

Economist Urges Care In Facing Future; So-So Business Seen

BUSINESS AND FINANCIAL FORECAST FOR 1959
By ROGER W BABSON

1. Not too good and not too bad. Both the boom and the recent recession will be awaiting developments following the recent November elections.
2. 1959 will be a "do nothing" year for Congress. Both parties will hold their cards close to their chests until 1960,—when the Republicans will want good business. Most Democrats will vote for most of the inflationary legislation; but only a few of these Congressmen will vote for such legislation over the President's veto. The Democrats will be in a dilemma. In their hearts they will not want good business in 1960; but they must be very careful not to do anything which could be held against them in 1960.
3. Every act of Rockefeller's and of other leading Presidential candidates of both parties will be carefully scrutinized to analyze their vote-getting possibilities for 1960. We will comment on these possibilities in our Forecast for 1960 a year from now.
4. So long as Russia is fearful of China's loyalty, she will not intentionally start a shooting war. I hope that Chiang Kai-Shek will come to his senses so that China will become an ally of the United States. Marshall surely bet on the "wrong horse" when he made his report to Truman.
5. Our national budget will show a heavy deficit in 1959. This and other factors should cause a continued gradual, although not dangerous, inflation.
6. Serious competition will continue at all levels in 1959. Manufacturer, merchants, and others who reduce advertising and other selling appropriations will surely suffer.
7. Despite competition, the profits squeeze will be erased for many concerns by strenuous cost-cutting programs and improving business.
8. More foreign goods will enter the United States during 1959. This especially applies to German, Italian, Japanese, and Russian goods.
9. New cargo ships, built in Japan, England, Germany, Norway, Sweden, and Italy, will be launched in 1959. This should result in most American-built and American-registered ships operating at a loss. More subsidies will be demanded.
10. Failures may not increase during 1959. Some big corporation, now listed in the Dow-Jones Averages, may get in financial difficulties.
11. Federal cost-of-living figures will be disputed in 1959. Labor rates and wages which have been tied to the Federal Tables will be disputed by both Labor and Management.



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12. On the basis of the above statements, I forecast, on the average, no wide change in 1959 for commodity prices. The recent recession is not over. Russia is still fighting us with an economic war.
13. There will be more strikes and labor troubles in 1959 than in 1958. Due to fear of unfavorable labor legislation and poor business conditions, labor leaders were on their good behavior in 1958.
14. It is now difficult to forecast the unemployment situation for 1959. Owing to the increase of automation, working forces will continue to be cut. Looking ahead to the elections of 1960, manufacturers, who are mostly Republicans, will want no more serious unemployment to occur.
15. Many plans for expansion of plants were postponed during 1958 for fear of a real depression. Some of these plans will be executed in 1959, although on a more moderate scale.
16. There will be a need for continued economic readjustment in 1959; but the playing of politics by both parties may temporarily postpone it.
17. 1959 will not see any marked change in money rates. However, borrowers who have not established good credit will continue to find it difficult to get new funds in 1959.
18. This means that it should be more difficult, on average, to sell long-term bonds in 1959 than in 1958. Buy only non-callable serial bonds or bonds of reasonable short maturities.
19. The supply of non-taxable state, municipal, and revenue bonds will increase during 1959. This will be due both to less readily available credit and to rising needs of municipalities.
20. The "fly-in-the-ointment" will be the uncertainty of the Federal policy regarding the new \$30,000,000 roadbuilding program. Will it compete with or protect toll roads recently built? I believe this program will not harm outstanding Turnpike Bonds.
21. Many investors will switch from stocks into bonds in 1959, thus obtaining both higher income and better security.
22. As inflation becomes more serious, only short-term bond issues—other than convertible bonds—should be held to maturity. Bonds should no longer be considered good "permanent" investments unless they are non-taxable or convertible on a reasonable basis.
23. The best investment policy during 1959 will continue to be a well-diversified portfolio—of stocks, short-term bonds, and cash. Every conservative investor will keep one-third of his portfolio liquid, to have funds available in case of a sudden very severe drop in the stock market. This will come some day.
24. As the 1958 Congress has not accomplished more in correcting abuses in the Teamsters Union, the 1959 Congress will do little to improve the labor situation. Therefore, invest in companies which will not be subject to strikes. Banks and utilities probably are the most nearly immune.
25. The Taft-Hartley Act will not be amended, nor will labor's exemption from anti-monopoly laws be removed, until after the

