



South for the winter

# THE BEND BULLETIN

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An Independent Newspaper

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## Riverside hotel closing in Reno points up the current plight of small hotels

The Riverside hotel, one of Reno's big four and a landmark in the Nevada city for a number of years, has closed its doors. New financing, including a big loan from the Teamsters Union, failed to keep the hotel open. At the time of the closing it was indicated the hotel was losing about \$100,000 per month.

The hotel business has been a tough one in recent years, particularly in small towns.

During recent months the Pendleton in Pendleton and the Sacajawea in La Grande have closed. The Willard in Klamath Falls shut down, at least for a time. The Dalles in the city of the same name is reported on the verge of sale, to be torn down. Other small town hotels, not only in Eastern Oregon but all over the country, are in trouble.

Reno is not a large city, and its hotels have had the same trouble as hostelry over the nation.

What's wrong with the hotel business?

A lot of things. Some hotels have run downhill so badly, physical facilities have fallen so far behind the times, that travelers no longer use them in sufficient numbers. The Dalles hotel and the Pilot Butte Inn in Bend fall into this category.

Distances have shrunk, to the point

that many overnight trips — to Salem and back from Central Oregon, for instance—with some time for business, can be accomplished pretty easily in a day.

New motels have sprung up by the dozens in important tourist centers. (The Bend telephone directory lists well over 30 within the city of Bend.)

The motels offered free parking when the hotels made no provisions for the cars of guests. The motels had no bellboys with their hands out for a tip. Rates were lower than hotel rates. Separate units were attractive to many travelers.

The motels had the bulk of the business before the hotels knew what was up. By the time the hotels woke up, it was too late.

Hotel buildings, in many cases, have deteriorated pretty badly. The wiring and plumbing requires extensive, and expensive, rehabilitation. Reading a complete building survey of most existing small hotel structures is pretty depressing.

The hotel business has been bum in recent years. The recent flock of closings only points up the situation. And there seems to be little or no cure for the situation for hotels which continue operating in the same old fashion.

## The average Joe can understand this

Did you ever read a warranty deed? It starts out this way:

"KNOW ALL MEN BY THESE PRESENTS, that Joe B. Low, grantor, in consideration of umpteen dollars, to him paid by Jim Caselots, grantee, does hereby grant, bargain, sell and convey unto the said grantee, his heirs and assigns, all the following real property, with the tenements, hereditaments and appurtenances, situated in the County of Deschutes and State of Oregon, bounded and described as follows, to wit:"

Most persons can read this and get the general drift. But there are some words in there that are real doozers.

## Boycott won't help OSU

One can understand the reluctance of Sam Bell, Oregon State University track coach, to help build up the track program of rival University of Oregon.

But his refusal to enter OSU trackmen in the Oregon Invitational Indoor Track Meet at Memorial Coliseum next month, because it is sponsored by a UO alumni group and the profits go to the UO Development Fund, probably will hurt him and his own squad more than anyone else.

This is, after all, an opportunity to compete against top track performers from all parts of the country, and the experience should be helpful to any participant.

It might have been better had the annual meet started as a joint UO-OSU alumni venture. But it was initiated by 15 UO alumni who invested their own money and assumed all the risks.

"Hereditaments", for example.

At any rate, a committee of the Oregon State Bar has done something about it. The committee has put together a new deed form, which does the job of conveying a piece of property from one person to another. But it's in simple language, considerably shorter, and just as adequate.

This is a real blow for freedom. It falls into the same category as the Oregon Supreme Court's recent decision involving the instructions given to juries by judges, which should result in more understandable instructions in the future.

Since it has now become a profitable operation, their desire to channel the profits to their own school is natural. Bell had proposed that the meet now become a joint venture.

Since the Development Fund is used for general scholarship purposes, little of the meet profits will trickle down to Oregon's track program. Certainly the income from the meet, whether OSU participates or not, will have no real bearing on the quality of Oregon's future track teams.

