

Babson's Predictions

(Continued from Page 1)

to buy during the last half of 1954. Both the automobile stocks and the cars will be in less demand. There will be fore bargains in used cars, discounts on new cars, especially cars of the "independent" manufacturers.

(17) Canada will continue to boom during the second half of 1954, but this may be a good time to take profits on Canadian investments.

Money, Inflation, and Interest Rates

(18) When Mr. Eisenhower assumed the Presidency with his Cabinet of "9 millionaires," they proclaimed a new monetary policy which would increase the value of the dollar and raise interest rates. Either fortunately or unfortunately, the economic situation caused a reversal of this policy. The value of the dollar shows no increase over January 1st and this has been hailed by Wall Street as a sign of further inflation. Wall Street has boomed certain common stocks accordingly. Interest rates during the second six months of 1954 should average about as at present.

(19) The fear of involvement in Indo-China is strengthening the commodity markets. This takes some of the pressure off of Secretary Benson and those who have been resisting increased tariffs. I forecast an upward movement in many commodity prices—other than farm prices—during the balance of 1954.

(20) Money supplies are on the rise again now. They will continue to expand during the last half. Inflationary effects on the price level will be limited as our capacity to produce is now large. Remember, the surest way to squelch an inflationary fire is with a flood of goods. Inflationary effects of the expanded money supply could also be nullified by the change in the Government's method of collecting the corporate income tax. The new tax law may put the large corporations on a pay-as-you-go basis, squeezing their cash holdings.

(21) Any psychological inflationary flare-ups that may take place as a result of war scares, big or little, will not be long-lived. They will definitely be dangerous to follow up. A word of warning: Don't get drawn into any speculative moves in commodities or stocks based on the outbreak of a small war. If the need arises, our Government will move with lightning swiftness to put controls into effect. They are already "triggered." The only real danger of any federal tax increases will come with the outbreak of another war.

Labor, Building, and Real Estate

(22) As to unemployment, I will say that this has increased some over last year, but if considered on a per-capita basis, it is even less than that of five years ago. Look for a moderate reduction in the ranks of the unemployed during the last six

months of 1954. (23) The improvement which I expect in employment should not, however, be sufficient to make union leaders careless. Jobs will still be very much in demand. This should mean that the last half will see no prolonged strikes.

(24) Most union-management settlements will be made with a moderate amount of give and take. Any wage advances will be limited to the neighborhood of a reasonable hourly figure, plus some additional fringe benefits. The Administration and the Labor Leaders will not try to revamp the Taft-Hartley Bill during the last six months of 1954.

(25) My forecast as to the various classes of real estate is as follows:

(a) Large commercial farms will experience a further sag in their land values during the last half-year as farmers' gross income dips lower.

(b) Small farms on the fringes of big city suburbs should hold or rise in price as people get further away from city centers. This move could become an avalanche in the event of really serious war scares.

(c) I look for vacant land in the suburbs to hold its value well. In the big cities it may be another story, unless the land is suitable for parking purposes.

(d) Business properties in the big cities may ease somewhat in price during the last six months of this year. Suburban business properties can be expected to hold up. Demand for more shopping centers will be noticeable during the months to come.

(e) Home property (especially the older houses, particularly in the cities) will continue sagging in price. In the suburbs, the bigger houses, even of recent vintage, will be harder to sell. Most salable home properties will be the newer houses in the middle and lower-price brackets with emphasis on the "ranch-houses" so-called.

(f) In the last half-year, construction will still be a powerful support to our economy as it has been for so long. Seasonally, building will hold well, strengthened by continued liberal credit terms. Some boost to building could come in the second half if civilian defense moves create a "dispersal scare." If this happens, look for a rush by many factories to move operations into areas far from bomb-vulnerable cities.

CONCLUSION: I cannot end this forecast without reminding readers that we are living in a truly New Era, comparable only with the year 1 A. D., 1954 years ago, or the invention of printing 500 years ago. The H-Bomb, in the hands of any ambitious dictator, could bring about unparalleled conditions. These changes could make the things, about which I have written above, of little value or consequence. Only a great spiritual awakening can save us.

Letter To The Editor

(The administration of school district No. 1 this week released the following statement concerning its plans for the proposed new Heppner grade school building.)

The parents of the children in the first, second and one half of the third grade are faced with having their children housed in basement rooms, churches, and in temporary classrooms that should be used by the band. At the same time, those parents who have youngsters in the band are



FISHERMEN'S LUCK—This catch of rainbow, eastern brook and German brown trout is the result of one recent weekend's fishing trip to East lake in Central Oregon. Shown with their catch are Mr. and Mrs. LeRoy Gardner and Mr. and Mrs. Jack Van Winkle of Heppner. The group said the weather was terrible, but the fishing was "good."

having their children handicapped by the school trying to hold music and band in a room that has been outgrown for a year or two. Last year there was some hope of taking some of the children out of the churches before school was out. True, two of the rooms were moved from the churches into the band room, but one remained in a church room all year. Next year, two rooms will have to remain in church rooms all year. That is assuming, of course, the two churches involved would be willing to let the school use the room all year.

