

BEAVERTON ENTERPRISE

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Business Outlook For the First Half of Year 1940

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serious factor. The moisture situation is the worst on record at this season. If it gets no drier, however, it could easily lift, rather than lower total farm income. Barring a continuation of the drought, total production on all farms in 1940 may be close to the 1939 figure. The increase in prices will not be all gravy for the farmers, however. Their costs will go up, though perhaps not so much as their prices. With farm profits a bit better, farm land values should continue to edge up a little.

"Oomph" in Prices
In addition to higher farm prices, industrial raw materials should also push upward in early 1940. War, high industrial activity, and rising buying power will put the "oomph" in the price picture. Hides, cocoa, gasoline, and paint materials can have the sharpest boosts. Increases in wool, rayon, sugar, steel, lumber, and non-ferrous metals are a good bet assuming business activity holds up. Coffee, hard coal, cement, and glass will do well to hold their own. One of the interesting points about this current boom is the remarkable stability of prices of all kinds.

This desire to keep the lid on prices is good news for consumers. **Their living expenses are not going to change much in early 1940.** Food is the only hot spot. I will be surprised, however, if your weekly market bill next June is more than five per cent higher than it is now. Clothing will not advance more than five per cent. There is no reason to forecast serious advances in fuel, oil, coal or rents for the first half of 1940. Rising lumber and labor costs will make furniture a little more expensive. The sum total of all this means that living expenses should stiffen by only two or three per cent during the first six months of 1940.

Brisk Gains in Trade
With only a modest step-up in living expenses and an increase in consumer "intake", retail trade will be better. A gain of eight per cent sounds about right to me, if the increase is measured in dollars. Only about four per cent more goods must be sold, however—the other four per cent being accounted for by mark-ups on the price tags. Luxury and semi-luxury lines should register the biggest step-up in sales if this past three months is any barometer.

Store profits ought to be satisfactory with inventories in fairly good shape. The successful merchants will be those who take advantage of the big opportunities of early 1940 by inflating their advertising budgets. Promotion outlays should be upped at least 15 per cent. Those salesmen who have been faithfully doing their missionary work the last two years will cash in with the biggest commission checks since 1929!

Busy Period for Builders
Another key industry which should see big things in the next six months is construction. **Building commissions will be busy okaying 10 to 15 per cent more contracts than in the same period of 1939.** Public building will be shaken down about 10 per cent; but this drop will be more than offset by big jumps in industrial and residential contracts. With factories straining every nerve to meet delivery dates, industrial building plans, shelved since 1937, are being trotted out. This type of construction should chalk up a 40 per cent gain over early 1939.

FHA "installment" loans are ready to give home building another shot in the arm. Costs may inch up, but they are not scheduled for any sharp advances. So it looks like a busy period ahead for building workers, contractors, architects, and the 26 allied industries which supply the building trades. Real estate men specializing in new, modern properties should witness better values and stiffening rents as the months work along. However, I see no hope for old, large houses, or other out-of-date buildings.

High Earnings; Big Dividends
Hence, the first half of 1940 promises to be a good period for most of us. I am particularly optimistic on investors' income. **Business profits in early 1940 ought to be the best in three years in most lines—and the best in ten years in other lines.** Earnings will run 30 to 50 per cent over 1939. The heavy industries should report the biggest jump in profits—up 50 to 100 per cent—with consumer industry profits up to 10 to 25 per cent. As a result investors are slated for some very pleasant dividend surprises—checks 25 to 50 per cent bigger than a year ago.

With a combination of higher business volume and a bright outlook for profits and dividends, you would normally expect higher security prices. However, this is not only a strange war; it's a strange boom as well. Despite all the optimistic news, sentiment is bad. Investors

refuse to buy under-valued stocks selling at 80 to 12 times earnings and yielding 5 to 10 per cent. Yet they stampede to buy the bonds of a government which has failed to earn its "charges" for ten years, and which yield only one to two per cent.

Bullish on Stocks
Second-grade bond issues of concerns covering their interest comfortably are selling for 50 to 70 cents on the dollar while 3 1/2 per cent "Triple A" corporation bonds are gobbled up at prices to yield as little as three per cent. Some time—maybe not in the first half of 1940—but sooner or later, the bond market must take its medicine just as the stock market of 1928-29 had to take its knocks. So I am moderately bullish on carefully-selected stocks and medium-grade bonds for early 1940, but I am bearish on "high-grade" long-term bonds.

World commerce is all muddled up. You cannot make any strong forecasts about it. The best you can say is that our trade with Canada, South America and Italy will be the high-spot of the export and import picture in early 1940. Our commercial treaty with Japan expires on January 15. If it is not renewed our trade in the Pacific may be sharply curtailed. However, I think something will be worked out with the Japanese.

No War Forecast
No forecast on the war or its duration is possible at this time. It may be all over tomorrow, or it may drag on for years. The important point right now is to recognize that war's effect on business is being over-emphasized. So far, it has neither helped nor hurt, American business. When, and if, fighting breaks out in earnest, Allied war orders will help our business. But under no circumstances would the belligerents buy as much from us as they did in 1915-17. The war is in no sense the major prop under our current boomlet. That's why I say, "War or peace, early 1940 will see the best business in ten years."

