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BABSON'S 1969 FORECAST ON BUSINESS, FINANCES

Wellesley Hills, Mass., December 26. President Nixon will take over in January in a continuing national and international "state of siege." His major legacy from the outgoing Administration will be Vietnam, a militarily resurgent Russia, inflation, and a dollar that is not yet "out of the woods."

War And Peace

Much of the difficulty in which the United States finds itself today, both at home and abroad, can be laid squarely on the doorstep of a terrible error in national policy. The great mistake was the belief that we could fight a war in Southeast Asia and conduct "business as usual" elsewhere. The result was an immensely unpopular conflict and the setting in motion of a massive inflationary wave. The effects of both tragedies will continue to scourge our people with social divisiveness and economic inequalities for an untold length of time.

1. RECESSION POCKETS - Peace will not come in Vietnam like the dropping of a curtain. The incoming Administration does not intend to surrender. Hence, the path to peace will be tortuous and, at times, seem without end. But, even though fighting may flare now and then, the consumption of the hardware of death will be considerably less in 1969 than in 1968. This will apply particularly to standard items that are burned up rapidly during heavy and widespread attack and counter-attack. As a result, Babson's Reports looks for those concerns and areas that have been heavily committed to the making of bombs, shells, small arms, light ammo, etc., to suffer a slump in business volume and employment as the year wears along.

2. BOOM SPOTS TOO - But, if we may need fewer bombs and less TNT, we shall surely have a lot of work to do in order to catch up in modern weaponry. For while we have been tied down in Vietnam, we have been neglecting our defense posture elsewhere... especially the application of the most up-to-date research and development. 1969 will not feel the full impact of the coming arms catchup; but it will see a strong beginning. Emphasis will be on silent submarines, lasers for use with both offensive and defensive weaponry, much more highly sophisticated computerized control of short- and long-range missiles, deployment of the latest ABM system, greater versatility and mobility in battlefield nuclear "artillery," a completely new tank fleet, another generation of manned attack fighters and bombers, etc. It will all add up to greater spending on new armament than to real saving on cutbacks in the older types. Note, too, that the stress will be on expensive technological devices... requiring highly skilled management and labor.

3. SPACE REVIVAL - We have made great strides in space penetration... despite our occupation with the jungles and swamps of Southeast Asia. Yet, our progress has lacked the impetus of the early years after Sputnik. Just now, recurring reports indicate a real likelihood that Russia will score a significant "space spectacular"... probably sometime soon. Should this be the case, we foresee a new surge of spending on more massive boosters and on more refined vehicles... both manned and unmanned. Again, observe that the big need will be for skilled men and highly complicated machines.

4. RUSSIA RESURGENT - The Russian Bear is no longer emitting friendly grunts of detente. Thoroughly aroused by near-revolution on his very doorstep -- and the gateway to his heartland -- by the Czech stirrings for freedom in the summer of 1968, he will not risk any "repeat performance" in 1969. It will be the "hard line" for the Kremlin throughout the coming year; and the Nixon Administration will be shoved off balance many a time. Most ominous is the powerful strengthening of the Soviet Mediterranean fleet; for there it is in direct contact with American and other NATO warships. Once more, it will be a case of urgent defense needs taking precedence over pressing social demands. The issue of "guns or butter" will persist throughout 1969. Too much attention to either or both could well lead to a price-

wage spiral in our economy... with all the threat of a deflationary plunge thereafter.

INFLATION STILL CLIMBS

5. 1968 WILL GO down in economic histories as "the year of the great boo-boo." Early it was recognized that the economy was overheating... that a cooling off was necessary to prevent runaway price boosts and the inevitable aftermath of recession. The government opted for a fiscal "wet blanket" to smother the inflationary fires... and belatedly the surtax on personal and corporate incomes was enacted, effective mid-1968.