Coach Bell has done an amazing job of raising the standards of track competition at OSU in a few years. He has a laudable ambition to match and surpass what Coach Bill Bowerman has done at Oregon. The boycotting of the Portland meet is not the way to do it.—(Oregon Journal)

## WASHINGTON MERRY-GO-ROUND

### Those who know score not mourning Skybolt

By Drew Pearson

WASHINGTON — It may not help Prime Minister Macmillan with his domestic political problems, but there's a certain poetic justice in the fact that President Kennedy is canceling the Skybolt missile contract with Douglas Aircraft.

For what Macmillan doesn't know is that time after time Douglas has come under fire for exorbitant profits on missile contracts, for collaborating with the Defense Department in putting out advertising to boost a bigger defense budget, and finally for selling the blueprints of the DC-4 to Japan before Pearl Harbor.

President Kennedy, therefore, is shedding no tears over Douglas's protests that it is losing the \$2,300,000,000 Skybolt contract. Douglas's track record of denials and lobbying pressure also brings no tears to anyone reviewing the record.

When this column reported that Douglas sold the DC-4 blueprints to Japan for \$706,720 in 1939, Donald Douglas, Sr., issued a ringing denial. Under no circumstances, he said, would Douglas sell blueprints to Japan.

But after the war, Japanese documents were seized, confirming the deal. One letter, Aug. 14, 1939, from A. Akabana to Maj. V. E. Bertrand of Douglas, was especially interesting.

"Looking over the Saturday edition of the New York Times," the Japanese official wrote, "I could not help but write this letter to compliment you for the most excellent way of disclosing the sales. Those 'in the know' will not object to the transaction as they are limited to those in our trade, while the laymen don't know what the ship is anyway when mentioned singly by your designation in the paper. . . . It was an excellent way of handling the difficult matter in a delicate situation, and I wish to share the feeling of relief, if you ever had one."

Colonel Nickerson's Exposure Douglas was also the focal point of the furor stirred up by Col. John Nickerson of Redstone Arsenal, when he blamed the U.S. missile lag on wire-pulling by certain big manufacturers and claimed they were undercutting efficient Army production.

"It should be noted that the aircraft industry and particularly the Douglas Aircraft Company openly oppose the development of any missile by a government agency," Nickerson charged.

It was the Army's Jupiter, built at Redstone, which finally launched the first American satellite. However, Nickerson's warning has come true. The big missile contracts for the Skybolt, et al, have gone to Douglas and other aircraft manufacturers, sometimes at exorbitant costs.

These costs were highlighted by Sen. John McClellan's investigating committee last spring when he showed how Douglas had rolled up a profit of 44.3 per cent on contracts to build missile launcher-loaders, even though it farmed much of the work out to other companies.

Western Electric, in turn, took a heavy "mark-up profit" on work which had been farmed out to other plants. Western is a subsidiary of American Tel and Tel, the company which Kennedy re-

commended should dominate the new communications satellite.

#### Defense Advertising and Politics

Douglas has been using an advertising campaign to keep the Skybolt contract from being canceled, and it's suspected that it even had something to do with stirring up British political repercussions in England.

Just how these advertising campaigns operate was disclosed during the defense lobbying hearings held by Rep. Edward Hebert, D-La.

"We discuss with Army public relations officers our advertising program every year," Donald Douglas, Jr., confessed to Hebert without batting an eye. "It's part of our partnership with the armed forces. Our habit is to submit to the armed forces a plan of what we propose in advertising and get their suggestions."

President Kennedy, in his TV report to the nation, referred to Douglas's advertising campaign against cancellation of the Skybolt; so it might be interesting for Representative Hebert to hold another probe to ascertain whether Douglas's current advertising was also concurred in by the armed forces.

Despite the track record of high profits and wire-pulling, the admirals and generals continue to favor Douglas. On the day after Kennedy gave his TV report to the nation, Sen. Clair Engle of California proudly announced that the Navy had awarded a \$13,400,000 contract to Douglas for long lead items for Skyhawk aircraft.

And since the McClellan Committee exposed Douglas's excessive profits on April 3 of this year, the Air Force has actually signed 19 contracts with Douglas totaling \$22,600,000; while the Navy awarded Douglas six contracts totaling \$14,200,000.

So, despite the finger of Congress pointing at excess profits, the armed forces blithely continue dishing out contracts to their old friends — the big defense contractors.

