

# Babson Takes Cautious View on '63 Outlook

By ROGER BABSON

**BUSINESS AND EMPLOYMENT**  
The business situation will vary with industries, and hence with different cities. Some defense centers will boom; steel cities will still find the going tough, but better than a year ago. Considering the high level of the past ten years it will not be surprising for 1963 to show a moderate decline in business. If so it should come in the second or third quarter, with recovery in the fourth quarter, followed by a good 1964.

Disposable personal income will remain high. With increased savings deposits and little change in the cost-of-living, the public should continue to spend freely, especially if merchants maintain their advertising outlays.

Inventories will remain about the same during 1963. But government spending will increase over \$3 billion—largely on defense—and \$2 billion on new roads. Whether manufacturers will hike their expenditures for new machinery in 1963 in view of the depreciation tax credit, I would not now forecast.

All this means that business and employment for your city in 1963 will depend largely upon the attitude of its leading businessmen. If they will be optimistic and spend more on new plants, advertising, and salesmanship, we should have nothing to fear.

### STOCKS AND BONDS

My father used to tell me, "It is okay, Roger, for you to make forecasts... but never put dates on them!" I forecast that the Dow-Jones Industrial Average will register lower sometime during 1963 and stocks will show an average yield of about 4%. Either dividends must be increased or prices of stocks must go lower. Both cannot continue forever so poorly adjusted.

The above comment refers primarily to industrial stocks. I forecast that both the gross and net earnings of utility stocks will advance during 1963 and or some years thereafter. The utility cumulative preferreds have reached a point whereby they will closely follow interest rates as determined by the Federal Reserve Banks. The utility common stocks should slowly rise in price provided they are not unjustly limited by legislation or by state and federal regulatory commissions.

As for the railroad stocks, I generally feel bearish. A war with Cuba or a nuclear war breaking out anywhere could cause the stocks of all our transcontinental railroads to go up sharply in price; but down they would come again. We are today in an electronic age and no longer in a railroad age. Those who desire to invest in common stocks should stick to the oils, chemicals, and electronics. Even then keep in mind Newton's Law of Action and Reaction which will always determine the time to buy and sell common stocks.

Regarding bonds I am not pessimistic for 1963. Certainly, the non-taxable bonds will sell higher during 1963. Also, good short-term corporation and government bonds will be safest to hold. Long-term corporation and government bonds may sell for less sometime during 1963. Long-term bond prices vary with interest rates and the probability of inflation.

### BUILDING AND REAL ESTATE

There may be some decline in residential building in 1963; and shopping centers in many suburban developments may remain at a standstill for a while. However, so much money is piling up in savings banks which must be invested, it seems that by 1964 many more new homes will be built. In this connection, when purchasing a house or business property, be sure to study the land, which usually improves in price while the value of the building declines.

When constructing new frame houses, build either single homes or houses with only two apartments on the ground floor. There will be considerable new building of brick apartment houses, which should be filled so long as they are well maintained. Old apartments and old houses will decline in price during 1963.

The less attractive outlook for home building generally does not apply to government or public buildings, or to all commercial buildings. The real estate developers, however, must spend more on advertising in 1963 to meet the growing competition.

### RETAIL TRADE

Naturally, there will be a seasonal letdown in retail trade after Christmas and the mark-downs which follow January 1. That will be the time to look for bargains. Scan the advertisements well. This especially applies to merchandise that depends more or less on style, such as dresses, coats, hats, and shoes. Buy good-quality items that can be passed down to the younger children. Over all, I expect 1963 to see a somewhat higher level of retail trade than has prevailed in 1962.

Purchases made at real mark-downs could be good cause for opening a new charge account. But be very careful to build up a name for good credit. You can arrange to pay some in 30 days, some in 60 days, and some at 90 days; but be sure to pay a little before your account is due. Good



Roger W. Babson

credit at a good retail store will help you and your husband (or wife) when you may need this credit later to buy real estate or start a business of your own.

### CUBAN OUTLOOK

I forecast that the Cuban problem will not be settled in 1963. It may extend until after the 1964 presidential elections. The Russians have removed their missile installations and bombers from Cuba, in accordance with President Kennedy's demands. In return, Mr. Khrushchev will undoubtedly want some concession in Berlin, or in Turkey—which now bottles up Russia in the winter due to Turkey's control of the Dardanelles.

