



BUSINESS Memo

Edited by the Mail Tribune Advertising Department

RETAILERS EYE STOCK MARKET FLUCTUATION. Wall street worriment has not been reflected in consumer buying, indicates a study by Fairchild News Service. Most observers point out that rarely, if ever, has there been a correlation between retail sales and sharp stock market plunges. At worst, some retail executives are beginning to wonder whether their fairly bullish outlook on 1962 business may not have been too rosy. Some fear a tightening of consumer expenditures on big ticket and luxury items if the market slump should continue. In New York, Ray E. Jordan, executive vice-president of J. C. Penney Co., said: "We see no reason to alter our prediction of a sales gain exceeding 7% during the first half of 1962." David Yunich, president of Bamberger's New Jersey, commented: "So far we don't see any correlation between the stock market and retail sales." He added that he had detected no consumer resistance or change in consumer attitudes. In San Francisco, store executives felt, generally, that the stock market slump was a temporary condition, and reported sales unaffected thus far. Robert Lauter, senior vice-president of Macy's, New York, commented: "When there is uncertainty in the stock market it makes people hesitate about committing themselves on big-ticket purchases." In Milwaukee, Detroit, Washington, Pittsburgh, and St. Paul, retailers also tended to minimize the direct effects of stock market ups-and-downs on retail sales, and planned no change in current merchandising plans. Dissenting from the general view was a Minneapolis department store executive, who said: "My own feeling is that the stock market slump is going to put a four-wheel brake on buying. People are going to freeze."

HOME VACUUM CLEANER VOLUMES RISES. Sales of electric home vacuum cleaners rose 9% in April to 290,740 units from 265,032 a year earlier, the Vacuum Cleaner Manufacturers Association reports. Sales in the first four months of this year totaled 1,226,500, up 10% from 1,115,449 in the like period last year, reports The Wall Street Journal. The association also reported sales of electric home floor polishers increased 17.3% in April to 92,362 from 78,759 in the 1961 month. Volume in the first four months, however, decreased 1.8% to 350,377 from 356,941 units in the like 1961 period.

COLEMAN WINS TRIP TO ROME. Crater Lake Motors of Medford recently was named as one of the top winners in a national Ford Division sales campaign and was awarded an eight-day all-expense trip for two to the Riviera and Rome. Crater Lake Motors, which has been a Ford dealership since 1950, was one of 18 winners in the San Jose district which includes northern California, southern Oregon, western Nevada and Hawaii. Fred Coleman, dealership manager, received a personal letter from O. F. Yando, Ford Division's general sales manager, which cited the dealership "for outstanding sales accomplishment."

DON'T BE A REFORMER ON FATHER'S DAY. If you want your Father's Day gift on Sunday, June 17, to score a bullseye, don't be a reformer. On the other hand, give Dad something that will appeal to his masculine tastes. That's the advice of Ray Baker, manager of Penney's, who says the best present is one showing that you know and respect Dad's preferences. This befuddled Dad seems to be asking whether his family is "for or agin me." At front and center the two "reformer" gifts—a sprinkling can and a shovel—designed to be not-too-subtle hints that more help with gardening chores is desired. Although the lamp and flower vase resting on the floor undoubtedly will look nice in the house, they really don't seem tailored to meet Dad's dearest wants and needs. The same is true of the glass bowl on the table. And what will Dad do with those two gimmick-type gifts on the table? The ballpoint pen with the flamboyant feather is hardly suited to a lover of baseball and the outdoor life. And that paper-clip in the shape of an animal head is calculated to give Dad a start each time he looks at it. If you're at a loss for a Father's Day gift, remember that Penney's has an abundance of items that will tell Dad you gave a lot of thought to his present before making a selection. Baker reminds gift-hunters that Penney's will be open tonight until 9:00, and all-day Saturday.



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EVERYONE LOVES THE "BEETLE". More Volkswagens were sold in the United States in May than during any other month in the company's history, according to J. Stuart Perkins, vice president of Volkswagen of America. Perkins said May sales totaled 20,381 Volkswagens, making it the second month in a row that sales in the U. S. passed the 20,000 mark. The previous peak for Volkswagen was in April when 20,316 VWs were sold in this country. May sales included 17,036 VW sedans and Karmann Ghia coupes and 3,345 trucks and station wagons. The station wagon and truck figure exceeded a two-year-old record set in April 1960 when 1,158 were sold. Total Volkswagen sales for the first five months of the year were 94,573 new vehicles, 22.6 per cent ahead of the 77,125 cars, trucks and station wagons delivered to customers by authorized VW dealers during the same period last year. VW dealer for this area is Morse Motors, Sixth and Ivy.

