

Economist Foresees Another Good Year Ahead For Nation

By Roger W. Babson

1. GENERAL BUSINESS. Despite wails from some quarters, 1954 saw a drop in the average Physical Volume of Business of only 5% from the record year 1953. 1955 could see a rise of about the same amount. Certainly, the direction of business until mid-1955 will be upward.

2. BUSINESSMEN WILL WAKE UP. During 1954 many businessmen rediscovered the meaning of the word "competition." Sales will continue to be made only with real effort in most lines.

3. CONSUMPTION OUTLOOK. Consumption in a number of lines has been proceeding at a more rapid rate than has production. I forecast a better record in early 1955 for both steel and automobiles.

4. TEXTILE INDUSTRY. Textile industry operates at extremely low levels throughout most of 1954. Coal and railroad equipment also exerted a strong downpull. I forecast that the textile and coal industries will be in a recovery phase after their long stay in the doldrums.

5. PRIVATE CONSTRUCTION. I forecast that home building and general construction will be somewhat lower in 1955 than in 1954, but this important industry should still operate at high levels next year.

6. PUBLIC CONSTRUCTION. I forecast that public construction will increase during 1955. This should mean a rise in the output of cement.

7. AGRICULTURAL EQUIPMENT. This industry has been suffering from a decline in demand, but should now improve. Government-sponsored planting curtailment and crop loans have reduced free supplies, and may make for higher agricultural prices later in 1955.

8. ARMAMENT INDUSTRY. The armament industry will still be one of the main floors beneath the economy. The electrical and chemical industries will move at a rate close to that of 1954.

9. OTHER INDUSTRIES. I am somewhat optimistic on clothing, aircraft manufacturing, air-line transportation, office equipment, electricity output, petroleum production, natural gas, and shoes. I am also fairly bullish on rubber, paper, electrical equipment, certain types of building, and non-ferrous metals.

10. WEATHER CONDITIONS. It is foolish for me to attempt to forecast rains, droughts, frosts, etc., for any special section. However, taking the nation as a whole, I look for better weather in 1955.

11. RETAIL SALES. I forecast that the outlook for retail sales is encouraging, at least through the first half of 1955.

12. PROFITS. Stiffening competition is chipping away at the profit margin. Return on invested capital is in a long-term downward trend. The first few years after World War II were the golden years for the novice in business and for the inefficient. Those days are gone for awhile.

13. SELECTIVITY. Higher labor and other costs, plus intensified competition, will continue during 1955. I forecast a high degree of selectivity in the effect of this trend on individual activities and companies. Victory will be for the nimble and for the strong!

14. DIVIDENDS. Recent high expenditures for new plant and machinery have left some concerns with very high depreciation charges. As new capital commitments are cut and depreciation remains high, cash inflow could expand. Such companies should be able to pay out in dividends a higher percentage of earnings in 1955 than in recent years, notwithstanding a moderate profits shrinkage.

15. INVENTORIES. Inventories have been permitted to run down during 1954. As total business expands, there will be a tendency to replace reduced stocks, especially during the first half of 1955. Total manufacturers' inventories, however, may build up more rapidly than total business inventories. I forecast that total wholesale and total retail inventories will show little change from 1954 levels.

16. PRICES OF MANUFACTURED GOODS. Even with the expected pickup in demand, I see no sharp markup in industrial prices next year. Over-all supplies are generally ample. Hence,

I forecast that industrial prices in 1955 will show little change from recent levels.

17. FOOD PRICES. Food prices may firm later in 1955. The strong move into Government crop loans this year has made free supplies of most agricultural items less burdensome. I forecast that new advertising programs by canners and other great food distributors will help farmers, stock raisers, and fruit growers.

18. CONSUMER INCOME. Consumer income will hold at satisfactory levels. Most goods should move readily into consuming channels.

19. LIVING COSTS. I forecast that during 1955 living costs will show little over-all change from present levels. There may be some firming during the first half, but the late months may again witness a minor softening.

20. RENTS, ETC. I forecast rental expenses may edge somewhat higher; clothing costs should be steady to moderately higher. There is small chance that food expenses can be greatly reduced.

21. MONEY SUPPLIES. I forecast that money supplies will be ample for all legitimate business needs during 1955. With little likelihood of business getting out of hand on the upside, credit easing is more likely than credit curtailment in 1955.

22. INFLATION. Fears, or perhaps hopes, of an inflationary boom should be buried. Barring outbreak of war, our productive capacity is sufficiently large to meet all demands for goods. I forecast that no runaway inflation is probable, even if the money managers increase the supply of money or ease credit.

23. INTEREST RATES. Until the Treasury finds a way to balance the budget, hold business at high levels and unemployment at a minimum. I forecast little likelihood of higher interest rates.

