

Optimism Could Head Off 1963 Business Decline

By ROGER W. BABSON

BUSINESS AND EMPLOYMENT

The business situation will vary with different 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 10 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 per cent. 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 for 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 world 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 keep 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 markdowns which follow Jan. 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 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 markdowns 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 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. Krushchev will undoubtedly want some concessions in Berlin, or Turkey—which now bottles up Russia in the winter due to Turkey's control of the Dardanelles.

Krushchev must placate his people at home by improving rather than reducing their standard of living. I saw this very clearly when I was in Moscow. He helped Castro so that he would have something to trade with the United States, either in connection with Berlin or with our bases which we now have in Europe. Krushchev expected to later withdraw from Cuba when he first decided to help Castro. He knew Russia could continue to use Cuba as a base for Russian submarines. Now both Krushchev and Castro are looking to save face at home.

Some think the Cuban fracas will make President Kennedy much tougher with labor here in the United States, but I disagree. Labor leaders may be more reasonable in their demands, but they will continue to have friends at the White House.

(Continued on Page 11)

HERALD PHONE NUMBERS

- FAirfax 8-4000—For General News
- FAirfax 8-5164—For Society
- FAirfax 8-4000—For Classified. Ask for Ad-Taker

GREATEST CIRCULATION BY FAR

Phone FAirfax 8-4002 For Home Delivery

SERVING GREATER TORRANCE

Torrance Herald

CAPITAL CITY of the GREAT SOUTHWEST

Your Complete Community Newspaper
Every Sunday and Thursday



(Verified Audit)

Only Audited Mass
Coverage of Torrance

49th Year — No. 102



OFFICE AND PLANT, 1619 GRAMERCY AVE. — TORRANCE, CALIFORNIA, THURSDAY, DECEMBER 27, 1962

10c Per Copy 48 PAGES

A Penny
for
your
Thoughts

With 1962 coming rapidly to an end, the Pennies photographer asked area residents "What is the most outstanding or most memorable experience you had during 1962?"

Edwin Curry, 3819 Artesia Blvd.:

"About the most memorable experience I have had is the series of nine operations on my legs. The operations were the result of an accident while I was at work. I am all through now, and everything turned out well."



Julius Applebaum, 3344 Redondo Beach Blvd.:

"Moving into the City of Torrance is the outstanding event I can remember in the last year. We lived in the Brea section of Los Angeles, and I work in Torrance, so the move has been very beneficial."



Lillian Hoffman, 3325 183rd St.:

"My oldest daughter was in a car accident and has recovered safely, and since she was hurt quite bad, her recovery has been my most memorable and thankful experience. I also have a brand new granddaughter."



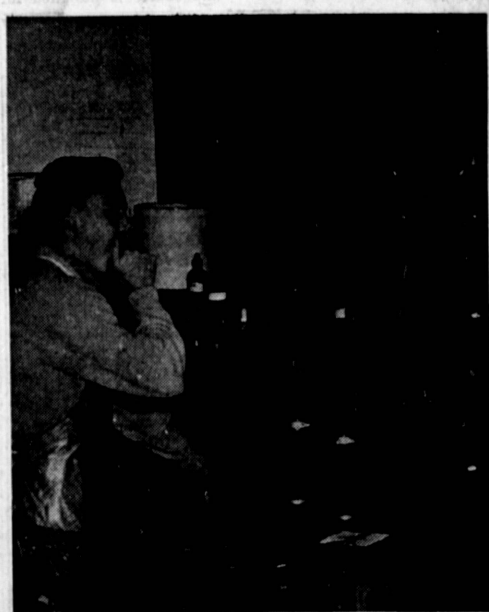
Gary Bolli, 2429 W. 165th St.:

"I was accepted for graduate school at USC in Sociology. I will be graduating from Long Beach State College next month, and I also managed to stay single for another year."



Meeting Canceled

The regular meeting of the Airport Commission scheduled for today will not be held. The next meeting will be at 8 p.m., Jan. 10.



EARLY BIRDS . . . Sleepy Ron Stoven, left, and Stan Epstein hit the chemistry lab at 7 a.m. as students of Joseph F. Reinhardt's Early-Bird chemistry class at North High.

Early Birds Get Chemistry 'Bug'

Forty-one students at North High School are enrolled in the Early-Bird chemistry class instructed by Joseph F. Reinhardt. Divided into two groups, half of the students meet Monday and Wednesday at 7 a.m. and the other half Tuesday and Thursday at the same hour. Friday, the lab is open to the entire group for make-up work.

The special class is voluntary and consists of lab work only. Enrolled students are also members of Reinhardt's regular chemistry class. Two and one-half extra credits are given for completion of the Early-Bird requirements. Students participating are Richard Bonafede, Sherman Bowen, Ruth Brown, Pat Calvey, Richard Carlson, Bruce Cole, Yvonne Colletti, Mary Coon, Bill Cunerty, Dominick De Yuca, Stan Epstein, Bill Feibrabend.

