

BABSON'S BUSINESS AND FINANCIAL FORECAST FOR 1965

(Continued From Page 1)

13. Cash dividend payments should increase in 1965... although at a much slower rate than has been the case this year.
14. No assessment of finances in the United States can be made without carefully weighing Britain's plight. We are convinced that unless the Labor Government adopts strict austerity measures, the pound will fall before the end of 1965.
15. Until the fate of the pound is resolved, short-term interest rates must be kept high to prevent foreigners from withdrawing their deposits held here. Also, domestic demand for credit promises to remain strong. Hence, interest rates will edge upward during 1965.
16. There may be some erosion in bond prices as interest rates move upward, but there should be no massive decline unless a real credit crisis develops. Investors making new purchases would do well, however, to stick now to bonds maturing within five years. Sometime during 1965 longer bonds may become good buys.
17. Inflation fears may rise in 1965; but we do not look for runaway prices next year as productive capacity is too large.
18. More wage hikes are certain in 1965. Liberal concessions won in the auto and other industries in 1964 provide tempting targets for the steel unions and secondary labor groups to shoot at in 1965.
19. To the extent—and this could be considerable—that higher costs cannot be compensated for by price hikes and greater efficiency, profit margins will suffer in 1965.
20. Indeed, despite the projected 2% cut in the corporate income tax rate next year, we look for only a very slight overall rise in corporate profits... nothing to compare with this year's huge 20% expansion.
21. Labor disputes will be numerous in 1965. Many labor pacts can, and will, be reopened for wage adjustments during the coming year.
22. Employment will continue favorable in 1965, but additions to rolls will be most noticeable in fields such as teaching, personal services and government work.
23. Little real progress will be apparent in the drive to reduce unemployment. We are only now just "touching off" the big new explosion in growth of the labor force.
24. Due to rising labor costs, look for business to turn even more to automation and labor-saving devices in 1965. Pressures on profit margins will spur cost-cutting and efforts to raise productivity.
25. Because of rising expenses and overwhelming competition, a further increase in failures will be seen during 1965.
26. As a result of automobile strikes in late 1964 and the fear of a possible steel shutdown in mid-1965, we look for a bulge in business volume during the first half of 1965.
27. In a nutshell, business should make new all-time highs in early 1965; after midyear, a tapering-off appears likely. However, 1965 will set another new record.
28. Following the strike interruptions of late 1964, personal income should move smartly ahead to new highs in the first half of 1965... although the rate of advance will slow down after midyear.
29. This projected rise in income will be beneficial to retail trade. And though buying in the second quarter may be dampened by heavy income-tax payments due Uncle Sam on April 15 as a result of under-withholding during 1964, the last half of the year will find retail trade in certain lines—such as furs and jewelry—spurred by President Johnson's promised excise-tax cuts.
30. The important automobile industry should post another excellent sales year in 1965, but as the year advances we feel that gains will be harder to come by.
31. The powerful building and construction activities should prove a strong support to general business during 1965... even though we foresee no marked improvement. Some gain in dollar volume will be largely due to higher costs. Apartment building has been overdone in some sections and a breathing spell is logical. One- and two-family houses could post a small increase, but the big market for new housing is still some years distant.
32. Overextension of credit and overambitious operators have put the real estate market in a bind in many large metropolitan areas. We strongly advise caution in making new commitments, especially in commercial real estate where a thin equity exists.
33. However, even if scarcer than in recent years, there will still be opportunities for selective purchases of real estate in 1965. Each area is a law unto itself. Know your locality and study the direction of growth trends. Farm land bought in the path of expanding suburbs may be a better long term buy in 1965 than stocks.
34. Nonfarm real estate foreclosures will continue in an up-trend during 1965. This should be particularly true in regions where overbuilding of speculative homes has taken place and where cutbacks in defense spending cause local distress.
35. Productive farm land that lends itself to mechanization will not decline in price in 1965. Rising use of farm equipment makes it necessary for operators to cultivate ever-larger spreads. This trend is maintaining the demand for fertile acreage in the farm belt.
36. As 1965 begins, prices for agricultural products are generally well above their lows for 1964. Unless severe widespread drought intervenes, we look for no more than seasonal strength in agricultural prices during the year ahead. In a word, we do not see any near-term important uplifting forces on the farm scene.
37. The situation in industrial commodity prices is somewhat different. With business heading higher in the first half and with labor costs scaling new peaks, industrial commodity prices, with some exceptions, will push upward at least during the coming six months.
38. Living costs will also rise to new all-time heights. And, since President Johnson is committed to getting Medicare passed at this session of Congress, look for hospital, nursing and doctors' fees to spurt before the end of 1965.
39. Even with federal income taxes already slated to drop a notch next year and with prospects excellent that excise taxes will be cut, rejoicing should be restrained by the knowledge that local taxes will take another upturn and social security levies will rise again... even faster after the 89th Congress enacts Medicare.
40. Climbing capital goods outlays will be one of the brightest spots for 1965. Gains over this year could run as high as 10%.
41. Further progress in United States exports will be harder to achieve in the coming year. Certainly, if the steel labor outlook appears bad by mid-spring, heavy imports of foreign steel may be resorted to by U. S. businessmen. This would result in a narrowing of our favorable trade balance and have a further adverse impact on the U. S. international balance of payments.
42. Although we are not forecasting runaway inflation for 1965, we do feel that attempts to keep money easy in

