, Minn., was the holiday guest of his friend

Club Draws Names For Secret Pals

By Mrs. O. W. Hesterlee

HAZELDALE—Hazelade Happy Hour club held its annual Christmas party, December 21 at the home of Mrs. George Altshin. Nineteen members and four guests were present. Games were played, Christmas songs were sung, then Santa appeared bringing gifts to the club members. Mrs. Altshin, who was introduced by Mrs. Swank, there was an exchange of polyanthus presents and names were drawn for polyanthus for the coming year. Games were played, Christmas songs were sung, then Santa appeared bringing gifts to the club members. Mrs. Altshin, who was introduced by Mrs. Swank, there was an exchange of polyanthus presents and names were drawn for polyanthus for the coming year. Games were played, Christmas songs were sung, then Santa appeared bringing gifts to the club members. Mrs. Altshin, who was introduced by Mrs. Swank, there was an exchange of polyanthus presents and names were drawn for polyanthus for the coming year.

New members of Rotary were introduced to the club. They were Earl Fullmer, Homer Price and John Enschede.

By Thursday afternoon at the home of Mrs. Joe Berger, seventeen were present. Names had previously been drawn and the gifts were exchanged. Mrs. Berger served refreshments and the club furnished the treat for the children.

Remember, in Argus Classified Ads. The More You Tell — The More You Sell.

Christmas Singing Highlights Rotary

A program of Christmas singing highlighted a Rotary meeting on Thursday. A girls' chorus from Hillsboro, led by Ronald Clark, Hilhi vocal instructor, gave a Christmas story in verse in which Rotarians participated.

Lynn Judy, program chairman, commended Clark for his work in improving singing in the Rotary club. He introduced Clark, who took over the program.

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Former Resident Here, Officer Of O. E. S., Dies

Mrs. John D. Bergen, 60, formerly of Hillsboro, died suddenly in Me-Auley hospital at Coos Bay Saturday evening following a heart attack.

Officers of the Grand chapter of the Oregon Eastern Star conducted funeral services Tuesday afternoon at Hills chapel for Mrs. Bergen, who was Grand Adah of the state organization. Burial was in Sunset cemetery.

Mrs. Bergen, a lifelong resident of Oregon, had been in the nursery and florist business in Coos Bay for 28 years with the widower, who survives.

She was a member of the Coos Bay Eastern Star chapter, of the PEO, the Daughters of the Nile and the Presbyterian church. Born in Hood River, she graduated from the conservatory of music at Pacific university in Forest Grove in 1913.

Besides the widower, she is survived by a son, John H. Bergen, Coos Bay, three sisters, Hester, Payne, Eugene; Mrs. V. W. Gardner, Hillsboro, and Mrs. Wilbur Workman, Cottage Grove; a brother, Robert Harbison, North Bend, and two grandchildren.

All local, social and fraternal news should be turned in at the Argus for publication in that week not later than Tuesday morning and earlier if possible.

New Year's Eve DANCE

and

ENTERTAINMENT

Sponsored by

Portland Swiss Turnverein

Cedarville Park — Portland

S. E. Powell Blvd. at Linneman Junction

FRIDAY, Dec. 31 — 8:30 p. m.

Knusel's Alpine Orchestra

Plenty of Refreshments



E. A. "Griff" Griffith



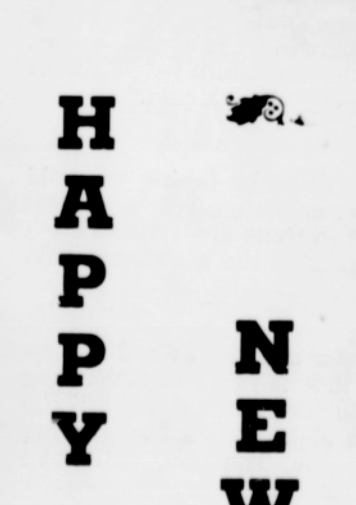
Karl Wildman



John E. Meeke



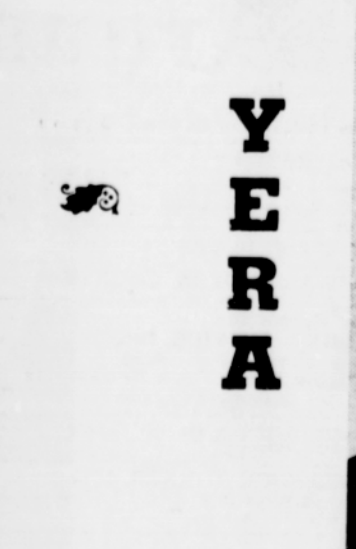
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