

Business News

By FLORENCE JENKINS

For the first time since the Savings & Profit Sharing Pension Fund of Sears, Roebuck & Co. employees was established in 1916, 27 Klamath Falls members with a vested beneficial interest in Sears stock held by the Fund are to give instructions as to how their stock is to be voted at the company's annual meeting tomorrow . . . together, some 30,000 Sears employees in the nation received secret ballots to be used to vote their Sears stock . . . according to Chuck Burnham, new manager of the Klamath Falls store, the vote will be tabulated by the accounting firm of Price Waterhouse & Co. in Chicago . . . approximately 95 per cent of the more than 19 million shares of Sears stock held by the Fund (which is 26 per cent of Sears stock outstanding) will be voted under the new plan just put into effect.

Bids will be opened at 7:30 p.m. Monday by the city council for installing sewers in Sewer Unit 26A . . . work consists of installing sanitary sewers along Shasta Way, Washburn Way and Pershing Way to serve the Rickfalls Apartments, 95-unit apartments being built by Vik Construction Co. . . the sewers will require 2,516 feet of concrete sewer pipe, 12-inch and in 14-inch or 18-inch sizes, 10 manholes and miscellaneous items.

Gun Mix Concrete, 1815 Main St., owned and operated by James F. Smith, has been named as franchise dealer for Landon Blue Lake Swimming Pools (oldest and largest manufacturer of swimming pools in the county) . . . franchise covers Klamath, Lake, Jackson and Deschutes counties . . . the pools will use Gunite construction . . . firm gives free estimates and terms.

Will W. Wood, owner of Wood's Rexall Drugs, 931 Main St., has been awarded the Mortar & Pestle Trophy, presented by the Rexall Drug Co. as an annual award to outstanding druggists, for 1958 . . . this is the third successive year the award has come to this local pharmacist . . . the historical mortar and pestle, still an important implement in the druggist's profession for use in pulverizing medicinal herbs, is an ancient symbol of pharmacy . . . its use is recorded in histories of ancient Egyptians, Hebrews of Biblical times and the Roman era.

The Portland Symphony Orchestra has a date to play in Klamath Falls on June 29, according to B. K. Swartz, Jr., coordinator of Centennial activities here . . . conductor is Piero Bellugi who has just signed a two-year contract with the Portland group.

The 300,000th Volkswagen built for sale in the U.S. left the assembly line at the Wolfsburg, Germany, plant on April 29, according to word from Dr. Heinz Nordhoff, director general, at the national meeting of the American Volkswagen distributors last week at Boca Raton, Florida.

California State Department of Motor Vehicles reports that 2,600 mobile homes and travel trailers were sold in California during January and February, a gain of 9.1 per cent over last year . . . total 1958 sales in the 11 Western States were 32,000 mobile homes . . . it is estimated that more than one million persons in the 11 Western States live in trailer coaches.

Consolidated statement of earnings for the three months period ending on March 31, 1959, has just been released by General American Corporation . . . in April, at the time the 10 per cent stock dividend was declared, General American common stock was selling at \$35 to \$34.5 a share . . . on April 30, the directors declared a quarterly dividend of 60 cents per share payable June 1 to stockholders of record May 15.

Appointment of C. Kimball of San Francisco to the position of director of transportation for Greyhound Lines' Western division was announced on May 1, by M. C. Fralley, executive vice president of Western Greyhound . . . the Western division includes the entire area west of the Rockies.

Two contract awards for work for the Air Force have been announced by the 13th Naval District, Seattle, according to the local Navy contracting office . . . Thompson & Geogeson, Inc., Portland, on low bid of \$98,538, has the contract for installing the water supply lines, AC&W facilities (Keno), NBY 6633 . . . other bidders were Phoenix-Matthews, \$121,000, and John Kovynovich, Eugene, \$124,400 . . . Pinniger & Watkins, Klamath Falls, on a low bid of \$2520, received a contract for renovation of the Electronics Bldg., Naval Reserve Electronics, NBY 21533 . . . other bidders were Ernest Steinlich, Bend, \$2,990, and A. H. Patterson, Klamath Falls, \$2742.43.

