

Salem Scene

by Everett E. Cutler

CAPITAL RISK CAN BRING LOSS AS WELL AS PROFIT
Wally Watts, with 10 years' experience as an electrician behind him, decides to leave the security of his \$600-per-month job and start his own business.

He has savings and an inheritance totaling \$10,000 in the bank earning 4 per cent interest. His late father also left him land and a building suitable for his electrical contracting business.

To get established, Wally must invest \$25,000, for tools, equipment, vehicles and stock. He borrows \$15,000 and sinks in another \$5,000 from his savings, leaving \$5,000 for working capital.

He hires two young electricians and a part-time bookkeeper, obligating himself to a \$1,000 monthly payroll. Then he budgets expenditures for taxes, insurance, permits, advertising, utilities, maintenance and other necessities.

After one year, Wally's bookkeeper reports net income of \$8,000.

Is that his farm's profit? Take a look at the books.

Wally would have earned \$7,200 working at his old job. The \$10,000 he took out of the bank and put in the business would have realized \$400 interest. He might have rented his building and lot to a tenant for \$200 a month, for another \$2,400.

If the bookkeeper did not allow for these costs, then Wally's firm lost \$2,000 in its first year. Wally bears the loss because he assumed the ownership risks of volume and number of customers expected, collection of accounts, employee performance and countless other factors against which insurance would be impossible.

In addition, Wally is no longer responsible for only his family's welfare. He has employees, and operating his own business has made him value customer satisfaction more highly.

A corporation manager faces similar problems and obligations and is additionally responsible to stockholders who invest in a collective enterprise. These stockholder owners, unlike Wally, usually do not manage or work for their company. But they do, like Wally, assume risk of loss in using their capital in hopes of its earning dividends for them.

Assuming all goes well, how large a profit margin is considered reasonable? Polls have shown that most people believe a 10 percent profit on sales and services after taxes would be fair.

They often are surprised to learn that actual profit after taxes averages just over 3 percent. Averages can mislead, of course, but in a free market competition will tend to hold operating costs down to similar levels and to equate prices within a given industry if it expects to succeed.

In 1968, employees of all U. S. corporations received 87.2 percent of the income distributed between employees and net profit. They were paid 93.3 percent of income split between employees and dividends. Dividends, paid to stockholder owners, amounted to only 6.7 percent of that income.

Employees of the Singer Company last year received 95.3 percent of the amount available for employees and dividends. Officers and directors of that firm received only .4 of 1 percent of the amount paid to employees.

Yet the polls show that most people believe employees receive only 25 percent of pay-

roll-plus-profit income, and they generally assume companies average 20 per cent net profit on sales.

Like any ideal, the private enterprise system does not function perfectly. But with active competition, profits cannot remain unreasonably high for very long.

The 10 per cent margin considered "fair" by survey respondents no doubt would look like a bonanza to Wally Watts or to Singer Company stockholders. It might even encourage more people to trade their certain 4 per cent interest on savings accounts for gambling on investments currently returning an average 3 per cent return.

GATES

Antonia Thomas
Phone 897-2605

Mrs. Nellie Allen returned Thursday from a 10-day visit with her niece, Inez Stickle, in Astoria.

Mrs. Arthur Blackburn and Mrs. Sarah Rains returned from a three-week trip to Eureka Springs, Ark., where they visited with a brother and a sister and their families. They went by jet and had a good trip and good weather most of the time.

Visiting the Daniel F. Peters' for a few days was her niece, Mrs. John Such from Gold Beach.

A group of friends surprised Mr. and Mrs. Erwin Tucker with a shower at the home of his parents, Mr. and Mrs. Charles Tucker, Saturday evening.

Visiting Mrs. Joe Novak over the weekend were Mr. and Mrs. Jess Hayward of Portland.

Visiting the Walter A. Thomas Jr., family Sunday were her parents, Mr. and Mrs. Forest Bartlett and aunt, Mrs. Anna Swanson from Portland.

Santiam Ripples

By Becky Earhart

An all school assembly was held October 7. At the opening of the assembly, Boy and Girl of the month of September were announced. Boy of the month was Lynn Cutsforth and Girl of the month was Linda Crowther. Following this announcement the visitation team from the state colleges gave a 35 minute presentation concerning Oregon's state institutions of higher learning. After the assembly the Seniors and the Juniors attended two more 35 minute presentations, where they were allowed to ask questions and discuss different aspects of college life.

