



AFTER MANY YEARS at offices in the Willard Hotel, the Klamath Falls branch of the Oregon State Motor Association has moved to new quarters at 1409 Esplanade. They made the transition on Friday of last week and are ready for business at their new location as shown here. Left to right are Dorothy Cameron, Bob Prock, manager of the Klamath Falls office, and Bill Parrish, sales supervisor, headquartered in Portland.

Business Review



A RECENT SPRAYING project by an International Paper woods team from the company's Weed branch prevented a small beetle epidemic from spreading through additional pine stands in the Scott Valley region near Weed.

Spray Project Battles Bark Beetle Epidemic

WEED—Fast and efficient action by International Paper Company woodsmen recently stopped a threatening bark beetle epidemic before it could get out of hand.

The tree-killing insects had infested a small section of pine in International tree farm near Weed. Company foresters, engineers, and logging personnel from Weed Branch quickly removed the threat with an effective spraying operation.

The IP woods team prevented the infestation from spreading throughout the stand. Killers eliminated by the fast extermination were the Western pine beetle—worst of the Ponderosa pine's insect enemies—and the California five-spined engraver beetle.

To salvage-log the area's infested merchantable trees, one-half mile of road was constructed. After the beetle-stricken trees were felled, they were sprayed with a potent Lindane and diesel mixture. Loading and hauling were delayed a month so the sprayed logs and fresh slash would attract beetles from surrounding timber, completing the kill.

The beetle outbreak was in the Scott Valley timber block of IP's Weed Tree Farm, about 60 miles west of the company's plant at Weed. The localized 20-acre epidemic was set up by mild climatic conditions and two seasons of drought, which were favorable for the beetles and had severely weakened the trees.

International Paper personnel from Weed Branch active in the efficient spray operation include: Leonard Hines, resident forester; Robert Cline, assistant forester; Elmer Zimmerman, logging superintendent; Virgil Riley, logging engineer, and Sig Merrick and Tom Mardahl, forest assistants.

Because of intensive tree farm management, the beetle activity was detected in the beginning stages, and considerable pine stands were saved with the curtailment of the timber menace, the bark beetle.

The firm visualizes an uncertain first half in corporate earnings and general business but a pickup in the second half, with full year results about equaling 1960.

Ammott, Baker's current recommendations: Grumman Aircraft, Grolier, Inc., Chesapeake-Ponds, West Coast Telephone.

Two rather cyclical stocks which seem reasonably priced are McGraw-Edison and Whirlpool, according to L. O. Hooper of W. E. Hutton & Co.

Bache & Co. suggests taking a position in Thiokol on a breakthrough 38% accompanied by heavy volume, and Texas Instruments on a breakthrough 190 on volume.

Commonwealth Stock Fund reports portfolio transactions in the April 30-Oct. 31 period included the following additions: Addressograph, AT&T, Continental Can, R. R. Donnelly & Sons, Middle South Utilities, Pepsi-Cola and Safeway Stores.

Eliminations were ACF-Wrigley, Anaconda, Corning Glass, Dresser Industries, General Foods, Idaho Power, Chas Pfizer, RCA, Schering, Signal Oil "A," Trane and Varian Associates.

Trees Bring Big Income

Trees brought a whopping \$2 1/4 billion into Oregon and Washington in 1959, 11 per cent higher than previous record year of 1956, according to W. D. Hagenstein, executive vice president, Industrial Forestry Association.

With release of IFA annual compilation of forest products values, Hagenstein said the forest industry continues as the Northwest's No. 1 employer with its 152,000 jobs last year. Its employees earned more than \$810 million, also a record, he said.

Oregon's forest products yielded \$1.321 billion; Washington's, \$920 million. This was the fifth time Oregon's wood harvest yielded more than \$1 billion; the second year which Washington's exceeded \$900 million.

The association leader said that lumber still leads the wood parade by bringing in more than \$900 million; pulp and paper is second with \$663 million; and plywood a close third with \$578 million. The value of hard, chip and particle boards, exceeded \$50 million for the first time, he said.