HERCHER AT G-E MEETING. W. E. Hercher of Pacific Power and Light Company here was among 32 top electric utility engineers who recently participated in the General Electric Company's 12th Distribution System Planning Conference recently. Held at G-E's Hudson Falls, N.Y., and Pittsfield, Mass. plants, the 5-day meetings are intended to "stimulate a mutual exchange of ideas so that General Electric and its utility customers are constantly aware of new trends and developments in the distribution system area."



consumption is rated at between 25 and 30 m.p.g. It is available now at Stevens Auto Sales, 503 N. Central in Medford.

SHELL OFFERS GUIDE TO WORLD'S FAIR. Persons planning to drive to the Seattle World's Fair can receive a free World's Fair Guide and Touring Service information at all Shell stations. Touring experts plot a choice of the fastest and the most scenic routes to the Fair for each motorist. Each touring package contains area road maps, information about points of interest along the way, accommodations, ferry boat schedules and upon request travel accessory tips that will appeal to the most discriminating woman traveler and interesting features that would be overlooked by the ordinary tourist. The Fact Kit is available at any Shell station in the Northwest. The guide contains information about the Fair, routes to and location of the fairgrounds, a map of the fairgrounds, location of parking areas, the monorail route, location of Shell stations and answers to the most asked-about questions concerning the Fair.



Olympia follows the fun. Bright sunshine and light refreshment are traditional summertime pleasure companions. Olympia fits the scene perfectly. A rare artemisia brewing water is responsible for the distinctive flavor and character that have made Olympia Beer a natural Western favorite. "It's the Water."

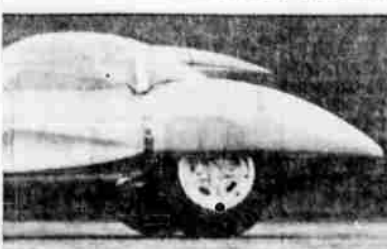
THIRSTY, GIANT SIZE TOWELS NEWEST SEGO MILK OFFER. With swims, showers and extra guests your towel supply gets plenty of use during summer months. Now's the time to start filling your linen closet with these famous brand name towels offered to Mail Tribune readers by Segos—the double-rich "premium" milk. Offered in choice of three lovely pastel colors these king-sized 24"x44" bath towels are a real buy at only 77c each with six Segos Evaporated milk coupons. Colors are firefly yellow, green mist and pink whisper. You'd expect to pay \$1.39 or more for towels of this quality and once you see them you're sure you'll want a half dozen or more. There's a coupon on every can of Segos Evaporated milk and towels can be obtained at authorized Segos Redemption stores. In Medford the Segos redemption station is Hubbard's Hardware at 310 E. Main st.

DISTINCTIVE FURNITURE SALES UP. According to Dick McGuire of McGuire's Home Furnishers, demand has increased for furniture and accessories that are keyed to more luxurious living. This demand has meant greater sales and an opportunity for the store to increase its floor inventory. Until recently acquired by McGuire, the store was well known as Lippert's. It was operated by Mr. and Mrs. Ed Lippert, while McGuire was store manager. He has expressed to Memo his gratitude to area residents for their support of his efforts to merchandise high quality furniture. Among the outstanding lines featured by the firm are Drexel, Fine Arts and Metropolitan furniture, Karastan carpet and Stiffel lamps. Tribune readers are becoming increasingly familiar with McGuire's distinctive newspaper ads. The store is located at 220 N. Bartlett in Medford.

BUS TOURS ANNOUNCED. Continental Trailways has announced that a series of specially planned individual tours to the Seattle World's Fair and sixteen others of the nation's leading vacation areas will be available this season to American travelers. D. A. Scott, director of Tour Sales, said that the tour offerings include the Colorado Rockies, Grand Teton and Yellowstone National Park, British Columbia, Black Hills of South Dakota, New England, Canada, Mexico, Grand Canyon, Southern California, Glacier National Park, Banff and Lake Louise, the Metropolitan Eastern U.S.A., Great Smoky mountains, Redwood National Park and the Florida-Mississippi Gulf Coast in addition to the World's Fair tour. "Our tours," Mr. Scott stated, "have been planned to provide the vacationer with a maximum of sightseeing and pleasure-time at a reasonable cost. Each tour includes transportation for the entire trip on a modern Continental Trailways highway cruiser which is rest room equipped and air conditioned, plus hotel accommodations, sightseeing and guide services on side-trips, and many meals at an all-inclusive price that an individual cannot match." The individual traveler can obtain free tour planning from any Continental Trailways ticket office or tour bureau.



