

Government Seeks Payment of Huge Income Tax Claim

First of Two Parts
By FRANK H. BARTHOLOMEW
United Press International
San Francisco - (UP) - The government of the United States is about to come to grips with a former newspaper reporter who took time out to make an estimated \$150 million.

His name is John A. T. Galvin. The Treasury Department says he owes \$21,546,898 in back income taxes—the largest claim ever filed against an individual.

Galvin is now in Dublin. A jeopardy assessment has been filed in San Francisco against his properties in the area. Similar liens have been placed against Galvin's 77,000-acre ranch holdings in Modoc and Lassen counties in northern California, and against the fabulous Rancho San Fernando Rey near Santa Barbara.

The Internal Revenue Service claims \$39,054 for 1954; \$1,157,200 for 1955; \$10,286,249 for 1956; \$450,281 for 1957; plus 1956-57 gift taxes of \$9,348,491, and an additional \$298,000 for gift taxes in 1955 against Mrs. Galvin.

Five other persons involved in the management of his fortune are joined in the 1956-1957 gift tax claim against Galvin.

Internal Revenue Service records indicate that the claim against Galvin has been topped only by a \$23 million lien placed against a foreign corporation alleged to have had income from the United States.

"All income taxes claimed are capital gains taxes on funds received by Mr. Galvin before he was a resident of the United States," his financial counselor, John Collins, told United Press International.

"John Galvin has never evaded taxes in the past," his attorney Robert S. Cathcart, said. "And he hasn't in this case."

Cathcart indicated that the claims will be opposed in the

U.S. Tax Court. Galvin, in his only statement to the press since he arrived in Ireland, says he does not owe the taxes and will fight. Galvin has 150 days in which to appeal to the Tax Court to have the liens lifted.

This deadline expires early in May.

Walter R. Stumpf, assistant director of the Internal Revenue Service in San Francisco, said the fact that Galvin left California for Ireland was a suspicious ground for the jeopardy assessment. The government uses this approach when it appears that property may be converted to cash by a taxpayer planning to leave the country for good.

Galvin is an Australian. His defense is that he did not earn the money in the United States and that he was not a resident of the United States when he did earn it.

The general contention of the Internal Revenue Service is that Galvin's family lived in the United States during the relatively short period of four years in question, that he had attempted to protect them from American income tax by setting up a trust prior to their arrival, and that despite his contentions he was a de facto resident of this country when the money came in from the Orient.

Galvin is an unassuming man of slightly less than average stature, with a round face and round glasses which give him a somewhat owl-like appearance. He did not inherit any of his fortune.

Of Poor Family
He was born in 1908 into a very poor Australian family, one of seven children. His father did odd jobs around His Majesty's Theatre in Hobart. As soon as he was old enough, John sold newspapers.

The father saved enough money to send John and his brothers to St. Virgil's Christian Brothers school in Barack street, but soon found he could not maintain the cost. The Brothers waived the fees

because the young Galvins were exceptional students. Later and more recently, John repaid the Christian Brothers with gifts to St. Virgil's totaling 150,000 Australian pounds.

His courage evidenced itself in his boyhood. When he was 12 and a poor swimmer he saved a friend from drowning and was awarded the Royal Humane Society medal.

Later, as a newspaper reporter in Hong Kong, he went into the mountains on a dangerous mission to interview a tough guerrilla named Mao Tse-tung.

Galvin left school in Hobart at the age of 15 and went to Melbourne. Here he became a messenger boy at 15 shillings a week and sold newspapers on the side.

In 1930, after a brief fling in London's Fleet Street, Galvin got another job in Melbourne soliciting advertising with Gordon and Gotch, publishers and news agents. Here he encountered a setback and an asset, almost simultaneously. He met a fellow Australian, Stanley Smith, who was doing the same work. This was an asset, because later on

when they became partners they made an estimated \$375 million together.

The setback occurred when Frank Taylor of Gordon and Gotch fired them both.

"They were no good at selling classified advertising," Taylor said. "Girls were better."

Bereft of their jobs at four

Australian pounds per week plus commissions which they didn't seem to be able to earn, John Galvin and Stanley Smith went to Hong Kong.

Joins News Service

"I got a job with the United Press," Galvin told this writer last year at his 35,000-acre Rancho San Fernando Rey, near Santa Barbara.

Records of the news service's bureau in Hong Kong indicated that very little of his \$150 million was accrued at this time.

During the war, Galvin worked for the British Ministry of Information in India and Burma. After the war he became a top echelon man in the Hong Kong government's Department of Commerce and Industry, and simultaneously with Stanley Smith became involved in the operation of several commercial companies.

back to journalism again; he became among other things, a director of the China Mail. This was the newspaper for which he had obtained an interview with Mao Tse-tung.