Family Gatherings, Dinners Feature Christmas Observance in Community

Holiday visitors in the Lewis Riggs home were their sons, Wayne who attends Oregon State university in Corvallis, Kay of Sunnyvale, Calif., and their son-in-law and daughter, Mr. and Mrs. Darrel Manning and family of San Bernardino. The Mannings are also visiting his brother, Mr. and Mrs. Deverl Manning and family, other relatives and friends.

Mr. and Mrs. Jerry Bellon and family left Saturday for their home in Lafayette, Calif., after spending the holiday week with his parents, Mr. and Mrs. Joe Bellon. Mr. and Mrs. Jim Jelferries entertained with Christmas dinner for the Jerry Bellon family, Mr. and Mrs. Joe Bellon.

Mr. and Mrs. Floyd Rhoades, Rodney and Rhonda spent Christmas day with her parents, Mr. and Mrs. Walter Schumacher at Glens Ferry. All of the host couple's children and their families were present for the Yuletide gathering.

Mr. and Mrs. Jack Duncan and family of Rupert arrived Saturday night to visit his parents, Mr. and Mrs. Herman Towne; his brother-in-law and sister, Mr. and Mrs. Speed Porter and family, other relatives and friends.

Mr. and Mrs. Dick Butcher were Christmas dinner guests of their son-in-law and daughter, Mr. and Mrs. Rudy Marostica and family at Ontario.

Christmas dinner guests of Mrs. Arlene Kasik and children were Vern and Marvin Richards and Mrs. Kasik's father, the Robert Ziegenbein family of Parma.

Christmas dinner guests in the Wayne Simpson home were their son and daughter-in-law, Mr. and Mrs. Klair Simpson and Russell. Afternoon visitors were Mrs. Cheryl Simpson, Sheri and Craig of Boise. Shelley and Dana Lynn Simpson visited several days this week with their grandparents, the Wayne Simpsons.

Mr. and Mrs. Paul Penrod spent from Thursday until Saturday with their son and daughter-in-law, Mr. and Mrs. Jack Penrod and sons at Pocatello.

Ronald Forbes of Los Angeles and Dennis Forbes of Palo Alto left Sunday after spending the holiday week with their parents, Mr. and Mrs. Dick Forbes.

Christmas eve guests in the Tom Weeks home were Mr. and Mrs. Plais Johnson and family, Mr. and Mrs. Glen Weeks and family of Parma, Mr. and Mrs. John Weeks and family of Seneca, Denzil and Sandra Weeks. Christmas dinner was served to the Glen Weeks family, Mr. and Mrs. John Van Zelf and family, Mr. and Mrs. Otis Squier of Boise.

Mr. and Mrs. Glenn Schireman and sons of Medford arrived Saturday for a week's visit with his parents, Mr. and Mrs. William Schireman.

Holiday weekend guests of Mr. and Mrs. Rulon Trost and family were her parents, Mr. and Mrs. Art Wilson of Rexburg, Idaho, and Mrs. Trost's brother and sister-in-law, Mr. and Mrs. Garth Wilson and family of San Lorenzo, Calif. They all left Monday for California where the Art Wilsons planned to spend several days with their son and family.

Mr. and Mrs. William R. Cooper and Kelli of San Leandro, Calif., were holiday guests of his parents, Mr. and Mrs. Glenn Cooper and also visited her father, Bill Kohl, Mrs. Kohl, Marvin and Georgia of Nyssa and with relatives at Vale.

