

Pacific Telephone Company Experiences 'Biggest' Year

For Pacific Telephone 1955 was one of the biggest and busiest years on record here and throughout the Pacific West. President Mark R. Sullivan said in the company's annual report released today.

Copies of the report, a summary of 1955 telephone progress, will be available to interested persons at the Klamath Falls business office, manager Howard Austin said.

"Because we serve one of the fastest growing sections of the country, we are conditioned to the impact of growth upon our business. But in 1955 it grew at an unprecedented rate — in many phases more than twice as fast as usual," Sullivan declared.

The telephone company reported a series of impressive statistics for 1955:

The number of telephones in the company's system increased by 436,000 — 46 per cent more than the increase the previous year. The company now has 8 1/2 million phones in service.

The number of local calls rose to nearly seven billion. Long dis-

tance calls totaled 252 million — a 14 per cent increase over the previous year.

Directories grew, too. In 1955 they contained 10 billion pages — 10 per cent more than the year before. That's enough paper to fill 567 freight cars.

Financially, Sullivan said, Pacific Telephone also showed some improvement. But he cautioned that this might prove to be only temporary. For, he said, "So many people were pressing for service that the only way we could serve them was to eat into plant built ahead for the growth that is coming. This procedure brought in some revenues without the usual complement of plant and made our earnings look somewhat better on the surface."

"In 1955 we earned \$9.82 per share of common stock, as compared with \$8.89 in 1954. And we paid out dividends of \$7.00 per common share — or 71 per cent of our earnings. In terms of return on average invested capital we earned 6.46 per cent."

Revenues increased by \$83 million over 1954, thanks to the record volume of business. But our expenses also continued to increase. Including taxes, they topped 1954's by over \$67 million."

The company's taxes came to over \$134 million and represented 51 out of 55 received in revenues. In addition, \$38 million in excise taxes was collected from customers for the federal government. Sullivan pointed out the company's higher wage bill was the big reason for increasing expenses. It totaled \$370 million last year. During 1955, 9,000 people were added to the work force. Union negotiations and pay increases to individuals who merited them also added to wage costs.

Looking ahead to 1956 Sullivan said the company expects to spend about \$400 million on gross construction of new plant to meet skyrocketing service demands.

Among the many projects listed for 1956 are the introduction of direct distance dialing in a score of cities, completion of a radio relay system costing \$4 million between San Francisco and Portland, and completion of the Oakland-Los Angeles coaxial cable.

Dairymen Slate Joint Meeting

A joint meeting of the Klamath Dairymen's Association and the Klamath Dairy Herd Improvement Association will be held at 10 a.m. Monday at the Winema Hotel.

A luncheon will be served at noon. According to Ray O. Petersen, secretary of the associations, a discussion of proposed changes in milk promotion programs and the election of officers will be highlights of the agenda. Other business will include a discussion of the Oregon Branch of the American Dairy Association and reports on the State and County Dairy Herd Improvement Associations.

Petersen added that there would be several other discussions which would be of importance to dairymen.

All Klamath County dairymen and their wives are invited, he said.

Valentine Tea Held For Mothers

WEED—A Valentine tea party entertained mothers of Brownie Troop 9 members Tuesday afternoon, February 14, in the social room of the Weed Community Church. An arrangement of red and white carnations, flanked by red candles, centered the tea table, and Brownies served refreshments to the guests and members attending.

Invited guests were Mrs. Dyanor Beriber, Girl Scout chairman, and Mrs. Dale Owen, an out-of-town visitor. Red and white carnations were presented to the guests and mothers including Mrs. John Booth, Mrs. Gabe Daggett, Mrs. Francis James, Mrs. A. Cardozo, Mrs. Phoebe Winkle, Mrs. C. L. Matthews, Mrs. Jean Nelmyer, Mrs. Arden Parker, Mrs. Walter Tosh, Mrs. Glen Tonkin and the leader Mrs. John McKown, who arranged the tea.

REGATTA SET
SYRACUSE, N.Y. (AP) — The Intercollegiate Rowing Assn. regatta will be held on Onondaga Lake on June 16. It marks the fifth straight year that the races have been held here.

The Dreamers



Tule, Klamath Refuges Lead

TULELAKE — The Tule Lake and Lower Klamath Lake waterfowl refuges led the Northwest region in visitor-use during the fiscal year, 1955. It has been announced by Tom Horn, refuge manager. During the 12 months of the year, 144,000 visitors were registered. Montana's Ford Peck Reservoir was second with 109,000 visitors.

Figures on the various refuges in the region were officially released by the Department of the Interior, Division of Information Northwest Regional Office.

The Northwest Fish and Wildlife Service programs during the year, provided public use of wildlife areas for 633,071 visitors, liberated 56,613,000 fish, banded 54,715 waterfowl and destroyed 78,180 predators.

Three Runaway Boys Found In Lakeview

LAKEVIEW — Three 15-year-old runaway boys from Los Angeles and Torrance, California, were picked up about 4 a.m. Thursday, February 16, by the city night patrolman, Charles Mawhinney. They were driving a car belonging to the father of one of the youth's, and police found guns, ammunition, three cameras and food supplies in the car.

The boys were turned over to the Modoc County sheriff, Buck Server, who took them to Alturas where they were held until their parents were contacted.