Standard Insurance Co. (Portland) reported one of the best years in its history in 1953 . . . life insurance sales topped the \$100 million mark for the second consecutive year . . . accident and sickness premiums increased more than 40 per cent . . . the interest rate on company investments improved substantially to reach the highest level in more than 20 years . . . also benefit payments to policyowners and beneficiaries reached an all time high . . . Garnett E. Cannon, company president, said this in Standard's 53rd annual report . . . "Policyowners in mutual life insurance companies already carry a tax burden which is almost three times as great as the average tax on other forms of savings. In spite

of this situation, efforts are being made in the Congress of the U.S. to increase this even more."

Correction . . . there was considerable consternation at Colyear Motor Sales Co., 508 So. 6th last week as a result of an unintentional error in this column last Sunday . . . F. C. (Shorty) Holston and his son, C. F. (Chuck) Holston, have formed the H & H Grinding Service at 4035 So. 6th . . . that much was accurate . . . but neither of the men has left Colyear Motor Sales Co. as was implied . . . Shorty, with Colyear for 22 years, is shop foreman and Chuck is a machinist with the company . . . the grinding business is on their own time.

Roch Bradshaw is resigning as publisher of C. C. Crow Publications of Portland, effective June 1 . . . Mr. and Mrs. Bradshaw will leave June 19 on a two-month trip to Europe after which he will announce his future plans.

Strout Realty, whose local representatives are Robert and Stella Delinger, shows a 40 per cent increase in sales this year to date as its national average over the same period in 1958 . . . the first quarter made a Western Division record with March sales up 140 per cent over March last year.

K. H. Myers, president of Strout, the world's largest coast-to-coast real estate brokerage firm, said the chief contributing factors to this upswing in real estate activity are population pressures, an expanding economy and a shift to real estate by many investors as a hedge against inflation.

Three major changes in Texaco's Pacific Coast regional sales organization were announced last week by J. T. Wood, Jr., senior vice president for the company at Los Angeles . . . I. G. Morgan, assistant general sales manager since 1953, has succeeded D. E. Beaton, general sales manager, Pacific Coast region, who retired May 1 after 40 years with Texaco . . . H. E. Paul, manager of Texaco's Seattle sales division, succeeds Morgan as assistant general sales manager, Pacific Coast region, and A. G. Daubert, assistant division sales manager, has become division sales manager in Seattle.

California Oregon Power Co., which operates an integrated system in 10 counties in Oregon and California, serving an estimated population of 250,000 through the operation of 1,874 miles of transmission lines and 5,038 miles of distribution lines, showed an increase in book value per share of common stock of \$26.36, up from \$26.04 last year and an increase in net income despite a big increase in operating expenses and state, local and miscellaneous federal taxes for 1958 . . . earnings per share of common stock stood at \$1.98 for 1958 compared with \$1.85 for 1957 . . . an indication of good company management . . . at the same time, during 1958, a total of \$14,063,595 was spent for additions and improvements compared with \$13,573,715 during 1957 . . . both residential customers and commercial and industrial customers increased in number during the year . . . the report to shareholders was signed by A. S. Cummins, president.

The lead story in the April Southern Pacific Bulletin which arrived on May 1 announced operating changes . . . an excellent picture of A. W. Kilborn, SP Shasta division superintendent (at Dunsmuir) from 1955 to 1958, was included, with the formal announcement of his being named as superintendent of Pacific Lines' Portland division, succeeding L. R. Smith who has moved from Portland to Houston to take over the assistant general manager's post . . . Kilborn started with SP at Portland in 1936 as a fireman . . . story appeared totally some weeks back.

