

Nyssa Gate City Journal

70th Year 1st Issue

The Sugar City

Nyssa, Oregon Thursday, January 1, 1976

Thunderegg Capital

15¢ Per Copy

Town Crier

By Pat Savage

Wasn't it a great Christmas? Sure nice to visit with friends and relatives this holiday season. Hope you enjoyed Christmas dinner. We sure did. The weather was so very nice and a few degrees warmer. Hope you remembered to share with those less fortunate. Remember the spirit of giving and sharing should go on right through the year, not only at Christmas. Perhaps that might be a good New Years Resolution.

Can't believe that 1975 is drawing to an end. Time seems to go so fast you just can't imagine where it goes. Our town is another year older. We have had babies born and people we know pass away, our school is in the process of being rebuilt, our town is the proud possessor of some beautification projects, we have a new water tower on the hill, we have people willing to take the responsibility of public office and help our town to grow and function as an asset to its citizens and this part of Treasure Valley.

We have our rich farmland and the farmers to produce the crops that bring in the harvest to the Amalgamated Sugar Factory, American Fine Foods, Farmers Feed and Seed, Wahlert Seed, Dessert Seed, all the produce houses, and all the businesses that help process that bountiful harvest and provide employment for our townspeople.

We have a great supply of ambitious youth who are intelligent and are interested in learning and making their

B&PW Sponsor Education Course

An evening course, entitled Political Education in Action, is being offered at TVCC this term. This is being sponsored by the Payette Business & Professional Women's club. Registration for this seven-week course will be Monday, January 5 with classes to begin Tuesday, January 6 at 7:30 to 9:30 p.m. Shirley Crenshaw, with the Ontario Employment Office, will be the instructor for the course. Anyone interested in understanding the basics of politics is encouraged to register.

way in life. Our school system has some good teachers who will help guide these young people along the rocky road of their school years. Most parents are going to make sure their children are set on the right course and be there when they need a helping hand.

Most of all we have each other, a group of citizens, called Nyssans. We each depend on the other fellow to do his share, and there will be times when we must shoulder not only our responsibilities, but our neighbors as well.

There is a lot to be done in our community and in order to get these things done, it will take each and everyone of us, shoulder to shoulder. Our town is only as good as we make it.

Won't you help by sharing a part of your citizen's responsibility this coming year? This is our Bicentennial Year so lets make it something to celebrate. Help our town to be not just a city but "Home."

"May you all have a very prosperous New Year."



THESE THREE 13c POSTAGE STAMPS are now standard postage for all first class mail, effective early Wednesday. Postmaster Harold Pook said that all other mail rates went up at the same time, including



registered and certified mail. The Postal Service also said that it is no longer necessary to use Air Mail, as regular first class mail goes by air in most cases.

Minimum Wage \$2.30 Jan. 1

Last month the Wage and Hour Commission increased the minimum wage to be paid to minors under 18 years of age. The rate was \$2.10 per hour beginning December 4. On January 1, 1976, the state minimum will increase to \$2.30 for both minors and adults. Unlike federal, the state rate of pay does not include tips, commissions, bonuses, spiffs or other benefits.

The new rate also covers minors formerly paid under federal rates set by the Fair Labor Standards Act (FLSA). When the state minimum wage for minors is higher than the federal rate, it prevails. This means that lower pay rates authorized by the federal government for students, learners and apprentices are not valid after December 4. However, the state currently grants special pay rates to individual employers for workers over 65 and handicapped of any age. To apply, contact the Bureau of Labor.

On January 1, the new state minimum wage is \$2.30 per hour. There are some specific groups of working minors who can be paid less. They include agricultural

workers, domestic workers in households, news carriers, and news vendors. Youth camp workers have a special state minimum wage schedule. Some of these groups of workers must be paid federal rates. We suggest that you contact the U. S. Department of Labor, Wage and Hour Division, for current federal rates and regulations.

To help employers understand and comply with state law, the Bureau of Labor will have a statewide, toll-free hotline. After January 1, you may dial 1-800-452-3503 for information on state wage and hour laws and minimum wage rates. If you want to receive notices of Wage and

Hour Commission meetings, you may use the hotline to make that request as well.

WEATHER

Date	Max.	Min.	Prec.
Dec. 23	33	17	
Dec. 24	34	20	.07
Dec. 25	35	29	trace
Dec. 26	37	31	.19
Dec. 27	41	29	.14
Dec. 28	34	25	
Dec. 29	36	32	
Dec. 30	30	30	.14
Owyhee Reservoir Storage:			
12-29-75	591,060	Acre Feet	
12-29-74	408,850	Acre Feet	

Potato Growers Set Annual Meeting

January 7 is just around the corner and that is the date set for the Annual Malheur County Potato Growers Association Meeting. A very good program has been developed and to give you some idea of what you might expect—Chuck Stanger, OSU Researcher from the Malheur Branch Experiment Station will give his latest information on potato variety performances and results of his extensive work on weed control. Mr. Jay Glatt, from the Oregon State Department of Agriculture will talk on his experiences obtained from recent trips to the mid-east and far-east as they relate to the export potential of processed and fresh potatoes. Mr. Henry Yang, Research and Development Representative for the Union Carbide Chemical Corporation will discuss the pro's and con's of

Sugar Beet Growers Schedule District Meetings, Elections

The Nyssa-Nampa Beet Growers Association has scheduled a series of district meetings, each beginning at 1:30 p.m., as follows:

January 5, Payette-Buckingham-Letha, Weiser-Rebecca, and Oregon Slope Districts at Oregon Slope Community Hall.