Khrushchev must placate his (Continued on Page 4)

## Mrs. Case Sells Furniture Store To Two Lone Men

Purchase of the controlling interest of Case Furniture store by Arnie G. Hedman and Demisio Lujan, both of Ione, from Mrs. Gene Case of Heppner was announced Wednesday by Mrs. Case.

The two, who teach in Ione schools, expect to start operating the store soon and have tentatively set the date of January 12 for a grand opening event.

Mrs. Case has operated the store alone since the death of her husband, Allen Case, early in the summer of 1961. The sale ends 17 years of business in Heppner for them.

Mrs. Case had announced several weeks ago that she did not plan to continue business because of health reasons and an auction sale was held recently to dispose of part of the stock.

She said Wednesday that her plans are indefinite for the present. For a time she will work with the new owners. She is retaining an interest in the store. At a later date she may move to Portland where her daughter lives.

Hedman plans to resign his position as music, science and math teacher at Ione and will move to Heppner with his family when they are able to dispose of their home in Ione. Lujan will continue his teaching of commercial subjects at Ione High school but expects to devote some time after the school day is over and on Saturdays to the business venture.

Hedman has been at Ione for five years and previously taught two years at Athena. Lujan has been at Ione for six years and prior to that also was at Athena. The two men state that they expect to stock a full line of furniture and will offer linoleum installations and carpet laying service. They plan to sell most of the same lines of merchandise that have been sold under the Case management.

## Heppner Stores Plan Clearance

Residents of the area who are looking for post-Christmas bargains may find them in Heppner on the week-end of January 4 and 5 when Heppner merchants stage a combined post-Christmas clearance.

Many stores have indicated that they will offer special clearance buys for this event, details of which will be announced in the January 3 issue of the Gazette-Times.

At the same time, J. C. Penney company will offer its annual White Goods sale and other firms may have other special events to announce. All residents are advised to watch for advertising and details in the next (January 3) issue.

## Portland Driver Clips Power Pole

A car driven by Roger A. Kincaid of 901 S. E. King, Portland, sheared a power pole of Pacific Power and Light Company on highway 74 three miles north of Heppner at 3 a. m. Saturday, according to information from the sheriff's office.

# THE GAZETTE-TIMES

Heppner, Oregon, Thursday, December 27, 1962

79th Year

10 Cents

Number 43

## Pendleton Chosen for Community College Site

### First Baby Due to Win Many Prizes

First baby to be born in Pioneer Memorial hospital, Heppner, in 1963 will fall heir to 33 prizes in the annual contest sponsored by local merchants.

Everything from baby blankets to gasoline for mother and dad are included in the annual prize bonanza.

Last year it was Danny Joe Alderman, son of Mr. and Mrs. Duane Alderman of Heppner, who arrived to capture the gifts. Danny will have his first birthday on January 4, 1963.

The first baby born in the hospital after midnight, December 31, will receive the awards. There is the added provision that should a baby be born in route to the hospital he will be eligible to win.

There is even a rule providing for settlement of ties, but it is considered highly unlikely that there will be a tie.

Winning parents will receive a letter from the Gazette-Times that will entitle them to collect the prizes from the local stores. Heading the list of prizes is the offer of the hospital to take 25% off on the hospital bill. Other prizes are these:

One gallon of paint for baby's room, Anderson's Builders Supply; covered container and diaper pail, Western Auto; sterling silver baby cup with name engraved, Peterson's Jewelers; one dozen diapers, J. C. Penney Co.; first shoes, Gonty's; \$5 in merchandise, MILadies; \$5 in cleaning, Heppner Cleaners; 10 gallons gasoline, West Richfield.

Electric bottle warmer, Heppner Auto Parts; \$5 in cash, Farley Motor Co.; \$5 savings account, First National Bank; \$5 in cash, Turner, Van Marter and Bryant; box of oranges, Central Market; baby floral arrangement, Ron's Flowers; baby blanket, Lairds'; shirt for dad, Wilson's Men's Wear; surprise gift for dad, Fullerton Chevrolet.

