

'You mean help Americans twice in one year?'



Patman's report on foundations will not be welcomed by many institutions

Rep. Wright Patman, a Texas Democrat, has been investigating foundations. Rep. Patman wants to see if public policy toward the setting up of non-profit charitable foundations should not be changed. He is particularly worried over the amount of money which has been placed in foundation assets. The other day he leveled his attack on the Rockefeller Foundation, this country's second largest to Ford. Patman claimed the Rockefeller group made \$75 million during the stock market break of a year ago, because of its investment policies.

In this regard it's hard to agree with Patman. The stock market works in such a manner there is risk to those who purchase and sell securities. That risk can be minimized by intelligent investment policies. It never can be eliminated. Those who buy and sell actively are aware of the risks, and are prepared to take them, even though losses never are pleasant. In any turnover of the market, such as occurred in 1962, some investors are going to make money and others are going to lose. A foundation's investment policies, so long as they conform to the law and general practice, should not be the occasion for a public spanking.

Foundation assets have increased greatly in recent years. Ford's holdings are worth well over a billion dollars. Rockefeller has assets worth about \$500 million. Others are less well known, and are considerably smaller.

Gifts to foundations, no matter how small or how closely controlled, are usually made because of tax benefits which accrue to the givers. In the case of persons with extremely large incomes, the tax benefits are great. But a person has to have or make money before he can give it away, or spend it. The loser is the

Another step

Even a cursory review of events of the past 20 years would indicate the system of national fraternities and sororities is on the way out as a part of the country's college scene. Such a conclusion is made more logical by recent events at Portland State College; it's been coming for a long time.

Last week was Rush Week at most Oregon colleges. It was Heart-break Week at the same schools, an event which went unnoticed excepting at Portland State. The entire system is one based upon discrimination, but now when the discrimination is based upon the color of one's skin the whole business comes under a different set of standards.

Fraternities and sororities openly discriminate in the choice of their members. The organizations have pretty high-sounding standards. But in reality some unmentioned criteria are just as important as those listed in the by-laws. First and foremost is the ability to pay, in most cases. Sororities are accustomed to turning down girls who have all the listed qualifications if the rushees happen to be overweight, dress poorly,

tax collector. And even if all the money siphoned off into foundations had been turned over to the tax collector it would have made precious little difference to the average taxpayer.

Because much of the money which goes to foundations would have otherwise gone to the tax collector, there is close supervision over the manner in which foundation income may be spent. The biggest single chunk of funds in this country goes to students and educational institutions. Other big recipients of foundation largesse are various hospitals, charitable institutions, and organizations which are engaged in the spread of culture, particularly music and the arts.

In these cases the foundations perform a very useful service. Much of the financing they do would otherwise be shifted onto the public purse; in effect the foundations reward the tax collector by making it necessary for him to collect less.

Clipping the wings of the foundations would work considerable hardship on many institutions of higher education in this country. Many of the private schools have been large recipients of foundation grants in recent years. A considerable portion of medical research is foundation-financed. Many graduate schools depend upon grants for student aid and to improve the quality of their faculties.

Patman's look at the foundations can be an extremely valuable one. Any field in which the growth has been as rapid as this is bound to have some problems. But, if he makes it too difficult for existing or proposed foundations to operate effectively he will most likely only shift the burden of supporting many activities from the shoulders of the givers to the shoulders of the taxpayers.

Speak in too loud a tone, or give indications of a poor financial background.

Schools all over the country have insisted that race or religion be removed from the published criteria of fraternity or sorority selection. In a number of instances local chapters have given up their national affiliation; the abandonment has given the local a new lease on life. Some schools have abolished the system altogether. Administrators of some others are frank in saying they keep the system only because it is financially impossible for the school to provide student housing to replace that now available in the Greek houses.

There are those who may believe the system can last indefinitely. They must realize, however, that the present system of member selection makes a long life for the fraternity-sorority complex impossible. Only if the organizations themselves make affirmative improvements in the method of selecting their members can the system survive for long.

Life insurance firms multiply at rapid clip

By Jesse Bogue
UPI Staff Writer

NEW YORK (UPI) — Financial publications and analysts have devoted much space recently to the history of growth in various insurance stocks, and to the increasing number of insurance companies in the United States.

These are not always success stories: the way of the small company is not easy, whatever field of insurance it may enter. For the new life insurance stock company, it usually takes about eight years to reach the dividend-producing stage.