Later the Mail was merged into the South China Morning Post, and Galvin and Smith went to Malaya and bought an iron mine.

They negotiated a contract with the government of Japan for its output, organized a steamship line to deliver the ore, and started the acquisition of fabulous fortunes in a relatively short period of time.

Friday: How John Galvin hit California.

HELP US!
We need clothing, shoes, dishes, furniture, and bedding.
We Pick Up.
HELP OTHERS!
The Salvation Army
30 N. Holly
773-7335

SECTION B PAGES 1 to 8
MEDFORD TRIBUNE
MEDFORD, OREGON, THURSDAY, MARCH 7, 1963

You Can Count on Us... Quality Costs No More at Sears

SEARS ROEBUCK AND CO. Spring Home Appliance Sale

NEW 1963 KENMORE AUTOMATIC WASHERS
SALE PRICED **169⁸⁸**

NO MONEY DOWN ON SEARS EASY PAYMENT PLAN

Fills, washes, rinses, spin-dries automatically, 12-lb. capacity... room for family-size loads, 3 wash-water temperatures... cold, warm and hot. Built-in filter works full time, cleans easily, 6-vane agitator provides thorough wash action.

NO TRADE-IN REQUIRED

SEARS does not establish artificial "list" prices to allow so-called "discount" or "trade-in" prices. Sears original prices are low prices.

SERVICE... Sears expert service is as near as your telephone anywhere you live in the U.S.A.

Prices include Delivery and Normal Installation

Kenmore Washers and Dryers as Low as... \$99

GUARANTEE free replacement and service of any parts which prove defective within 1 year of sale. Defective gear-case parts in automatic washer only replaced for 4 additional years, charging only for installation. Free replacement of defective porcelain parts within 30 days of sale.

Up to 36 Months To Pay
Ask Sears salesman how you may have up to 3 full years to pay for Sears Home appliances.
NO MONEY DOWN
on Sears Easy Payment Plan

SAVE 80.00!
30-In. RANGE
Regular 269.95
SALE PRICE \$209
Less Cal/Ore
Trade-In Allowance \$20
YOU PAY \$189

NO MONEY DOWN ON SEARS EASY PAYMENT PLAN

Clock-controlled oven has Visi-Bake window. Fluorescent-lit backguard with clock, timer and timed appliance outlet. Full-width storage drawer, oven light, infinite heat switches.

KENMORE RANGES as low as \$99

Goldspot Frostless Combinations

- Frost free, no frost ever!
- Zero-degree freezer at top
- Porcelain 25.2-qt. crispener
- Butter chest, deep door shelves
- Two magnetic flush-hinge doors
- Fits flush to side wall, cabinets

Check Sears Huge 13.8 Cu. Ft. Capacity
Low Price 101-lb. True Freezer **279⁸⁸**
NO TRADE-IN REQUIRED

WRITTEN GUARANTEE BY SEARS

HONOR BILT 52-GALLON GLASS-LINED ELECTRIC WATER HEATER
SALE PRICE 64.95
Less Cal-Ore Trade-In Allowance \$15

YOU PAY 49⁹⁵

NO MONEY DOWN On Sears Easy Payment Plan

Glass lined tank for long life. Thick blanket of glass fiber insulation. Adjustable temperature. Immersion type element flexes to shed lime. Pedestal base. All top connections. U.L. listed.

15-YEAR and 10-YEAR GUARANTEE
New water heater installed free if tank fails within 7 1/2 years of sale. (5 years for 10-year.) Pay regular current price during next 7 1/2 years, (5 years for 10-year) subtracting 1/100th (1¢/20th for 10-year) of price for each month remaining on guarantee... installation extra.

Same day INSTALLATION can be arranged if needed at additional low cost.

Portable TV Sets With Tinted Safety Glass

Check Sears Low Price Crisp, Color Pictures **139⁸⁸**

19-in. overall diagonal screen. 172 sq. inches of viewing area. Removable tinted safety glass. Beige finish metal cabinet. Dipole antenna attached. Size 15 1/2 inch x 23 inch x 11 1/4 inch deep.

COLOR TV AS LOW AS \$479.95

Automatic ZIG ZAG

Just Drop in a Cam and Sew Beautiful Designs with Ease
Sears Low Price 139⁸⁸

Imagine! A zig-zag console at this low price! Does all straight stitching. Push button forward and reverse. Automatic bobbin winder. Test sew this Kenmore at home FREE!



OBJECT OF CLAIM—John A. T. Galvin, a multimillionaire who came to San Francisco via Australia and the Far East, and has since departed for Ireland, has the distinction of being the object of the largest back income tax claim ever filed against an individual by the U.S. government: \$21,546,898. (UPI)

Oakdale Laundromat

WASH 20c (12 items per load)
DRY 10c (One load)
Coin Operated DRY CLEANING
11th and Oakdale
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