WILLYS OFFERS ADVANCED ENGINE. A. C. Sampietro, chief engineer of Willlys Motors, Inc., inspects the dual down draft carburetor on the new Tornado-OHC engine being introduced in five models of the 'Jeep' line of vehicles. The 140-h. p. 6-cylinder power plant has advanced design features offered for the first time in a mass-produced American automotive engine. Mr. Sampietro heads the Willlys design staff which developed the new high-efficiency unit. The engine features an overhead cam and unique spheroidal combustion chamber design which produces exceptional fuel economy. It is available on 'Jeep' vehicles at Medford Motors, 225 S. Riverside.



expert: the man from out of town, who after the third drink sees the whole industry in clear perspective. 2. Scan the cycle of yearly model changes. The industry used to oper-



WATCH FOR "OLE" ADS.

During the summer months, active Westerners move into the sunny outdoors looking for new ways to have fun. And Olympia Beer, a refreshing old favorite, follows the fun, adding an extra measure of pleasure to these light-hearted days. This summer, Olympia's big mid-year promotion highlights the latest water sport—surf sailing—an exciting contest between wind, sea and sailor. Through the realism of colorful photography, you can picture yourself at the tiller of a 10-foot fiberglass board, feel the taut lines steady the sail against an aluminum mast... enjoy the moment that a tall, cool glass of Olympia Beer completes. To bring this message to you full color, full page, newspaper ads, plus dominant-size black-and-white ones will bring the promotion into homes with another reminder that "bright sunshine and light refreshment are traditional summertime pleasure companions." Watch for the ad shown here to appear in full color in the Mail Tribune on Wednesday, June 27. And if you're planning on bringing your family to the Seattle World's Fair this summer, don't miss the "It's the Water" ski show in the stadium. Twenty-two performers and nine boats will keep you on the edge of your seat at any of four shows daily. No admission charge.



LOCAL MAN'S PICTURE FEATURED. An article in the June issue of Better Homes & Gardens, "Recipes from the best cookout chefs we know," carries this picture of Harry L. Jewett, 525 Barnes Avenue, Medford. Jewett is among winners of 100 top prizes—elaborate wagon-type barbecue grills—in the magazine's Cookout Contest for Men, which opened last June. Jewett is saluted in Better Homes & Gardens for his recipe, "Barbecue Sauce, Alaman." Jewett's recipe can be found on page 100 of the June issue of Better Homes & Gardens.



WHAT TO EXPECT IN THE 1963 CARS? Well, frankly, Business Memo hasn't the slightest idea. The car shown here will probably not, alas, join the ranks of a Corvette SS research car built years ago. Prediction stories are a lot of fun to write, though, and so perhaps this year we'll follow these five helpful hints passed along to newspaper auto editors by the Chrysler-Plymouth division. They suggest we do the following: 1. Check your New York or Los Angeles agents. For some inexplicable reason, these two centers claim more auto experts than Detroit. We believe it due to the definition of the term "expert: the man from out of town, who after the third drink sees the whole industry in clear perspective. 2. Scan the cycle of yearly model changes. The industry used to oper-

ate on a three-year cycle. This should give you a lot of room for speculation in your story and the opportunity to editorialize sagaciously, thusly: "However, insiders point out that in the last three model years, Plymouth introduced three completely new models in each successive year, while the Chrysler passenger car line has maintained the same basic body for four years in a row." This line of research, we warn you, is a cul de sac, albeit good copy. Consider Valiant which has stayed with the same body style for three years. What's with Valiant for '63 with this type of deduction? 3. Ask the competition. Competitors seem to know everything their neighbors are planning at this time of the year but are discreetly mum on their own stuff. 4. Forget about sub-compacts for '63. It made good copy for a couple of years, but this rumor has already been defrocked. 5. Don't be overly concerned about accuracy in predictions. Nobody else is. The half-dozen speculative stories to date haven't been all right, although they have been all read. Not color-blindness, just foggy rose-colored glasses. For example, the last two we read were 50 percent accurate in predictions on Valiant. One said there would be a '63 Valiant convertible; the other said there would not be. And we're not telling.