Nearly 1,000 new life companies have been set up since 1945, some start out as intra-state operations, and may gradually expand to regional or even national operations.

Some have confined themselves to straight life operations; others have combined a life insurance operation with health and accident business to show a steady growth. The growth of a few has been sharp.

Ohio Firm Booms
Recently, the General Life Insurance Co. of Ohio, which was established in April, 1962, reported it has placed in force over \$150 million of insurance in about 13 months. It has found its greatest success in the group life field, in which it has specialized: Daniel S. Winston, its vice president for group sales said that in the industry group life has shown the greatest increase in growth of new forms of insurance, from a total of \$47.8 billion in 1950 to nearly \$209 billion in 1961.

It was founded by three men who among them had sold an average of \$10 million of life insurance annually: Salim E. Caraboolad, president; Winston, and Morton H. Franklin.

A smaller company, but with a sharp rate of growth, has been the American Family Life Insurance Co., Columbus, Ga., which has combined a life and endowment business with sales of other policies to show a growth of 451.5 per cent in premium income over a five year span to the end of 1962.

Cancer Policy
Headed by John B. Amos, president, it operates in three states, Georgia, Florida and Alabama. One of its largest growth items has been a cancer insurance policy, which Amos has described as an answer to a built-up demand. It provides a family coverage plan allowing for hospital expenses, travel expenses, and certain types of therapy. Amos said he had received thousands of queries from throughout the nation on the coverage and cost of the policy, because "word gets around."

Service on the company's policies after the initial sale is handled directly through the main office.

These are only two of the examples of how small companies can grow in different types of operations, and they are merely a reflection of how the market for insurance has grown in the United States.

Capital Report

Sale of wheat to Russia would not be followed by sale of wheat to China

By A. Robert Smith
Bulletin Correspondent

WASHINGTON — President Kennedy has told Northwest congressional Democrats that a sale of American wheat to Russia would not be followed by similar transactions with Red China.

They discussed the issue aboard the President's helicopter during the flight between Tacoma and Tongue Point, Ore., last Friday when Kennedy was accompanied by Oregon and Washington congressional Democrats during the Pacific Northwest leg of his western speaking tour.

Sen. Maurine Neuberger, D-Ore., brought up the wheat issue, which provoked a general discussion. Generally, the congressional group assured the President the wheat deal with Russia would be popular in the Northwest, especially in the wheat growing areas.

Sen. Warren G. Magnuson, D-Wash., asked whether a wheat sale to Russia would lead inevitably to selling wheat to China.

"The President, as quick as a flash, said, "No, it wouldn't, because we recognize Russia and we don't recognize Red China," reported one of the participants in the discussion.

Kennedy's delay in deciding whether to approve the sale of wheat to Russia was taken as an indication of his desire to test public sentiment first. If there was little question that he had the authority to approve the wheat deal, there was some question whether he had public opinion on

his side.

The device for gauging public opinion was to send several cabinet members to meet with the foreign affairs and agriculture committees of Congress. This gave Congress a sense of participation in the decision and gave the administration a sense of public reaction, which Congress often reflects.

The three Pacific Northwest members of the agriculture committees were split on the issue itself and their reading of public sentiment. They are Sen. Neuberger, Rep. Catherine May, R-Wash., and Rep. Robert B. Duncan, D-Ore.

The fragmentary evidence they turned up suggested that growers and the grain trade favored the deal but that a number of private citizens oppose it.

Congresswoman May of Yakima said she received 30 to 40 letters and telegrams thus far, all opposed to selling wheat to Russia. She said she hadn't received a single request from a wheat grower favoring it. Rep. Walt Horan, Wenatchee Republican, who represents another wheat district, reported he hadn't received any communications one way or the other.

Mrs. Neuberger and Congressman Duncan had both heard from an Oregon wheat grower, Allen Tom, of The Dalles, who reported he had taken a telephone survey of nine large wheat growers in Eastern Oregon. Tom reported that they were universally for the

wheat deal. Only one attached a reservation—that none of it be transhipped to Cuba.

Mrs. Neuberger's attitude toward the proposal is that "it's wonderful." She said she had been talking in favor of it with administration officials for two years.

The Senator said she thinks the reason that the conservative American Farm Bureau isn't fighting the proposal is that, having persuaded the wheat growers to reject the administration's wheat program in the spring referendum, the Farm Bureau fears farmer reaction unless something happens to alter the natural consequences of that decision. She thinks unloading a portion of the wheat surplus would take the Farm Bureau off the hook.

