

**BABSON'S FORECAST FOR 1966**

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14. **Business inventory accumulation**, likewise a big factor in the boom, should also become a less vigorous expansionary force. Perhaps fears of inflationary price increases will encourage businessmen to maintain a healthy volume of inventories; but unless war threats intensify, I see no need to pile up much more in inventories.
15. **Consumers will have more money to spend** in 1966. I forecast a further uptrend in personal incomes to new high ground. An important influence in this respect is the impact of automatic wage increases which are called for in existing multi-year labor pacts.
16. **Also, I predict a further rise** in the general structure of wage rates, as many secondary labor unions seek to match the gains of auto and steel workers.
17. **Unless another federal tax cut is enacted** — which now seems remote in view of the war effort and the present fiscal deficit — net income after taxes may not rise as rapidly as gross income. The social security tax rate is scheduled for a step-up. Also, higher state and local taxes — including sales levies — will place more of a burden on consumers.
18. **The all-important employment situation** should remain generally good. We may have seen the greatest portion of the rise in manufacturing employment. However, employment in government payrolls at all levels, and in services, should continue to score sizable gains.
19. **I forecast no radical change in the jobless picture.** Let me warn readers, however, that the problem is far from solved, and in coming years we may well have to reckon with it. The draft step-up only temporarily eases things and gives a false sense of well-being.
20. **Retail trade should enjoy another excellent year.** Much of the gain in dollar volume, of course, will come from price rises. Nevertheless, as long as personal incomes, employment and business hold high, consumer confidence will encourage spending.
21. **Spending for food, apparel and general merchandise** should continue upward; also for leisure-time and vacation lines. Color television is catching on, and I look for continued strong demand in this field.
22. **The automobile business will not be left out** in the spending spree. It will enjoy another prosperous year; but I foresee no significant upsurge beyond the high levels of the past two years.
23. **In view of the drain on our gold supplies**, the government has been endeavoring to promote domestic travel and vacations. Nevertheless, I forecast further interest in foreign vacations. In one sense, I am happy to see this. I have done considerable foreign traveling, and I feel that such activity is definitely advantageous. Furthermore, I feel that foreign travel can help Americans wake up to the advantages here at home and make them more thankful for the blessings they enjoy.
24. **Many readers — especially those retired and living on pensions and social security** — are worried about the threat of inflation. I forecast no radical inflation during 1966. The Administration is committed to "non-inflationary progress." However, some price increases appear unavoidable.
25. **I predict that the greater danger will lie in credit inflation**, rather than in price inflation.
26. **With the rise in defense spending and the cost of legislation for the Great Society**, the federal budget will suffer a sizable deficit. In addition, states and municipalities are unable and unwilling to live within their means. Consumers will also go further into debt.
27. **Look for new increases in the cost-of-living index.** The government may try to head off substantial price hikes in key areas, but selective price rises will occur.
28. **Industrial commodity prices** should remain firm to higher, particularly in the first half of 1966. The primary bulwark against a price runaway is competition, which should be basically more effective than government influence.
29. **I look for an increase in domestic competition** in 1966. This should become more evident as the business up-thrust tapers off. Also, we must not forget foreign competition. With many nations feeling the pinch of a dollar shortage, they will work to remedy this by increasing their sales here.
30. **Business in 1966 need fear no major labor tie-ups.** However, strikes may well be numerous among the secondary labor units.
31. **I look for business failures to increase**, both in numbers and in dollar liabilities. This will be due to keen competition, excesses of debt and inventory accumulations, unwise credit extensions and careless management.
32. **Of greater concern to me is the steady climb in non-farm real estate foreclosures;** I expect a further rise in 1966.
33. **Business profits in 1966 will not advance as sharply** as in the past two or three years. The squeeze is on in profit margins; hence I look for a tapering off in the rise of corporate profits, although I foresee no drastic slump while activity holds near peak.
34. **Looking at the farm sector, I see no radical change** from the excellent 1965 year. Barring a crop failure or severe drought, farm prices, at worst, should shade only slightly lower.
35. **Farm equipment manufacturers** should enjoy good business in 1966. This goes also for fertilizer and pesticide producers.
36. **The important building and construction lines** should hold their own in 1966, but their dollar volume may be due largely to price and cost inflation. The Great Society program is a plus factor for construction, including urban renewal and highways.
37. **Private home and apartment building** could show slight improvement, but the real boom in residential building will not register significantly in 1966.
38. **Hence, I forecast that real estate conditions will remain selective.** Well-located sites for homes and industrial and commercial complexes will do well, but study of local conditions is imperative.
39. **I predict a further increase in farm land values** in 1966. With costs still rising, the physical size of farms must expand so operators can benefit from mechanization. This places a premium on well located land in the important and larger agricultural regions.
40. **The steady advance toward fuller automation** should make further progress in 1966, helping industry to cope with rising operating costs and shorter work weeks.
41. **Trees do not grow to the skies;** neither does the stock market rise unendingly. While I forecast that the stock market — as measured by the Dow-Jones Industrials — can surpass the high mark of 1965, I anticipate a volatile 1966 market with a good-sized drop-off a real possibility sometime during the year.
42. **Even though the stock market may push to new highs,** any further advance may not bulk large percentage-wise. If business and corporate profits show a tendency to taper off, the fundamental basis for a worthwhile advance will be removed.
43. **Speculative enthusiasm and inflation fears** can be expected to figure prominently in the stock market during the course of 1966. The urge to make a quick buck is increasingly evident.
44. **I forecast that 1966 will not be the time** for illogical speculation and gambling in the stock market. Above



