

ARGUMENT ON KLAMATH AIR SERVICE SET

(Continued from Page One)

ford and Klamath Falls connecting with northbound and southbound trips stopping at Medford. Under the plan, three round-trip schedules would be operated with Boeing 247-D equipment presently owned. The record indicates that direct flying cost of this equipment is about 23.75 cents per mile, or on the three-trip daily basis, \$30,000 a year. This does not reflect any depreciation or overhead expenditures. In addition, the maintenance of service at Klamath Falls would entail a capital expenditure of \$21,289 and annual station costs similar to those at the other points involved aggregating \$8397. Thus, the total cost of service to Klamath Falls would be about \$38,397 a year.

There are no navigation aids between Klamath Falls and Medford. A radio station and weather reporting teletype service would be required at Klamath Falls, the cost of which to the government would aggregate about \$27,000. The annual maintenance cost of these facilities was estimated at \$12,185. If lighting facilities are found necessary the additional cost would be \$12,200 and the additional maintenance cost \$2130.

United's cash sales at Klamath Falls in 1939 amounted to \$292 while similar sales during the first six months of 1940 were \$374. United concluded, on the basis of a study of similar economic characteristics, that Pendleton provided a comparable station as the basis for an estimate of Klamath passenger revenue. United estimated that the passenger revenue would be \$28,500.

Direct quotation of conclusions of examiners:

"The extent to which such an air service would be patronized appears small. Klamath Falls is a relatively small community and the population within a 25-mile radius which might be considered a reasonable source of traffic for the proposed service is not large. The record shows that a large number of persons visit nearby Crater lake park, but there is no indication how many of them are local residents or how many might be considered potential air travelers. Even on the basis of United's own estimates, the cost of the proposed service would exceed the revenues. In addition to the cost of airway aids, additional government expenditures would result from the Klamath Falls service in the form of mail compensation. On the basis of the rate now paid United, the operation of three round trips daily in mail service between Klamath Falls and Medford would result in total compensation in excess of \$10,000, depending upon the number of schedules completed. "On the basis of the foregoing facts, it is concluded that the public benefits which would result from the proposed service would not justify the governmental costs which would be required and it is therefore recommended that the board find that the public convenience and necessity does not require air transportation service to Klamath Falls."

Following is a condensed summary of United's arguments against the above conclusion of the examiners:

It appears from an examination of the report that the recommendation of the examiners is based largely on the element of costs.

In reaching conclusions, sufficient weight was not attached to the needs of Klamath Falls in view of its geographic location in relation to existing airline service; adequate allowance for increases in passenger revenue over the minimum estimates were not made; the cost to the government for airway aids and facilities was not correctly appraised; and the importance of airmail service to the community was not considered in determining whether the amount of compensation which might be allowed for the transportation of airmail would be excessive or unreasonable.

In determining whether a proposed operation is required by the public convenience and

necessity, certain tests have been set up. They are:

1. Will the service serve a useful public purpose responsive to a public need?
2. Can and will this purpose be served adequately by existing lines or carriers?
3. Will the service impair the operation of existing carriers contrary to the public interest, and
4. Will the cost of the proposed service to the government outweigh the benefit which would accrue to the public from the new service.

Tests Nos. 2 and 3 are clearly met in this case, because there are no existing lines or carriers serving Klamath Falls at this time.

Will the new service meet a useful public purpose responsive to a public need? Transportation to Medford is by bus, necessitating 76 miles of driving which takes from two hours in the summer time to three hours in winter and which becomes especially hazardous in winter. Those desiring to use air transportation are therefore handicapped.

Klamath Falls is an industrial center. There are 30 mills and manufacturing plants in the county, with the lumber cut for 1939 valued at \$16,383,404 and payroll of \$7,990,245. Income from agriculture in 1939 totaled \$8,882,028. In addition there are located at Klamath Falls branches of many nationally known concerns. Hotel registrations covering the month of August, 1940, totaled 2581 persons, and guests came from all parts of the United States, Canada and Alaska. Klamath Falls provides one of the gateways to Crater lake park, with 214,549 guests in the park in the first seven months of 1940.