Student Council met Tuesday, October 8. The main topics discussed included the voting on Boy and Girl of the month, the selling of booster badges and magazines, and a club charter for the newly formed Chess Club.

F.T.A. held a meeting Thursday, Oct. 8. Topics up for discussion included the induction of new members and the possibility of attending the state convention in November at Oregon State University.

The Old Timer



"No thing seems to make the bathroom scales so inaccurate as stepping on them."

OBITUARIES

GEORGE E. STEWART

Funeral services were held Tuesday at Weddle's Mortuary for George E. Stewart, 70 who passed away in a Salem Hospital Thursday. He had been in poor health for some time.

Mr. Stewart was born in Canby and had resided in Mill City since 1937. He operated an auto towing service here for a number of years.

He was a member of the Eagles Lodge.

Surviving are the widow, Alma, two sons, Merle Stewart of Mill City, Gerald Stewart of South Beach, one daughter, Beth Stewart, of Portland; mother, Mrs. Margaret Faulk of Molalla; one sister, Floy Anderson of Molalla; one brother, Wayne Stewart of Oregon City and 14 grandchildren.

Ritualistic services were by the Eagles lodge and interment was at the Fairview cemetery at Gates.

AUGUSTE WITT

Mrs. Auguste Witt passed away Friday in a Salem Hospital following a lingering illness.

Mrs. Witt was 76 years of age. She was born in Germany and came to Mill City in 1923.

Mrs. Witt was a member of the Presbyterian Church and a former member of the Mill City Garden Club.

Surviving are the widower, Otto Witt, one daughter, Mrs. Dale (Ursula) Bassett of Edmonds, Washington and two grandchildren.

Services were held Monday at 2 p. m. at the Presbyterian Church with Rev. James Murray officiating. Interment was in the Fairview cemetery under the direction of Weddle Funeral Home.

MEHAMA

Mrs. John Teeters

Mrs. Orval Greer of Leaburg was a guest several days last week at the home of Mrs. E. J. Hughes and Mrs. M. V. Frame and visited with other friends here.

Mr. and Mrs. Larry Kimsey, Susan, Mary, Lloyd and Lech visited Sunday in the Sisters area.

Mrs. Bruce Matthis returned home early Thursday, Oct. 9 from Virginia where she was called when her daughter, Mrs. Frank Shelton was involved in an accident. Mrs. Shelton returned home with her mother as her husband who is stationed with the Army at Ft. Story expects to be transferred soon.

Sunday guests at the Alfred Schneider home were Mr. and Mrs. Don Crook of Portland and Mr. and Mrs. Larry Watts and two children of Salem.

Mr. and Mrs. B. L. Kirsch were dinner guests, Sunday, Oct. 5 at the home of Mrs. Edna Walker in Silverton.

Mr. and Mrs. Ron Kowalis and daughter of Klamath Falls were guests Saturday, Oct. 11 at the home of her grandmother, Mrs. Jennie Moe and also visited with the Larry Kimsey family. Mrs. Moe returned to Klamath Falls with the Kowalis' for a short visit.

Mr. and Mrs. Jack Anderson and children of Brookings came Saturday, Oct. 11 to help his mother, Mrs. Arthur Anderson celebrate her birthday. They left for home Sunday afternoon.

BOWLING



Name of Team	W	L
Riverview	15	5
Tes Mon. Les Coif.	13	7
Drushella Furniture	12	8
Turner Inn	11	9
Stayton TV	10	10
LaFemme Beauty	10	10
Stout Creek Lbr.	9	11
Bob's Market	8	12
Teague Chevrolet	7	13
N. San. Lanes	5	15
HIG Helen Fery 191, HIS Dorothy Schwindt 541; HTG and HTS Riverview 744, 2069.		

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LYONS

By Eva Bressler

FN. Kenneth Champ and wife Vicki from Long Beach, California are spending this week with their parents, Mr. and Mrs. Ernest Grosso of Lyons and Mr. and Mrs. Dale Champ of Mehama.

Mrs. Gladys Kuiken of Salem spent several days at the home of her daughter Mr. and Mrs. Jack Roye and daughters, while Mr. Roye was on a hunting trip to Eastern Oregon.

