

THE BABSON PREDICTIONS--

Economist Foresees Slight Business Drop Last Half of 1953

(By Roger W. Babson)



Roger W. Babson

1. Business will start the year 1953 in high gear. The pace will slacken, however, as the year unfolds, with total business volume for 1953 smaller than for 1952. The powerful supports of the Great Boom—construction and automobiles—will lose strength as the year advances.

2. Barring World War III, 1953 will find business operating under less government control than any year since outbreak of the Korean War. But don't expect removal of price controls to help profit margins.

Intense Competition Predicted

3. Salient economic feature is the fact that our productive capacity has now been expanded to the point where, barring World War III, output can take care of both arms and civilian needs.

4. The handwriting is on the wall against inefficient operators. There days are numbered. The successful businessman next year will be the one who can control his costs and stay out front in his Market.

5. I strongly urge my business friends to get out and sell, and sell hard next year; but hire the best cost accountants you can for the back office. "Order takers" will find fewer jobs as 1953 moves along.

War and Peace

6. My forecasts for 1953 are made on the assumption that World War III will not strike during the year. However, I want to make it clear that "all bets are off" the day Stalin dies or retires.

7. The H-bomb gives us another lease on time. Our first lease, from Hiroshima in 1945 to the Russian A-bomb explosion in 1949, was frittered away in ideal bickering. This time we will have another "breather". It may be our last chance.

8. 1953 will be most important in the struggle for World Peace. We will need more than an H-bomb to win peace. We shall need a great rise of spiritual strength, which is not now evident.

No New Business Boom

9. The long business boom following World War II was beginning to run out of steam when the Korean War gave it a new lease on life. However, the stimulus of defense spending is already fading. Barring further international troubles, defense activity in 1953 will be a floor under, and not a new stimulus to, business activity.

10. Capital expansion will move into a readjustment phase sometime in 1953. This has been an outstanding economic force behind our long period of good times. Nevertheless, I do not now anticipate any sharp break in business. If a slide starts it would be gradual, not steep.

11. Big credit expansion has been a powerful "shot in the arm" for business during the past two years. I predict that in 1953 loan commitments will become more important than new credit advances. This could handicap over-all business unless advertising expenditures are increased.

12. Under an Eisenhower Administration I do not look for expansion of money supplies as a result of increased deficit financing. Thus, another stimulating force will be absent next year despite the better confidence following the Eisenhower landslide.

More Conservatism in Government

13. Although General Eisenhower ran ahead of his ticket, there has been a considerable gain in the conservative complexion of Congress. The margin in favor of conservatism is not measured by the slight excess of Republicans over Democrats. It results from the fact that several Democrats can be counted in the conservative column. The emphasis will be on purifying Bureau and Commissions.

14. All government departments will be at the service of the Republicans after January 20. Never before in the history of the United States has a conservative government had such a powerful bureaucracy at its finger tips. In 1953 we shall see the use of these bureaus to aid rather than handicap business.

Hang Onto Your Job

15. Unemployment will be no problem for the workers of the nation during the early months of 1953. The demand for and the supply of labor promise to hold in good balance. Later, however, unemployment will increase, reaching its highest point toward the end of the year.

16. While employment runs high during the first part of the year, strikes will continue to plague management. Unions, however, will be cautious so that they will not bring down on their heads the legislative wrath of a conservative Congress.

17. During the early months of 1953 amendments to the Taft-Hartley Act will be moderate. Great labor turmoil would surely result in severe restrictions on labor being read into the Act. All in all, I forecast a decline in strike totals for 1953.

18. Looking to the year 1953, I am urging my friends and their children to work more faithfully at their jobs. They should not be fooled by present high demand for labor. Early 1953 should be used to "gid in" and work harder. Drifters will be the first to be let go.

Price Forecasts

19. Barring World War III and severe droughts, the supply of most raw materials, farm products, and manufactured goods promises to be adequate during 1953. Even the so-called invisible inventories in the hands of consumers are high as a result of heavy buying since the outbreak of the Korean War. I anticipate few shortages next year.

20. Do not forget that there is always a big IF in the supply situation with regard to farm

C of C Hears of Land Development In North Morrow

State senator Rex Ellis, Pendleton Monday showed members of the Heppner-Morrow county chamber of commerce motion pictures and explained the development of sand dune land along the Columbia river near Paterson ferry into productive fields.

The huge reclamation project, one of the largest undertaken by private capital, consists of putting water from the Columbia on nearly 600 acres of former waste land in Northern Morrow county. Plans call for the eventual leveling and irrigating of more than 2000 acres in the area, Ellis stated.