The proposed Medford-Klamath Falls service will require one Boeing plane and one crew. United owns 15 such planes, and they are fully depreciated on the books of the company. Conduct of the operation will not result in any increase in overhead expenses.

United estimates the cost of operations at \$30,000 a year, plus \$8397 for station operation. Of this sum, \$2851 represents depreciation on capital expenditures. The sum of \$12,000 is included to cover the installation of radio equipment which, if installed by United, will relieve the government of making an estimated outlay of \$27,000 for such equipment. The total cost to United of operation, therefore, would be about \$38,397 a year.

Based on traffic figures from Pendleton, considered a comparable city, the three schedules to and from Klamath Falls will produce \$28,500. Without allowance for mail revenue, there would be a deficit based on 1939 figures of \$12,717. However, the use of 1939 traffic figures is conservative. Results of the first six months of 1940 show Pendleton traffic increased 65 per cent. Accordingly, the Pendleton revenue figures for 1939 should be doubled and consequently, the reasonable estimate of revenue to be derived at Klamath Falls, instead of \$28,500, should be \$57,000, or almost \$20,000 in excess of the amount estimated to pay operating costs.

United intends to install and operate a two-way radio-telephone station and low-power localizer station at Klamath Falls. In addition, the last leg of the Medford radio range lies approximately on Klamath Falls, and could be shifted to

give a radio airway from Medford to Klamath Falls.

The examiners mentioned \$13,200 as lighting costs. United feels that installation of lights of the type under discussion are not necessary or even advisable for the kind of flying which United does. It appears therefore, that the Medford-Klamath Falls service could be set up without government expenditure for either lights or radio facilities. However, in the event the government concluded to install these facilities, they would be of material benefit not only to air carrier operations, but to army, navy and private fliers.

It is not possible at this time to arrive at the amount of airmail compensation United would receive. Whatever compensation is paid United for the transportation of airmail to and from Klamath Falls will not be a total loss to the government inasmuch as it will receive a substantial amount by way of postal charges. However, even if the government should be required to expend \$10,000 in order that air mail service be provided, it is submitted the sum is reasonable in view of the service that would be rendered to this isolated community.

Orton Says IWA Opposed to Hitler At Home, Abroad

SEATTLE, June 26 (AP)—The International Woodworkers of America, CIO affiliate, which has "always championed defense of our homes and our nation against aggression," now "champions the fight of the soviet people to protect their homes and their nation against Hitler aggression," President O. M. Orton said today.

"We are opposed to Hitlerism both here and abroad," he said, in a brief statement.

"The IWA is opposed to armed participation in any foreign war, because we cannot protect democracy by sending American troops to die thousands of miles away," the statement added.

Oregon WPA to Be Cut 2700 on July 1

PORTLAND, June 26 (AP)—A slash of 2700 workers from the Oregon WPA rolls will be made about July 1, E. J. Griffith, state WPA administrator, said yesterday.

There are now 9200 workers employed, he said, and projects will be closed to cut the number to about 6500.

Elmer Goudy, state public welfare commission administrator, said it was expected that the workers would be absorbed quickly in private industry and on seasonal jobs.

CLOSER AT HOME

OGDEN, Utah (AP)—As William Burch built a fire in his kitchen range, he glanced out the window and saw flames shooting from the roof of a nearby cannery plant.

He hurried over and watched the fire destroy the plant. Returning, he found firemen battling a blaze which burned the roof off his home.

ONLY ONE HARBOR

Only one harbor in Great Britain can provide anchorage for the entire British fleet at either high or low tide. This harbor is Rosyth.

MASONS PLAN BIG MEETING FOR SATURDAY

Probably the largest Masonic gathering ever held in southern Oregon will occur next Saturday evening, June 28, at the high school gymnasium in this city. Klamath lodge No. 77, A. F. & A. M., will be host to Provident lodge, No. 609, of Sacramento, and several hundred Masons from widely separated lodges in California, Nevada, Utah, Idaho, Washington and Oregon.

Several California delegations have made arrangements to come in chartered busses, visiting Shasta dam and other scenic points en route. Large groups are expected to arrive from Ashland, Medford, Grants Pass, Eugene, Portland, Bend, Lakeview, Chiloquin, Malin, Tulelake, Dorris, Yreka, Alturas and other points.