**SNAPPED BY DIRICK NEDRY, clerk - business manager for the Nyssa schools and a chaperone on the recent band trip to San Diego, this photo shows members of the NHS marching group as they went into one of their unique formations. The performance was viewed by approximately 35,000 spectators, who were on hand for the Dec. 19 San Diego-Oakland pro-football game, as well as an estimated million others watching via live television in their homes on the west coast.**

**Chaperone Gives Resume of Band Trip**  
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ped into their buses again for a ride down the Santa Ana freeway and along the Pacific ocean to San Diego, arriving about 11:30 a.m. After a quick lunch the band was ready for the star performance.

**Play for 35,000 Spectators**  
They marched around the football field, escorted by a U. S. Marine Corps color guard and accompanied by an appreciative applause from the crowd of some 35,000 people. The kids played the national anthem and the game was under way.

At halftime Gary Clawson announced the Nyssa band over the public address system and the kids put on a wonderful performance. Their lines were straight and they went through their routines in what appeared perfect order.

**Officials Pleased With Band**  
Supt. W. L. McPartland, Fred Arai and I were privileged to see the game from the press box and took pictures of the band's performance at halftime. We were standing right next to Mr. Hilton, who owns the Chargers, among other things, and the general manager seemed pleased with the band.

All of the Charger officials were exceptionally cordial and treated us like visiting dignitaries. They printed a full page story and pictures in their program of Nyssa and the band.

The press box is a busy place. One long section is occupied by reporters — about 30 of them, all typing at full speed. Another section

houses the radio people, one the TV announcers and another cubicle has the public address announcers.

**Sees How Games Are Reported**  
On the roof there were probably 25 or 30 cameramen taking movies, in addition to the TV cameras. This was one of the high points of the trip to me and was a once-in-a-lifetime opportunity to see how these big games are handled by the press.

Sports fans know that the San Diego Chargers won the game, 24 to 14, and that Paul Lowe set a new record for most yards gained in a single season in the American Football league. He needed 11 yards to set the record and gained 12 yards on his first carry; so of course, got a tremendous hand from the crowd. He wasn't used again after the first quarter, being saved for the championship game with Buffalo on Sunday, Dec. 26.

**Return Trip Enjoyable**  
After the game Sunday the three busloads of Nyssa kids toured the San Diego harbor and saw much of the Pacific fleet and U. S. Navy installation. We took a quick look across the border, saw the hills of Mexico, and then headed toward home up highway 395, arriving in Nyssa at 4 p.m. Monday afternoon. The weather was clear and sparkling after a week of very heavy rain, slightly on the cool side and just right for a most enjoyable trip.

The performance and behavior of these kids brought good comments from all who were involved with our group. Restaurant people were especially complimentary and our bus drivers reported that they had never hauled a better-behaved group.

In addition to the large crowd at the game, the band was seen by millions on TV on the west coast. Nyssa was given very good publicity, and the townspeople and parents have every right to be proud of this 1965-66 high school band.

all, let me remind readers of the dangers of using borrowed money to buy stocks. Those who "go off the deep end" may well regret it before very long.

45. **Those who invest (not speculate)** on the basis of growth will sleep better nights. I have in mind the expanding population, rising incomes, scientific advances, greater leisure, and above all the impact of the Great Society.
46. **Investors should be pleased with cash dividend payments** in 1966. I forecast they will show another increase. I would also expect a rash of stock dividends and stock splits, particularly in the first half of the year.
47. **If businessmen, consumers and investors** do not act voluntarily, to keep inflationary pressures and speculation from getting out of hand, the monetary authorities may be forced to raise margin requirements on stock purchases, and perhaps tighten credit further.
48. **Look for somewhat lower bond prices** in 1966. Although we are not in immediate danger of credit exhaustion, the banking system is under some strain from the rapid expansion of credit in recent years. My advice is to buy bonds which mature in five years or less. The time to buy good longer-term bonds will come when the yields of short-term bonds exceed those on long-term issues.
49. **The dollar will not be devalued** in 1966. Possibility of devaluation of the British pound will undoubtedly come to the fore again, but additional effort will probably be made to keep the pound from "going under." I fear, however, that all this is only "buying time" . . . that devaluation of the pound may be inevitable.
50. **I see no cure for the outflow of gold from America's shores** in 1966. However, in view of the importance of the U. S. in international trade and world military considerations, foreign bankers will be reluctant to withdraw their gold en masse. Bear in mind also that there is no country that can match our industrial and military might . . . and that, among the leading nations, the United States has suffered least in terms of the ravages of inflation and political instability.