He showed the extent of the irrigation project, which takes water from the river by means of large electric pumps and pipes it nearly two miles from the stream to be distributed by means of sprinklers. Ellis said that it is possible to put the equivalent of two inches of rain a week on the fields.

Much of the land has been planted to Ladino clover to start, but plans call for other crops in the future and with completion of the project it is expected to pasture 10,000 head of cattle.

The project, which was started nearly two years ago is similar to one in which Ellis helped develop on the Washington side of the river.

Ellis explained that much of the irrigating equipment used at the development has been designed especially for the job and is constructed so that two persons with a tractor can irrigate the entire area.

Ellis was accompanied to Heppner by Umatilla county judge, James Sturgiss.

Children Asked To Stay Away From Sewer Construction

Heppner city officials and contractors working on the city sewer construction project this week asked all parents to keep their children away from the warning signs set up along the excavations due to the danger of them getting burned. They pointed out that only recently a little girl was quite seriously burned at a Willamette Valley town when her clothing became ignited from a flare.

They also asked that the children not be allowed to play around the excavations as there is always danger of a cave-in.

FIRE LOSS DURING 1952 LOW IN HEPPNER, 19 CALLS ANSWERED

Heppner firemen had a comparatively easy year during 1952 compared with 1951 for the number of calls answered and for total fire loss sustained within Heppner.

During the year just completed 19 alarms were answered and a loss of approximately \$3,700 was suffered. The exact figure cannot be determined until final figures on two recent fires are obtained. Of the total calls, only six were for grass fires, a record low.

Heaviest damage resulted from fires at the Fullerton Chevrolet company, the Hubbert Willson residence and the Dr. W. H. Wolff office building and residence. The latter two occurred just before Christmas.

In 1951 firemen answered 22 calls and there was a loss of \$12,590. Of this amount, \$10,000 was suffered in the blaze which destroyed one building at the fair grounds only a few days ahead of fair and rodeo time.

Principal addition to the department during the year was the acceptance from the underwriters of the city's new 500 gallon per minute pumper. The department had used the truck since early in the year, but official acceptance was not forthcoming until about three months ago.

Surviving are three sons, Lawrence Funk, Wasco; Ercel Yocum, Pendleton; Dick Yocum, Wasco; four daughters, Reta Oviatt, of Ocean Lake, Oregon; Bessie Church, Portland, Vera Hoppold and Vivian Kane both of Heppner; 13 grandchildren, 15 great grandchildren and one great-great grandchild.

Phelps Funeral home are in charge of arrangements.

DR. SCHAFFITZ TO MOVE

Dr. Edward K. Schaffitz, Heppner optometrist has announced that his office in the Heppner Clinic building will be closed and that he will reopen Wednesday, January 7 in new offices in the Heppner Hotel building in space formerly occupied by Bradley D. Fancher, attorney.

Dr. Schaffitz plans considerable remodeling of the space prior to reopening.

ESCAPE INJURY

Dr. A. D. McMurdo, Heppner physician escaped uninjured last Friday evening when his car left the road in ice and fog while he was answering a call in the Eightmile section. The car suffered some damage.

Mrs. Ethel Lingholm spent the Christmas holiday in Springfield with Mr. and Mrs. Hal Whitbeck and family. Whitbeck teaches in the Springfield school this year.

CASUALTIES HIGH IN HUFFMAN FAMILY OVER CHRISTMAS HOLIDAYS

The J. R. Huffman family are planning on using extreme care on New Year's day after a series of accidents put two members in the hospital over the Christmas holidays.

Over Thanksgiving Huffman, who is manager for the Pacific Power and Light company in Heppner, spent a good part of the day chasing down broken power lines in the lone area and never did find time to eat any turkey dinner.

The Christmas difficulties started early in the day when their niece, 13 year old Carol Huffman was taken ill and was rushed to Pioneer Memorial hospital for an emergency appendectomy.

The next day, Huffman's 11 year old son Robert suffered a fractured skull when his sled ran into a post while he and some other children were sledding on a hill near his home. He is also confined to the hospital under the care of a physician.

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The Heppner area fell heir to another 57 of an inch of rain early this week to bring the total precipitation for December up to 1.96 inches. Leonard Gilliam, the Heppner weather recorder reported. This more than equals the 1.40 which was recorded during December, 1951.

Heppner and the higher areas of the county were in the favored spot Sunday and Monday for while they basked in relatively warm chinook winds and rain many lower areas down Willow creek and along the Columbia caught the full force of a cold front and received several inches of snow. Monday morning the roads below lone were covered with a sheet of ice.