#### Missile-Go-Round

Prime Minister Macmillan's problem with cancellation of the Skybolt is because he was under heavy fire for surrendering Britain's own "Blue Streak" nuclear deterrent. He did this on the understanding that it would be replaced by the Skybolt. . . . Real reason why Kennedy is canceling the Skybolt is not its failures but because he is diligently and definitely seeking a tax cut. The only way he can cut taxes is to cut the budget and the only place where the budget can be cut is military spending. . . .

Though the Skybolt has had some experimental failures, the fact is that every new missile scores initial failures. Douglas did an excellent job in the end on the Thor, the most accurate of our long-range missiles. . . . Secretary of Defense McNamara, with his slide-rule brain, has calculated that with the Minute Man missile we can get more bang for the buck; so with economy necessary, the Skybolt has to go. . . . Kennedy is offering the British instead a medium-range mobile missile which can be transported around the British Isles by truck.

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## Rousselot gets John Birch post

BELMONT, Mass. (UPI)—U.S. Rep. John Rousselot, R-Calif., defeated in a bid for reelection last month, will become a top official of the John Birch Society, it was disclosed here today.

Robert H. Welch Jr., founder and director of the organization, said Rousselot will be the society's first district governor.

Rousselot, 34, will be in charge of Birch activities in six western states: California, Oregon, Washington, Arizona, Nevada and Idaho. California, especially the Los Angeles area, is one of the soci-

ety's strongholds. Rousselot has been a member of the society for some time. He served one term in Congress and was defeated in November by Democrat Ronald Brooks Cameron, a state assemblyman.

#### ALLOTS WORK PROJECTS

WASHINGTON (UPI)—Commerce Secretary Luther H. Hodges announced the allocation Thursday of an additional \$197.6 million for job-producing public works projects in economically depressed areas.

#### WALL STREET AND YOU

### N. Y. Stock Exchange has had vital industry role

By Dennis S. Steen

Perhaps no other single factor has contributed so importantly to the growth and development of our securities industry as has the New York Stock Exchange.

The New York Stock Exchange, as we know it today, had its beginning when 24 merchant brokers signed the "Buttonwood Tree Agreement" in 1792.

In this agreement they vowed to give preference to each other in their transactions, to charge a set commission and to meet daily at noon under a buttonwood tree in lower New York.

From 1792-1900 the group traded in government and municipal bonds, various merchandise and even livestock. In the year 1800, their operations were moved indoors permanently and became known as the "Merchant's Exchange."

In the ensuing years the group continued to grow in number and their sessions extended to half a day. The members carried on their buying and selling, auctioneer style, while seated around a vast table. Thus, the phrase "owning a seat" on the Exchange originated.

The growth of the securities industry was extremely slow during its early years, due to the scarcity of common stocks available to the public. But the coming of the railroad (in the early 1830's) signaled a new era of growth and importance to the Exchange. Railroad builders needed million of dollars and the public was ready and anxious to buy shares in the nation's newest industry. The place where the buyer and seller could meet on common grounds.

The years ahead were a period of rapid growth and expansion. The successful introduction of the teletype (1842) made it possible for individuals located in distant areas to buy securities for the first time.

In 1863, our group of security dealers, still known as the "Merchant's Exchange," moved to their present location at the corner of Broad and Wall Streets.

## Reminder given on yule trees

Special to The Bulletin

PRINEVILLE — Family Christmas trees may be cut at the request of one to a family upon request of a free permit at a forest ranger office, local residents are reminded by the Ochoco National Forest office. Permits will be issued through Sunday, December 23, C. L. Clark, forest supervisor, states.

Weekday hours for applying for permits are from 8 a.m. to 12 noon, and from 1 to 5 p.m. On the last Sunday of the season, December 23, permits will be issued at the ranger offices from 1 to 5 p.m. only.

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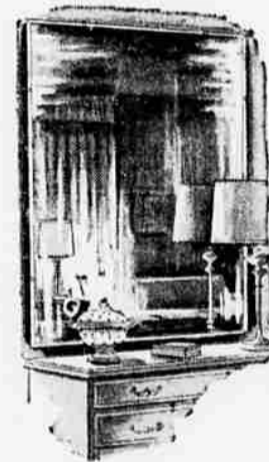
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