Hagenstein said the industry is now caught in a dangerous cost-price squeeze. He emphasized that lumber is now selling for less than 10 years ago, but that federal timber, more than one-third of the industry's annual log harvest, has more than doubled in price since 1950. He predicted that this year's depressed demand and prices for forest products would reduce last year's record value 15 to 18 per cent.

Hagenstein said the renewability of the industry's trees assured the best long-term economic basis for the Northwest. He warned that the only threats to a continuation of an adequate timber supply were unsound policy for public lands, which comprise half the Northwest's forests, and confiscatory taxation which would discourage private tree farmers from growing trees on the other half.

Phone Almanac Now Available

The Telephone Almanac for 1961 is now available free of charge in Pacific Telephone Northwest's Klamath Falls business office, according to Manager A. B. Dickerman.

"First in Fast Communication" are featured in the almanac for 1961. Ancient Persian runners, the Overland Express, messages carried by gas-filled balloons, the undersea telegraph cable in 1866 and today's satellite communication programs and proposals are some of the firsts in speeding words and speech described in the new issue.

The 39th edition of the almanac contains the customary "information for farmers, businessmen, housewives, students and other telephone users" as the title page states.

Blair joined 75 other managers and assistant managers from Cal-Western Life's 40 agencies throughout the West for the conference which got under way with the president's reception and banquet on Tuesday evening.

The conference was devoted to a review of Cal-Western Life's progress in 1960, a period which saw the firm achieve its third billion dollars of life insurance in force. New sales through the first 11 months of the year have been approximately 8 per cent above 1959.

Agency development plans for 1961 were announced by Lynn Tenney, vice president and manager of agencies. President Robert E. Murphy also addressed the conference.

NEW YORK (AP)—Ammott, Baker & Co. holds that business will not suffer a further severe decline but will move in a sideways direction until about mid-1961.

The firm visualizes an uncertain first half in corporate earnings and general business but a pickup in the second half, with full year results about equaling 1960.

Ammott, Baker's current recommendations: Grumman Aircraft, Grolier, Inc., Chesapeake-Ponds, West Coast Telephone.

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Only one of eight Americans now lives on a farm.



GEORGE DAVIS

Funeral Home Trains Man

An apprentice mortician, George Davis, has begun training at Ward's Funeral Home in Klamath Falls.

Davis, a graduate of North Salem High School, will serve an 18-month apprenticeship with this local firm, and then will attend a mortuary college in San Francisco.

His parents live in Salem.

Directory Lists Four

Four Klamath Falls eating and lodging establishments will receive national recognition in the new 1961 editions of the Duncan Hines Travel Books, "Adventures in Good Eating" and "Lodging for a Night," coming out this month, according to an announcement from Roy H. Park, editor-in-chief of the Duncan Hines Institute, publisher of the travel books.

The Klamath Falls establishments are among 9,200 eating and lodging places in North America "Recommended by Duncan Hines." They are The Chuck Wagon and the Pelican Cafe—listed in "Adventures in Good Eating"; the City Center Lodge Motel and the North Entrance Motel—listed in "Lodging for a Night."

"These 1961 editions mark the beginning of our second quarter of a century of service to the American traveling public," Park stated. "In 1935, the first 'Adventures in Good Eating' launched a new and unique publishing venture, one that has pioneered in upgrading the standards of service offered the American traveler."

"The establishments we list are truly a select group," Park said. "They represent the top two per cent, for we recommend only 9,200 out of nearly half a million eating and lodging places in North America."

Once again the new editions have been completely revised, listing by listing, Park explained, as well as having new covers which were designed for quick identification.

Fringe Benefit Costs Prove Important Factor

NEW YORK (AP)—Fringe benefits are playing a bigger role than ever this year in management-labor negotiations. The rate of the hourly increases in straight pay has slowed a bit since its big advance in the mid-1950s. But the fringe benefit looms ever higher as a prize in the eyes of the workers and their leaders. And it increasingly commands a higher percentage of total labor costs of American industry.

