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Economist Foresees "So-So" Year Ahead For Business, Industry

BUSINESS AND FINANCIAL FORECAST FOR 1958
By Roger W. Babson

Next to the Russian situation, President Eisenhower's condition will be of supreme importance. What its influence upon Russia will be, nobody knows. It will probably not affect general business. I believe that for some time our president has not been making important policies and, much to his disappointment, his recommendations have been largely ignored. The major effect of the president's condition will be political. Those close to the president, for both friendship and political reasons, are hoping for his recovery both in health and in memory. Others in charge of the Republican party, anxious about his possible incapacitation or death, would like to see him resign and drop out of the picture in order to give vice-president Nixon a good buildup in the hope of re-electing the Republican party again in 1960.

For evident reasons, the Democrats are hoping that vice-president Nixon will not have an opportunity to function as president before the coming election. Therefore, President Eisenhower's condition could greatly influence the political situation during the next few years. This would cause uncertainty and retard large corporate expansion programs as well as consumer buying.

I cannot believe that Russia wants World War III; in fact, I am confident that Russia will go to some lengths to avoid World War III. In case of any retaliation by us, Russia would suffer great losses. Moreover, if Russia has any hope of conquering our country she certainly wishes to preserve our cities, industries, and other valuable assets. Russia has land enough now; it is our industries which Russia wants. This also applies to England and Western Europe as well as the United States. Therefore my forecasts for 1958 are as follows:

1—The present cold war will be intensified during 1958. This will increase fear of war, which could greatly affect retail sales.

2—Russian policy will be aimed at securing control of the United States, the countries of Western Europe, and the Middle East by infiltration.

3—The cold war costs the United States billions of dollars annually. This can be paid for only through increased taxes or inflation, or by the adoption of the Hoover Commission's recommendations for radical economy.

4—Profits will be further squeezed during 1958, as a result of higher costs and pressure for lower prices.

5—Competition at all levels will increase during 1958.

6—Only more advertising by both manufacturers and retailers will enable them to keep up their present gross volume during 1958.

7—Failures will increase in 1958. These will apply mostly to small concerns, but some of the big companies in the Dow-Jones Averages may collapse.

8—Predicting a lower total volume of business for 1958, compared with 1957, I forecast a moderately lower trend, on average, for wholesale commodity prices. Expect a gradual decrease in the cost of living during 1958.

9—Wise labor leaders will hesitate to fight for higher wages, but will try for shorter hours, pensions, and other "fringes."

10—European countries will have less to spend for American goods, and foreign trade will decline in 1958 compared with 1957.

MONEY OUTLOOK
11—Money will continue to be "tight" during 1958 for new borrowers who have not established a satisfactory line of credit.

12—Owing to declining demands for funds, interest rates will decline in 1958.

13—Concerns with large numbers of employees will receive first consideration both by banks and by the government.

14—For fear of World War III, and due to declining business, many plans for expansion of plants will be postponed.

15—Money rates may be "fixed" during 1958 by an economic dictator.

16—Lower money rates will make it easier to sell long term bonds during 1958.

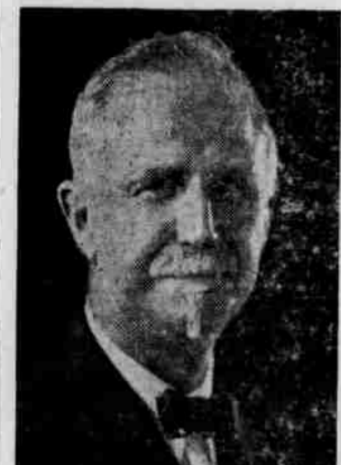
17—The supply of non-taxable state municipal, turnpike and other "Authority" bonds will increase during 1958.

18—I forecast higher prices for many corporation bonds.

19—Investors will continue, during 1958, to switch from stocks to attractive bond issues; fear of war will rule all markets.