Case of baby food, Court Street Market; \$5 worth of baby food, Economy Market; quilt Plastalux colors for baby's crib, Tum-A-Lum Lumber Co.; M & R Floor Covering and Heating, \$2.50 for savings account; baby blanket, Elma's Apparel; case of baby food, Heppner Red and White; \$5 in merchandise for mother and dad, Barratt Sales.

Bottle sterilizer, Humphreys Rexall Drug; \$5 savings account, Bank of Eastern Oregon; \$5 in cash, L. E. Dick; \$5 savings account, Lott's Electric; case of baby food, Peck's Grocery, Lexington; one-year subscription, Gazette-Times; Johnson and Johnson baby gift set, Phil's Pharmacy; and case of baby food, Thomson's Grocery.

Rules of the contest, together with the prizes and other information are on page 4, section 2.

### Hardware Store Auction Slated

Liquidation auction at Heppner Hardware and Electric will start Saturday, December 29, at 10 a. m., Mrs. Etta Parker, owner, announces. The entire remaining stock of the store will be sold as Mrs. Parker quits business.

Auctioneers are Bill Moberly of Hermiston and Orville Shierlock of Walla Walla. Wn. Free coffee will be served.

Included in the offerings will be appliances, hardware, electrical supplies, office equipment and other goods.

### Another Holiday! Paper Sounds Plea

Christmas and New Year holiday time always requires adjustments in schedule of printing a weekly newspaper, but when the holidays fall on Tuesday, in the heart of the publishing week, the situation is all the more difficult.

This is by way of saying that the staff will appreciate the cooperation of the public again in submitting copy, both news and advertising, early for next week's paper. The staff will attempt to observe a holiday on New Year's Day, but requests that advertisers plan to have advertising in the hands of the paper on Monday. Classified advertising deadline will be moved to Wednesday noon.

It is planned to publish the paper at the usual time next week, going into the mail late Thursday afternoon.

### Ward, Hutchens Homes Win Prizes In Light Contest

Homes of Mr. and Mrs. Glen Ward and Mr. and Mrs. Gordon Hutchens won first prizes in the Chamber of Commerce-sponsored Christmas lighting contest, Mrs. Avon Melby, contest chairman, has announced. Winner in the commercial division was the 4-R's Cafe, owned by Mrs. Celestine Randall.

The Wards captured first in the outdoor category and thus won the \$10 prize. Their home, located above the Legion hall on the cemetery road, features a Santa Claus, reindeer and sleigh and other appropriate decorations. The display is animated.

Second was Dennis Warren (C. A. Warren residence, 195 S. Main) recipient of a \$7.50 prize in the outdoor class. Mrs. Mattie Green was third with a novel idea showing Santa Claus being welcomed into the house through a half-opened screen door. She receives a \$5 prize.

Judges had a difficult time choosing first place in the window scenes between two neighbors, the L. E. Dicks and Gordon Hutchens, who live at 260 N. Gilmore respectively. They finally awarded first to the Hutchens and second to the Dicks. Third was the P. W. Mahoney residence, 655 E. Hager (Willow Creek highway). In this category, first wins \$7.50, second \$5, and third \$2.50.

Second, behind the 4-R's in the business division was Lois' Beauty Shop and third was Columbia Basin Electric Co-op. First receives \$10, second \$7.50, and third \$5.

There were eight entries in the outdoor residential category, five in the indoor lighting contest and three in the business division.

Mrs. Melby said that there were many "lovely" displays that were not registered and said that the town was much better decorated this year than last year. Institutions which did a good job of decorating but did not participate in the contest were Pioneer Memorial hospital and St. Patrick's Catholic church, she said.

Judges were from out of town and were appreciative of the reception given them here, Mrs. Melby said.

When the chairman announced the results at the Chamber of Commerce meeting here Monday, members also pointed out that Ione and Lexington have outstanding displays and suggested that any touring to see the Christmas lighting also visit these towns.

Others in Heppner who did not win prizes but earned honorable mention were: Outdoor—Mr. and Mrs. Charles Knox, Judge Oscar Peterson, Indoors: Nellie Doney.