The principal feature of the evening meeting, which begins at 8 o'clock, will be the conferring of the Master Mason degree by a picked team from Provident lodge No. 609. They will bring their own candidate, and some of the equipment to be used was hand made for Gold Hill lodge No. 32, of California, in the fall of 1852 and used by the lodge at that time. The gavel to be used was made of juniper by Past Master George Scotty Fordyce of Northeast lodge No. 266, Fort Bidwell, Calif., and presented to Roscoe L. Clark, past master of Provident lodge.

The setting for the degree work will be reminiscent of early day Masonry in the Sacramento valley and surprises are in store for those who attend. Interesting relics, such as Captain Jack's bow, arrows and quiver, will be on display.

This meeting is in the nature of a return visit, as Klamath lodge visited Provident lodge in Sacramento several years ago and conferred the same degree there, giving the California Masons their first opportunity to see the Oregon work, just as many Oregon Masons will now see for the first time the California work.

Judge Arthur D. Hay, of Lakeview, who has recently been elevated to the highest Masonic office in Oregon, that of grand master, will pay his official visit to Klamath lodge at this time and will be received with the customary impressive ceremony which is used on such occasions.

Entertainment and musical

features will add to the interest of the evening meeting.

Distinguished guests who are expected to be present are, Oregon: Arthur D. Hay, grand master; Frank S. Baillie, past grand master; Ezra M. Wilson, past grand master; Bart B. Braechi, grand high priest Royal Arch Masons. California: Les Wood, Gil DeForest, Roscoe L. Clark, M.D.; Charles W. Geller, Nelson M. Holderman, Nevada; George B. Russell, E. C. Peterson, Elwood H. Beemer, George Coleman, C. A. Carlson Jr.

Beginning at 1 p. m. Saturday, the reception, registration and examination committees will be on duty at the Masonic temple, 418 Klamath avenue, to take care of all the preliminary arrangements. It is requested that all Masons register and receive their official badges during the afternoon or early evening to avoid congestion before the evening meeting.

At 5 p. m. an occasional communication of the grand lodge of Oregon will be convened in the Masonic temple by Grand Master Hay for the purpose of installing H. M. Nolte of Lakeview as junior grand steward, and L. A. Murphy of Klamath Falls as grand pursuivant of the lodge. All Masons are welcome to attend this meeting as well as the evening meeting.

At the conclusion of the evening meeting to be held in the high school gymnasium all Masons are invited to return to the Masonic temple where informal open house will be held and light refreshments served.

PREDICTION

PORTLAND, June 26 (AP)—Aimee Semple McPherson said Wednesday that she "wouldn't be surprised to see the world crack wide open and turn against war and back to God."

AIRCRAFT WARNING COMMITTEES ASKED

SALEM, June 26 (AP)—Chairmen of Oregon county defense councils were asked today by Jerrold Owen, state civilian defense coordinator, to appoint immediately men to head the aircraft observers' committees in each county.

These men will locate the observation posts in their counties, the posts to be part of a statewide aircraft warning network to be used in case of air attack.

"Sixteen observers are to be assigned to each observation post, which will be responsible for approximately 36 square miles of terrain, being located as near as possible to the center of six-mile squares," Owen said today after a conference with Lt. Col. H. H. Newman, head of the second interceptor command at Fort Lawton, near Seattle.

"Information from these posts will be digested in filter centers located at Portland, Eugene and Roseburg, from which orders will issue to pursuit planes and

anti-aircraft artillery in event of invasion."

Irl S. McSherry, deputy state parole officer, was appointed assistant state defense coordinator, to serve while the county defense councils are being organized. After this organization, he will return to his parole job.

COSTLY CARELESSNESS

Improperly prepared and addressed mail causes a loss to the postoffice department and users of the mails of between \$4,000,000 and \$5,000,000 annually.

Blind Men Sought To Man Air Defense Listening Posts

SALEM, June 26 (AP)—Blind men are going to be asked to volunteer to man aircraft observation posts in Oregon, the state civilian defense council said today.

Since blind persons often have better hearing, they will be teamed up with persons who have good eyesight so that enemy aircraft may be spotted.

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