20—Bankers will fear that the government—as a part of the cold war—will appoint a dictator to direct the policies of all national banks, the leading stock exchanges, and investment dealers.

LABOR OUTLOOK
21—There will be a general fear that the government—as a part of the cold war—will fix



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wages in many industries and prevent further increases during 1958.

22—The revelations brought about by the investigation of the Teamsters Union may lead to important new labor legislation.

23—The Taft-Hartley law will not be repealed in 1958, and may be made more severe. Much, however, will depend upon President Eisenhower's physical and mental condition.

24—Congressional attempt will be made to eliminate the present exemption of labor unions from anti-monopoly laws.

25—1958 will be a sad year for labor leaders. I forecast that there will be an increase of unemployment during 1958.

26—I forecast that with the possible exception of the auto industry there will be no national strikes during 1958.

27—I forecast that automation will slowly increase during 1958.

28—If wages should be fixed as part of the cold-war program, retail prices will also be fixed.

29—All workers, especially office workers will be more efficient in 1958. It will be more difficult for the next group of college graduates to get good positions at high wages.

30—For the past few years labor has been sitting in the driver's seat. Many industrialists and political leaders have feared that the country is headed for a socialist or labor government. A cheerful sign now is that such fears may, temporarily at least, be forgotten. The American working man is himself becoming disgusted with too powerful labor leaders. This should be good news to all honest employers.

OUTLOOK FOR REAL ESTATE

31—Land adjoining cities and towns will increase in value during 1958. This especially applies to small farms.

32—Large commercial farms will continue to prosper during 1958, but the small farmer will continue to suffer if dependent on farming.

33—Under an economic dictator, farmers would receive no increased price supports. If farm prices are fixed, they will be at lower levels.

34—Large cities may continue to lose in population. Large city real estate will sell for less, for fear of Russian missiles.

35—The growth of suburbs will continue, although many houses now occupied by well-paid executives will be forced on the market as their owners lose their present high salaried positions.

36—Construction activity in many communities will decline. Older houses will come on the market.

37—In many sections of the country there will be a greater demand for co-operative modern apartments than for single houses although old apartment houses will sell for less. More young people and old people will insist upon modern convenience and upon locations not absolutely dependent on automobiles.

38—Well-located woodlands will continue to increase in price. This certainly applies to pine wood tracts, especially in the South.

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County Livestock Growers Slate Annual Meeting

Arrangements were completed this week for the annual meeting of the Morrow County Livestock Growers association which will be held in Heppner on Friday and Saturday, January 10 and 11.

A program of interest to the general public as well as stock growers has been arranged, and a new feature, which is expected to attract much interest, is the inclusion of a "Bull Day" on the Friday program.

Main speaker at the Saturday night banquet which will be held at the fair pavilion, will be Robert J. Steward, director of the state department of agriculture. Another Saturday feature will be a debate on "Do we want a beef commission?" which will be led by Ted Hyde, chairman of the beef commission committee and a Umatilla county feed lot operator.

A round table discussion will be held Friday on losses occurring from the new livestock diseases.

The new "Bull Day," instituted this year, is expected to draw much interest among stock raisers. Interested growers are invited to bring their bulls to the new corral at the fair grounds by 11 a. m. Friday and the afternoon will be used for buying, selling or trading.

The program committee has scheduled a social hour at 5 p. m. Saturday to be held at the Elks Temple and this will be followed by the annual banquet at 6:30 at the fair pavilion.

Panel on Juvenile Problems Slated For P-TA Meeting

A panel discussion of juvenile problems will be a high point of interest at the Heppner P-TA meeting Wednesday night, Jan. 9. It was announced this week. The group has been discussing the subject for six weeks and will give a report to the P-TA and its recommendations. The subjects include smoking, drinking, driving, activities, and allowances.

