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BUSINESS

DOW ↓ 11.81
NASDAQ ↓ 13.30
S&P 500 ↓ 5.35

ed cuts rates to stave off recession

ny economists think
ould be last reduction

BY JEANNINE AVERSA
The Associated Press

ASHINGTON — Scrambling to
up the faltering economy, the Fed-
Reserve cut interest rates to the
st point in nearly four years
uesday as the nation teetered on
dge of recession.

Wall Street rallied at first but pulled
back, concerned that the reduction
at be the last for a while.

The Fed's trim was smaller than
of recent months amid indica-
that the central bank might pose
whether months of rate-cutting
billions of dollars in stimulus
as will be enough to lift the coun-
t of its slump.

Chairman Ben Bernanke led a divid-
ed, in an 8-2 vote, in slicing its key
y one-quarter percentage point to
cent.

In turn, the prime lending rate for
ons of consumers and businesses
y a corresponding amount, to

5 percent. The prime rate applies to cer-
tain credit cards, home equity lines of
credit and other loans. Both rates are
the lowest since late 2004.

The Federal Reserve, which has been
dropping rates since September, turned
much more forceful early this year
when housing, credit and financial
problems worsened.

Rate reductions in January and
March alone marked the most aggressive
intervention in a quarter-century
in an effort to re-energize consumers
and businesses.

"The substantial easing of monetary
policy to date ... should help to promote
modern growth over time and to miti-
gate risks to economic activity," the Fed
said, hinting that more cuts may not be
needed.

Enthusiastic Wall Street investors
drove the Dow Jones industrial average
up more than 178 points — lifting it
above 14,000 for the first time since ear-
ly January — right after the Fed action.
Then traders' caution returned, and
the index ended the day 11.81 points
below where it started.

Although the Fed didn't take another
reduction off the table, a growing num-

ber of economists think the central
bank is winding down its rate-cutting
campaign.

Barring another hit to economic
growth, they think rates probably will
stay where they are — perhaps through
the rest of this year — in part because
the Federal Reserve is concerned that
further cuts could join with increasing
energy and food prices and spread in-
flation dangerously higher.

By all accounts, the country's eco-
nomic health is fragile.

The economy crawled ahead at a pace
of 0.6 percent from January through
March as housing and credit problems
forced people and businesses to hunker
down, the Commerce Department
reported hours before the Fed's action.
Growth had been just as feeble in the
prior quarter.

Job losses for the first three months
of the year neared the staggering quar-
ter-million mark, and a government
report Friday is expected to show that
employers shed jobs again in April.

The unemployment rate, now at 5.1
percent, also could creep higher in
April and hit 6 percent early next year,
analysts say.

The Ticker

Mallorie's Dairy receives Five-Star Recognition

SILVERTON — Mallorie's Dairy in Silverton has been awarded
a Five-Star Recognition by the Milk & Dairy Beef Quality
Assurance Center. The organization has been conducting
reviews of dairies since 1990
with the intent of assuring top
quality and environmental stew-
ardship. The Five-Star rating is
the organization's highest.

To earn the recognition, Mal-
lorie's had to conduct self
reviews and undergo an on-site
visit. In addition, testing of
water, feed, manure and soil
were conducted to check envi-
ronmental impact. In addition,
subject reviews were made to check air quality, noise level,
worker safety, facility appearance and animal health.

— Don Currie

The Ticker Blog

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comings,
goings
and
updates
about
Mid-Valley
business events and people,
go to www.StatesmanJournal.com/ticker.



Tourism commission honors businesses

OREGON — Several business owners and volunteers through-
out the state, including the Salem Convention & Visitors Oro-
ssion, have been honored by the Oregon Tourism Commis-
sion in its annual Tourism Industry Achievement Awards.

The SCVA earned the Tourism Industry Awareness
Award, which recognizes a business, community or organi-
zation that demonstrated that what's good for the tourism
and hospitality industry is good for Oregon. SCVA chief
executive officer Angie Morris and her staff were singled out
for successfully communicating their message that tourism
brings vital economic enhancement to the city and region.

Other winners were:
■ Jack and Jan McGowan, longtime executives of SOLV,

Wall Street: Stocks dip amid fretting about Fed

Street gave up sharp gains and
lower Wednesday after the
Federal Reserve cut interest rates
one-quarter point but left

NYSE MOST ACTIVE

Citigroup Inc.	\$25.27	-\$1.05
Ford Motor Co.	\$8.26	+\$0.14

NYSE TOP ADVANCERS

Platronics Inc.	\$24.91	+\$3.63
Theragenics Corp.	\$4.25	+\$0.60