24. BOND PRICES. With the possible exception of tax-free bonds, I see no reason for increased bond prices in 1955. I forecast an increase in the issuance of tax-free revenue bonds.

25. STOCK PRICES. After so sharp a rise, the market could have a reaction; but I am forecasting no crash in 1955 such as we had in 1929. In fact, the situation changed for the better October 11, 1954.

26. WAGES. I forecast that the wage trend in organized industry will continue to move higher at least in the first half of 1955. During the first half year, when business will be improving, the labor chiefs will also be quick to resort to the strike weapon.

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Heppner Gazette Times

Copies 10 cents

Heppner, Oregon, Thursday, December 30, 1954

71st Year, Number 42



ONE OF THE OUTSTANDING holiday decoration scenes in Heppner is this nativity scene at the home of Mr. and Mrs. Harry Duvall, just south of the court house. The three wise men on the camels and all the figures in the manger were constructed and painted by Mr. and Mrs. Ernie Winchester. A home decorating contest was sponsored this year by the Heppner Lions club, but Mr. and Mrs. Duvall asked that their home display be omitted from the judging. (Photo by Tom Wilson)

Heppner Man Found Dead After Two-Day Air and Ground Search

Following an air and ground search which lasted nearly two days, Moses E. Duran, Heppner butcher, was found dead of a heart attack Tuesday noon. He was sitting in his Jeep which had been stopped in a field about three miles north of Lexington-Hermiston road on the Glenn Campbell ranch near Butter Creek Junction. On the ground about 60 feet in front of the car was a dead coyote which he had shot just prior to his attack.

Search for Duran was started Monday when it was revealed that he had not returned from a Sunday bird hunting trip into the Umatilla area. He had last been seen about noon Sunday in Umatilla where he had talked to a friend and said that he had to get home.

Sheriff C. J. D. Bauman and relatives and friends searched much of the north end of the county Monday afternoon and one plane piloted by Loyd Burkenbine of Heppner aided. Tuesday three more planes joined in the search and the Jeep was first located by Howard W. Arthur of Pendleton, Umatilla county deputy sheriff and area head for air

search. Orville Cutsforth, flying his own plane, spotted the parked car shortly afterward and both men gave the alarm.

Mr. Duran was found sitting in his Jeep with the windshield up and his shotgun aimed at the dead coyote. Tracks indicated that he had chased the animal for some distance before getting close enough to shoot it.

Surviving are his mother, Mrs. Adella Duran; a brother, William A.; and a sister Mrs. Mary McMurry, all of Heppner; six nieces and three nephews. Another brother died in 1909.

Local residents who aided in the air search Tuesday included C. R. and Donald McElligott, Orville Cutsforth and Loyd Burkenbine, pilots; Archie Munkers, C. C. Carmichael and Pete McMurry observers. Several others aided in the ground search.

Services Friday
Moses Elwood Duran was born December 19, 1901 at Heppner and had lived his entire life here with the exception of eight years spent with the railroad at Umatilla. He had been a butcher in recent years having been employed at the Central Meat Market. He was a member of the Lexington Odd Fellows lodge and an associate member of the Heppner 1 O. O. F. lodge. Services will be held at the Heppner Christian church on Friday, December 31, at 2 p. m. with Rev. Earl L. Soward officiating. Burial will be in the Lexington cemetery with Creswick and Seuell Mortuary in charge of arrangements.

Early Week Cold Spell Misses Most Of Morrow County
A gentle but constant rain which started falling in Heppner Wednesday evening and continued throughout most of the night, dropped .37 inch of moisture here, Leonard Gilliam, weather recorder said today. It more than equalled all that has fallen during the entire month.

Heppner got the lions share, however, as the Crum ranch north of Ione measured only .10 inch. A falling barometer today gave indication that another storm was on the way and light rain was falling here at noon.

While many nearby sections of the state were shivering early this week with temperatures as low as 22 degrees below zero, Heppner and much of Morrow county was basking in comparatively mild weather. The coldest recorded at the Heppner weather station was 16 above early Tuesday morning.

Though the temperature was fairly good, most farmers aren't very happy about the rainfall for the month as less than one-half inch has fallen during December. The snowfall which started on Christmas afternoon whitened the ground in much of the higher areas of the county but added very little to the moisture for the year.

Special Christmas Tree Pickup Planned
Herman Green, operator of the Heppner garbage service, announced this week that he will make special pickup of Christmas trees in Heppner if residents will leave them at the curb in front of houses.

Green asked that the trees be placed on curbs starting next Monday and said that pickups will be made during the week.

Mr. and Mrs. William Scrivner and children of Heppner and Mr. and Mrs. Robert Scrivner and daughter Diane of Spokane were Christmas guests of Mr. and Mrs. Lee Scrivner.