Value Of Meals And Lodging For Tax Reports Described

One of the problems confronting taxpayers in preparing their income tax returns is determining whether the value of meals and lodging received from employers is subject to tax.

Mr. Ralph C. Granquist, district director of the Oregon District, explained today that the value of meals is not taxable income provided the meals are furnished for the convenience of the employer and they are furnished on the business premises of the employer. In the same way, the value of lodging furnished to an employee for the convenience of the employer, which the employee is required to accept as a condition of his employment, is not taxable.

For example, an individual is employed in a hospital at a salary of \$300 per month. The hospital, for its convenience, requires him to live on the grounds and take his meals in the hospital. The employer places a value of \$75 on the meals.

Only the \$300 monthly salary is taxable. The value of the meals and lodging is not taxable since the meals are furnished for the employer's convenience on its business premises and the employee is required to accept the lodging on the business premises of the employer as a condition of employment.

If however, the employee had a choice of accepting the meals and lodging or electing to eat and reside elsewhere, then the value of the meals and lodging he accepts is taxable.

The director emphasized that these principles apply solely to meals and lodging furnished by an employer on his business premises. They do not apply to cash paid to an employee to purchase meals and lodging. "A cash allowance is taxable if it represents compensation," he said.

In preparing his federal income tax return, the taxpayer should telephone his nearest Internal Rev-

employees manning a group of telephones are available for answering just this sort of question.

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Buffet Supper Set By Local Anchor Club

A buffet supper Saturday, February 25, sponsored by the Anchor Club, Yacht Club women's organization, will be the next social event at the club. It was announced today by Mrs. Bud Cloake, president. The event, scheduled at 6 p.m., will be preceded by cocktails, which will be served starting at 5:30 on the upper deck of the club house.

Members may bring guests to this affair. Anchor Club members said. Reservations may be made at the Yacht Club, 2-9196.

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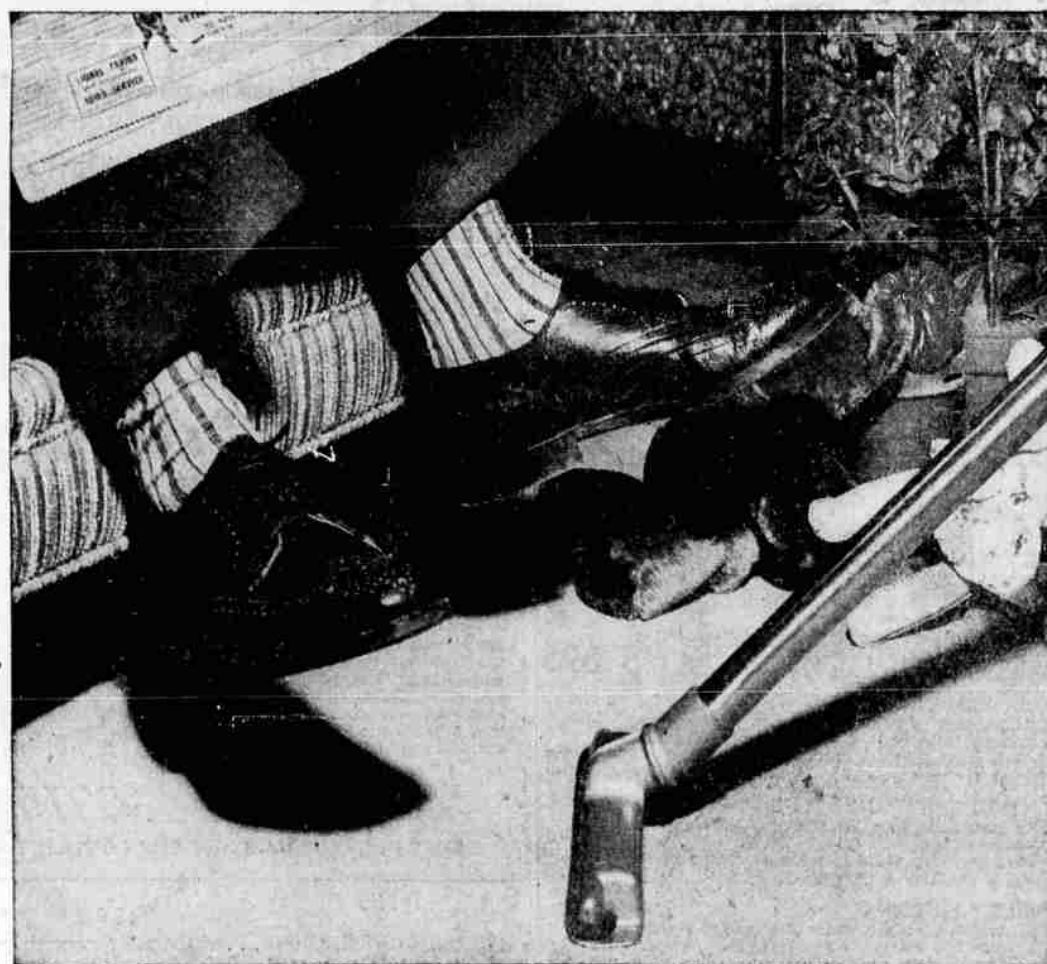
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