- 1960 election. Labor leaders will get more and more power until—with Russia's help—they bring on a real depression.
26. Due to unemployment and the difficulty of borrowing funds for installing automation (automatic factories), the machinery industry will continue quiet during 1959.
27. I now see no probability that either wages or retail prices will be "fixed" during 1959 unless Russia threatens World War III.
28. Most wageworkers will be more efficient during 1959, which should enable some management to increase their productivity and profits.
29. Executives will attend more strictly to business during 1959, reducing time spent on luncheon clubs, golf, etc.
30. Good building land on the proper side of growing cities will continue to increase in price notwithstanding a decline in suburban building. Small farmers holding such land should not now sell.
31. Small farms without any suburban possibilities may well consider selling to adjoining farmers if offered a fair price in 1959.
32. Large commercial farms with latest machinery should prosper during 1959; but small farmers may not do so well.
33. Pending a serious war, there will be no radical change in the Government's farm policy during 1959.
34. With less fear of serious war, the real estate situation in the larger cities may improve; but municipal taxes will increase.
35. Some suburban houses now owned by well-paid executives will come on the market in 1959, due to loss of positions or moves to other sections of the country.
36. Real estate mortgage money will be tighter in 1959 than in 1958. Furthermore, due to inflation, it will be worth less when due.
37. The demand for motels is largely satisfied; but there will be an increasing demand for very modern apartment houses—especially of the co-operative type. Old houses of all kinds will depreciate during 1959.
38. Woodland will continue to be in demand during 1959. This especially applies now to pine, which is used for the best lumber, and to spruce, which is used for pulp. Hold woodland in 1959; but this should largely be

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HEPPNER GAZETTE-TIMES

Heppner, Oregon, Thursday, January 1, 1959

Copies 10 Cents

75th Year, Number 43

March of Dimes Drive in County Opens Friday

Envelopes for contributions to the "Greater Victories" drive of the 1959 March of Dimes go into the mails in Morrow county on January 2, it was announced today by Gene Pierce, campaign director.

Support of the organization which developed the Salk polio vaccine is needed more than ever because of its expanded program, the director declared, adding:

"The National Foundation henceforth will launch broad-scale research into the rheumatic diseases affecting at least 11 million Americans, and into birth defects which maim 250,000 infants yearly. Research will also be supported into virus diseases and disorders of the central nervous system."

The March of Dimes head also stressed that aid for polio victims would continue, as would research into improved vaccines and therapies. Direct aid to children through 18 suffering from Arthritis and birth defects of the central nervous system is planned as well. Through research and professional education, benefits will accrue to citizens of all ages, he explained. "The people of our county played an important part in making the Salk vaccine possible," he concluded. "Now we are asking our friends and neighbors to join us again, this time in breaking new ground. We've done it before and we can do it again, with generous contributions enclosed and returned in those envelopes mailed today."

Many Former Heppner Students Here For Christmas Holiday

Many former Heppner high school students are away at colleges or are in the service.

Among those who were able to be home for the holidays were, from Oregon State College, Joann Bronsan, Helen Graham, Karen Valentine, Janice Beamer, Ed Groshens, Shirley Kononen, Jim Hayes, Skip Ruhl, Meredith Thomson, Janet Wright, Jay Sumner, Mr and Mrs Jack Sumner; University of Oregon, Judy Collins, Mary Jo and Alice Faye Stewart; University of Portland, Mike Monahan, Jack Monagle, Marilyn Monagle; Eastern Oregon College, Mr and Mrs Al Parent, Wayne Soward, David Cox, Frances Slocum; OTI, Gary Jones, Len Ray Schwarz, Tom Currin; Air Force, Kay Corbin, Loren Piper; Marines, Leland Proffitt; Army, Larry Fetsch, Jay Dee Hudson, Jim Reed, Ronald Reid, Stacey Lovgren.