Mr. and Mrs. Harley Scott received word Monday evening of the death of his sister, Mrs. Veda Neal of West Fir, at a Eugene hospital. Funeral services were held Thursday afternoon from Weddle Funeral home in Stayton with burial at Union Hill.

Mrs. Floyd Bassett spent several days last week in Portland. Her daughter Mrs. Dick Haseman of Vancouver, Washington underwent major surgery Wednesday morning at a Portland hospital.

Mrs. Franklin McDowell from Port Townsend, Washington was a week-end guest at the home of her parents, Mr. and Mrs. Harley Scott. She came to attend the funeral services for her aunt, Mrs. Veda Neal held Thursday afternoon.

Recent visitors at the home of Mr. and Mrs. Van Prichard were Mrs. Prichard's sister, Mrs. Martha Phelps and daughter, Miss Opal Phelps of Longview, Washington, also her sister, Mrs. Mary Fuqua and daughter, Mrs. Mildred Gibson of Portland, also little Tamma and Melinda Smith from Lincoln City while their parents, Mr. and Mrs. Jay Smith were on a hunting trip. Mr. Smith is a grandson of the Prichards.

Mr. and Mrs. Al Ostermier from Grants Pass are spending this week at the home of Mr. and Mrs. Hobson Gunn. They, with the Gunns were Thursday dinner guests in Salem celebrating the 49th wedding anniversary of the Gunns.

Layman Sunday was observed at the Lyons United Methodist church Sunday morning, October 12 at the 11 a. m. services. Taking part were Howard Naue, Hugh Johnston, Marion Clark and Mrs. E. L. Roye.

Mr. and Mrs. Howard Naue, Mr. and Mrs. Elmer Culwell, Delmer and Donna; Mrs. Lydia Culwell and Harlan Gibson were Sunday dinner guests in Salem at the home of Mr. and Mrs. Ray Short. The occasion honored the birthday anniversaries of Mrs. Short and Harland Gibson.

Mr. and Mrs. Van Prichard and granddaughters Marcella, Jerriletta, and Venetta were Sunday guests at the home of their son and family, Mr. and Mrs. Dale Prichard at Clatskanie. They went to see their granddaughter and husband, Mr. and Mrs. Boris Lawstika, who were there from Edmondson, Canada.

A potluck fellowship dinner will be held at the United Methodist church Thursday evening, October 16 at 6:30 p. m. for all members and friends of the church. Everyone is invited.

Recent visitors at the home of Mr. and Mrs. Glenn Julian were Dr. and Mrs. George Jeffcott from Portland.

Mr. and Mrs. Wilson Stevens, with Mr. and Mrs. Orville Downing returned home Sunday from a weekend trip which took them down the coast to Crescent City, Calif., where they visited at the home of the Downings' son-in-law and daughter, Mr. and Mrs. Richard Brown and children. They also visited at Jacksonville.

Mrs. Effie Anderson went to work at Mari-Linn Monday under the Title I program as a teacher's aid. She will be working with the primary grades.

An Art Work shop was held at the Mari-Linn school Thursday, October 9 with Mrs. Mary Jo Albright from Corvallis in charge. Mrs. Phyllis Power from Stayton High attended with the Lyons teachers.

Teachers from Mari-Linn attended the State-wide Teacher's in-service program held at Central Linn Friday, while the students enjoyed a day of vacation.

Mrs. James Silbernagel entertained a group of little folks Friday, honoring their twins Karen and Kelly on their 8th birthday anniversaries. Games and refreshments furnished the entertainment with the birthday cake baked and decorated by their grandmother, Mrs. Sophia Jaeger from Mt. Angel.

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DelMonte Sweetheart Bacon lb. 89c
Old Fashion Franks lb. 59c
Round Steak 89¢
Lb.

Mayflower Cottage Cheese pt. 25c
Dutch Maid Margarine 5/\$1.00

Chiffon Ice Box Spread 3 pkgs. \$1.00
Folgers Coffee \$2.08
3 Lb. Can



2 Lb. Tin \$1.49
1 Lb. Tin 75¢

Chets Frozen Meat Pies 4/\$1.00
FLAV-R-PAC
French Fried Potatoes 2 lb. bag 39c

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