A social hour and refreshments will follow the meeting.

GRANGE INSTALLATION SET AT RHEA CREEK
Rhea Creek grange will be host to the Lexington and Willows granges Sunday, January 2 at 2 p. m. for the installation of officers.

A social hour and refreshments will follow the meeting.

Christmas Home Decoration Contest Winners Named

The judging committee of the Lions club this morning announced the winners of the club sponsored Christmas home decoration contest. First prize of a picnic kit was awarded to Henry Raich for the display at his home on South Gilmore street.

Second prize of a set of Christmas lights went to the W. C. Rosewells and third place award an electric clock was won by the display at the Walter Edger (Alta Brown) home. Both of the latter homes are on North Court street.

Given special mention, though not in the competition for any of the prizes at their own request was the excellent decoration at the home of Mr. and Mrs. Harry Duvall which is pictured above.

Committee members emphasized that their judging job was no easy one as many more Heppner residents than in the past years had decorated their homes. The competition for the second and third prizes was very stiff, they said. The club also expressed its appreciation for the interest shown in the contest and revealed plans to continue the contest in the near future.

Special Sledding Areas to be Set Aside for Children
The youth activities committee of the chamber of commerce reported Monday that two special sledding areas have been selected in Heppner for use by local youngsters—if and when it snows this winter.

The committee had been asked to pick one or more areas that could be either roped or blockaded off to protect the children from traffic. The two hills selected were cemetery hill for the use of the older children, and west Baltimore street for the younger crowd.

Local police have offered to cooperate in keeping traffic away from the immediate areas, and probably Hill street, which leads to cemetery hill from the east will have to be sanded heavily to allow residents access to their homes.

All arrangements are, however, dependent on Heppner getting enough snow sometime this winter to give the kids something to slide on.

Tom Michos of Portland was visiting in Heppner the first of the week.

Maybe Not a White Christmas, But a Clean One Anyway!

Tommy, the very small son of Mr. and Mrs. Howard Cleveland, was helping his mother wrap Christmas presents one day last week. The scene was in the utility room of their home on Willow creek. Just when nearly all of the packages were nicely wrapped and tied, his mother was called to the phone.

When she returned the automatic washer was washing merrily away and in it were all the newly wrapped gifts.

Vernon Munkers New ASC Chairman
Vernon Munkers, Lexington will serve as chairman of the county ASC committee for 1955. It was revealed this week. He and the other officials were nominated and elected December 20 by delegates of the community committees.

Also named were Ed Skoubo, Boardman, vice chairman; Alvin Bunch, Heppner, regular member; Robert Rietmann, Ione first alternate and W. B. Gottchalk, Lexington, second alternate.

The local ASC office also announced that farmers should sign up now for their 1955 ACP program. Signups can be made at any time during the year, but funds are allocated on a first-come basis.

First 1955 Baby to Receive Many Prizes
Again this year, merchants of Heppner are offering a big list of prizes to the first baby to be born in Pioneer Memorial hospital in 1955. The prize list includes many useful items such as baby food, bottle warmers, baby clothes and even a substantial discount on the hospital bill.

A complete list of prizes are announced in a special advertisement appearing on page four of this issue of the Gazette Times.

Mr. and Mrs. Jack Marshall had as their guests over the Christmas weekend, her parents, Mr. and Mrs. Cheley Boyer of Ontario and his parents, Mr. and Mrs. Vic Marshall of Nyssa.

Mr. and Mrs. Willard Blake have as their guest during the holidays, her mother, Mrs. David Wilson of Corvallis.

Mrs. Venice Stiles of Portland is here to spend the Christmas and New Years holidays with her mother, Mrs. Josie Jones.

New Owners to Take Over Heppner Lumber Friday

Arrangements were completed in Portland Tuesday for the transfer of the Heppner Lumber Company to its new owners, Maurice Hitechock and Dant & Russell, Inc. It was revealed today by Paul Koenig, manager under the new ownership. The transfer will take place effective December 31.

The sale of the large property, which included the Heppner mill and all timber holdings of the company in this area, was announced nearly two months ago by the former owners Orville Smith and P. W. Mahoney of Heppner, and members of the Kraft family who held sizeable interest in the operation.

Koenig said Wednesday that the changeover is expected to go very smoothly and that few, if any, changes in operation were planned for the near future. The plant will be closed down Friday for inventory purposes, he said.

Smith and Mahoney have held their interests in the North Fork Timber company mill at Monument and also bought out the Kraft interests in the Heppner Lumber Company plant at Elgin. The Monument mill has been supplying the Heppner mill with rough sawed lumber during recent years and this same arrangement is expected to continue under the new ownership, it was said.