Members of the panel will be: adults, William Labhart, moderator, Vic Kreimeyer, Mrs. Crest Robinson, Re. Lester Boulden, Mrs. William Labhart and Gordon Pratt. Student panel members the Ed Groshens, Bob Mahoney, Doug Gribble, Peggy Applegate and Susie McQuarrie. The first three students named attended a recent code conduct meeting in Salem.

Mill Closes Down, Logging Continues

Heppner Pine Mills shut down Friday, December 20 for its annual closure and will reopen on February 3, manager Paul Koenig has announced.

Logging operations will continue as long as weather conditions permit, Koenig said, and normal maintenance will be done during the shutdown period.

WEATHER

The Heppner weather station reports:

	HI	Low	Prec.
Tuesday	46	37	...
Wednesday	54	43	.03
Thursday	56	35	.16
Friday	44	32	...
Saturday	49	39	.09
Sunday	55	29	...
Monday	42	25	...

Rainfall for the week .28; for December 2.28; for the year 17.85 inches.

AGRICULTURAL OUTLOOK SEES PRICES HOLDING ABOUT THE SAME FOR 1958

This is the time of the year when farmers and those persons depending on agriculture for a livelihood, thoughts turn to the outlook and opportunities for the new year ahead, says N. C. Anderson, Morrow county agent. While many conditions in this changing world can alter the best plans on what lies ahead, much research has gone into the studies affecting the outlook for 1958. Recently the National Agricultural Outlook Conference was held at which time several USDA analysts summarized the agricultural outlook for 1958 this way: "As of now, our best judgment is that in 1958:

(1) farmers will get about the same average prices as in 1957;

(2) agricultural output will remain high, and could well set a new record, depending upon weather;

(3) further increases in production expenses may largely offset any rise in gross farm income, leaving farm operators' net realized income from farming about the same as in 1957.

(4) with increasing income from non-farm sources, principally wages and salaries from off-farm employment, and with decreasing numbers of persons on

farms this could mean a slight gain in per capita income of farm people;

(5) the parity index (prices paid by farmers) is likely to creep up further resulting in a further slight drop in the parity ratio;

(6) retail food prices may rise further, because of increases in marketing charges.

(7) exports of agricultural products will continue high, but will probably be less than in the fiscal year ending June 30, 1957;

(8) year-end stocks of wheat and cotton may again be reduced, but the carryover of feed grains will increase still further;

(9) Government payments for price support, for the Soil Bank, and for export programs will continue to be large, but the acreage reserve program will be reduced;

(10) farm debt will probably continue to rise, but the value of farm assets will increase, too;

(11) land values will probably rise somewhat, and levels of living of farm families will probably continue to improve, due in part to increased income from non-farm sources;

(12) food consumption and diets of U. S. families will remain at a relatively high level. By commodities, they saw these prospects:

Prices of cattle are likely to average as high or higher in 1957. Hog prices will likely hold near 1957 levels during the first half of 1958, but lower during the second half as production is expected to increase above 1957. Prices of sheep and lambs may be about the same next year as in 1957.

A slight increase in milk production is expected in 1958, and prices are expected to remain near present levels. Cash receipts from dairy products in 1958 are likely to rise further to a new high.

Egg prices to farmers probably will be higher in 1958 than the estimated 1957 average of 35 cents a dozen; production will reflect

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Farm Bureau Slates Membership Drive

The Morrow County Farm Bureau will hold its annual membership drive during January and it was announced this week, and the captains of the teams will start with a trip to Bend on January 6.

An organization meeting will be held at the Harold Beach home a kickoff breakfast will be held at Lexington on January 8 and on January 13. The drive will end January 15 with a meeting at the Gene Cutsforth home.

First 1958 Baby To Get Many Gifts

The first baby born in, or on its way to Pioneer Memorial hospital after the start of the new year will receive a big group of gifts offered by Heppner merchants. The complete list of gifts will be found in today's paper.

The annual event is sponsored by Heppner businesses and will offer a wide variety of prizes for both the baby and the parents.