Your Money's Worth

By SYLVIA PORTER
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PROFIT MARGINS A KEY SIGNAL OF BUSINESS TURN

In 17 of the 19 business upswings and declines since the end of World War I in 1919, a change in trend of profit margins—meaning the percentage a corporation earns per dollar of sales—has flashed the signal of an economic turn months ahead of the actual turn.

Well in advance of eight of the nine business downturns in this 44 year period, shrinking profit margins of manufacturing companies have warned that the boom was dying. The one instance when it was not a startlingly prophetic sign of the end of a business rise occurred way back in 1920. Then the indicator lagged behind the start of the 1920 slump, but by only one month.

On average, profit margins have turned up or down four months before a new business cycle of upswing or downswing has appeared. Buried within this average, of course, are "leads" ranging from more than 12 months to only a few weeks.

Business costs "have a dominant influence on the cyclical behavior of profit margins, which, in turn, dominate the swings in total profits."

Profit margins "affect the prospect of profit, which remains one of the strongest incentives in a private enterprise economy."

In this single area of profit margins may be found one of the most crucial factors impelling booms or bringing them to an end.

These are the primary findings of a new, pioneering study of the business cycle made by Dr. Geoffrey H. Moore, world-respected research economist of the National Bureau of Economic Research, and released today under the title, "Tested Knowledge of Business Cycles," as part of the NBER's 42nd annual report.

The National Bureau of Economic Research is among the world's leading economic research organizations. Since 1920 it has specialized in scientific reports and it has rigid safeguards against its becoming either a profit-making group or "an agency of propaganda." The great research directors of this bureau—the late Wesley Mitchell, Arthur Burns, Geoffrey Moore—claim a place in history for identifying the business cycle in the U. S. and developing the "indicators" which are now so widely used both by government and private sources to spot business changes before they occur and to trace them as they emerge.

It was Mitchell who as early as 1913, to quote Moore, "viewed the encroachment of unit costs on prices as one of the critical factors that brought a boom to an end, just as he viewed the reduction of costs relative to prices as a significant factor in the revival in business that followed recession." It was Burns who in 1952 uncovered new evidence to support Mitchell's then revolutionary judgement.

Now comes Moore with the most exhaustive analysis yet made of the role of profits in the business cycles. In brief, Moore has found:

The ratio of prices to costs and profit margins fluctuates sharply in business cycles "but with significant leads at both peaks and troughs."

These "leads" can't be attributed to early downturns or upturns in prices of goods. In fact, in recent pre-recession cycles, the price-cost ratio and profit margins have turned sharply down "even while the price level was rising."

The evidence is that "movements of unit costs, particularly unit labor costs," determine the timing of profit margin changes. Early in a business upswing, for instance, unit costs usually decline because of a rapid rise in a worker's output per hour and a slower rise in his wage. Late in a business upswing, though, unit costs usually increase because a worker's output per hour is climbing more slowly while his hourly wage is rising more rapidly.

During each of the post-World War II upturns, this has happened, and in each case the shrinking profit margin foretold the subsequent downturn in the general economy.

URGENT NOTE: As reported in this column Monday, profit margins recently have been narrowing. In a private talk Moore remarked that, "While, of course, there's no guarantee, I suspect this narrow will continue."

Plans for Marine Sciences Lab Are Reviewed by OSU

Corvallis — Plans for a Marine Sciences Laboratory on Yaquina Bay have been prepared by Oregon State University, in cooperation with the city of Newport, and will go to the state department of planning and development for consideration under the proposed federal redevelopment program.

The federal program now before Congress would provide funds for new public facilities that would contribute to the economy and welfare of the states and the nation.

Members of the state board of higher education reviewed the plans recently at their meeting in Eugene and approved a proposal that OSU petition the Area Redevelopment Administration for funds to build the \$921,650 laboratory.

President James H. Jensen said the laboratory would supplement the extensive program of research that Oregon State University now has under way in oceanography, fisheries and water resources, including waste disposal in coastal streams and the ocean. It would be available for use by research workers from state and federal cooperating agencies and research workers from other institutions, he emphasized.

The proposed laboratory would be constructed on 32 acres of land leased to OSU by the Port of Newport. The land is situated on the south side of Yaquina Bay, close to the entrance of the Bay. The OSU research vessel, Aconia, would be docked there.

The building as now planned would contain 39,120 square feet in three wings of approximately equal size. One wing would be devoted to oceanography; one to fisheries and water resources research; and the third would house community facilities including a museum-aquarium and a library.

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