The Board of Directors is well aware of the situation as to the physical plant, and the problems involved in housing; also they are well aware of the cost to the patrons of this school district. With these two factors involved, the Board in its planning has been governed by the immediate needs and costs to meet these needs.

After working with the architects and with interested citizens who have voluntarily attended the meetings over these several weeks, they have come up with a start on a school with the dollar and cents outlay at a minimum, and still give enough classrooms to relieve the pressure of building space.

Nothing can be done to reno-

vate the old building, provide adequate cafeteria space or provide a gymnasium, which items you are all aware are badly below standard, until rooms are provided to take care of the youngsters who are presently housed in these areas.

The present owned property to the north of the school will have to be saved to be used for the future gymnasium for the high school. Using just the figures of youngsters now in school; in 1960, there will be 200 high school students. Where are we going to put them unless we provide the grade school rooms now?

The architect estimates \$250,000.00 will build ten classrooms, library, boiler room, health room and office space. This would take care of the first five grades. If we started tomorrow, we wouldn't be in the new school before April of 1955, if then. The bond proposal is for \$325,000.00, which leaves \$75,000.00 for moving the creek channel, buying the property, developing the site and the architect's fee, etc. Any amount less than this could not be justified in the number of classrooms that it would provide.

The foundation of the building will be raised four feet, which will alleviate somewhat the flood danger. Also arranging the plans, the present J. C. building

HOSPITAL NEWS

New Arrival—To Mr. and Mrs. William A. Brown, Condon, a 3 lb. 10 oz. girl born June 18, named Sharon Marie.

Major Surgery—Harold Stinchfield, Condon; Eugene Heliker, Lexington, dismissed; Miss Bonnie Louise Dungan, Hermiston.

Minor Surgery—David Cook, North Powder, dismissed; Mrs. Ida Olson, Heppner, dismissed.

Medical—Mrs. Martina Warren, Spray; Mrs. Adline Lareh, Condon, dismissed; Perry C. Helms, Fossil; Michael J. Simpson, Dayton, Ohio; Arda Kay Davidson, Arlington; Judith Ann Hinton, Dale; Karen Nelson, Lexington; Mrs. Cyrene Bartatt, Corvallis; Mrs. Eleanor Forbes, Condon, dismissed.

Out-patient—Keith Rae, Ione.

VALBY LUTHERAN CHURCH

Rev. Ed Svendsen will hold services Sunday June 27 at Valby Lutheran church at 11:00 a. m. Sunday school will be at 10:00 a. m.

Mr. and Mrs. Vernon Waid and son Jim spent the weekend visiting at the home of his sister and husband, Mr. and Mrs. Harry Duvall. They are starting a two months tour of the eastern states.

will not have to be removed, which will provide for the kindergarten, also provide a covered playcourt which would relieve some of the congestion in the present gym.

COURT PROCEEDINGS

(Continued from Page 7)

Empire Machinery Company	961.05
Western Auto Supply	11.82
Rosewall Motor Company	316.20
Paul G. Pettyjohn	202.57
Industrial Air Products Company	32.88
Harold Wilson	50.00
Austin Wilson	127.93
Oscar Voole	10.43
Warrants issued on the Miscellaneous Fund:	
Harold Dobyms, Rodent Fund	\$ 91.20
Harold Dobyms, Coyote Bounty	366.00
Jeff Walker, Coyote Bounty	12.00
Northwest Hospital Service, Rodent Fund	5.80
Public Employees Retirement Board, Rodent Fund	2.00
John Piper, Coyote Bounty	15.00
Barbara Emert, Coyote Bounty	18.00
Barbara Emert, Coyote Bounty	3.00

WINS NEW BOAT

Randy Lott of Lexington this week is showing off a new 16 foot Century Sea-Flyte boat and 20 horsepower motor which he won last Sunday at the Richland, Wash., water festival. Lott just happened to be attending the festival as a visitor, and was drawn as the winner of the outfit.

AT SALEM

Rev. Willis Geyer is in the Salem vicinity this week making purchases for the annual state Assemblies of God camp meeting at Brooks which will be held June 28 through July 11. Rev. Geyer has been the buyer for the camp for the past several years. He will be home for the weekend, then he and his family will return to Brooke to attend the camp.

AT CONVENTION

Dr. D. L. Tibbles was in Yakima, Wash., early this week to attend the annual Northwest Osteopathic Physicians and Surgeons convention held June 21 to 23.

NEW GRANDSON

Mr. and Mrs. Arthur Brownlow have received word that they have a new grandson, named Brian Arthur, born June 17 in Honolulu to Mr. and Mrs. E. C. Shire.