Adult Education Class in Science to Be Offered Here

EUGENE, Leslie Grant, county superintendent of schools, has announced that an adult education class in science will be held this winter term at Heppner. It will be offered through the department of state-wide services, general extension division, Oregon State System of Higher Education.

First meeting of the class will be on Monday night at 7:00 p. m. in the Heppner high school, beginning January 5. Another night may be decided upon for the class if the instructor and registrants find a more suitable one.

Miss Mildred Ericson, staff instructor of the General Extension Division will teach the class, which carries three hours of undergraduate credit.

The class is listed as Science 102, Biological Science Survey and will meet from 7 to 9:45 p. m. Other classes in Oregon history are also being planned for later.

Anyone interested in the course should contact Mr. Grant for further details.

Services For Joseph M. Yocum to be Held Thursday in Wasco

Funeral services for Joseph M. Yocum, 87, who passed away December 29 will be held Thursday January 1, at 2 p. m. at the Methodist church in Wasco.

Mr. Yocum was born in Bellview, Yamhill county, Oregon on April 15, 1865 and for many years was a wheat farmer in Sherman county, living near Wasco. For the past 11 years he has made his home in Heppner with his daughter, Mrs. Bert Kane. He was married to Hettie Hussey on December 22, 1886, and she died in April 1935. He later married Margaret Funk who passed away in May 1949. Two sons also preceded him in death.

Surviving are three sons, Lawrence Funk, Wasco; Ercel Yocum, Pendleton; Dick Yocum, Wasco; four daughters, Reta Oviatt, of Ocean Lake, Oregon; Bessie Church, Portland, Vera Hoppold and Vivian Kane both of Heppner; 13 grandchildren, 15 great grandchildren and one great-great grandchild.

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Homer Hager spent Christmas in Condon with friends.

Rainfall Up, Snow Misses Here

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SALEM — Edward F. Chidsey will become assistant right-of-way engineer for the state highway department Jan. 1. He has been division engineer with headquarters at La Grande for five years.

Former Heppner Man Advances in State Highway Department

Edward F. Chidsey, Division Engineer for state highway commission at La Grande for the past five years is to become assistant right of way engineer with headquarters at the Salem office on January 1, according to announcement of R. H. Baldock, state highway engineer. The new position involves both administrative and engineering responsibilities in negotiating and acquiring real property for highway use, for which Chidsey's long experience with all phases of field engineering makes him a valuable addition in the expanded right of way program, Baldock stated.

Chidsey, born and educated at Heppner, started as a chairman with the department in 1919, serving successively as draftsman, transitman and resident engineer, all of the more than 30 years in the Eastern Oregon section, the last five as division engineer at La Grande.

Dimes Drive To Start Tomorrow

One of the most intensive campaigns ever carried on in the county will open Friday when the March of Dimes drive gets under way in full swing. Morrow county chairman, Mrs. Joseph Hughes, said this week.

Each community in the county has its drive chairman and workers and will carry on their own individual campaign. In the rural areas the Granges have charge of the drive.

Due to the heavy drain on both local and National Foundation funds because of the many polio cases last year the quotas for all areas in the county have been increased considerably for this year's drive.

CHRISTMAS EVE FIRE

Heppner firemen answering their fourth alarm in as many days were called to the Ralph Stotts residence at 401 Gale street at 10:30 Christmas eve where a defective oil stove became overheated. There was no damage.

HOSPITAL NEWS

New Arrivals—To Dr. and Mrs. Don Schwison, Condon, a 8 lb. 8 oz. boy born Dec. 23, named Edwin Albert. To Mr. and Mrs. Loyd Burkenbine, Heppner a 7 lb. 10 oz. boy born Dec. 24, named Paul Jay. To Mr. and Mrs. Orner McCaleb, Reedsport, a 11 lb. girl born Dec. 23, named Beverly Louise. To Mr. and Mrs. Clarence Edwin Asher, Fossil, a 7 lb. girl born Dec. 29, named Carol Ann. To Mr. and Mrs. Roland D. Gallaher, Lexington, a 7 lb. 2 oz. boy born Dec. 29, named Bryan Duane.

Medical—Marie Bowden, Heppner; Dorothy Harkins, Irrigon, dismissed; Jack S. Tovey, Spray; Robert Huffman, Heppner.

Major Surgery—Mrs. Helen Carter, Heppner; Carol Huffman, Heppner, dismissed; Mrs. Dorothy White, Condon; Mardine Baker, lone; Henry Johnson, Condon.

