

# Nyssa Gate City Journal

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## BABSON'S REPORTS FINANCIAL-BUSINESS FORECAST FOR 1974

By Babson's Reports Inc., Wellesley Hills, Mass., December 27, 1973. Shortly after publication of our 1973 forecast, a vital change in the ground rules occurred when the Administration suddenly put into effect Phase 3 of its economic game plan. With fear of inadequacies of food and feed supplies already driving prices upward, this unexpectedly early shift in policy sent many other prices soaring.

In our forecast of a year ago, we warned against succumbing to the outright optimism on 1973 then prevailing, citing inflation as a possible pocket of serious trouble. Despite some problems no one could predict, factory output, retail trade, profits, employment, personal income, and business capital expenditures achieved the lofty results we projected. Except for limitations of productive capacity and transportation, 1973 could have seen larger gains.

### CHANGE IN LIFE STYLE AHEAD

The staff of Babson's Reports now detects signs of a period of change in the life style of the nation's populace. For an indefinite time, rising costs along with inadequate supplies of fuel and energy could force alterations in demand and living habits, just as high prices and short supplies of food have forced changes in our diet. Industrial and commercial establishments and even the nation's international posture could be affected. Use of leisure time and consumer shopping habits may be influenced. Even protection of the environment could become less imperative. On the positive side, however, the might of the country's research and technology will be brought to bear most forcefully upon the fuel and energy problems.

### SOME LETDOWN FOR 1974

Even before the energy shortage had reached acute proportions, there were increasing signals that the cyclical rise in economic activity was aging. In 1973 this three-year-old had already encountered production capacity limitations in one industry after another of a nature not easily remedied. Then came the fuel shortage to pinch matters. So, with interest rates at stratospheric levels and credit supplies still stringent, some letdown seems inevitable for 1974. At this juncture, its magnitude is iffy, depending in large measure upon how long and how onerous the curtailment of Midwest oil supplies turns out to be. Even if the spigots were soon turned on again, we would not be likely to escape without some industrial and commercial disruptions, while consumers might tug their purse strings tighter because of impaired employment and income prospects. Thus, an economic setback of wider scope than a "growth recession" seems imminent.

### NO DOUBT ABOUT INFLATION

Almost as critical to businessmen, consumers, and investors is inflation. 1973 was a traumatic period on this score, inflation virulent and visible along a broad front. In the opinion of the Babson's Reports staff, the

only uncertainty is the DEGREE of inflation that will be seen in 1974. It is too much to hope it will be mild in view of the ongoing escalation of fuel costs along with the inevitable hikes in other fields. Also, the second phase of multi-year labor pacts signed in 1973 will automatically boost wages nearly as much as in the past year, as could any new pacts negotiated over the next twelve months. Many will be augmented by raises guaranteed under living-cost escalation clauses.

As of now, we forecast an inflation rise of approximately 6% in 1974. Here are some of the reasons for this seemingly moderate projection: Interest rates may already have crested over for this cycle; monetary authorities are not likely to completely abandon their anti-inflation credit stance unless inflation is super-seeded by threat of a deeper recession than is now anticipated; beleaguered consumers will display sharper price resistance; and the cooling of domestic and foreign industrial activity should ease the feverish scramble for raw materials and commodities.

### LESS PRESSURE ON THE LABOR FRONT

No one can blame the unions solely for the acute inflationary pressures of 1973. To their credit, labor leaders were moderate in new contract demands, and the danger-fraught calendar passed with no sequence of harmful strikes. Looking ahead, 1974 will be the lightest of the three-year cycle that recurs in major labor contract expirations, with the steel industry virtually alone in the spotlight. There will be numerous secondary unions at the bargaining table, but none with the clout of the United Steelworkers. The severe upthrust in consumer prices will make the steel group bargain more aggressively, but the expected sag in business could lighten some of this pressure. Then, too, the close relationship between labor and management in trying to do away with crisis bargaining in steel is an experiment that may well pay off.

### GROSS NATIONAL PRODUCT

The staff of Babson's Reports looks for a 5% increase in the Gross National Product (in current dollars) for 1974 as compared with 1973, primarily as a reflection of higher prices. If the fuel and energy shortages are not ultra-severe in the winter months, early-year economic activity could be bolstered by existing backlogs of unfilled orders. Capital outlays and government spending will be the backbone of GNP, while the prime boosters of the past two years--inventory accumulation and consumer spending--will exert a largely negative influence. The GNP will probably be more deceptive in 1974 than for many a year, with inflation making any gain in the "current dollars" figure illusory.

All in all, 1974's "real" GNP (expressed in constant dollars--currently based on 1958) may shade off 1% from the 1973 level. The quarterly figures are likely to chart a downward path for the first three quarters of (Continued On Page 11)



THE SHAY BYBEE HOME on Columbia Avenue was again the festive spirit, beautifully decorated and lighted to help make Christmas in Nyssa a warm occasion.