A change of name was also announced for the plant which will be known as Heppner Pine Mills, Inc.

Hitechock, who has a large lumber mill at White Swan, Wash., is not expected to live in Heppner, but Koenig moved here with his family early in December.

4-H Leader Training Meet Set January 4
4-H Clothing leaders will have an opportunity to receive help with requirements, demonstrations and special problems at a training meeting January 4 at the club house in Heppner, starting at 10:30 a. m. Any leader or prospective leader in the projects, Just So Girl, Sew It's Fun, Charmingly Yours, Teen-Age Miss and Clothes for Fun and Sun is invited to attend this meeting.

Further information may be obtained from Beverly Bradshaw, acting county extension agent, home economics.

A Look at 1954 -- Local Happenings of the Year as Recorded in the News

As a recapitulation of the interesting and important events which have occurred in Morrow county during 1954 the Gazette Times has gone back through the files for the year. They are not taken in order of importance, merely in the order that they were reported during the year.

The county got under way in earnest in January with its tax reappraisal program.

The new lone gymnasium, cafeteria and swimming pool were dedicated January 12.

Turn-A-Lum location for new school gets consideration of the school board.

Mercury dropped to -15 degrees in sections of the county on January 20.

New Heppner Lions club organized January 21.

Discontinuance of Sunday mail

service into and out of Heppner started January 31.

J. W. "Kit" Carson killed February 2 when his spray plane crashed into Heppner hillside in heavy fog.

Both Ione and Heppner basketball teams wind up successful seasons and prepare for state tournament trip.

Nine persons or firms received special recognition awards at the Chamber of commerce annual banquet.

Turn-A-Lum school site wins voter approval by nine vote margin.

Ione's basketball team loses in tournament finals to Harrisburg, but brings home second place trophy. Heppner high school received 7th place award.

Juergen Dobberke, exchange German newsman, spends week

on the Gazette Times.

Ron Currin, Heppner high school student and F. F. A. member, named Oregon state farmer.

Miss Grace Miller of Boardman, chosen queen of the 1954 fair and rodeo.

After much delay and squabbling, a school crosswalk sign was finally placed over the crosswalk on north Main street.

Federal aid funds approved for new Pioneer Memorial hospital addition.

Heppner high school's baseball team wins its first game in years.

Morrow County Grain Growers announce plans for construction of \$175,000 dock and storage facilities on the Columbia river. Announcement made that county school tax be reduced about three mills for 1954-55.

Heppner Lumber Company strike lasts one week.

Mrs. Stephen Thompson resigns as chairman of Heppner school board.

One man is killed and 10 persons injured in series of accidents early in June.

Laxton McMurray, formerly of Ione, donates \$3,000 to Pioneer hospital for X-Ray equipment.

Flying objects seen by three local men.

Heavy early June rainfall brightens crop prospects.

\$325,000 school bond vote asked for construction on T-A-L site.

Morrow County TB and Health association gives new X-Ray unit to hospital.

Additional wheat acreage cut announced.

County school superintendent

Leslie Grant resigns to go into insurance business in Arlington.

County tax reduction announced.

Voters turn down school bond proposal.

Construction started on new hospital wing.

Mrs. Elizabeth Dix passes away July 12 in Portland.

18th accident on Heppner's "Deadman's corner" takes life of Bill Wickland, Arlington, July 17. Five others are injured.

Kickoff dance opens Fair and rodeo activities.

State withholds school support money from Heppner district until expansion plans materialize.

Jack C. Flug takes over as new county school superintendent.

Third school site election OKs Prock-Devin location.

Fair and Rodeo week draws big crowds.

Local \$290,000 school bond issue approved by voters.

President Eisenhower visits McNary dam for dedication ceremonies.

Herbert Ekstrom of Ione named Grassman of the year.

Straw ballot shows big majority of Heppner residents favor construction of city park.

Heppner city council settles problem of the ownership of stray flock of chickens by ordering police to liquidate the poultry.

Chamber of commerce bond sale program for lighting of Heppner rodeo field gets under way.

Rhea creek road oiling started.

Delbert Emmert named county Cattleman of the year.

Paul Brown named county Conservation man of the year.

Sale of the Heppner Lumber Company to Maurice Hitechock and Dant & Russell announced on October 28.

Rodeo field lighting fund drive goes over the top.

General election places several new faces in local offices.

Opening of Cutsforth Forest Park formerly called Herren creek meadow, is announced.

Ione residents get TV reception.

Kenneth Smouse, Ione, named president of Oregon Wheat League.

Heppner voters approve small tax levy for construction of new city park.

Jack H. Bedford named new president of Heppner-Morrow county chamber of commerce.