DIES SUDDENLY

Olin Applegate of Hood River died suddenly Sunday night in Portland where he had been taken for observation. Information on his death is lacking, and funeral arrangements have not been completed.

Mr. Applegate was married to Rosanna Farley, daughter of Mr. and Mrs. James J. Farley, Sr. of Heppner.

Garnet Barratt Resigns County Judge's Post

Garnet Barratt, Morrow county judge for the past nine years, late last week submitted his resignation in a letter to Governor Robert D. Holmes and asked that

a successor be appointed in the near future. His term has three years to run.

Judge Barratt stated that health reasons made the move necessary.

Judge Barratt has served Morrow county in his present position since January 3, 1949, having been elected in the fall of 1948. He was reelected in 1954 and has completed three years of his present term. He had also served a short term as county commissioner, having been appointed to fill the unexpired term of C. W. McNamer in May 1944, serving until the end of 1946.

Judge Barratt said in his letter to Governor Holmes that, "It is with extreme regret that I herewith submit for your consideration my request for release from the official duties as county judge of Morrow county, Oregon, effective the date my successor has qualified by taking the oath of office."

"In taking this action, I do so only after much deliberation and resistance from my co-workers and citizens of Morrow county. It is due entirely to health disturbances of both my wife and myself, which upon the advice of our medical doctors necessitate a warmer climate during the winter months. The past two years I have been granted a leave of absence, in addition to an annual vacation, during the winter months to alleviate this condition. I am most appreciative to the people of Morrow county for their wholehearted cooperative consideration during this time. However, I sincerely believe the time has now arrived that it is in the best interests of ourselves and the citizens of Morrow county that I retire from the responsibilities of office."

Fledges Support

Judge Barratt's letter continued. "In laying aside the duties of office I make no recommendations as to a successor having confidence that your selection will be with the recommendations of the County Central Committee and trusting it will be one who will also be willing to serve and assume the responsibilities of the office with the best interests of all the county at heart. I pledge my future support to anyone willing to accept the appointment on that basis."

The governor's appointment to fill the position, which would be for the unexpired term, can come from either political party, inasmuch as Barratt received the nominations of both parties and was elected without opposition. Had he been elected only by one party, the law requires that the person appointed be from the same party.

There was no indication when the appointment will be made by the governor, but Judge Barratt stated Monday that he hoped it would be made immediately as he and Mrs. Barratt hope to leave late this week for Phoenix, Arizona.

Judge Barratt has served on many boards and committees during his years in public office. He was president of the Association of Oregon Counties in 1954; was a member of the Upper Columbia River Basin commission for four years, the entire life of the group; he served for four years on the Heppner school board during the 1930's; was a member of the Oregon Senate for the special session in 1935; and served for 15 years as a director of the Northwest Livestock Production Credit association of Portland.

Creswick Mortuary was in charge of arrangements.



JUDGE GARNET BARRATT

Death Claims Frank W. Baker

Funeral services for Frank W. Baker who died at his home in Kennewick, Wn., Dec. 23 were held at All Saints' Episcopal church December 28 with the Rev. George R. S. Little, rector, and the Rev. Charles W. May, rector of St. Paul's Episcopal church in Kennewick officiating. Interment was in the Heppner Masonic cemetery.

Frank Walton Baker was born Feb. 2, 1907 at Sunnyside, Wn. He attended school in Washington and in the Willamette Valley and in 1955 received his diploma at Columbia Basin college at Pasco. After working for a number of years in the Portland area and Sackton, Calif., he came to Heppner in 1949 where he worked as a plumber and later plumbing foreman at Pioneer Memorial hospital.

On June 23, 1950 he was married to Josephine Mahoney in Heppner and in 1951 he opened his own business, the Baker Plumbing and Heating Co. In 1953 he closed his business here and went to Kennewick where he worked in the atomic area. He was later transferred to Camp Hanford where he was employed as a steam fitter for the Army Engineers.

