

In The Day's News

By FRANK JENKINS
Mr. Keith Funston, president of the New York Stock Exchange, has written a piece in the Exchange magazine that ought to be widely read and carefully digested.

In it, he attacks double taxation on dividends—which, says, is "a totally unfair tax that discourages the very thing we need for our continued prosperity, which is a high level of investment in ownership of industry (by which he means the putting of savings into shares of stock in sound American enterprises.)"

He adds that too much of our industrial expansion has been financed by BORROWING and not enough through sale of stock.

What is double taxation on dividends?

Mr. Funston explains that the double taxation comes about in this way: The corporations (big and little) are taxed up to 52 per cent on their earnings, WHICH INCLUDE THE DIVIDENDS THEY PAY. Stockholders who receive the dividends pay income taxes on them except for the small relief given by the 1954 law which allows an exemption on the first \$50 and permits a four per cent credit on the rest.

Why is that unfair?
It makes you pay TWICE on your dividend income if you own stocks—once when the corporation earns the money out of which it pays the dividend and AGAIN when you get your dividend and report it in your income.

But, you will say (if your thinking is inaccurate and confused), owners of stocks are BIG SHOTS. As big shots, they OUGHT to be stuck with the bulk of the taxes. Wait a minute.

There are about 12 MILLION owners of listed securities—that is, securities that are listed on the nation's big exchanges. More than half of them are in the \$5,000 a year income bracket. There aren't 12 million big shots in the U.S. So, it follows, a LOT of little people are owners of shares of stock in American industries. Double taxation of dividends hits these little people along with all the rest of the owners of stocks.

This DOUBLE tax on dividends, Mr. Funston says, is TOO HIGH. He adds:
"Raising a tax too high hurts the economy (which means ALL of us) and eventually results in a loss of revenue to the government."

Is he speaking truth?
Or is he kidding us?

Well, it so happens that here in Oregon we have a perfect example of what he is talking about. Quite a number of years ago, there were 14 breweries in Oregon.

Then—
Oregon got short of money and the legislature started looking around for new sources of income. It came to the conclusion that the barrelage tax paid by Oregon breweries was too small, so it DOUBLED the tax.

With what result?

The result is that in all of Oregon there is now only ONE brewery. Only one brewery to pay taxes to the state. Only one brewery to buy Oregon hops and Oregon barley. Only one brewery to provide brewery jobs. Only one brewery to furnish the valuable brewery by-products that are useful as livestock feed. And so on.

That's what happens when unfair and unwise taxes are levied on industry.

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WINGING ITS WAY northward over snow capped peaks is the West Coast Airlines' Fairchild F-27 propjet, one of America's newest jet-age transports. The Fairchild began inaugural services today from the Oakland-San Francisco gateway, Sacramento, Klamath Falls, Portland and Seattle. West Coast will be serving 53 cities along a 3,116-mile

route in Washington, Oregon, Idaho and California. Arriving in Klamath Falls at 9:10 Friday morning, the F-27 inaugural flight took off for Bend-Redmond after special ceremonies at the municipal airport welcoming full West Coast Airline service. Flights to Lakeview and Burns are scheduled for commencement about September 1.

—Forde Photographers, Seattle

Man Eating Shark Caught

SANTA CRUZ (UPI)—A 15-foot, 1,300 pound man-eating shark was caught in Monterey Bay today and brought alive to the Santa Cruz Municipal wharf where it was put on public exhibition.

One of the 20 to 30 persons who helped lash the fish to the wharf jammed a two-inch thick plank in the shark's mouth. The shark bit it in half.

The huge shark was the latest—and biggest—of a number caught in the past week in Northern California waters. Four others were caught in Tomales Bay north of San Francisco.

Today's shark was caught in a net seven miles east of Santa Cruz by Joe Oliveria, veteran Santa Cruz fisherman, in his boat the Maria.

He described it as of the Manila species. He said he was dragging for bass at 25 feet down when the big shark was netted. Its back was black and its stomach beige. It was three to four feet thick. "They are not unusual in this area but rarely caught because they don't come close to shore," he said.

CRASH PROGRAM

LOS ANGELES (UPI)—Ralph Hamilton, 40, rushed into a telephone booth to call his wife with the good news—the property they had wanted to buy was now available. Still excited as he hung up the phone, Hamilton walked out right through the booth's glass door. He received only minor cuts.

Rare Letter Outlines The Story Of 'Honest Abe'

CHICAGO (AP)—A rare letter released today demonstrates again why Americans refer to Abraham Lincoln as "Honest Abe."

An unidentified clerk, anxious that the newly inaugurated President should receive his first month's pay in full, wrote in April 1861 to Salmon P. Chase, then secretary of the treasury:

"Dear Sir:
"On to-day and on the first of each month, please to send me a warrant for the amount of my salary as President of the United States."