The same issue of the SP Bulletin has a four page article, with pictures, of the Lakeview Mining Company's uranium mining and milling operation at Lakeview . . . one picture shows Al Kusler, district freight and passenger agent, and Barry Donnelly, traveling freight and passenger agent (both of Klamath Falls), listening to John Veechies, assistant mill superintendent at Lakeview explain how the uranium ore is extracted and comes out yellow cake for the AEC.

Three bids were received by the 13th Naval District, Seattle, for providing a water supply line to AC&W Facilities (Keno) . . . NBY 6633 . . . Thompson & Geogeson, Portland, \$98,538 . . . Phoenix-Matthews, Klamath Falls, \$121,000 . . . John Kovynovich, Eugene, \$124,400 . . . bids are under advisement.

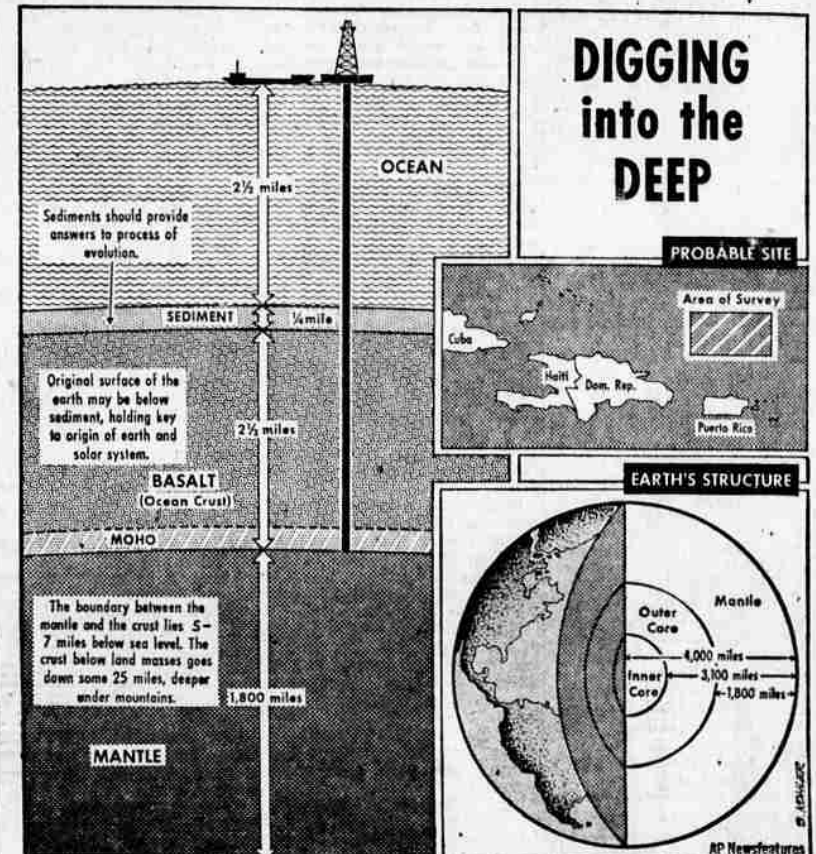
Lonnie Hartman, representative for General Foods Corp., institutional division, for the entire Oregon area, was a recent visitor here from Portland . . . visiting, also, with E. G. Hedlund, engraving dept. head for Herald and News, with whom he worked before joining General Foods more than 18 years ago.

Nick Vankiokis of Medford, Southern Oregon representative for Pillsbury Mills, said here last week that he is being transferred into the Portland district late in March . . . George Maness to succeed him and call on Klamath Basin area.

Letha Irene Pride, a 12-year-old cow near Princeton, N.J., set a world's record by producing 1,733 pounds of butterfat as well as 34,810 pounds of milk in 365 days. That is about four times the average of the usual cow.



PRESIDENT EISENHOWER, left, and Sir Winston Churchill confer with ailing former Secretary of State John Foster Dulles in his quarters at Walter Reed Hospital in Washington.



Scientists Drill Toward 'Inner' Space

WASHINGTON (AP)—This month, while missile scientists at Cape Canaveral, Florida, watch their creations roar toward outer space, scientists several hundred miles to the southeast will be taking the first big step in probing inner space.