Fringe payments have been rising even faster overseas. Example: In the United States such benefits are put as high as 25 per cent of wage in the chemical industry. But in Italy chemical workers get almost as much in fringe benefits as they do in regular wages.

In the United States the average straight time hourly earnings of factory workers has climbed from \$1.24 in 1947 to \$2.22 in 1959, according to the Bureau of Labor Statistics. This year the scale has climbed even higher, if at a slower pace, due to business slackness. And the scale is expected to climb again next year. Some of this will be due to new labor contracts recently contracted or soon to be negotiated. But much is due to old contracts automatically decreasing raises next year, averaging around 8 cents an hour.

Fringes are old—Bismarck started an accident and sickness insurance scheme in 1883. But they have climbed mostly since World War II. New data indicates such benefits now average around 46 cents an hour in U.S. manufacturing industries, or about one-fifth as much as the average \$2.22 hourly wage.

Here is how they break down as percentage of hourly wages: legally required social insurance 4 per cent; private pensions, insurance, etc., 6.8 per cent; work accident insurance 1 per cent; paid vacations and holidays 7.1 per cent; bonuses 1.7 per cent.

Sometimes management complains that high fringe payments handicap it in competition with foreign manufacturers. But the First National City Bank of New York notes in its December letter today that Americans may be surprised "that similar developments are causing concern abroad."

It points out that in five West European countries such payments are a higher per cent of hourly wages than here. In three—Britain, Sweden and Switzerland percentage is lower.

But in all eight surveyed the fringe benefits—expressed in U.S. dollars—is lower than here, and so, of course, is the hourly wage. Sweden has the highest average hourly wage, 94 cents, compared with the American \$2.22; and Italy the lowest, 35 cents.

Food Market Sale Noted

MALIN—Kalina's Food Market is being sold to Cy and Evelyn McColgin of Klamath Falls effective Jan. 2, 1961.

The store is owned by Louis Kalina. It was first established by A. Kalina and the late Marie Kalina in 1913 in the building now occupied by the Malin Hotel.

Louis was one year old when his parents began operating the store known as the Kalina Store.

The rock building where Kalina's Food Market is presently located was constructed in 1919, and opened for business in the spring of 1920.

Kalina indicated that ill health was the reason for the sale, but that he would continue to operate the hardware business.

In 1930 the store was incorporated as Malin Mercantile Co., Inc. When his parents retired in 1947, Louis and his wife, Frances, purchased the grocery and hardware business and the dry goods was purchased by their daughter, Emma Wilde.

Four years later, Louis purchased the Van Meter Hardware business, and moved the hardware stock to the present location.

Upon the occasion of announcing the sale, the Kalinas stated they would like to express their sincere thanks and appreciation to their many customers during the past 13 1/2 years they have operated the market.

Associates Get Funds

Fran Hales, manager of the J. C. Penney department store, announced today a special Christmas payment for store associates.

The payment which included all regular associates employed on or before Oct. 1, 1960, was made on Dec. 1.

All those eligible shared in the payment except management staff members who participate in the company's long standing profit-sharing or other management incentive plans.

The payment is in addition to regular company provisions for associates' benefits including sick benefits, hospital and surgical insurance plan, noncontributory group life insurance, Penco Profit-Sharing Retirement Plan, discounts on purchases and others.

Veterans' Tax Listed

The average ex-GI with an Oregon veterans' farm and home loan paid a property tax of \$221 this year, as compared to \$194 last year and \$168 in 1958.

This figure was reported by Roy V. Bell, auditor for the state Department of Veterans' Affairs, which paid the 1960-61 taxes in November on the properties of 20,236 World War II and Korean veterans who have state loans. The total amount paid in taxes this year was \$4,477,092, against \$3,626,343 a year ago.

In Klamath County, the tax on properties amounted to \$48,575.18. The average tax here was \$181.93, compared to the statewide average of \$221.

The borrower pays his taxes monthly to the state veterans' department along with his loan repayment. The department in turn pays the tax collector, and does it before Nov. 15 to earn the veteran a three per cent discount. The discount this year saved the veterans \$138,467.