Mr. and Mrs. C. W. Wernick and family left Saturday for their home in Fullerton, Calif., after spending a week with his parents, Mr. and Mrs. C. A. Wernick. Other holiday guests in the Wernick home were Master Sergeant and Mrs. Lawrence Graham and sons who were enroute from Provo, Utah, to California. Sgt. Lawrence will begin duties on Feb. 1 at a station in Japan. In addition to the C. W. Wernick and Graham families, Christmas dinner was also served to Mr. and Mrs. John DeBoer and sons of Ontario and Mrs. A. Bartholomew.

Mr. and Mrs. Glen Weeks and family were weekend visitors in the home of his brother and sister-in-law, Mr. and Mrs. John Weeks at Seneca.

Miss Karen Ellis, a student at Denver university, arrived home recently to spend the holidays with her mother, Mrs. Beth Ellis.

Christmas dinner guests of Mr. and Mrs. Ben Storm were Mr. and Mrs. Elwood Standage and Mrs. Bill Jacobson of Vale, Mr. and Mrs. Clarence Jacobson and family of Redding, Calif., Mr. and Mrs. Ross Harvey of Oregon Slope.

Mr. and Mrs. Roger Rusco and Michele of Winchester Bay arrived Christmas eve for a 10-day visit with their parents, Mr. and Mrs. Swede Johnson, Mr. and Mrs. Vane Rusco, other relatives and friends.

Mr. and Mrs. Robert Long and Wayne Sparks left Saturday to visit for several days with Long's daughter, Mr. and Mrs. Al Goff and sons at Lakeview, Ore.

Mr. and Mrs. George Cartwright visited Christmas eve with her mother, Mrs. Alma Hibbard of Notus. Mr. and Mrs. Ray Cartwright and Clyde Cartwright were Christmas dinner guests in the George Cartwright home.

The Rev. and Mrs. Harold Robbins and Patty of Jerome, Mr. and Mrs. Henry Day were Christmas afternoon visitors in the Claude Day home. The Rev. and Mrs. Robbins and Patty and Mrs. Hazel Scott of Boise were Christmas dinner guests of Mr. and Mrs. Henry Day.

this country, in the face of a world-wide trend toward tighter credit, will greatly increase the danger of a later inflationary blow-off. Conditions remind us of the late 1920's when the Federal Reserve here kept credit too cheap and plentiful to support the British pound. Hence the eventual collapse came from an even more dangerous level.

43. It is unlikely that the United States will raise the price of gold during 1965. However, we may see the calling of a monetary conference to deal with the weakened British financial situation and to attempt greater liquidity for world currencies generally.

44. As far as gold stocks are concerned, they are already high and should only be held in 1965 as insurance against the long-range trend toward higher world prices for gold.

45. The silver coinage situation will become more acute as the year progresses. The 89th Congress will be forced to consider a new silver coinage act. If it is not passed in 1965, it will be shortly thereafter.

46. Returning to the all-important foreign scene—since we are very much wrapped up in the future of the Free World—we fear further instability among the Russian leadership. Khrushchev's ouster marked only the beginning of the coming power grab in Moscow. The real leader has not yet emerged.

47. Ascendancy of the African and Asian nations to a position of control in the United Nations will force the United States in 1965 to take action alone when vital spheres of influence are violated. The UN will become even more of a debating society, and month by month the chances grow dimmer that we will ever again see the United Nations troops used for rescue operations such as in Korea or the Congo.

48. Following the British crisis, General de Gaulle will work even harder than ever in 1965 to unite Europe as a great third force between Communism and the United States. President Johnson is well aware that the winds of change are blowing strongly in Western Europe. 1965 could see the beginning of the end for transatlantic union as envisioned by U. S. administrations during the past two decades.

49. World-wide credit problems and restrictions on trade cast dark shadows on investment prospects abroad. Many nations which have shown great growth during the past 20 years will be poor risks for new commitments during the year 1965.

50. In conclusion, we recall the statement of a former President of a South American nation: That the U. S. A. prospered so greatly because its founders came to worship God... as opposed to countries whose settlers went to worship gold. Surely we can hope to prosper in the future only as we recognize that righteousness and morality must be as important as analysis and statistics as springboards for new business ventures during 1965 and in all the years ahead.

Betrothed Couple Announces Plans For Winter Rites



MISS JOANN BARTON... To Wed Melba Man

A winter wedding is planned for Miss Joann Barton and Robert Harris. Parents of the betrothed couple are Mr. and Mrs. Cornelius Barton of route 1, Nyssa, and Mrs. Melba Harris of Melba, Idaho.