## TVO, Inc. Will Begin Operation Blood Drawing Friday At Eagles Hall

Treasure Valley Opportunities, Inc., the local sheltered workshop, will begin operations in Ontario. Don Mickey, Executive Director, stated that TVO Inc. which has been in operation in the planning stage since July has secured a short term lease on the building formerly known as WEMO Manufacturing. Financing to purchase the building will be arranged over the next few months.

Treasure Valley Opportunities will be training mentally and physically handicapped adults. The clients will come from a large area including both Idaho and Oregon. As Don Mickey stated that the river serves no barrier to the training program. Many contracts have been secured so that production will begin the first of January. Seven to ten clients will start in the training process and build in number as more contracts are secured.

The building is certainly one of the finest if not the best workshop type facility in the Northwest area. The diversified production processes will serve as rewarding work experience to the clients as they train to secure jobs in their local communities.

### Speed Limits Cut Accidents

The Oregon speed limit has been reduced for a month now and the preliminary results are in.

Gil Bellamy, the Administrator of the Oregon Traffic Safety Commission reports that there was a 17 per cent reduction in accident reports and a 28 per cent reduction in traffic fatalities.

Bellamy notes that while the 55 M.P.H. speed limit was adopted to save fuel it has proven to be a life saver too. To keep the new speed limit in perspective he points out that traffic deaths have been lower all year for a variety of factors, particularly the special selective enforcement teams which have been organized in several Oregon counties this year.

### WEATHER

DATE	MAX.	MIN.	PREC.
Dec. 19	41	28	
Dec. 20	40	29	
Dec. 21	43	34	.32
Dec. 22	50	35	
Dec. 23	45	34	
Dec. 24	38	26	
Dec. 25	41	28	.06
Dec. 26		22	

Owyhee Reservoir Storage 12/24/73 428,950 Acre Feet 12/24/72 493,390 Acre Feet

## Blood Drawing Friday At Eagles Hall

The Red Cross Blood Mobile will be in Nyssa, December 28, between the hours of 2 p.m. and 6 p.m. It will be stationed at the Eagles Hall and the quota for the drawing is 150 pints.

Mrs. Robert Wilson, Hospital Auxiliary President and Chairman of the Blood Mobile, said those between the ages of 18 and 65 are asked to give. Persons who have had malaria, but have not had a recurrence in the past three years, are eligible to give blood. Persons taking medications may check with

## County Court Awards Nursing Home Contract

The Malheur County Court Friday signed a contract with Ray Kinney Construction Co. of Ontario for a part of the project to expand and remodel the Malheur Nursing Home.

Bids were opened for the construction project Wednesday and Kinney's low bid of \$428,889 was 22 1/2 per cent above the estimate. Funds for the proposed construction had been granted by the court from Revenue Sharing Funds and totaled about \$348,000.

The budget committee Friday agreed to recommend to the new budget committee that the revenue funds for the two quarters after July 1 be granted to the nursing home fund.

Friday, only the amount already budgeted for the con-

## Clyde Swisher Appointed

Clyde Swisher has been appointed to one of five advisory committees of the Oregon Board of Education. The appointment of Swisher was to the statewide assessment advisory committee.

Swisher is one of 14 members who will serve on the panel which was established to make recommendations on guidelines for implementing a statewide assessment plan, according to the board.

## Drivers License Examinations

Drivers license examinations will be held at the City Library Meeting Room in Nyssa from 9 a.m. to 4 p.m. on January 9, February 13 and March 13 in the first quarter of 1974.

## Nyce Elected Ore-Ida Foods Plans Chamber Head \$7.5 Million Expansion

Ken Nyce, manager of Stunz Lumber Company, was elected president of the Nyssa Chamber of Commerce for 1974. Nyce has been vice-president, and will take over from Rod George, outgoing president. Jake Fischer was elected vice-president, and Ralph Lawrence was re-elected secretary-treasurer at the board of directors meeting Wednesday noon at the Twilight Cafe.

Plans were discussed for the annual meeting and installation dinner to be held early in January, time and place to be announced later. Chamber members agreed to set up and take down the Red Cross Bloodmobile apparatus for the blood drawing Friday, December 28.

Ore-Ida Foods, Inc. will spend \$7.5 million in expanding its Ontario processing plant in the coming year. Work is expected to start in the spring and to be completed by December 1, 1974.

The expansion project will result in up to 350 new employees and will more than double the Ontario plant's production volume of potato products over the next three or four years, according to a joint announcement by Ore-Ida Foods in Boise and the Oregon Department of Economic Development in Portland.

All of the raw products required will be procured through contract and open market purchases with growers in the surrounding areas. Production of corn and onion products will not be affected. Growth of these product lines will continue as presently scheduled.

Most of the work will take place inside the plant and will consist largely of equipment installation. There will be few major changes in the exterior of the plant.

Robert K. Peterson, Ore-Ida President, stated: "The continuing consumer acceptance of Ore-Ida products has created a dramatic increase in sales during the past two years, requiring our company to expand its production facilities."