He was joined in Kennewick by his wife in 1954 who finished her news work for the East Oregonian, Walla Walla Union Bulletin and the two Portland papers. She was also formerly Heppner librarian.

Mr. Baker was a member of the Episcopal church where he served as vestryman both here and in Kennewick; a member of Tuahly lodge AF & AM, Hillsboro; Heppner Elks lodge; and Ruth chapter OES, Heppner. He was a member of the Plumbers and Steamfitters union at Pasco.

He leaves his wife Josephine of Kennewick; his father Walter G. Baker, Salem; his mother of Portland; one son Frank Allan Baker, Beaverton; two daughters, Mrs. Shirley Hill, Vancouver, Wash. and Mrs. Jeanne Staigler, Portland; a brother Ray Baker of Klamath Falls, eight grandchildren and several aunts, and uncles and nephews.

Creswick Mortuary was in charge of arrangements.

Important Happenings of 1957 Shown in Review

What happened in Morrow county during 1957? Here is a recap of the major events of the year, not in the order of their importance but in chronological order.

Jack Angel installed chamber of commerce president.

W. C. Collins sworn in as new mayor of Heppner.

Temperature drops to 5 below Jan. 17 and more than foot of snow falls during the next week. Jan. 30 sees end of 18 day cold spell with -15 degree temperatures.

Robert Abrams appointed Morrow county district attorney.

Robert Ferrell assistant manager of the Heppner branch of the First National Bank named manager of the Moro branch.

Ione Legion basketball team named host team for AAU play-

offs at Hermiston.

PP&L starts modernization of power service in area.

Korean orphan boy comes to live at the Clem Stockard home. Miss Joann Brosnan named winner of UN Pilgrimage.

4.08 inches of rain during March breaks all time rainfall record for any one month.

William L. Labhart installed exalted ruler of the Heppner Elks lodge.

First tornado in 70 years does little damage but drops huge hail stones.

Christine Swaggart named the 1957 fair and rodeo queen.

Dr. A. D. McMurdo named Oregon's first doctor of the year and Heppner celebration held in his honor.

Flash flood first since 1943, but main damage is to fields.

Burton Peck of Lexington is chosen Conservation Man of the year.

County pioneer Mat Halvorsen taken by death.

Oiling of Willow creek road scheduled.

Memorial plaque presented at Memorial day picnic.

Bonneville transmission towers blown down near Boardman in strong winds.

Bank of Eastern Oregon announces plans for establishment of branch in Heppner to open in September.

Wilkinson ranching operations win 1957 Grassman award.

Kenneth Smouse named to Oregon Wheat Commission.

Forest Service men report unidentified "Flying Hat."

Hardman post office closed. Hay worth \$25,000 goes up in

smoke on the Harold Wright ranch.

Damage heavy in fire at William H. Padberg ranch near Lexington.

60 bushel wheat harvested in Ione area.

Range and wheat flies plague area.

"Uncle Will" Hynd taken by death and his twin sister Mrs. T. H. Lowe dies one week later.

Wheat crop averages 36 bushels in the county.

Fair and rodeo opens. Morrow County Grain Growers buy 420,000 bushel Archer Daniels elevator at Ione.

John Graves chosen 1957 county Cattleman of the year.

New Hope Lutheran church is dedicated.

Recently named Grassman Frank Wilkinson taken by death.

2.05 inches of rain in one day sets another weather record for the year.

Mrs. Ellen Rieth of Ione celebrates 101st birthday.

H. O. Ely of Ione claimed by death.

Bids called for rebuilding and paving of Heppner-Spray highway.

Planning conference starts study of city-county problems.

Flu causes shutdown of all Heppner schools.

County's 1957 farm income said highest in many years.

A Heppner nurse, Miss Wyma Hoxworth badly burned in apartment fire.

71 degree temperature highest ever recorded here in December.

Former county sheriff George McDuffee dies in Portland.