HAVE NEW DAUGHTER

A 3 lb. 13 oz daughter was born June 16 at Wilcox Memorial hospital in Portland to Mr. and Mrs. Elmer A. Pieper of Lexington. She has been named Lisa Kay and has a brother Rickey. Grandparents are Mr. and Mrs. Arnold Pieper of Lexington and Mr. and Mrs. George Benson of Portland.

GUEST AT ADAMS HOME

Mrs. Floyd Adams has had as a guest Edgar Wallace Mallon, U. S. Navy, of Pensacola, Florida, who is the fiancee of her daughter, Nancy.

The three left Thursday for Portland to visit Mrs. Adams' father, Robert Clark before Mallon leaves for San Diego and overseas.

Orville Smith and P. W. Mahoney spent the first of the week in Oakland, California on business.

A guest at the Robert Penland home Tuesday night was Douglas Rhodes of Lebanon. He will work on the Steve Thompson ranch during the summer vacation.

Marlene and Norma Geyer are spending a few days in Woodburn at the home of their uncle, Mr. and Mrs. Ira Rich.

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Technicolor Western that really rings true with action and dialogue delivered by such competent specialists as Joel McCrea, Yvonne DeCarlo and Pedro Armendariz.

Plus

CEASE FIRE

Thrilling realism, shot entirely in Korea in May, 1953, with a cast of soldiers. "Cease Fire" should prove interesting not only for Korean Veterans and their families but for all Americans... seldom has a film been made under more difficult or hazardous conditions.

Sunday-Monday, June 27-28

MA AND PA KETTLE AT HOME

It's old-home week for the Kettles and their thousands of friends... not sophisticated, not racy—just sidesplitting!

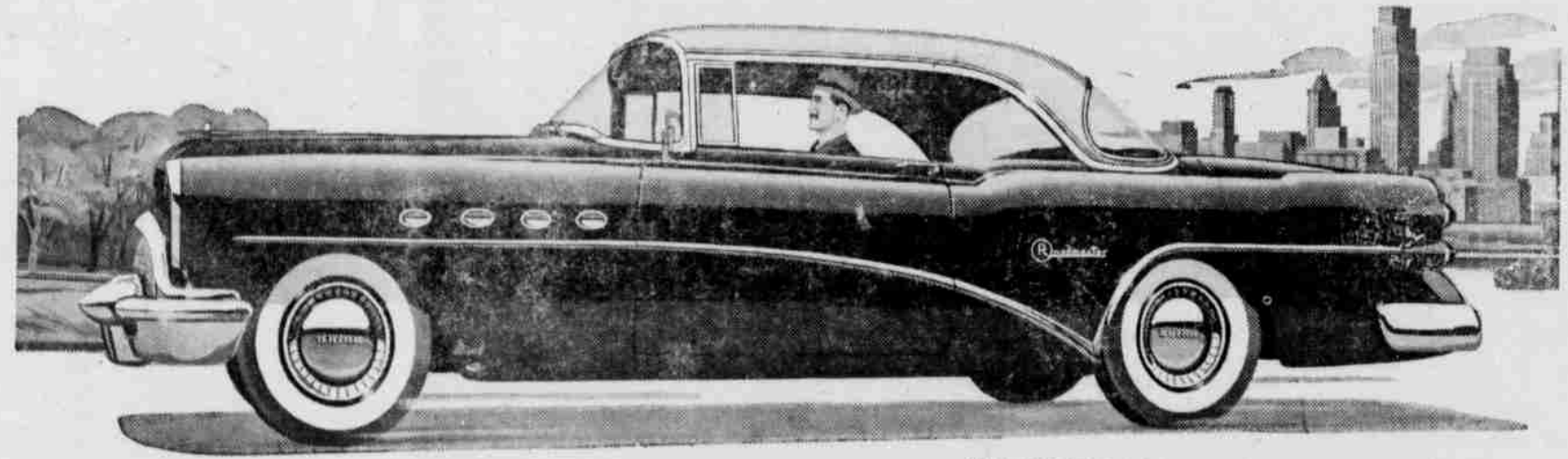
Sunday shows at 2 p. m., 4:20, 6:40 and 9

Tuesday-Wednesday, June 29-30.

THE MOON IS BLUE

Never in a blue moon such a charmingly frank and amusing comedy but DEFINITELY ADULT. The laughs come fast as pert little Maggie McNamara exchanges ideas with the two wolves, William Holden and David Niven.

COMING IN JULY: Elephant Walk, Walt Disney's Living Desert, Red Garters, The Naked Jungle.



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Drop in, or phone us this week, and we'll gladly arrange a demonstration.

BUICK SALES ARE SOARING!

Latest figures for the first four months of 1954 show Buick now outstripping every other car in America except two of the so-called "low-price three." Better look into Buick if you want the beauty and the buy of the year.

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