

Governor's Economic Conference Sees More Hard Times For Forest Industry

SALEM (AP) — More hard times were forecast Tuesday for the forest products industry, farmers and ship repair and conversion industries in Oregon. The forecasts came at an economic conference called by Gov. Mark O. Hatfield.

Loran Stewart, Eugene, of the Bohemian Lumber Co., said there will be a lot of bankruptcies in the next six months among the small primary users of logs in Oregon.

Stewart said plywood mills have overproduced. He said the same is true in pulp, smaller firms will fail.

Stewart said that over the next two years the outlook is good if the industry stays alert through trade promotion and research.

Director James Short of the state Department of Agriculture said there was no promise of relief for the farmer whose net income has declined sharply.

But Jonell Hill, state public utilities commissioner, said the outlook for transportation ranges from cautious to bold optimism.

Hill said the transportation interests feel that the nation is in the grip of a psychological recession — a "Harvard recession" in the words of Hill.

This was disputed by Francis Murnane, Portland, of the International Longshoremen's and Warehousemen's Union. He said men without an income cannot buy products, and a way must be found to put them back to work.

A representative of Oregon's textile industry called the long-term outlook good for the industry but said the major firms planned most of their expansion outside of Oregon.

Don E. Kennedy, Portland, of Jantzen, Inc., said the tax bite in Oregon and the high cost of freight to eastern markets forced expansion elsewhere. He said the cost of labor also was high in Oregon.

Don Ellis, treasurer for Tektronix, Inc., Portland, said that the outlook was for a 20 to 30 per cent sales increase this year for his firm. He said it had expanded from 1,400 to 3,800 employees in the last three years and had added one plant in Europe and planned a second.

David Cameron, director of the Oregon Department of Unemployment, said that for the first time since World War II wood products employment in Oregon is less than 50 per cent of the total state employment.

He said service industries had absorbed much of the unemployment. He pointed to the new Lloyd's Center in Portland as an example.

He said there has been a sharp

drop in the number of employed in sawmill and logging with an increase in plywood and veneer employment. However, he said, these plants are using less manpower and producing more.

Charles Mack, chairman of the state Tax Commission, said that withholding for personal income tax was 13.3 per cent above 1959 in the first three months of 1960. Mack said in the second three months of 1960 it was only 7.7 per cent above the year before and in the third three months only 5.4 per cent.

He said figures for the last quarter are not yet available.

Mack said this reflects a substantial unemployment increase and at the same time shows that there is much stable employment of persons who are getting regular raises.

Stewart in his report on the forest products situation said consolidation was forced by competition for stumpage, lack of capital, the lack of risk capital in Oregon and the inheritance and other tax factors.

Stewart also said that the timber firms are forced to bypass the wholesaler to deliver their products to the customer more cheaply. He said competition

from other industries is severe. Earl M. Jennett, Portland, of Willamette Iron & Steel Co., said that the heavy machine, ship repair and ship conversion industries were in bad shape. He said production was below normal both in volume and financial return.

Hatfield at the close of the three-hour session, which drew some 60 business, labor and government leaders, called for the conference to reconvene in two weeks. He asked the members to come prepared to present recommendations to help back up the state's economy.

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The commission would report to the 1963 legislature, which then could submit the new Constitution to the people at the 1964 general election.

The resolution's sponsors are Sens. Jean Lewis, Alfred Corbett and Walter J. Pearson, all Portland Democrats.

The commission would include the four living ex-governors—Robert D. Holmes, Elmo Smith, John

swore out a warrant charging the Seaboard Airline Railroad with blocking "free passage of a city street."

Honor Awards Given At Event

MALIN—Two honorary membership awards were given to Hal Wilson and Louis Kalina at the FFA annual Parent and Son Banquet held recently.

Speakers for the banquet were Kirby Wilson and Greg Prescott. Mr. Prescott spoke on "America's Number One Problem."

Members were introduced by Vern Cox.

The home economics class of Malin High School prepared and served the dinner.

TAXES HIS PATIENCE
PETERSBURG, Va. (UPI)—Charles Goolsby stuck at a grade crossing for 39 minutes Monday while a freight train passed, drove to a police station and

New Commission Is Asked

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ADVERTISMENT

SCS Districts Elect Feb. 22

Members of Klamath, Poe Valley and Langell Valley Soil Conservation districts will elect supervisors, hear reports and view slide photographs during the upcoming annual meetings.

Klamath SCD will meet at Midland Grange Hall Wednesday, Feb. 22, at 7:30 p.m., the Poe Valley SCD at Olene Community Hall Thursday, Feb. 23, at 7:30 p.m., and the Langell Valley SCD the following day at Lorella Community Hall.

The Langell Valley meeting will begin with a potluck dinner at 6:30 p.m.

District supervisors will report. Jim O'Donohue will show his slides and Jim Gross will report on activities at the experimental station.

All farmers are asked to attend one of the meetings.

Name Change Receives Nod

SALEM (AP) — The House Education Committee Monday approved a bill to drop the words "of education" from the two state colleges at La Grande and Ashland.

The name of Oregon College of Education at Monmouth would not be changed.

Dr. John R. Richards, chancellor of higher education, told the committee that the colleges at La Grande and Ashland are shifting their emphasis from teacher training to general education.

Herald and News

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