The project is called, "Drilling the Mohole." In brief, it's an attempt to obtain an actual sample of the mantle, the largest of the three layers forming the interior of the earth and never before touched by man's instruments.

It gets its odd name from the "Moho" (short for Mohorovicic discontinuity), an indefinite boundary between the crust and the mantle.

Willard Bascom, technical director of the project, points out that in addition to first certain knowledge of the composition of the mantle, sample cores on the way down will provide a new picture on what the earth and life on it was like up to more than \$15 million years ago.

The probable site of the drilling is an area about 100 miles north of Puerto Rico. About the middle of May, geologists on three vessels will explore the ocean bottom there to see if it is a likely site for drilling the first preliminary hole.

Russian scientists are reported doing the same in the sea of Japan.

Once preliminaries are over, the scientists intend to drill a series of shallow holes as test. Eventually, they will drill into the mantle of the earth. The drill will pass through a layer of sediment on the ocean bottom before reaching the crust, Moho and mantle.

The sediment, scientists believe, has been formed since life began in the primordial oceans. Samples of fossils may help determine the process of evolution.

Scientists, in drilling Mohole, naturally want a spot where the crust of the earth is thinnest and the mantle closest to the surface. But because of the earth's structure, the crust is thinnest in the ocean, thickest under land masses.

To reach the Moho under a continent could mean drilling 20 miles—four times the depth of the deepest oil well. But, from parts of the ocean, the Moho may be only 3 1/2 miles under the ocean floor.

One of the project's biggest problems is finding a drilling rig that can operate in deep water. Oil companies have drilled wells off the Gulf States and California coasts, but no one up to now has tried to drill a major hole in waters 2 1/2 to 3 miles deep. One obvious problem will be how to hold the drilling barge directly over the hole in the middle of an ocean too deep for conventional anchors.

Bascom is confident that engineers either will modify existing

Like Circus Acrobat, Mart Readjusting

By ELMER C. WALZER
UPI Financial Editor

NEW YORK (UPI)—Remember that old refrain some time back when business was irregular—rolling readjustment?

Today Eldon A. Grimm, analyst for Walston & Co., has applied that term to the stock market.

"Like an acrobat in a circus," says Grimm, "this market has been undergoing a sort of rolling readjustment. The leadership on the upside has been provided by a number of space issues, wonder drugs, etc."

"Most of the prominent groups of stocks have done little or nothing. So what's the outlook now for some of these sluggish groups? Which group will lead the next phase of the market?"

Steeles: Which he believes will perform better if there is a strike than if one is averted—"because a strike would result in inventories of steel being used up and then the mills could go into heavy production again."

Oils: The good oils with large reserves in the ground serve as inflation hedges.

Papers: Several paper issues seem to offer excellent values because (1) of the growth of demand for paper, and (2) because almost all paper companies boast large holdings of timberlands, and forest lands tend to increase in value.

Coppers: Grimm thinks some of the better companies should show some very good earnings, strike or no strike.

Rails: There could be a spark of life, now and then, in individual rail shares with good earnings. Rails would be aided by a further pickup in heavy manufacturing industries.

It's anybody's guess which group will lead. It may be some group not mentioned here, such as the motors which haven't had any real spark in some time.

The question of when this change in market activity is to come is illuminated by Joseph H. Granville, analyst for E. F. Hutton & Co.

Granville finds the most encouraging indication that the next reaction in the market will be of very temporary duration is the rise in the confidence index to 89.2 from 88.1.

Here is how this confidence index is calculated, according to Granville:

When confidence runs high there is a tendency to move away from primary bonds into secondary

bonds. This lowers the yield on secondary bonds in relation to primary bonds. Dividing the secondary yield into the primary yield results in an increased confidence quotient. When confidence runs low, the reverse takes place.

Granville, tracing the index back to 1931, finds that it has a strong tendency to signal significant stock trend movements some two months in advance.

Currently, he says, the index has been signalling a reaction to take place prior to May 26th.