6. BUT THE BOOM rolled on... confounding both the Federal Reserve -- the country's money managers -- and the President's Council of Economic Advisers. What happened? Two things: (1) The Fed thought the surtax would cause "overkill" in business, so opened the money spigots wider... stimulating buying just when the tax was supposed to depress it; (2) Mr. & Mrs. J. Q. Public sharply cut their rate of savings and went on a buying binge... augmenting their fling with big buys of borrowed money.

7. MORE TO COME - So, here we are: Months after the "tax to kill inflation," prices of goods and services are still spiraling upward. This, of course, goads the workingman to support his labor boss when he demands outside hikes in pay and benefits. Even though

the Fed now gives signs of having moved to lessen the money rise from gusher rate to a more gentle flow, the floods of prior months will continue to seep through business and financial channels... at least during the early part of 1969.

8. OUR STAFF here at Babson's Reports looks for "more of the same" during the first half of the year: Higher price tags, further wage raises in excess of productivity gains, continued up-pressure on costs all around, and the inexorable fattening of the tax burden -- not alone from the perennial sweep of state and local levies, but also from the substantial step-rate in social security charges. Indeed inflation is still incubating. The virus is virulent. The antidote is known. But the political meddles that will administer it have not yet come forth.

9. NUMBER ONE PROBLEM - Mr. Nixon knows that inflation is the one force that can destroy this nation -- financially, morally, even militarily. He also knows that to move aggressively against it could plunge the U. S. into a depression. The latter state might be worse than the former. It seems likely, then, that he will move slowly against the incubus of perpetually climbing costs and prices. Fortunately, the incoming President has the advantage of the anti-inflationary moves made in the late days of President Johnson's tenure. We expect that he will move cautiously to augment these. As a result, we look for no spectacular attack on the country's number one enemy in the opening days of Nixon's office, that means there will be further portents of inflation early next year... later in 1969 you can look for many signs of a topping off, even maybe some deflationary signals.

STRONG START FOR DOLLAR

10. UNLIKE A year earlier -- when the dollar was under world suspicion and attack -- the "good ole buck" will start 1969 with a halo over it. The big bad wolf -- President de Gaulle of France -- who led an all-out offensive against the dollar in 1967 and early 1968 is now pretty "dead" insofar as any lethal threat to it in 1969 is concerned. His own franc had to have a good many blowout patches applied at the end of 1968 to keep it rolling.

11. IT IS NOT that the dollar has gained any real fundamental strength in recent months; rather it is that the pound and the franc got so weak that, by contrast, the dollar gained stature. Excellent co-operation with the U. S. by Germany has caused the deficit in our international payments to all but disappear. Then, too, our nation did move toward fiscal restraint when it enacted the surtax. Finally, with the pound sick and the franc tottering, the other stable currency areas such as the German, Swiss, and Dutch just did not have sufficient size and room to accommodate all those financial refugees who might have been seeking shelter.

12. COULD BE ONLY TEMPORARY - But it is too early yet to crow. Our dollar may still fall victim to a re-

(Continued On Page 2)



DIRECTING NYSSA CHAMBER OF COMMERCE ACTIVITIES for 1969 will be these local businessmen. They are (l to r) Wayne Moncur, owner-operator of the Arrowhead Motel, president; Monty Burbank, a B & M Equipment employee, director; Bob Kennedy of the First National Bank of Oregon, director; Dave Rieb, owner-operator of Rieb's Market, vice president; Glade Chadwick, manager

of Oregon Concrete Product's Nyssa plant, director; Arleigh Adams, owner-operator of Johannesen-Adams Motors, retiring president and director. Jake Fischer will serve as C of C secretary, replacing Paul Penrod. He was not on hand when this picture was snapped Monday at Brownie's cafe. - Journal Photo.

Cliff Main Injured In Hunting Accident Showing Improvement

Clifford (Cliff) Main, contractor-carpenter and ex-mayor of Nyssa, who was hospitalized in St. Alphonsus Hospital in Boise Sunday as the result of a hunting accident, is now off the critical list.