January 7, Marsing-Home-dale District at the Marsing American Legion Hall.

January 8, Vale-Hope, Jamieson and Luce Districts at the Boulevard Grange Hall.

January 9, Nyssa Factory, Oregon Trail and Adrian Districts at the Oregon Trail Hall.

January 12, Bowmont-Stoddard-Mora, and Nampa Factory Districts at the Country Inn, Nampa.

January 13, Wilder-Doles, Notus-Parma-Mangum-Caldwell-Amsco Districts at the Ten Davis Community hall north of the Mangum beet dump.

Five of the districts will elect directors for three year terms. The districts and the incumbent directors are as follows:

Weiser-Rebecca, Luther E. Roberts; Nyssa Factory, Frank Skeen; Oregon Trail, Robert C. Holmes; Nampa Factory, Gerald Hillyard; and Notus-Parma-Mangum-Caldwell-Amsco, Donald G. Johnston.

Some of the items that will be discussed are the rise and fall of the sugar market, contract negotiations, proposed research plans, and the request of the Company to use the futures market as a hedge in selling of sugar.



RESEARCH ON IRRIGATED LAND at the Malheur Experiment Station near Ontario includes crop variety testing, soil fertility and weed control experiments and testing of new crops for the area. Here, station superintendent E. N. Hoffman checks some irrigation tubing at the station, which was established in 1942. (Oregon State University Experiment Station Photo)

Babson's Business and Financial Forecast for the Year 1976

Babson's Business and Financial forecast for 1976

By Babson's Reports Inc., Wellesley Hills, Mass., December 24, 1975. In its forecast for 1975 published a year ago, the staff of Babson's Reports envisioned an unfolding scenario far less pessimistic than the general atmosphere prevailing at that time. The primary message then was that the nation's problem for the ensuing 1975 calendar year was a recession and not a devastating depression. This thesis was predicated on the probability that recuperative forces would start to emerge as imbalances in the economy were corrected.

Babson's 1975 forecast also called attention to the various cushions which would play a vital role in lessening the severity of the recessionary forces despite the doom and gloom psychology holding sway as 1974 drew to a close. At the same time, however, the forecast warned against expecting the sort of rapid recovery from setbacks that this nation had experienced over the past 30 years. The causes of this latest recession were particularly deep-rooted and there was no question but that they would be difficult to cure.

1976—Overall Prognosis Favorable

Everything considered, however, the staff of Babson's Reports forecasts further economic progress for

1976, even though readers of this column should not expect a return to outright boom conditions. Unwieldy inventories and short-term debts have been reduced over the past year or so, but the real stuff needed to spark a protracted upsurge—aggressive business and consumer purchases, plus massive capital expenditures—are simply not on the horizon. As things stand, the first quarter could well be the best part of the year in terms of economic expansion. While the ensuing quarters will tack on additional gains, the size of the year-to-year improvements will diminish as 1976 progresses. But the key is that the trend will be upward throughout the entire year.

GNP—With and Without Inflation

In terms of "current dollar value," the nation's Gross National Product in 1976 should score an advance of some 11% over the 1975 totals that look as though they, in turn, would barely eclipse those of 1974 when final tally is made. While an increase of 11% may seem impressive, the force of up-thrust will not be all that great. The broadest year-to-year gain will be seen in the first three months because this quarter is compared with the deepest point of the recession when the rate of inflation was still intolerably high. The moderate and low-key nature of the busi-

ness uptrend can be better appreciated by projecting the GNP on a constant-dollar basis (1958 as the base period), adjusted to remove the influence of inflation. Babson's Reports projects the "real" GNP for 1976 at 4% above that for 1975. This upshading is only a bit greater than the basic growth rate of the economy and surely does not merit a "boom" label.

Keep An Eye On Inflation

By and large, 1975 witnessed a fair degree of success in damping the fires of inflation. While this corroder of purchasing power remains uncomfortably high, its impact has been materially reduced in the course of the past 12 months. In early 1976, inflation should be moderately well contained, but with the advent of the spring months upward pressures will again strengthen. As was the case in the past two years, this will be due to cost-push rather than demand-pull factors. The latter, however, could compound the problem somewhat in the middle and latter parts of the year as business makes headway. In the initial months of 1976, inflation will not build in direct proportion to the amplitude of new wage hikes, since the substantial reservoir of underutilized production capacity in many industries and the cautious buying policies of consumers and businessmen militate against free and unrestricted price markups.