### Mayor Urges Support Of Willow Creek Project

By MAYOR AL LAMB  
City of Heppner

Heppner city officials are very anxious that a favorable decision be made at the January 14 hearing on the proposed multipurpose dam on Willow Creek.

As mayor, I am sure the most attractive feature of the proposed new dam is the flood control part of it. Since before 1903 this city has lived under the threat of devastating floods. The 1903 flood cost about 250 lives and was the worst natural disaster to hit the West Coast in its history, except for the San Francisco earthquake.

This calamity could again hit our city and I am sure a dagger pointed at the heart of any community makes for uneasy minds and must hamper growth and progress.

A new flood control dam will eliminate this hazard to life and property that history shows to be real. I hope the citizens of Heppner will do all they can to insure the end of this threat.

The irrigation features can mean much to this city's future as experience shows that ample water will make for larger and better paying crops and more prosperous farmers. Some of this wealth created will find its way into Heppner as the nearest community to the new development. Then recreation provided for boating and fishing by the storing of this body of water cannot only make this will provide income to those supplying the wants of outside vacationers.

If we are ever to get this much needed improvement, now is the time to act. A favorable report on the study findings appears to be ready for release on the part of those examining the project and the main thing additional needed is solid local support of this \$5,000,000 project.

Our congressman sits on the Ways and Means committee and his deep interest brought about the study that is the basis of this hearing. We are now in the political position where getting this appropriation can be reasonably expected so I hope we all fall behind this worthy project and not leave its hope to chance.



MAYOR AL LAMB

### Interest Gains in Dam As Hearing Date Nears

Forthcoming hearing on the Willow Creek dam project, to be Monday, January 14, in the multipurpose room of the Heppner elementary school, has spurred interest in the project and local groups are taking steps to appear at the hearing.

Col. J. H. Beddow, district engineer of the Army Corps of Engineers, Walla Walla, issued notice of the hearing last week and plans to be here to conduct it.

A meeting of the Willow Creek project coordinating committee will be tonight (Thursday) at 8 o'clock in the county courthouse to discuss the hearing and to plan for it. Representatives from all organizations are invited to attend.

The Heppner-Morrow County Chamber of Commerce has invited the visiting engineers and others of the staff who will take part in the hearing to join the chamber at its regular luncheon meeting on Monday, January 14. The luncheon will be in the school building to be near the scene of the hearing and prevent delay, and time of the luncheon will be moved to 11:45 a. m. to allow sufficient time.

The chamber also has organized to contact all businessmen and ask that each submit statements of a committee to contact them were named by Fred Gimbel, president, at the regular meeting Monday. Included are: Oliver Creswick, Ed Gonty, Mike Whitel-Smith, Jim Myers, Harley Young, Orville Cutsforth and Gimbel. They will urge all businessmen to write out their thoughts and ideas to be submitted to the engineers. Oral statements may also be made but are not necessary from each businessman. Efforts are being made to get representatives to appear from all the organizations in the county as well as governmental units, including county and cities.

Gimbel asked that letters, resolutions or other testimony be presented by business people be ready a week in advance of the hearing, January 7, and turned over to the Chamber of Commerce for submitting them to Col. Beddow.

There is no age limit on ski lessons that will be conducted during January under the sponsorship of the Heppner-Morrow County Chamber of Commerce and Arbuckle Mt. Ski club, the sponsors said this week. An application blank, printed on page 2, section 2, in this paper, lists ages of 12 to 18, but this is only for those who ride the bus. Others are invited to participate also.

Pete Lybecker, Pendleton, will be instructor for the classes, which will be held on the four Saturdays of January. Charge per student will be \$5 for the four lessons.

Several have already signed for the course. Applications may be left at or sent to Peck's Ski Shop or to Mrs. Alice Vance, secretary of the Arbuckle club.

### Cutsforth Proposes Combined Port-Parks Commission

Possibility of forming a combined park and port commission for Morrow county was suggested by Orville Cutsforth of the county's park board at a meeting of the Heppner-Morrow County Chamber of Commerce Monday.

He said that he does not know if the plan is feasible and does not know answers to legal questions that may be involved but said that he felt the matters should be explored.