Congresswoman May tends to agree with her constituents who oppose the deal. She joined 11 other Republicans from wheat districts in sending Kennedy a wire raising questions about the proposal.

"Why get the Soviets off the hook?" she asked.

Rep. Duncan said he personally was undecided about the issue, but he indicated he leaned toward favoring the deal. He observed wryly that evidence of support from the wheat belt conflicts with conservative views about being tough with Russia—a view most prevalent in farm areas.

"The ideological difference vanishes rather rapidly when the dollar appears," said Duncan.

Cost of living rising rapidly in Indonesia

By Phil Newsom
UPI Staff Writer

In hot and dusty Jakarta this week the price of rice had doubled over that of two months ago.

In two years the cost of living had tripled and a month's pay for the average Indonesian could be expected to last less than two weeks.

None of this seemed likely to be of great concern to Indonesian President Sukarno who long ago proved himself a man of nine lives so far as Indonesians were concerned and who early proved to himself that in a world dedicated to peace, the role of swash-buckler has many advantages.

But both the price of rice and Sukarno himself were of concern to the United States.

Suspicion Mounts
There was a mounting suspicion that Sukarno intended to eliminate not only Dutch and British influence from Southeast Asia but U.S. influence as well.

As a ruler of a newly independent nation, Sukarno has enjoyed the best of three worlds. In Indonesia he has been named president for life. The Soviet Union built his military machine and the United States sustained him economically.

"Without United States help, the Indonesian economy wouldn't last five minutes," remarked a British diplomat a few days ago.

Taking Over Business
In his mind were the fire-blackened ruins of the British Embassy and the British women and children flown from Indonesia when Sukarno loosed rioters against British installations in Jakarta as part of his confrontation against formerly British-held Malaysia.

In his mind also were the British business houses taken over by Sukarno on the claim it was to prevent their seizure by labor unions.

To the British it had the unpleasant ring of events leading up to Indonesian take-over of West New Guinea from the Dutch.

Arkansas GOP says JFK faces trouble in '64

By James R. Campbell
UPI Staff Writer

LITTLE ROCK, Ark. (UPI) — The Arkansas Republican party today seized upon what it said were "disappointing" crowds during President Kennedy's whirlwind tour and claimed he would be in trouble politically in the state in the 1964 presidential campaign.

At least one pro-administration Democrat agreed. Another top state Democrat disagreed.

Kennedy dedicated the \$46.7 million Greers Ferry Dam at Heber Springs, Ark., Thursday and then went 84 miles northeast to Little Rock to make a speech.

William L. Spicer, GOP chairman in Arkansas, said "it was the second time in two years President Kennedy has been in Arkansas and both times he has gotten very disappointing crowds. It again indicates the trouble he may be in politically in our state."

Calls Trip Disappointing
State Rep. Hardy Croxton, an unannounced Democratic candidate for governor, said "that (the trip) was very disappointing. I don't think there is any doubt but what the President is in disfavor in Arkansas. I think he has his work cut out for him."

Croxton has favored the Kennedy administration over Gov. Orval Faubus' state leadership.

The President spoke to 10,000 about one-third of what officials anticipated, at the dedication of Greers Ferry Dam and returned to Little Rock to address a crowd which officials said was 30,000, but veteran observers placed closer to 10,000.

Washington Merry-go-round

Bob Kennedy unleashes all-out attack on crime net

By Jack Anderson

WASHINGTON — A 47-man federal task force, using every trick in the enforcement trade, began a crackdown this week on gambling in the nation's capital.

It has received written instructions to utilize the latest eavesdropping equipment, to cultivate prostitutes and narcotic addicts as informants, to seek out people with grudges against known gamblers, to use tax pressure and sex misbehavior to force reluctant witnesses to talk.

Plainly, Attorney General Robert Kennedy wants the task force to give no quarter in the battle to break the gambling syndicate.

Kennedy's plans are known, however, to the top gamblers who managed to file the confidential instructions from his files. Result: They hastily shut down gambling operations and lit out for the fleshpots of Miami Beach, Hot Springs, and Las Vegas.

Task Force A-20-631, as the special anti-gambling squad is known, consists of 25 FBI agents and 22 treasury men under the direct control of the Attorney General.