Mrs. Main (Marie), who has been with him constantly since his arrival in the hospital, told a Journal reporter Thursday afternoon that he was showing improvement daily. She also asked the Journal to express the family's thanks for the kindness and considerations shown by friends.

The accident occurred about 9 a.m. Sunday near Rome (33

miles West of Jordan Valley) while Main, his son Kent, and Bill Mayden, all of Nyssa were on a goose hunt that had started Saturday morning.

They had become separated in their quest and Mayden had returned to the Jeep (about 1-1/2 miles away) when Kent spotted a coyote and cut down on it with his shotgun. It was at this time that his father, who had been crawling along a brushy draw raised up in time to get part of the load in the side and back of his head.

Nyssa Soldier Dies In Mishap

A Nyssa Soldier, 21-year-old Army Sergeant Ralph Leavitt was accidentally killed Saturday, Dec. 28, 1968 in Korea in a firing range mishap, relatives were notified this week.

His sister, Mrs. Burnell Stelling, said Army officials had notified the family of the death which occurred from a bullet accidentally fired by another soldier.

Nyssa Soldier Dies In Mishap

He is survived by his widow, Mrs. Bonnie Leavitt and son Dick and daughter, Michele of Adrian; his mother, Mrs. Ruby Leavitt, a sister, Mrs. Claudette Stelling of Nyssa; and a sister, Mrs. Jeannie George of Washington. Services have not yet been set.

TVCC STARTS REGISTRATION JANUARY 6

Regular registration for winter term at Treasure Valley Community College is set for Monday, January 6. Individuals may contact members of the student affairs staff by calling the college for counselling on courses of study. The Office will remain open, with the exception of New Year's Day, for those wishing to register early.

Dean of Student Affairs, Otis Murray, reminds prospective students that they may choose from 34 different transfer curricula and 20 separate occupational terminal curricula at Treasure Valley Community college. "Many of the educational needs are readily met here at TVCC. Those not taking advantage of this great opportunity should take another look at the fine instruction available," Murray added.

Tax Payments Exceed 80% On Record Roll

The collection of the 1968-69 Malheur county taxes is now 83.2 per cent completed with a total of \$3,710,339.23 collected through December 18.

Robert G. Ingram, Sheriff and Tax Collector, said this amount represents taxes collected over the counter in a period beginning in mid-October, plus the large volume of mail worked following the Nov. 15 deadline rush period.

The 1968-69 tax roll for Malheur county is \$4,458,736.70, a gain of \$564,897.09 over the 1967-68 total.

SUFFERS INJURIES

Upon returning to Nyssa from Colorado recently, Mrs. Ed Tyner, Mike and Becky were met by her brother, Albert Kobs of Boston, Mass. He had arrived to spend the Christmas holidays with the Tyner family.

On Dec. 19 Kobs took the Tyner's pickup to a service station for repairs. The vehicle rolled forward crushing him against a wall, breaking his pelvis bone. He is now a patient in Malheur Memorial hospital.

PERSONALS

Mr. and Mrs. Gary Bybee and son of Scottsdale, Ariz. arrived to spend the holidays with his parents, Mr. and Mrs. S. P. Bybee. The foursome attended a recent Taco dinner at the home of Mr. and Mrs. Owen Froerer.

WAYNE MORSE STOPS FIGHT FOR SENATE

Wayne Morse, Oregon senator for the past twenty four years, conceded defeat in his contest for another term, following his costly re-count of the November tally.

The general election count showed him losing to his youthful Republican opponent Robert Packwood by 3,445 votes. Following this he asked for and was granted a re-count in which he picked up approximately 180 votes. This effort cost his friends and supporters an estimated \$50,000 according to the appeal made by Re-Count chairman, Jake Benshoof.

For a number of days after the results of the re-count were made public there was speculation that Morse would try to hold on to the seat through having the senate declare the office vacant.