Betty Wilson, who has been working in Montana, is now working in Heppner. Dick Kononen from Oregon State College and Lance Tibbles from University of Oregon are both visiting in California for the holidays.

WCS TO MEET

The WCS of the Methodist church will meet Wednesday, Jan 7 at 8 o'clock in the church basement. Mrs Harry Dinges will have charge of the program and all members and friends are urged to attend.

Additional Sign-ups Needed For Start Of Mathematics Class

A final call was issued today for additional persons interested in signing up for a P-TA sponsored mathematics class to be held early in January. Quite a group has already shown interest in the class, but it was announced that at least seven more persons were needed to fill the quota so the class may be held.

The class will be taught by M C Huggett, Heppner high school instructor, and persons who are interested are asked to contact Mrs Vic Kreimeyer at Heppner, 6-5322.

Ben M Buschke, 94 Taken by Death

One of Morrow county's oldest residents, Ben M Buschke, 94 died at his home in Heppner Saturday afternoon. He had been confined to a wheel chair in recent years, but until just a short time before his death he had not been in ill health.

Benhart Martin Buschke was born October 22, 1864 in Posen, Germany and came to the United States when he was 8 years old. The family settled in Kansas where he was married to Adalina Bartel in 1886. They later moved to The Dalles where he worked as a brick layer, then took up a homestead at Rufus where he worked for the railroad. Mr Buschke moved to Morrow county in 1903 taking a farm at Eightmile. While still living in Kansas, Mr Buschke worked for some years at a brickyard which was owned by a relative of President Eisenhower and he spoke often of remembering the President in his youth.

Mr and Mrs Buschke retired from farming in 1939 and moved to Heppner to make their home. His wife died in 1951.

Services were held Tuesday at 2:30 at All Saints' Episcopal church with the Rev Bruce Spencer officiating. Interment was in the Heppner Masonic cemetery.

He is survived by five sons, Claude and Max of Heppner; William of Creswell; Edward of Morgan, and Fred of Elgin; five daughters, Millie Evans, Heppner; Mary K Travis, Westport, Wash; Martha E Brown, Roseburg; Anna J Fehmerling, Heppner; Grace L Kary of Pendleton. He also leaves one sister, Emelia Whitney, Portland; 17 grandchildren, 22 great-grandchildren and one niece. Four other children preceded him in death.

Creswick Mortuary had charge of arrangements.

Family Night Set For New Year's Eve

A family night New Year's eve party will be held Wednesday night at the First Christian church from 8 to 10 o'clock, it was announced today.

There will be games and entertainment for every member of the family and refreshments will be served. Each family is asked to bring either sandwiches or cookies. Coffee and punch will be furnished.

The evening will conclude with the religious film "Salt of the Earth." Members and friends of the church are invited.



CHRISTMAS CAROLERS—Heppner resounded with the voices of this group Tuesday night before Christmas as they sang Christmas carols at the intersection of Main and Willow streets. The caroling was sponsored by the Methodist church young peoples group and many high school students took part in the singing. (Photo by C A Ruggles)

Vancouver Man To Take Over Lone Baptist Pulpit

The Rev J W Riley of Vancouver, Washington has been named the new minister of the lone Baptist church. He will preach his first sermon there at 11 a m Sunday, January 4.

The Baptist church has purchased the W G Seehafer house on 2nd street and Rev and Mrs Riley and their three children will move in this week. They also have a son who attends Christian high school in Portland.

Reorganization Group May Study School Locations

The Morrow county school reorganization committee will meet Thursday, January 8 at 7:30 p m at the lone school cafeteria. It was announced this week by Fredrick Martin, lone, committee chairman.

The committee will consider necessary action to comply with the school reorganization law passed by the 1957 legislature. Although the people voted in November to operate as a county unit, this does not form an administrative district as required, Martin said.