Reason for the combined commission would be to find a source of funds for development of park and recreation facilities in the county without the necessity of imposing additional taxes. The Port Commission was established several years ago for development of facilities along the county's riverfront. It has acquired some property there and has been accumulating tax funds for the development through its annual budget.

Cutsforth said that in a talk with one member of the board he learned that the member was in favor of using a portion of the funds for development of parks but questioned the legality. A directive has been received from the governor to develop a park in the north end of the county. Cutsforth said. In the south end, a survey of the Rock Creek—Chaplin Creek site, proposed location for a park, will be completed Saturday. This is 35 miles south of Heppner on property owned by Walter Wright and Kinzua Corp., both of whom have agreed to make the land available for a public park.

The state has refused to provide funds for development of the park because it is declared that the traffic count there is too low. Cutsforth believes that the state would be interested in taking it over after it was developed by the county on the assumption that the facility itself would help increase the traffic count. Morrow county at the present time has no state parks within its boundaries.

Cutsforth also brought up the problem of supplying water to parks, saying that reports have shown vegetable gasses to be present in water supply to Cutsforth Park. This may mean that it will be necessary to provide for a new supply, he said.

County Judge Oscar Peterson said that the Port Commission members have been cooperative on consideration of the park matter but he, too, wondered about legal questions and said that a combined commission might require a vote of the people.

The chamber acted on the Cutsforth suggestion by recommending that a study of financing for the parks be made, and President Fred Gimbel appointed Cutsforth, Judge Peterson and District Attorney Herman Winter to a committee to make the study.

### Directors Decide Issue Wednesday

At a special meeting of the board of directors of Blue Mountain Community college Wednesday evening Pendleton was chosen as the permanent location of the college, Ralph McEwen of Athena, chairman of the directors, advised the Gazette-Times by telephone after the meeting.

He said that the specific site in Pendleton has not been selected but the choice apparently is between two locations, one termed the "hospital site," north of the Eastern Oregon state hospital, and the other the "Broggett site" south of highway 30 and in the vicinity of the airport junction.

Hermiston area had made a strong bid to be selected for the location of the college which was formed by vote of the residents of the two-county district. Morrow and Umatilla, earlier this year.

The Hermiston Butte site received strong support also from Morrow county residents. Hermiston leaders had offered to give the land to the college, an offer which was matched later by Pendleton city council if a Pendleton site were chosen. In all, some 10 specific sites in or near Stanfield, Hermiston, Echo and Pendleton were under consideration.

In making the decision, McEwen said that the directors used the criteria of the State Board of Education and went over the some 10 points one by one, keeping a score sheet. After this was done, a vote was taken with the decision in Pendleton's favor.

When asked the result of the vote, McEwen said that the announcement was being made as a "board decision." When he was then asked whether this meant the decision was unanimous, he said, "Yes."

Director Bob Abrams of Heppner said Thursday morning that the ballot was secret and only the chairman knew the result. Abrams said he felt this is in the best interests of continued harmony on the board.

The directors will submit a building program to the state legislature by mid-January. Heppner-Morrow County Chamber of Commerce supported the Hermiston site and at a public hearing last Thursday in Pendleton a number of Morrow county residents appeared on behalf of the Hermiston location or submitted statements, among them being Robert Van Houte, Morrow County superintendent of schools; Warren McCoy and H. C. Warner, Irrigon; Walter Jacobs and Fredrick Martin, Ione; Ellwynne Peck, Lexington; Wes Sherman, Heppner; Judge Oscar Peterson, Heppner; and others.

The board of directors includes seven members, of whom two are from Pendleton. The directors are McEwen of Athena, Mrs. Verne W. Dale, Helix; Russell Dorran, Hermiston; Abrams of Heppner; Michael Kilkeny, Echo; and Oren Allison and Jack Q. Hodgen, both Pendleton.

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### WEATHER

(Leonard Gilliam, observer)

	Hi	Low	Prec.
Thursday	52	34	—
Friday	58	30	—
Saturday	45	22	—
Sunday	33	13	—
Monday	31	11	—
Tuesday	30	15	—
Wednesday	37	20	—

Maximum high for the week, 58; maximum low, 11. Clear and cold with some traces of snow.