Others are: Stewart Goodgold, Mark Hansen, Pat Hart, Robert Hiromoto, Janet Hiroshima, Doug Jackson, Jack

Jenkins, Alan Johnson, Phil King, Mary Knight, John Krone, Lawrence Low, Gene Meese, Mike Moore, Eugene Parenti, Roger Phillips, Tim Lamsey, Marvin Richards, Vickie Roop, Bill Rutter, Dan Saks, Steve Stohmen, Ron Stoven, Darlene Usui, George Winchell, Jerry Huerta.

Injuries in Big Increase On Holidays

December is living up to its infamous reputation of being the worst traffic month of the year, according to figures released by the Traffic Division of the Torrance Police Department yesterday.

Officer Don Hartel, head of the division's safety bureau, in a Christmas Eve report, said police had investigated a total of 131 accidents so far in December, two of them involving fatalities. Fifty-nine of the accidents resulted in injuries to drivers or passengers, and another 70 resulted in property damage.

THE DECEMBER figures showed a sharp increase over those for the preceding month when a total of 85 accidents were logged, 36 with injuries, one fatal, Hartel reported.

Several injury accidents have been logged since the report was issued Monday.

In one early Christmas morning, an 18-year-old Manhattan Beach girl was hospitalized after a car in which she was riding flipped over on Pacific Coast Highway near Vista Del Mar.

DESCRIBED as receiving major injuries was Nancy Burham, passenger in a car driven by Stevan Wixon Wood, 19, also of Manhattan Beach.

In another accident Christmas night, a 16-year-old Manhattan Beach girl suffered major injuries when a station wagon in which she was riding ran into a utility pole at Calle Miramar and Camino De Encanto.

Sandra Lynn Bye was hospitalized after the vehicle driven by William Dean Lockridge,

Rubbish Trucks Due a Day Late

Because of the Christmas and New Year's holidays, city rubbish collections will be one day late each day except Monday through the balance of this week and all of next week, according to City Manager Wade Peebles. Normal schedules will be resumed Jan. 7.

18, of Redondo Beach careened off the roadway and into the pole. Lockridge told officers he lost control of the vehicle on a curve.

A MONDAY night crash resulted in injuries to a 39-year-old woman passenger in a car driven by Russell R. Bardick, 40, of 22816 Avis St. The victim was taken to a Gardena hospital for treatment.

The Bardick car and one driven by Alphonse J. Cossette, 57, of Harwood, N.D., collided at the intersection of Artesia and Western just before 11:30 p.m. Monday. Both cars were westbound on Artesia, investigating officers reported.



BENEFACTIC GOODS . . . Torrance YMCA youngsters load clothes, canned goods, and other items on a truck for shipment to the Grand Canyon area of Arizona where it will be distributed to the Navajo Indians. Various local clubs and organizations collected the items which left early this morning for Arizona. (Herald Photo)

Set Building Fund

YMCA to Recruit 600 Workers for '63 Drive

Long awaited expansion of the YMCA program facilities

in Torrance is closer than ever as 1962 comes to an end, announced Board Chairman, Dr. Allen L. Pyeatt, this week. The new facility, to be financed by a fund drive early in 1964, will cost \$350,000. The plans for 1963 include a recruitment drive for 600 workers to aid in the campaign.

Rough drawings of the new program center have been prepared, and final selection of the site for the new "Y" will be made early next year, according to Pyeatt.

Also on the agenda for 1963 is a drive for a needed \$50,000 to maintain the present program. The funds for next year include the addition of a professional youth worker to the present staff.

PUNJABS
by gumparty

CHRISTMAS LIST

GARLAND DALTON TOPS HERALD CARRIER BOYS

Garland Dalton, who delivers the Sunday and Thursday editions of the Torrance Herald to his neighbors near his home at 24231 Falena St., was honored this week with selection as the "Carrier of the Month" from among the HERALD's more than 175 carriers.

Announcement of his selection was made yesterday by Darrell Westcott, circulation manager for The HERALD.

"In addition to maintaining an excellent delivery service, Garland's list of subscribers continues to climb steadily," Westcott said.

"His attitude, appearance and intense personal interest in his route have made him an outstanding example of newspaper carrier boy training," Westcott added.

Garland is the son of Mr. and Mrs. Louis Dalton.



GARLAND DALTON Wins Carrier Honors

Inside The Herald

AFTER HOURS	24
AMUSEMENTS	24
ARMED FORCES	10
BIRTHS	36
BOOKS	24
CHURCH CALENDAR	4
DEATHS	24
JAMES DORRIS	24
EDITORIALS	2
GARDEN CHECKLIST	24
WILLIAM HOGAN	24
ART HOPPE	24
ANN LANDERS	24
LEGAL NOTICES	37
REG MANNING	24
CHARLES MCCABE	24
JOHN MORLEY	24
O'FLAHERTY	24
PUBLIC NOTICES	37
SOCIETY	13-15
SPORTS	18
TELEVISION	18
WANT ADS	37-44
MARY WISE	28