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tail prices on good quality merchandise to hold up for awhile ofter wholesale prices begin to decline. BUT 1948 WILL BE A YEAR OF WAR PREPARATIONS.

**FARM OUTLOOK**

9. The total farm income for 1948 should be approximately equal that of 1947; but we forecast lower prices for wheat, corn and certain other products. Farmers should certainly diversify more in 1948, get out of debt, put money into improvements, and prepare for real trouble someday.

10. The supply of certain vegetables, fruits, and fish products should increase during 1948 and the price of these should fall off barring some weather, insect, or blight catastrophies.

11. Meat will be in shorter supply in 1948. Should the current propaganda to "eat less and have a better figure" gain popularity upward pressure on meat prices would be greatly reduced.

12. Farmers will try to get both 1948 Presidential candidates to promise further supbsidies.

The above four Farm Forecasts assume normal weather which we do not attempt to predict.

**LOWER TAXES**

13. The Federal debt will be decreased during 1948.

14. No personal taxes will be increased during 1948 and there will be some reductions—perhaps 5 per cent to 10 per cent in the upper brackets and the entire elimination of those in the lowest bracket.

15. We forecast that the new tax bill will enable a man to share his income tax equally with his wife without sharing his income or property.

16. The 25 per cent tax limit on long-term gains will remain unchanged.

**RETAIL SALES**

17. Goods on counters will be of better grade in 1948, even if retail prices hold up.

18. There will be many "mark down sales" of goods of inferior quality and curbs on installment buying may return.

19. The dollar value of all retail sales in 1948 should at least equal 1947.

20. The unit value of retail sales will be less in 1948 than in 1947; there will be fewer customer purchases in most stores, although each customer may visit more stores to "shop around."

**FOREIGN TRADE**

21. Our foreign trade will be less in 1948 than in 1947. We shall help Europe; but it will be on a more economical and efficient scale.

22. More foreign loans will be made during 1948; but many of these will be direct to business concerns rather than to political governments.

23. There will be considerable competition from other countries in legitimate foreign trade where the credit is good. Other countries will not compete with us in our "charities"; but they certainly will compete for all profitable business.

24. Throughout 1948 war talk and uprisings will continue; but no World War III will start in 1948. WAR PREPARATIONS WILL ACCELERATE.

**LABOR OUTLOOK**

25. 1948 will se an average hourly wage rise of 5 per cent to 7 perecent. Lower income taxes should increase buying power, but this will be about offset by further rises in the cost of lying.

26. There need be no more unemployment in 1948 than in 1947 but "Unemployment Insurance" will be taken advantage of by too many unprincipled people.

27. Wageworkers will gradually see that the Taft-Hartley Bill puts a checkrein only on their labor leaders but not on Union membership. Hence, the bitter hatred against this Bill will gradually subside. The Bill is merely an "SEC" for labor leaders who need it today as much as investment bankers needed the SEC which was started ten years ago.

28. Any labor legislation during 1948 will be to amend the Taft-Hartley Bill and to raise minimum wages.

**INFLATION**

29. The Inflation Era which we have forecast for several years will remain at this stage until November 2, 1948. There will be no reckless printing of currency or government borrowing in 1948.

30. 1948 will see a public reaction against "feather bedding" "workless" jobs, and union rules which result in slow-ups. More labor-saving machinery will be installed. The public is graduallly realizing that inflation can be beaten only by increased production.

31. Sometime during 1948 production in many lines will have caught up with consumption which will prevent further price increases in such lines.

32. There will be many inflation and price investigations during 1948. Both the Democrats and Republicans will try to lay the blame for high prices on the other party.

**STOCK MARKET**

33. We believe that 1948 will be a year of switching, for various reasons. One of these will be an attempt to get out of stocks of companies which have most of their assets in big "vulnerable-in-case-of-war" cities into companies whose assets are well distributed and safe from attack.

34. The Administration will try to keep the Dow-Jones Industrial Averages between an upper ceiling of around 185 and a floor of around 16. Commodity speculators will be curbed.

35. The wisest will not try to pick any special "winners" in 1948; but will diversify broadly and those who have too many stocks will gradually build up good reserves, in cash or Governments, for the big break which will come someday .

36. areful buyers of stocks will insist on making full payment and avoid borrowing during 1948.

**BONDS**

37. We are definitely bearish on low-coupon rate, long-term bonds Many of these will sell at even lower prices in 1948 than in 1947. Money rates will gradually increase.

38. If Congress gives a good reduction in Federal taxes to investors in high brackets, 1948 will see a further falling off in the prices of most municipals and other tax-exempt bonds. As indicated above, however, we do not expect such a desired tax reduction.

39. In view of the large decline in many preferred stocks during 1947, this rate of decline should begin to level off during 1948.

40. Investors will give much more attention to diversification in 1948 and not become too heavily interested in railroad securities, telephone issues and other public utilities, many of which are now selling too high.

**REAL ESTATE**

41. City real estate will continue to hold firm through 1948, due to less available space caused by pulling down structures to save taxes, to provide parking spaces ,etc. There also is a disinclination to build city property in view of the present high inflationary building costs.

42. Suburban real estate will continue in greater demand with still higher prices during 1948.

43. Big commercial farm acreage may sell for less during 1948; but subsistence farms located close to established communities will hold up in price.

44. General building should increase during 1948. Young people are gradually getting accustomed to high building costs and tired of living with their mother-in-law.

45. Both office and residential rents will be higher in 1948. Property owners are entitled to receive higher rentals. Only as such are granted will there be as much building as there should.

46. Mortgage rates during 1948 will continue about the same as in 1947. These rates are very favorable for those who have the courage to build. However, in 1948, it will be harder to obtain mortgage loans.

**POLITICS**

47. Both President Truman and the Republican leaders will be playing politics up to November 2, 1948. It is now too early to forecast the outcome of the Presidential election. The Republicans, however, have so bungled the price controversy that Mr. Truman has a fair chance of reelection.

48. Congressmen returning from Europe will determine our foreign policy and take it out of the hands of the State Department, the Brass Hats, and even the President himself.

49. Unless illness or accident interferes, Mr. Truman will be the Democratic candidate, with the possibility of Mr. Marshall being on the ticket with him.

50. We forecast a greater interest in sane religion, temperance ,and civic righteousness during 1948, with continued reaction against denominationalism, intolerance and dogma.

## One Polling Place

Beaverton voters, on January 6, 1948, will have but one polling place in which to cast their votes on annexation of Kaiser Community Homes Pinehurst Addition—at the City Hall, Beaverton.

Voting hours will be from 8 a. m. to 8 p. m.

**LIQUOR AND GAS**

Accident studies show drinking drivers to have an accident rate 55 times greater than non-drinking drivers.