Governor McCall (R) made a public announcement that he and other state officers would go to Washington, D. C. if necessary, to have Packwood declared the winner, saying otherwise it would reflect upon the honesty and efficiency of election officials in the state.

Morse, elected in 1944 as a Republican, switched to the Democrats in 1952 following the election of Dwight D. Eisenhower as president, and has been a Maverick not supporting any of the presidents or administrations since his first election.

Mrs. Bonnie Leavitt and son Dick and daughter, Michele of Adrian; his mother, Mrs. Ruby Leavitt, a sister, Mrs. Claudette Stelling of Nyssa; and a sister, Mrs. Jeannie George of Washington. Services have not yet been set.

Friday Rites To Be Held For Area's Pioneer Doctor



DR. J. J. SARAZIN

Services for Dr. Joseph James Sarazin, pioneer Nyssa physician, will be held at the Lienkaemper Chapel in Nyssa, Friday, January 3, at 11 a.m., with the Rev. Rustin Kimsey of the Episcopal church officiating.

Dr. J. J. Sarazin passed away December 30 in a Portland hospital. He was born at Lake Linden, Michigan September 15, 1876 to Norbert and Isabel Sarazin. Dr. Sarazin attended Lake Linden schools and graduated from Superior Business University, Superior, Wisconsin in 1893. He became a licensed pharmacist in 1898. He later studied medicine at Northwestern university and graduated from the University of Colorado Medical School in Denver in 1904. After internship in Denver, he came to Boise in 1905, then to Nyssa to help with a typhoid epidemic.

In 1916, he was married to Ethelwyn Boydell of Nyssa. In addition to a busy practice of medicine for over half a century, Dr. Sarazin was always interested and active in many community activities. He homesteaded a farm and ran a cheese factory about 1915. He was a member of the Chamber of Commerce. One of his many interests was the development of irrigation and he was one of the organizers of the Owyhee project, the building of the Owyhee dam, and served as president of both the Owyhee Irrigation District and the Ontario-Nyssa Irrigation District. He was influential in having the Amalgamated Sugar Co. locate in Nyssa.

Dr. Sarazin was on the staff of the Holy Rosary Hospital in Ontario and was instrumental in starting the Malheur Memorial Hospital in Nyssa. He was a member of the AMA, Oregon Medical Association, Western Association of Railroad Surgeons, and the American Association of Railway Surgeons.

After his retirement from medicine, Dr. Sarazin became well-known for his paintings, sculptures and many stories of early days around Nyssa.

He was preceded in death by his wife, Ethelwyn, in 1950, and by seven brothers and five sisters.

Survivors include sons Norbert Sarazin, Dr. David Sarazin, Nyssa; daughters, Mrs. Harriet Peterson, Portland, Mrs. Isabelle Larsen, Yucca Valley, Calif., Mrs. Margaret Tensen, Nyssa, eighteen grandchildren and two great grandchildren.

The family requests that memorials be sent to the Malheur Memorial Hospital.



DEANNA LYNNE CORNETT, DAUGHTER OF MR. AND MRS. Ronald and Dorothy Cornett was the first 1969 baby born at Malheur Memorial hospital. She is shown in the arms of her mother as the Journal camera was taken to the local hospital Thursday, Jan. 2. The infant arrived at 2:13 p. m. on New Year's day, weighed in at 10-pounds and seven-ounces, measuring 21 inches in length. Upon being taken to her home at 106 North Seventh avenue in Payette, she will be welcomed by one brother, Delbert Ray, 5; two sisters, Ronda Le, 4 and Tracy Ellen, 18-months old. Nyssa's Dr. K. A. Danford was the attending physician. The infant's father has been employed at Johannesen-Adams motors for approximately two months and the family is still looking for a house in Nyssa. Grandparents are Mr. and Mrs. Olen Harris of route 2, Weiser; Mr. and Mrs. Marv Cornett of Payette. - Staff Photo. The baby and her parents will receive many nice gifts from local merchants as is indicated on page six of this issue of the Journal. - Staff Photo.