Miss Barton was graduated from Adrian high school and Link's Business school in Boise. She also served an LDS mission in the Central Atlantic states.

Her fiancé is a graduate of Melba high school and is presently engaged in farming near Melba.

The couple has selected Feb. 19 as their wedding date.

Mrs. Lyda Kohl spent Christmas day with a granddaughter, Mr. and Mrs. Rex Sears and children at Payette.

Mrs. Edna Terry, Mike and Tommy were Christmas dinner guests of her parents, Mr. and Mrs. Theron Wheeler.

Residents of Adrian Area Gather For Holiday Dinners and Visitations

By Mrs. G. E. Mackey
ADRIAN—Mr. and Mrs. Glen Brown entertained on Christmas eve with a family dinner and gift exchange for Messrs. and Mmes. Bob Brown and family, Jim Moncar and Kristine of Boise, Robert Eastman and family of Caldwell.

Mr. and Mrs. Robert Long and Wayne Sparks left Saturday to visit for several days with Long's daughter, Mr. and Mrs. Al Goff and sons at Lakeview, Ore.

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Mr. and Mrs. Carl Lovitt and Alan were Christmas eve dinner guests of her parents, Mr. and Mrs. G. E. Mackey. The Lovitts were hosts at a family dinner on Christmas day for Messrs. and Mmes. Lee Lovitt and Judy of Parma, Larry Hunter and family of Caldwell, E. M. Mackey, G. E. Mackey and family.

Mr. and Mrs. Bruce DeHaven and family, Mr. and Mrs. Larry DeHaven were holiday guests of their parents, Mr. and Mrs. George DeHaven. The Larry DeHaven family remained for a longer visit. The family received a telephone call on Christmas morning from their daughter, Linda.

Mr. and Mrs. Max Linville and family spent Christmas eve with his parents, Mr. and Mrs. Don Linville. Mr. and Mrs. Pat Linville of Seattle, who are visiting relatives, were Sunday evening guests in the Max Linville home.

Mr. and Mrs. Oliver Freel and family were Christmas dinner guests of her mother, Mr. and Mrs. Frank Bicandi.

Mrs. Beth Ellis and Karen were Sunday dinner guests of Mr. and Mrs. Bill Looney and family.

Mr. and Mrs. Glen Pounds, Mr. and Mrs. Richard Holly and family were Christmas dinner guests of Mr. and Mrs. Glen Brown.

Miss Pat Hodge of Wilder, Mr. and Mrs. Robert Long were Christmas eve guests at the home of Mr. and Mrs. Bill Looney and family.

Mr. and Mrs. Rolland Mills of Michigan, N. D., arrived last Thursday evening and stayed with Ross Mills until Saturday when they left for California to attend the Rose Bowl game.

Mr. and Mrs. Rolland Mills and Ross Mills were Christmas dinner guests of Mr. and Mrs. Chester Mills. Mrs. C. R. Mills was also a dinner guest and Ross took her back to Caldwell on Christmas evening.

Larry Mackey was a Sunday overnight guest of his grandparents, Mr. and Mrs. E. M. Mackey.

Guests in Willis Home
Mr. and Mrs. Bill Willis entertained on Christmas day for Mrs. Charlotte McGinnis, Wayne Willis and Mrs. Mildred Vaughan of Boise, Jackie Hansen of Payette and Billy Willis of Ontario.

Mr. and Mrs. Jay Hoover of Parma, Mr. and Mrs. Grant Winn of Boise, Mr. and Mrs. Lee Winn visited Christmas eve with Mr. and Mrs. Earl Winn and family.

Scott Hoover of Caldwell and Greg Parks of Lafayette, Calif., are visiting for several days with a cousin, Duncan Winn.

Mr. and Mrs. Paul Parker of Ontario were holiday guests of his parents, Mr. and Mrs. Vernon Parker and family.

Vicki Newman Installed as Queen Of Bethel 33 in Candlelight Rites

Officers of Bethel 33 of the International Order of Job's Daughters were installed Dec. 28 in a candlelight ceremony of the 23rd Psalm. The tapers were lighted by Susan and Sally Holmes and Pam Bybee was in charge of registering the guests.

Vera Olsen served as narrator of the Bible verse and read the names of officers as they entered the Bethel room. As all knelt in the cross, Judy Wilson sang the 23rd Psalm.