Minor Surgery—Charles E. Shannon, Kinzua, dismissed; James G. Simpson, Spray, dismissed; William Omer Huston, Heppner, dismissed; Chalene Rill, Heppner, dismissed; Mrs. Camilla Monahan, Heppner, dismissed; Edward L. Sanders, lone, dismissed; Aubert Hayes, Spray; Lewis Rood, Kinzua; Dorinda Fay Farrens, Kimberly, dismissed; Donna Fay Farrens, Kimberly, dismissed; Glen Farrens, Kimberly, dismissed; Ralph Marlatt, Heppner, dismissed; Alice Vincent, Heppner, dismissed; Carol Anderson, Heppner, dismissed.

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Former Pendleton Man Named New Bank Manager

J. H. "Jack" Bedford, former assistant manager of the Pendleton Branch of the First National Bank of Portland, was promoted this week to manager of the Heppner branch of First National. It was announced today by F. N. Belgrano, Jr., president of the state-wide banking system. He will replace Howard Bryant, who has resigned his position.

Bedford joined the staff of First National in April, 1927, as a teller at the Portland Main Office. He transferred to Pendleton in 1936 as a teller, was advanced to pro-assistant cashier in 1940, and in June, 1942 he was called into the military service. Upon his return in 1945 he was appointed an assistant cashier in the Pendleton Branch.

In May, 1947 he was elevated to assistant manager of the branch, and during recent weeks Bedford has been receiving special instructions in credits at the bank's head office in Portland.

In announcing Bedford's promotion, Belgrano said it was an advancement earned through years of excellent service to the families, businessmen and the ranchers of the Umatilla County area.

Bedford has been active in many community affairs in Pendleton, including president of Rotary, member of the Chamber of Commerce, Elks, American Legion, and a former member of the Pendleton Planning commission. He will assume his new duties in Heppner January 1, and his wife will join him in the near future. Bryant has not announced his future plans.

Mustangs to Face Two Tough Foes

Heppner high school's Mustang basketball squad will be facing tough teams this weekend when they meet the Echo Cougars Friday on the local court and then travel to lone Saturday night to tackle the Cardinals.

The Mustangs, who had a week off during the Christmas holidays, began practice Monday night with an inter-squad scrimmage.

When the Mustangs take on the Echo five they will be playing the same squad which took fifth place in the state "B" schools basketball tournament last year. Heppner dropped an earlier decision to the Cougars 67-33 on the Echo floor.

When they tangle with lone Saturday, Heppner will be facing another tough squad which is also practically the same team as last year.

A probable starting lineup for Heppner for the two games will be Roland Taylor and Bill Hughes forwards; Jack Sumner, center; Mike Grant and Dick Kononen, guards.

Arlington Plane Crash Kills Pilot, Injures Passenger

The crash of a small private plane into a pasture near Arlington last Saturday afternoon took the life of the pilot, Robert Lee Eldridge, 29 of Arlington and critically injured a passenger, James David Bauman 18, also of Arlington. Bauman is a nephew of C. J. D. Bauman of Heppner, Morrow county sheriff.

According to reports the cause of the crash was tentatively laid to an unintentional stall.

The pilot was a driver for the Consolidated Freightways and leaves a widow and one son. Bauman was taken to a hospital in The Dalles in critical condition.

Superintendents and School Board to Meet

A meeting of all district school superintendents has been called for Wednesday, January 7 at Heppner, county school superintendent Leslie Grant stated this week.

The meeting, which will start at 2 p. m. will be for the discussion of new budgets, textbooks, buildings, transportation etc., and will be followed at 4:30 by a meeting of the rural school board. After a dinner at 6 p. m. there will be a joint meeting of the school board and the superintendents to discuss the problems of the various districts.

Mr. and Mrs. James Barratt and children of Corvallis visited over the holidays in Heppner with her parents, Mr. and Mrs. David A. Wilson and other relatives.

Farm Safety Their No. 1 Crop



Eight smiling 4-H Club members receive \$300 college scholarships from Paul Garrett, General Motors vice president, for their outstanding achievements in promoting farm and home safety. Looking on is L. C. Goad, executive vice president of GM, who was the principal speaker at a luncheon in Chicago for the 31st Annual 4-H Club Congress in honor of the 39 state and national winners in the 4-H Farm and Home Safety Program, sponsored for the eighth consecutive year by General Motors. Left to right in the top row are: Mr. Garrett, Donald John Bayer, Muenster, Texas; Joyce Bolton, Keithsburg, Illinois; Beth Fuhr Smith, Poplarville, Mississippi; Ellen Lydon, North Scituate, Rhode Island and Mr. Goad. Bottom row: Beverly Ann Bartz, Mitchell, Nebraska; Sue Isardi, Okmulgee, Oklahoma; Kathryn A. Hansen, Davis, California; and June Hill, Cleveland, Tennessee.