Other business will include the request of the county school board for a study of school location and consolidation. It is possible that the committee will bring in men from the state department of education to aid in this work, it was said.

The meetings are open to the public and interested residents are urged to attend.

Former Heppner Man Dies in Pendleton

Word was received Tuesday of the death late Monday of William J Hughes of Pendleton. He was a former resident of Heppner and a brother of Joe Hughes.

Funeral arrangements have not been completed but it is presumed that the services will be held Friday.

County's First Baby to Receive Variety of Gifts

Who will be the Morrow county's first baby in 1959?

Whoever is the first to claim the title by being born either at or on its way to Heppner's Pioneer Memorial hospital will receive a big array of gifts from local businesses and organizations. The only rules attached to the contest are that the newcomer's parents be a resident of Morrow, Gilliam, Wheeler, Grant or Umatilla counties.

The various gifts that await 1959's first newcomer are sure to delight the young man or lady (after a reasonable time) and both the mother and father will be remembered by some of them. Of primary interest to the dad will be the gift of Pioneer Memorial hospital itself who will give the father a 25 percent discount on his hospital bill. He will also receive a sport shirt and 20 gallons of gas. The baby and the mother will receive many gifts of baby food, fruits, clothes, nursery items, two savings accounts in both Heppner banks, in addition to several cash prizes.

A complete list of the gifts will be found in the contest announcement advertisement on page 4 of today's paper.

Welding Classes Slated to Start

Adult welding classes will start next week, it was announced today by L L Robbins, vocational ag instructor at Heppner high school. One group will meet Monday, January 5 and the other on the following Thursday.

Robbins said there is room for only two more persons in the Monday class and three additional in the Thursday class. Persons interested in taking the instruction are asked to contact Robbins.

Mrs Venice Stiles of Portland is here for the holidays with her mother, Mrs Josie Jones.

1958 City Building Permits Highest In Recent Years

A check of building permits issued by the City of Heppner during 1958 reveals that the city enjoyed one of its biggest building years in some time.

Total value of permits issued by the city during the 12 months is \$195,210, but this does not include an additional \$38,300 which was spent by the Heppner school district in remodeling of the high school building. The school is not required to obtain a permit, but with the addition of that figure, total construction within the city limits was \$233,510.

The 1958 building total exceeds that of 1957 by nearly \$90,000 for the previous year construction amounted to \$145,700.

The largest single building permit was issued to the Heppner Elks lodge for a \$76,000 remodeling program on their temple. That work is now nearly completed.

A breakdown of classifications shows alterations and repairs accounted for \$88,210 of the total. New residences were valued at \$90,000; and other new construction included a \$10,000 permit to the Seventh Day Adventist church for a recreation center, and to Cornett Green's Feed for a \$7,000 warehouse building.

1958 construction was higher than in any year since 1955 when the total was \$344,725 which included \$257,000 for the new grade school. In 1956 the total was \$189,454.

Lone AF Man Gets Christmas Promotion

POPE AIR FORCE BASE, N C, Dec 18.—First Lt Bruce D Smith, of lone, Oregon, is one of the 14 Pope Air Force Base officers who received early Christmas gifts in form of notice of their imminent promotion to the grade of captain. His promotion is effective today.

The promotions, taking effect on dates ranging from December 1958 to April 1959, are made under the Air Force's fiscal year 1959 temporary promotion program and include both regular and reserve officers.

A native of Heppner, Oregon, Captain Smith, 27, is a pilot with the Pope-based 777th Troop Carrier Squadron (assault). He is the son of Mr and Mrs Dixon T Smith, lone, attended lone high school, and was graduated with a business degree from Oregon State College in 1953.

He entered the Air Force in August 1953 and, after receiving pilot training, was assigned to Pope AFB in November 1954. He spent a six month temporary duty tour at Rhein Main Air Base, Germany, in 1955 and attended the Air Force's squadron officer school, Maxwell AFB, Alabama, in 1957.