"However," he concludes, "the fact that the index has now made three consecutive advances, points to the conclusion that the May dip will be followed by a strong recovery with new market highs."

"This may coincide with the realization that the second quarter may be as strong as the first and this would intensify a bullish reappraisal for many issues on the basis that the new price earnings ratios created would look attractively low."

Granville doesn't say so, but the market's reaction he looks for could be handled by its apparent rolling readjustment now going on. That kind of readjustment in business, it will be recalled, was an adjustment in some lines while others held strong to steady the economy.

Railroad ties, the wooden beams on which the steel tracks are laid, cost an average of \$3 each.



NOMINATED for Achievement Awards sponsored annually by the National Council of Teachers of English are these Klamath Union High School seniors: from left, Don Iensen, Mikell Thurston and Pamela LeGrande. Winners will be announced next January. Students are judged by writing ability and literary knowledge. If they win, they will receive recommendations for scholarships at colleges or universities they attend. About 5,000 top students throughout the nation are expected to get the awards.

oil rigs to do the job or design a new one that can. But he says the difficulties are so great he cannot make a time-table for drilling.

The Mohole, Bascom explains, has no known military significance and the race with the Russians is purely a scientific one. He adds:

"We would like to race the Russians, not to get to the Mohole first, but to get the most information about it."

Mohole actually started as a joke, but as scientists became more aware of the importance of such a project, the National Academy of Sciences, a private organization which advises the government, became interested and gave its backing.

The National Science Foundation, a government agency, provided funds for the present preparatory studies.

Nuclear Fallout Centered On Northern Hemisphere

WASHINGTON (AP)—Radioactive fallout from huge Soviet nuclear weapons tests is concentrated in the Northern Hemisphere and reaches the earth much faster than expected, top government scientists now believe.

Their testimony on the Soviet-produced fallout was presented to a Senate-House Atomic Energy subcommittee Tuesday.

The scientists said fallout from United States and British tests also was descending faster than they had originally estimated, though not at the rate of the Soviet-produced debris.

Atomic Energy Commission Chairman John A. McCone sounded a reassuring note. In a speech to the National Press Club, McCone said a scientific advisory committee soon "will give further reassurance to the people of the world about the very small hazard resulting from fallout."

The three nuclear powers—the Soviet Union, Britain and the United States—are in the Northern Hemisphere where the fallout rate is highest. At Geneva they now are trying to reach agreement to suspend all atomic tests.

Dr. Willard F. Libby, the scientist member of the AEC, told the subcommittee in 1957 he believed the radioactive debris falls to earth in 5 to 10 years.

Tuesday he said he had modified his thinking considerably. He estimated that Soviet fallout, mostly from tests in the Far North, descends in one year. That from U.S. and British blasts, principally in the Pacific near the equator, takes four to five years, he said.

Dr. Lester Machta, U.S. Weather Bureau meteorologist, testified that strontium 90—one of the most deadly fallout substances—is much heavier in the north temperate zone.

He said that over-all fallout in the Northern Hemisphere probably is 2 1/2 times the world average.

This spring, after the big Soviet blasts of last October, "promises to produce the highest fallout rate of any spring this far," the meteorologist said.

Evangelists Holding Rites

Revival services are being held at the Lakeside Nazarene Church starting Sunday, May 10, and continuing through Sunday, May 17, with the Rev. L. D. Wright, Klamath Falls, and the Rev. Roscoe Pershall bringing the evangelistic messages. Services will begin each evening at 7:30 at the church, Quarry and Acosta.

The Rev. W. R. Trusty, local pastor, invites the public to be present for the services.

The Rev. Pershall, Oregon City, is a full-time evangelist in the Church of the Nazarene. He is also director of evangelism for the Oregon Pacific District. His formal school was at Northwest Nazarene College, Nampa, Idaho. He pastored Nazarene churches for 10 years.

Old Swedes Church in Philadelphia is the oldest church in the city. It was built in 1700.

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