When the letter was referred to Lincoln for signature, the Civil War President firmly crossed out "first" and made it read "fifth" of each month. Lincoln was inaugurated March 4, 1861.

A Lincoln scholar described that pen scratch as "irrefutable proof of the integrity and honesty of Mr. Lincoln." By so doing, the scholar said, he saved the taxpayers \$273.97—based on his \$25,000 annual salary—to which he was not entitled during the first days of March.

The same day the letter was written, Lincoln opened an account at the Riggs and Co. Bank in Washington, where he deposited the March warrant for \$2,063.33. The previously unpublished letter will be placed on display Sunday in Freedom Hall, a new museum in suburban Oak Park. The document was acquired by Philip D. Sang of Chicago, co-founder of the museum.

Firefighters from all parts of California, as well as from New Mexico, are battling the blaze. National Guard troops from Red Bluff are also on the line. The present fire crew numbers over 800 men, and the battle is being waged in extremely rugged terrain.

Court Names New Engineer

The county court announced today appointment of Warren A. Rodgers as county engineer.

Rodgers, 36, replaces Bill Canton, who retired in May. The new engineer, holder of a bachelor of science degree in highway engineering, had been operating an irrigation engineering business in Phoenix, Arizona, his home town.

Married and the father of two children, Rodgers is interested in finding a new home for his family. The couple has two children, Susan, 13, and Dan, 11.

The court received seven or eight applications for the engineering post, and it interviewed three applicants. In addition to Rodgers, interviewees were men from Portland and the other from Salem.

Rodgers began work immediately with a conference and brief tour with Red Wells, county road superintendent.

Thunderstorm Lashes Desert

LANCASTER, Calif. (AP)—A wind, rain and thunderstorm struck the Mojave Desert Thursday night with such fierceness that it toppled 51 telephone poles in a row.

Lightning which accompanied the storm touched off four brushfires. Fallen poles, trees and wires snarled Lancaster's Avenue I for 20 blocks. Many power lines also fell, blacking out wide areas. Telephone service was disrupted across miles of desert country.

The course was designed as an exploration in the pure and basic sciences, and was listed as the Junior Engineers and Scientists Summer Institute (JESSI).

The session for girls was held at Linfield College, and for boys at Oregon State College. Mrs. Gladys Herron, teacher and adviser to the KUHS Science Club, also served as adviser to the group which included Sandra Benson, Pamela LaGrande, Steve Binney, Richard Groseclose, Kenneth Henry, Charles Russell, Remo Melchiori, Francis Kenyon and Steve Moen.

This was the fourth year for the science study session, and it drew students from Western states in addition to Oregon. Sponsorship for local students was provided by organizations, private companies and individuals.

The Professional Engineers of Oregon, Rogue Valley section, voted earlier in the year to award a scholarship to a high school boy or girl to attend the institute. In addition to this group, represented locally by Carroll C. Colvin, electrical engineer, scholarships were also donated by the Weyerhaeuser Timber Company, First National Bank of Oregon, Crown Zellerbach and Tetronics.

Individual firms awarding scholarships included the Oregon Food Stores through Mrs. Nellie Angstead. A scholarship was also provided by the KUHS Science Club.

Missing Youth Found Alive In Grand Canyon Depths

GRAND CANYON, Ariz. (AP)—A Georgia youth, missing six days and given up for dead in the rugged Grand Canyon, was found alive and in good condition today.

John Manson Owens III, 16, of Savannah—whose two companions died on the ill-fated trek into the gorge—was flown by helicopter to Grand Canyon, a resort community on the canyon's south rim.

"It's a miracle the kid is alive," said A. Lynn Coffin, chief of the National Park Service rangers. "He is much thinner than when he started, but he is not emaciated."

A park service spokesman said a helicopter crew spotted the youth from the air about nine miles down the Colorado River from the area in which the bodies of his friends were found. Owens was found at the edge of the river in the southeastern end of the canyon in an area known as Hans Canyon.

"The boy apparently drank river

water during his hike," the spokesman said. "He also mentioned something about eating cactus pulp. He didn't have any food when he was found."

Owens was hospitalized at Grand Canyon for observation. "When he got out of the helicopter," the spokesman said, "he turned to the crew and said, 'well

I sure thank you for picking me up.'"

Owens hiked into the canyon last Friday with the Rev. Eugene A. Gavigan, 30, and Walter J. Mahany Jr., 16, both of Savannah. The search began Saturday when tourists heard cries for help from deep within the canyon.

Mahany's body was found Sunday. His death was attributed to exposure to the searing heat. The body of Father Gavigan, who apparently fell from a 200-foot cliff, was found Monday.

Only a few hours before Owens was found searchers gave up hope for his survival.

The trio went into the canyon a week ago after telling tourists at the Desert View viewpoint at the eastern end of the canyon they intended to visit an abandoned silver mine.

They went down dangerous Tanner Trail into an area dotted with old mine workings. Signs warned that the trail was not being maintained.