THE FIRST HALF OF 1940 WILL COME THE CLOSEST TO "GOOD TIMES" THAT WE HAVE SEEN SINCE 1929. READERS MUST NOT THINK, HOWEVER, THAT I BELIEVE EVERYTHING IS HUNKY-DORY. REAL PROSPERITY IS AS FAR AWAY AS EVER. REAL PROSPERITY IS MERELY A SYNONYM FOR PROGRESS OF CIVILIZATION. WITH MILLIONS OF MEN JOBLESS AT HOME AND MILLIONS MORE TRYING TO KILL EACH OTHER ABROAD REAL PROSPERITY IS NOT EVEN "JUST AROUND THE CORNER." REAL PROSPERITY AND LASTING PEACE WILL RETURN ONLY WHEN THE DESIRES AND GOALS OF OUR AND ALL OTHER PEOPLES CHANGE—THAT IS WHEN WE ALL PRACTICE WHAT JESUS TAUGHT 2,000 YEARS AGO.

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Truck Load Limits May Be Reduced
Truck load limits in Washington county will be reduced 25% on all county roads if heavy rains continue, according to County Judge Kerkmann.

Valley streams are at near-flood stage and considerable low lands inundated as the result of recent down pours. No material road damage has yet resulted, other than the normal road bed softening, the official stated.

LITTLE MAN WHAT NOW?



West Slope Has Tremendous Real Value Increase

Subdividing activity in Washington county on West Slope has resulted in an increased valuation to the county of approximately \$425,000 within the last three years, records of J. E. Carpenter, county assessor for Washington county, reveal.

A complete record for the current year is not yet available. Carpenter said, due to the fact that the county's books do not close until March 1. The indications are that home construction activity in the district has increased some 50 per cent, all within the last year.

Since 1936 the real valuation increase, due almost entirely to home construction in this section, has been approximately \$425,000," Carpenter said, "and the improvement is still going on in a steady and permanent way."

In that period 14 subdivisions have filed for record, four of these within the current year, he said. The homes being constructed are all of a modern type ranging in value from \$3500 to \$15,000, with some above and below this figure. Most of the plots filed carry a restriction of above \$3500.

"Turkey" Symbol Significant to Hancock Sales
"Turkey, as a symbol of the holiday dinner, has a double significance for all of us who aid in the sale of Hancock Products," today commented H. F. Morrison, Hancock Distributor for the State of Oregon. "This added significance is due to the founding family's crest, which contains the rooster of the present day trade mark. When a tightening of the purse strings is necessary, many people substitute chicken for turkey on the Yuletide menu, but not the Hancock people. Out of respect for the original 'Cock of the Walk' it has long been a tradition that there will be no middle road for Hancock at holiday time. It will either be Turkey or 'crow', depending on the company's business record."

"In accordance with this unique tradition," continued Morrison, "all of us in the Northwest are looking forward to doubly enjoying our turkey dinners this year, for our accounting department has given us the official go ahead sign."

The U. S. Civil Service Commission announces open competitive examinations for Junior Poultry Aid (experience required); Statistical Supervisor (punch-card tabulating experience); Special Agents experienced in the Air Transportation Industry. Full information and application blanks may be obtained from the Civil Service Window, Main Post Office, Broadway and Gisan Sts.

Sell! Swap! Rent! Buy! Via Want Ad Way.
CRAB POT
SW 30th and Barber
Fresh Crabs from the SEA our SPECIALTEE
It's entirely Different and Better Here
CHICKEN & STEAK DINNERS

Noticed the official Daily Treasury Statement lately? As of December 6, it showed expenditures since July 1, 1939, as \$4,961,958,113; receipts were \$2,283,627,856; Government was in the hole \$1,778,330,256 and gross Federal debt \$4,362,278,021. Your per capita share of that debt was \$318.17.

Now we are informed from Washington that there is a definite downturn in business just around the corner. In other words, the war boom we heard about in September is all over. And there is some doubt as to whether it ever got here in the first place.

Every time another experiment in Treasury transfusion or pump priming goes haywire, private investors and business leaders are accused, by our jittery leaders, of a sit-down strike. Because the banks are full of money which they can't lend safely and to advantage, we are told that a system of free public enterprise can't or won't find investment outlets and thus bring recovery. Therefore, Government spending must be resorted to—only they usually call it "investment."

Business men tell a different story. They believe present government trends will destroy free enterprise, or change it so that the man who assumes business risks won't have a Chinaman's chance of winning a reward. All to risk and naught to gain!

It will take a right-about-face in Washington, with evidence of governmental encouragement and cooperation, to inspire confidence. When this happens, we will have real prosperity and more jobs.

America, the Land of Opportunity under the New Deal, is thus described.



Just in case you have forgotten how free American enterprise works—or did work until the happy exterminators got a stranglehold on it—the automobile industry supplies a shining example. Forty-seven years ago (1892), Charles E. Duryea built his Road Wagon, called the first American gasoline automobile. The path leads from that rattling good car to the streamlined job of today.