The company also operates factories in Burley, Idaho and Greenville, Michigan. The decision to expand the Oregon facility was based on several major factors.

The area in and around Ontario provides an excellent labor source, particularly in light of the fact of other recent industrial curtailments in the area.

Eastern Oregon and western Idaho provide an excellent potential for increased agricultural production. Another reason for selection of the Ontario facilities is that the company has developed with the growers of the area and the community a fine working relationship. Peterson further reports, "Al-

though somewhat concerned about the energy crisis, the company feels the Ontario area has the best potential in electrical power and water resources."

Governor Tom McCall described the expansion project as highly beneficial to Oregon's economy. He said it was compatible with the state's goal for balanced growth, would provide a high ratio of jobs to energy consumption and foster the continued growth and prosperity of agriculture.

Edward Whelan, Director of Oregon's Department of Economic Development, said he was working with the company on energy supply problems and was confident that these and other problems related to the expansion would be resolved.

Governor Cecil D. Andrus said that "the impact of the new expansion to the Ontario factory on Idaho will be significant as the company's workforce at Ontario is drawn almost equally from Idaho and Oregon residents. Each new factory job creates additional jobs for service industries. One further favorable aspect is an increasing demand for Idaho's No. 1 agricultural product--potatoes."

Company officials are working with the States of Oregon and Idaho and the Federal Government in assuring adequate supplies of natural gas and fuel oil and have also indicated they are looking into other alternatives such as coal, and steam generation by means of solid waste burning.

One of the major considerations in selecting this site for the massive expansion is that the present plant facility lends itself to the expansion both within the factory and the newly completed waste treatment facility. The new waste treatment installation can be expanded economically to meet ecological requirements.

The company is proceeding with plans for installation and is entertaining bids to begin construction.

## TVCC Registration Jan. 7

Treasure Valley Community College Dean of Students, Dick DeBisschop, announced that winter term registration will be Monday, January 7, instead of January 3, as originally announced. Doors will be open from 9:00 a.m. to 8:30 p.m.

The original date permitted only one day of class sessions during the first week of 1974, a situation which is not practical from the standpoint of energy conservation as recommended by Governor Tom McCall and State Superintendent of Public Instruction, Dale Parnell. Conversely, to have moved registration back a day earlier would have required many students to travel New Years Day.

Treasure Valley Community College faculty and student personnel people will be on campus January 3 and 4, for counseling and pre-registration for those students who do appear. In addition, dormitories and the cafeteria will be open. Classes will begin January 8.

January 7, 1974	
W-6	W-8, W-10 (Snack Bar-Cafeteria area)
9:00 a.m.	W-Z
9:30 a.m.	N-Q
10:00 a.m.	T-V
10:30 a.m.	G-H
11:00 a.m.	C
1:00 p.m.	R-S
1:30 p.m.	M
2:00 p.m.	D-F
2:30 p.m.	I-L
3:00 p.m.	A-B
6:30-8:30 p.m.	Open

## Local Men Purchase Sale Yards

The Ontario Livestock Commission Co. was sold Friday to C. John Stringer, Nyssa and Lon Chisum, Fruitland.

The sale includes both the Ontario and Weiser sale yards with the purchase price not disclosed.

All 33 former stockholders have been bought out, Stringer said.

Chisum will be new general manager and Dale Melhorn has been named office manager.

The structure of the business will be changed somewhat, according to Stringer, who reported that the firm will no longer have buyers in the field, purchasing cattle. All cattle sold will be consigned to the auction yard and the auction yard will operate as an auction.

Melhorn announced that there will be no sales at either Ontario or Weiser next week with Ontario to have a sale on Monday, Dec. 31. Beginning with the first full week in January, Weiser will again have weekly Monday sales and Ontario will have weekly Tuesday sales.

Stringer said the new owners are looking forward to serving the public in a conscientious way. Their reason for being here is to serve the public, he said.

## Alien Address Report Program Now Underway

Albert Conversano, Jr., District Director, of the Immigration and Naturalization Service advised today that the annual alien address report program is again underway.

According to Mr. Conversano, 23,791 aliens reported their addresses last year in the State of Oregon. The number this year is expected to be slightly larger. The Immigration official pointed out that the address reports are required by law and willful failure to comply with these requirements may lead to serious consequences.

Forms with which to make the reports are available at all Post Offices and Immigration and Naturalization Service Offices. After filling out the card the alien may place a stamp on the card and mail it directly to the address preprinted on the reverse of the form. Aliens who complete the alien card at a Service Office will give the completed card to the service employee. For those unable to personally return the cards may mail them to

the address on the card.

Mr. Conversano added that trained personnel will be on hand in all offices of the Immigration and Naturalization Service to answer any questions the reporting aliens may have regarding Immigration and Naturalization matters. Sufficient trained personnel are not available to furnish this assistance in all Post Offices.



NYSSA ELEMENTARY SCHOOL students serenaded the downtown area last Friday with Christmas carols before dismissal for

the Christmas vacation. School will convene again on January 2, 1974.