Weather

FORECAST—Klamath Falls and vicinity: Mostly fair and warm through Saturday with scattered evening thunderstorms. Continued very warm. Low tonight 50-58. High Saturday 90-98.

High yesterday 89

Low last night 58

Precip. last 24 hours 0

Since Oct. 1 5.82

Same period last year 19.47

FIVE DAY FORECASTS

Western Washington and Western Oregon—Little or no precipitation. Temperatures will average much above normal. Maximums in interior of Western Washington 85 to 95 and interior of Western Oregon near 100, becoming about 10 degrees cooler early next week. Maximums on Washington and Oregon coast mostly 65 to 75. Minimums 52 to 62.

Eastern Washington, Eastern Oregon and Idaho—A few scattered thunderstorms occurring mainly in Southern Oregon and Southern Idaho. Otherwise no precipitation. Temperatures averaging much above normal with maximums mostly 90 to 100. Minimums 55 to 65.

SAN FRANCISCO (UPI)—Five-day weather forecast for Northern California: No precipitation except scattered thunder storms at times in Sierra Nevada; temperatures above normal except near normal along coast; normal minimum - maximum Sacramento 58-92, Red Bluff 66-99, Eureka 53-61, Blue Canyon 59-78.

Wagon Train Creeping On

LA GRANDE, Ore. (AP)—The Oregon Centennial wagon train, headed toward a Saturday morning parade and celebration at Pendleton wended its way northward today.

Then the 50ers will follow the Columbia River to The Dalles, where they will take a two-day barge trip down the river to Portland, as their ancestors did a century ago.

The wagon party is scheduled to end its 2,200 mile trek at Independence, Aug. 14.

Thursday, the wagon train was the first to use a new four-lane section of Highway 30 near Mt. Emily. It pulled off the highway after 19 miles for a needed rest.

Mrs. Tex Serpa, wife of the wagonmaster, was treated and released from a Pendleton hospital Thursday after she became ill. Mrs. Serpa, who is pregnant, will leave the train for her home in Ashland on the advice of her physician.

Oregon Still Sweltering

By THE ASSOCIATED PRESS
Oregon sweltered again today as the thermometer edged toward 100 degrees in many areas.

But the Weather Bureau says temperatures will be 10 degrees cooler Saturday in Northwest Oregon because of an expected shift in the wind which will bring in cooler marine air.

Despite critical fire danger, no new forest or range fires were reported today and earlier blazes were reported in the mop-up stages and giving no trouble.

Humidities were down near 10 per cent in Southern and Eastern Oregon, and Western Oregon reported humidities of 15 to 25 per cent as an east wind brought hot, dry air through the Cascade passes.

Oregon was among the hottest places in the country Thursday with Medford and Grants Pass reporting highs of 103 and Roseburg 100.

Temperatures in the high 90s were reported Thursday throughout the Willamette Valley. Only the southern coast escaped the heat with Brookings reporting a high of only 56.

On the north coast, however, Astoria had a reading of 92.

The entire coast is cooling today as fog and low clouds spread from the southern coast, the Weather Bureau said.

Eastern Oregon is expected to get afternoon and evening thunderstorms.

Sports Car Done In By Buffalo

SIOUX FALLS, S.D. (AP)—The sports car set may not know it, but it's buffalo mating season in South Dakota. And if they plan a trip to the bison stamping grounds, it might be a good idea to take the old American sedan.

Consider the case of Alfred E. Schild of Lombard, Ill.

Vacationing at Wind Cave National Park, Schild was parked surveying a herd of buffalo. Two of the animals left the herd and charged across the field toward Schild's car—a Volkswagen.

One of the bison ran over the back end of the car, crumpling both rear fenders, the trunk lid and putting a foot through the back window. Schild's party escaped injury.



A SUMMER STUDY COURSE in the pure and basic applied sciences was attended recently by these students. Left to right, Charles Russell, Kenneth Henry, Richard Groseclose, Steve Binney, Mrs. Gladys Herron, advisor for the KUHS Science Club; Carroll C. Colvin, electrical engineer and representative of the Rogue Valley section of the Professional Engineers of Oregon; Sandra Benson and Pamela LaGrande. Not shown are Remo Melchiori, Francis Kenyon and Steve Moen who also attended the session. The program is titled JESSI for Junior Engineers and Scientists Summer Institute.



THE MALIN COMMUNITY will play host Saturday and Sunday, August 1-2, to guests from near and far in commemoration of the 50th anniversary of the colonization of the town and surrounding area in the fall of 1909 by a group of Czechs (Bohemians) who have since built one of the most prosperous communities in Oregon. The Malin Park will

be reserved for the big Sunday celebration to which the public is invited. Festivities will start Sunday at 12 noon with serving of the free beef barbecue followed by an afternoon program. A dance will be held Saturday night in Broadway Hall.

(See Story Page 8)