WILSONS RETURN

Mr and Mrs Tom Wilson returned Sunday from a four months tour of Europe and the United States. They returned to this country the first of December and returned home by the southern route after a visit in New Jersey with relatives of Mr Wilson.

Mr and Mrs Harold Hill of Coos Bay are visiting in Heppner.

WEATHER

	H1	Low	Prec.
Wednesday	33	25	.02
Thursday	46	29	.11
Friday	50	34	
Saturday	51	36	.16
Sunday	51	30	
Monday	51	36	
Tuesday	53	45	.02

Rainfall for the week, .31; for December, 1.63; for the year, 15.27 inches.

Important Events of 1958 Are Shown in Review

Have you wondered what went on in Morrow county during the year just completed? Here is a review of the most important happenings as taken from the columns of the Gazette-Times. They are not listed in the order of importance, but in the chronological order.

Garnet Barratt resigns as county judge on January 1.

Jack Loyd installed as president of the chamber of commerce and Lowell Gribble is sworn in as a member of the Heppner city council.

County school reorganization study gets under way.

Len Ray Schwarz named on Shrine All-Star football team.

Oscar E Peterson appointed county judge by Governor Robert Holmes.

Morrow and Umatilla counties squabble over location of proposed Oregon-Ellensburg highway.

County loses bid for state construction of park on Rock Creek.

County planning conference makes many recommendations in reports.

Pat Steagall is named 1958 Morrow county fair and rodeo queen.

Anonymous donor offers \$50,000 for construction of a county museum.

Establishment of a port commission is recommended by planners.

Mrs Frank S Parker is named county Mother of the Year.

New house numbering plan approved for city of Heppner.

State highway commission approves Umatilla county plan for use of Umatilla bridge in new Oregon-Ellensburg highway.

Orville Cutsforth of Lexington files for state representative.

John Hartman named exalted ruler of Heppner Elks.

An lone boy, four year old William Neil Zinter is drowned in Willow creek in Heppner.

Sandra Eubanks of lone chosen queen of the Fossil Junior

rodeo.

Spring stays wet as rain continues to fall.

Janice Beamer of Heppner chosen on Pendleton Round-Up court.

County agent Nels Anderson named Father of the Year.

Lexington voters overwhelmingly reject move to eliminate their high school.

Jack Sumner named Conservation Man of the year for Morrow county.

Primary election draws heavy vote in county.

Preparation starts for fair and rodeo.

Reduction seen in Heppner city budget for 1958-59 year.

70,000 acres of grass goes up in huge grass fire on bombing range.

Morrow County Grain Growers purchase Interior Warehouse facilities at Heppner.

High winds cause many more range and grain fires.

First wheat and barley start

coming into elevators in mid-June.

Death takes Leslie L Matlock, one of the heroes of the 1903 Heppner flood.

Rash of single-car accidents take two lives and put 12 persons in hospital in less than 30 days.

Fires continue to take toll as more hay and grain burn in all parts of the county.

Lightning storm sets many forest fires in mountains.

Another 3000 acres of wheat and range go up in flames.

Heppner council approves asking voters for bond issue for water system improvements.

Another lightning storm blackens additional 2500 acres of wheat and grass bringing total acreage burned over in county to well over 100,000.

1958 fair and rodeo opens.

Single-car accident toll adds 8 more victims in one weekend.

Sunday fire burns big area of grass in North Heppner.

Neil Beamer and Mannie Squakin win rodeo saddles.

Most county schools see increase in number of students.

Mid-September rain finally ends high fire danger in area.

Efforts made to create interest in construction of Willow creek dam above Heppner.

Heppner residents vote for second time on high school bond issue (all for nothing, too!).

Voters approve county unit school plan and formation of a county port district.

First school band clinic held at Heppner.

Lexington 6-Man football squad gets to semi-finals in state play before being dumped from title by Culver.

The Oscar Peterson family named Grassmen of the year.

Keith Imus elected new president of chamber of commerce.

New York survey shows general business in county good during 1958.