But this barrier against inflation will be increasingly difficult to maintain as 1976 proceeds. The cumulative effects of boosts in labor costs, shipping charges, and other operating expenses will gradually offset some of the benefits of higher production and sales, squeezing profit margins to such an extent that only compensating price boosts can alleviate the situation. Also, continuing massive deficits in the federal budget will add potent fuel to inflation, both psychologically and to the degree that such deficits are monetized. We envision inflation averaging some 7% in 1976.

Inventories—Less Dominant in 1976

Sudden changes in the policy of business toward inventory holdings in the year ahead will not be the dominating influence on economic activity that they have been in the past two years. The Arab oil embargo created fear of supply shortages and price increases. The ensuing spurge of inventory accumulation served to buoy 1974's business for the better part of the year before it was realized that consumers had altered their spending pattern and that high borrowing costs were negating the cost benefits of stockpiling. The resultant turnaround in policy in favor of retrenchments in inventory holdings and bank loans triggered the sharp slump in industrial activity in late 1974 and early 1975.

And, here again, in some segments of the economy businessmen overreacted. So as signs of a loosening of consumer purse strings were seen, overly deep slashes in inventories had to be corrected. It was this move to replenish stocks of raw materials and finished goods which brought about the unexpectedly early and steep business climb starting in the second quarter of 1975.

Such pronounced swings in business inventories are not likely to be repeated in 1976. There may be some stockpiling early in the year to hedge against the debilitating effects of a possible protracted tie-up of the nation's trucking industry by the Teamsters early next spring, but for the most part labor negotiations during the year ahead do not involve industries which would require intensive strike-hedge inventory accumulation. Moreover, the somewhat more liberal consumer spending pattern is neither deep-rooted nor extensive enough to encourage merchants to load up. And manufacturers and retailers still haunted by memories of the surplus goods of the past 18 months are not anxious for a repeat of that fiasco.

Industrial Production

The last major cyclical up-trend in industrial production peaked in the latter part of 1973. Except for a moderate adjustment, factory operations were sustained near that top level for almost a year owing to the scramble

for inventories. Finally, however, the stagnation in consumer demand forced a drastic liquidation of surplus stocks during the second half of 1974 and triggered the nosedive in production. In the six months encompassing the final quarter of 1974 and the first quarter of 1975, the economy was battered by an awesome sequence of events: Production curtailments, shortened workweeks, employee layoffs, and plant closings. But since the upturn last May, the Federal Reserve Index of Industrial Production has advanced steadily and somewhat more steeply than was thought likely a year ago.

What with the gathering momentum of the fledgling recovery phase, 1976 makes its debut enjoying a brisk pace of factory operations. While the strength is not evenly spread across the industrial spectrum, the cyclical advance of automobile output and the more positive signs in the long-subdued home building sector are optimistic. Consumer demand for apparel, appliances, and home furnishings is also contributing to the industrial improvement. So even with allowances for possible strike interruptions, it now looks as if 1976 can manifest an overall upward trend, although factory production may not exceed the close to 3% long-term growth rate of the economy. Year-to-year comparisons are likely to be most impressive during the first four months since corresponding 1975

figures were in the cyclical trough of the recession. Thereafter, gains will narrow even as factory operations continue to make progress—ex-strikes. This may not seem impressive, but a predominantly upward trend at approximately the rate of the nation's basic growth is surely far more acceptable than the adverse experiences suffered in parts of the past two years.

Business Capital Spending

A more ambitious projection of both the real GNP and industrial production is not warranted at this time since business capital expenditures for the expansion of productive capacity are likely to remain limited. Such spending, particularly when superimposed upon powerful consumer demand and aggressive inventory accumulation, is a prerequisite for a business surge of boom proportions because it takes this type of activity to hike demand sharply for manpower and materials. But there is still a sizable amount of productive potential in American industry either underutilized or idle. Until the impetus of fullscale production is felt and business confidence is again running strong, it is unlikely that budgets for capital investments will be liberalized to any appreciable extent. This may apply especially to 1976 inasmuch as the high level of factory operations will doubtless be

reached in the second half when profit margins will feel increasing pressure and the monetary climate may well present a considerably less expansive posture.

True, political overtones will be strong in much of the new year, and there may well be a push for business capital expenditure incentives. Capital spending policies, however, are not likely to anticipate any such favorable legislation but rather to wait and see. The total of capital spending in 1976 may top that of 1975, but the edge should be small and contain a substantial inflationary content. It should be noted, too, that many such outlays will be for compliance with environmental improvement regulations rather than for raising production. So, this aspect of economic activity in 1976 should prove to be more of a sustainer of business than an upthruster.

Corporate Profits

Corporate profits in 1975 did better than had been anticipated because of the unexpectedly sharp and early business recovery and the decline in some raw materials costs. With the prospect of even further advances in business during the new year, corporate profits after taxes could well run 20% above the 1975 levels. Most of the gains are likely to occur early in the year, however, as the bite of costs will tend to deepen as the year proceeds.

(Continued On Page 9)