They haven't been deterred by the scattering of their quarry, who left plenty of tracks behind. For that matter, federal agents can stalk the gamblers wherever they light.

The task force's no-holds-barred instructions direct:

Prostitutes Can Help
"Maximum use of informants will be made by the task force. This will include all known individuals who have in the past volunteered data on various types of vice operations. In this connection, prostitutes, and known narcotic addicts are vulnerable to proposals from government investigators."

Immunity from criminal prosecution can be a suitable reward for some individuals, who can be implicated by task force investigations. Dissatisfied petty gamblers and/or gambling clients should be exploited to give information.

"Monetary rewards can also be held out as an inducement for informants, but it is recommended that any public knowledge of this authorization be restricted."

The instruction sheet also suggests boldly: "It should first be determined if the proposed informant may be compromised through psychological makeup, sex activities, a promise of no action against his friends, and speedy justice to those who he may believe are corrupting the gambling circles. A more gentle approach can be made to legitimate individuals."

"Net worth of persons under investigation will be rechecked and reappraised in conjunction with data obtained through surveillance and informants. It is conceivable that pressure of this nature may be brought to bear against lesser figures in order to facilitate the obtaining of information relating to major operations."

Phone Company Cooperates
The agents will keep a check on suspects' phone calls through the Chesapeake and Potomac Telephone Co. which has "promised complete cooperation in the task force investigative assignments."

"This will include the listing of any suspected multiple telephone installations and reports of long distance calls to out of town locations and suspected gambling fig-

Dillon believes spiral checked

WASHINGTON (UPI) — Treasury Secretary Douglas Dillon believes the United States has checked its spiraling balance of payments deficit. He expects it to show a 50 per cent improvement during the third quarter of this year.

Dillon told a news conference Thursday that the annual rate of the deficit for the three-month period ending in September should be "half or less" than the whopping \$5.2 billion clocked up during the second quarter.

He said that preliminary reports on the third quarter showed that a double-barreled approach launched this summer to slow down the loss of capital was beginning to pay off.

The secretary said he expected "a substantial improvement" in the nation's dollar position in 1965 and he hoped the deficit would be erased "shortly thereafter."

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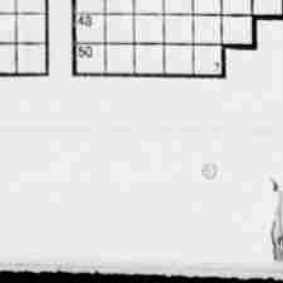
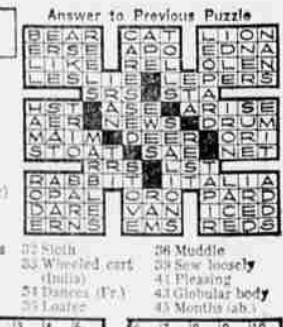
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Business

- ACROSS
- 1 Peanut
- 6 Corporation
- 11 Trustee for goods
- 12 Eastern
- 13 Predicament
- 14 Bizarre
- 15 Unreal
- 17 Ancient Irish capital
- 18 Retain
- 19 Sheltered spot
- 21 Oulfit
- 22 Superlative ending
- 23 Appropriately
- 25 Biblical
- 26 Durable wood
- 27 Overseas
- 28 Weight (ab.)
- 31 Stock selling business
- 34 Vigor
- 37 Boy's nickname
- 38 Technical (ab.)
- 39 Commanded
- 40 Image
- 42 Tea holder
- 44 Overall cloth
- 46 Garb
- 47 Greek (comb. form)
- 48 Madder
- 49 Worms
- 50 Assistant

- DOWN
- 1 Helmet type
- 2 Business suspension
- 3 Charitable gift
- 4 Without (Latin)
- 5 Defender (Ital.)
- 6 Although (var.)
- 7 Debauch
- 8 Ungrasped
- 9 Grievously
- 10 Contract
- 11 Ill-humors
- 13 Caseway
- 16 Appellation
- 20 Schedule
- 23 Small horse
- 24 Jack (cribbage)
- 25 Asiatic ox
- 27 Food
- merchants
- 28 Orna extracts (chem.)
- 29 Waste allowance
- 31 Lard (part)
- 32 Six
- 33 Whined, cont. (hum.)
- 34 Dames (Fr.)
- 37 Leaflet
- 36 Middle
- 39 New society
- 41 Pleasing
- 43 Globular body
- 45 Month (ab.)



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