**Club Women Attend Display of Yule Ideas Sponsored by Extension Service**

By Mabelle McKague

**NU ACRES** — The Extension service of Payette held its Carnival of Christmas Ideas Dec. 17 at the Methodist church in Fruitland. Demonstrations were given by Mrs. Zelda Dalley, candy making ideas by Mrs. Leona Anderson of Idaho Power company and a demonstration of lace decorating of pottery by Mrs. Watanabe of Fruitland.

There was also a display of hobby work and other Christmas ideas. A silver tea was held following the demonstrations.

Those attending from the Farmerette club were Mmes. Effie Nielson, Elizabeth Baxter, Arvin Kersey, Leona Bryan, Ezada Betts, Carol Betts, Zalda Dalley and Mabelle McKague.

Mr. and Mrs. Dennis Heap of Blackfoot, Idaho, were Dec. 18 overnight guests at the home of his grandmother, Mrs. Elizabeth Baxter. Mr. and Mrs. Heap are students at Idaho State university in Pocatello and were enroute to Madras to spend Christmas with his mother.

Mr. and Mrs. M. A. Jones left Dec. 17 on an extended trip to western Oregon and points along the California coast. They plan to return to their home here after the first of the year.

Mr. and Mrs. Robert Shaw Sr., Mr. and Mrs. Robert Shaw Jr. left Saturday, Dec. 18, for Anaconda, Mont., where they plan to spend a few days.

Les Gardner, George Wilson and Delbert Wilson report no luck during a recent elk hunting

**Club Holds Yule Party**

Farmerette club members held their annual Christmas dinner Dec. 15 at the home of Mrs. Alden Bryan in the recently completed large family room of her home. The traditional turkey and trimmings were served; a gift exchange was held and treats were given to each child. There were 12 members, two guests, Mrs. George Wilson, Mrs. Kathy Storey and eight children in attendance. A social afternoon was spent and the women express appreciation to Mrs. Bryan for her hospitality.

Recent visitors at the Robert Shaw residence were Mr. and

**SHAW'S EXPRESS THANKS**

We take this opportunity to thank our friends and relatives for food and kind expressions of sympathy extended to us following the death of our son and brother, Gary W. Shaw.

—Mr. and Mrs. Robert C. Shaw  
—Mr. and Mrs. Robert A. Shaw

Mrs. Edgar Hite of Grants Pass, Ore.; Mr. and Mrs. Warren Bogle of Payette; Mrs. George Clark of Drewsy; Ron Schelley of Murphy, Idaho; Mrs. Derald Northrup and two children of Ontario. Other relatives and friends also called there during the week.

Mr. and Mrs. Dennis Heap arrived Christmas evening at the home of Mr. and Mrs. Ralph Baxter where they remained overnight. They left Sunday for Emmett to visit other relatives and friends before returning to Pocatello to resume their college studies.

Mr. and Mrs. Ralph Baxter were Christmas day guests of their son, Mr. and Mrs. Ralph Walker at Payette.

Mrs. Effie Nielsen spent Christmas day at the home of her daughter, Mr. and Mrs. Arvin Kersey and family in Fruitland.

## Food Specials

FOR YOUR HAPPY NEW YEAR FEAST

<b>SUN VALLEY</b> <b>OLEO</b> . . . . . 5 Lbs. <b>95¢</b>	<b>ASSORTED — PARTY</b> <b>Mixers</b> . . . . . 4 for <b>89¢</b> Qt. Bottles (Plus Deposit)
<b>ASSORTED NESTLE'S</b> <b>Candy Bars</b> . . . . . 3 for <b>\$1</b> Five-Pack Bags	<b>Sunnyview Farm</b> <b>Preserves</b> <b>3</b> 12-Oz. Jars <b>\$1.00</b>
<b>HALEY'S</b> <b>CHILI</b> <b>4</b> 15-Oz. Cans <b>\$1.00</b>	<b>GOOD and CHOICE</b> <b>Chuck Roast</b> . . . . . Lb. <b>43¢</b>
<b>GOOD and CHOICE — Round Bone</b> <b>Swiss Steak</b> . . . . . Lb. <b>59¢</b>	<b>GOOD and CHOICE</b> <b>Chuck Steak</b> <b>55¢</b> Lb.
<b>KEIM'S</b> <b>Ring Bologna</b> <b>3</b> Rings <b>99¢</b>	<b>MORTON'S</b> <b>Pot Pies</b> <b>7</b> for <b>\$1.00</b>
<b>PASCO — FROZEN</b> <b>Orange Juice</b> <b>6</b> 6-Oz. Tins <b>95¢</b>	<b>U. S. No. 2</b> <b>Potatoes</b> <b>20-Lb. Bag . . . 59¢</b>
<b>TANGY — JUICY</b> <b>Tangerines</b> <b>2</b> Lbs. . . . . <b>25¢</b>	

Best Wishes for a Happy, Prosperous New Year!

SALE DATES — Dec. 30-31 — Closed Jan. 1 and 2

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