The Bible was escorted by Mary Pond and Carol Pond served as flag bearer. Marilyn Gonyer was installing officer of the evening and was assisted by Carolyn Lowe, guide; Mary Kay Olsen, marshal; Pauline Butler, recorder; Mary Lou Lancaster, chaplain; Barbara McPartland, musician; Pam Alexander, junior custodian; and Kathleen McPartland, senior custodian.

Bethel officers installed included Vicki Newman, honored queen; Lynda Cundall, senior princess; Trudy Olsen, junior princess; Shielia Huffman, guide; and Teresa Hamilton, marshal.

Other officers installed were Linda Wilson, outer guard; Diane Jennings, inner guard; Cookie Cole, recorder; Cille Tracy, junior custodian; Jerri Ableman, librarian; Cheryl Wilson, chaplain; and Linda McPartland, treasurer.

Messengers are Karen Main, first; Bonnie Steiner, second; Laura Mackey, third; Florene Kygar, fourth; and Nancy Boydell, fifth. Jane Timmerman was installed as musician; Christy Nelson, senior page; Connie Holcomb, junior page; Joann Timmerman, Joyce Jennings and Kathy Nelson, ladies of the lights.

Choir members include Alicia Huffman, Linda Root, Gloria Holly, Joann Timmerman, Connie Holcomb, Deborah Root, Joyce Jennings, Christy and Kathy Nelson.

Judy Wilson sang the "Lord's Prayer" as Marilyn Gonyer, retiring honored queen, signed the Bible.

Escort and introductions included Mrs. Leona Miller, grand fourth messenger and guardian of Bethel 25, Ontario; Vera Olsen, grand deputy; Dr. L. A. Maulding, past associate grand guardian of the state of Oregon; Patricia Marcum, worthy matron of Golden Rule chapter 131, OES; Earl Jennings, worshipful master of Golden Rule lodge 147, AF&AM.

Others introduced were council members, Job's Daughters from visiting Bethels and past honored queens.

The new honored queen was presented a gavel by her family and received the queen's pin from Marilyn Gonyer. She was also presented a gift from Golden Rule chapter 131. Marilyn was given a gift from Bethel guardians, Mr. and Mrs. Earl Jennings.

A reception was held in the Masonic hall following the installation ceremony. Mary and Carol Pond presented several vocal selections with guitar accompaniment.

Miners Host Bridge Club
Mr. and Mrs. Harry Miner entertained Saturday evening for members of the Mr. and Mrs. Bridge club. Guest players were Mr. and Mrs. Neil Dimmick and prizes were won by Mrs. Gordon Oxnam and Fred Guthrie.

Mr. and Mrs. J. Elwood Flinders and Gail were Dec. 24 overnight and Christmas dinner guests in the home of their son-in-law and daughter, Mr. and Mrs. Marvin Wilson and family at Jordan Valley.



MISS VICKI NEWMAN... Presented Queen's Gavel

Christmas Party Held By Eastern Star Unit

Golden Rule chapter 131, Order of Eastern Star, held a regular meeting Monday evening, Dec. 21, in the Masonic hall with Worthy Matron Patricia Marcum presiding.

As officers entered the meeting room, they were presented with a felt ornament containing gifts from the worthy matron and patron.

A Christmas program was presented under direction of Lois Cartwright. Those participating were Lois Williams and officers including Thelma Huffman, Marie Holmes, Bonnie Sappe, Nancy Goodell, Claudine Garrison, Betty Brown, Louise Wernick and Jessie Brown.

A gift exchange and social hour concluded the evening's activities. Varieties of Christmas cookies and candies were served with coffee by Mrs. Irma Myers, Mr. and Mrs. Paul Perrod.

Next meeting will be Jan. 4 and has been designated as obligation night.

Mrs. Bybee Hosts Parties For Garden, Samba Clubs
Town and Country Garden club members met Dec. 17 at the home of Mrs. S. P. Bybee for their Christmas party. A potluck dinner was served and the women exchanged gifts.

Mrs. Bybee entertained the following day for members of the Samba club. A Christmas theme was carried out in decorations and refreshments.

Chuck Corak, Mr. and Mrs. Bob Giles and Scott were Christmas dinner guests of Mrs. Giles' parents, Mr. and Mrs. Kenneth Reece and family.

PAULUS JEWELRY
127 Main Street
Nyssa, Oregon

"EAGLES" NEW YEAR'S EVE PARTY
AT THE NYSSA HALL
LIVE MUSIC
— by the —
JOHN MORGAN BAND
DANCING FROM
9:00 p. m. to 1:00 a. m.