The industry became important about 1903, in which year 11,235 cars were built. These had steering wheels instead of tiller bars and a few had windshields. Average price was \$1,170. This price average increased, as cars improved, to \$2,137 in 1907. Then came an era of keen competition and a peculiarly American change took place. Manufacturers had to find ways to make better cars at cheaper prices.

Casualties were enormous, 500 concerns fighting for the business. A few which survived are still going strong. As more, better and cheaper cars were built, more men were employed until now 8 million have jobs supplied directly or indirectly by the industry.

All this without the paternal solicitude or tampering restrictions under which business is invited to operate today. The system of free enterprise worked equally well in other industries, too.

ed by Herb Caen, columnist of the San Francisco Chronicle: "Speaking of the SRA, one of the local case workers went out to a home to interview a father who had applied for relief. When the worker got there, he found the children, aged about 5, 6 and 7, busily at play. They were jabbering, in a thoroughly blank, lively way, such sentences as 'When did you work last?' and 'How many in the family?' and 'We'll see what we can do.' The SRA worker asked the oldest one what game they were playing. 'Oh,' was the answer, 'It's called WPA.'"

Maybe, as in Germany and Russia, the "old folks" will think this is pretty horrible. We think so ourselves. The "hope" of the New Deal is in the "rising generation"—and this is what they have to hope for.

The Thanksgiving holiday change put calendar-makers in a quandry. One firm we know of has issued its 1940-41 calendars, both showing Thanksgiving as the last Thursday in November. On the 1940 calendar, an asterisk indicates a footnote: "Thanksgiving—subject to change by proclamation." On the 1941 calendar, however, the footnote is omitted. Indicating, perhaps, that the printers think the silly season will be over by then.

Jeanne Appleberry of Tigard, was among 88 students on Monmouth's Normal school honor roll for past fall quarter. She was among 18 who received 3.5 or better.

Want Ads—The little fellows with the big pulling power.

SEASONS GREETINGS
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2500 SW 4th Portland, Ore.
MGR. ROGER BROS.

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The Ideal Ice Cream

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Hudson Dealers & Distributors
Used Car Buyers Dream Comes True
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Two Large Lots
15th at SW Alder BR. 2538
20th Pl. & Burnside BR. 2639

City of Portland Motor Vehicle Inspection Calendar For 1940

Each owner of a motor vehicle residing in the City of Portland, or within THREE miles beyond the city limits, or residing elsewhere but employed in the City of Portland or engaged in business within the City and using a motor vehicle in connection therewith, is required to present such vehicle semi-annually at the Motor Vehicle Inspection Station for mechanical inspection and testing as to its compliance with the State and City laws—(see Oregon code 1935 supplement sec. 56-427 and ordinance No. 67631 as amended) and such vehicle, if not found to comply, must be adjusted or altered so as to comply if used on the streets of the City.

Check your license plate number NOW with schedule below, and present your vehicle for inspection at the Motor Vehicle Inspection Station, 1131 Southeast Powell Boulevard (Corner Milwaukie Avenue) ACCORDINGLY.

License Number	First Period	Second Period
1 to 50-000	Jan. 2 to Jan. 13	July 1 to July 13
50-000 to 100-000	Jan. 15 to Jan. 31	July 15 to July 31
100-000 to 110-000	Feb. 1 to Feb. 10	Aug. 1 to Aug. 10
110-000 to 120-000	Feb. 12 to Feb. 20	Aug. 12 to Aug. 20
120-000 to 130-000	Feb. 21 to Feb. 29	Aug. 21 to Aug. 31
130-000 to 140-000	Mar. 1 to Mar. 9	Sept. 3 to Sept. 10
140-000 to 150-000	Mar. 11 to Mar. 20	Sept. 11 to Sept. 20
150-000 to 160-000	Mar. 21 to Mar. 30	Sept. 21 to Sept. 30
160-000 to 170-000	Apr. 1 to Apr. 10	Oct. 1 to Oct. 10
170-000 to 180-000	Apr. 11 to Apr. 20	Oct. 11 to Oct. 19
180-000 to 190-000	Apr. 21 to Apr. 30	Oct. 21 to Oct. 31
190-000 to 200-000	May 1 to May 11	Nov. 1 to Nov. 9
200-000 to 220-000	May 13 to May 20	Nov. 12 to Nov. 20
220-000 & above	May 21 to May 31	Nov. 21 to Nov. 30

☆ New vehicles purchased after May 15th and November 15th are exempt from inspection for that current period.

Trucks bearing "T" and "F" License Numbers Mar. 1 to Apr. 30 Sept. 3 to Oct. 31

You are urged to observe the above schedule, which is arranged for your convenience. Close adherence thereto will aid in reducing unnecessary delays.

This notice is given in accordance with City Ordinance Nos. 67631, 70206 and Oregon Laws 1935, Chapter 420.

Station open 8 a. m. to 8 p. m. Daily (Except Sundays and Holidays)
Motor Vehicle Inspection Station
Bureau of Municipal Shops
J. V. Sotage, Superintendent
1131 Southeast Powell Blvd.

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