2 Station Sale Listed By Allen

SALEM (AP)—The sale of radio station KGAY in Salem and KGAL in Lebanon was announced Friday by Gordon Allen.

The stations were sold to a corporation headed by Glen M. Stadler, Allen said, for a price "in excess of \$300,000."

Allen said he will continue to live in Salem, and will pursue an application for a television channel here.

Stadler operates station KEED in Springfield, which he purchased from Allen in 1955.

Allen is retaining radio interests in Washington and Louisiana. Stadler, a former member of the Oregon Legislature, will take over the stations following approval by the FCC, expected in about six weeks.

Masten Gets Veep Post

Stan Masten was elected vice president of the Oregon Dairy Council Board of Directors at the annual meeting Friday, Dec. 2.

The Oregon Dairy Council is a statewide nutrition education program offering community and professional leaders materials and services to assist them in presenting nutrition information.

The program is sponsored locally by all dairy farmers and many distributors of dairy foods.

• Newspaper SPOT ADS are inexpensive



RECENT WINNERS in a joint Oregon Food Store - Klamath Music Center promotion are shown here. Left to right, John Kerbow, Oregon Food Stores; Mrs. J. W. Ward, Barbara Ward, J. W. Ward and Pattie Ward. Ward was winner of a \$25 Lowrey Holli-day organ. Far right is Ellis Parker, Klamath Music Center. Other winners were Robert Taulbee, 754-B McGuire Avenue, a chord organ, and A. E. Evans, a \$200 gift certificate toward a Lowrey organ.

Accountants Offer Job Service

The Portland Chapter of National Association of Accountants, under the experienced guidance of James P. Maness, offers an accounting employment service, free of charge, not only to its members and the firms they represent but to non-member firms as well.

Firms may call or write to James P. Maness, 1209 Loyalty Building, Portland, Ore., either listing a vacancy or making inquiries for qualified personnel.

During the past six months 18 people have been placed in positions ranging from \$400 per month to \$18,000 per year. Placements are in diversified industry as well as in the professional field of accounting.

To qualify for placement one must complete a comprehensive application form and meet certain rigid requirements.

The employment service is one of the many services offered to its membership consisting of approximately 325, representing 208 Oregon firms.

James P. Maness, director of employment, is district manager for International Accountants Society, Inc., and last year was voted the most valuable member of the Portland chapter.

The first bridge across the Arkansas River was completed at Little Rock in 1873.

Bell Telephone System Doesn't Have Exclusive

By HENRY J. RECHTOLD

NEW YORK (UPI)—Mention a telephone and most people immediately think of the Bell system.

But the Bell system with its 23 operating subsidiaries is responsible for only six out of every seven phones in the United States. The other million phones provide a thriving business for more than 3,500 independent telephone companies.

Although most of these independent are small, providing only local service, they serve more than half the geographical area of this country.

And because they do not have many long distance toll lines, and serve predominantly rural areas rather than major metropolitan business centers, the independents receive only about 10 per cent of the industry's gross revenues.

The independents, most of which are privately-held, have managed to keep pace relatively with the larger Bell system both in growth and improvement facilities.

There is one great advantage the independents have over Bell—they can grow by acquisition, a more and more cost saving device.

phone and Telegraph because of its already dominant position.

The Value Line Investment Survey said the current trend is for the independents to merge into larger units better able to cope with rising wage scales and the initial costs of modern direct dialing and electronic equipment.

It looks for this trend to alter the structure of the industry in the sixties, with fewer and fewer companies remaining.

General Telephone and Electronics Corp. has acquired a number of other independents in recent years, and now is the leading independent with some four million telephones. Last year it reported new highs in most phases of its operations, including the number of phones in service.

Other independents gaining in stature are: Rochester Telephone with about 300,000 phones; Central Telephone, 250,000; and West Coast Telephone, 170,000.

Growth in revenues for the entire industry is virtually assured by a growing population and higher standards of living. Advanced technical know-how is turning out more and more cost saving devices.



TRIMMINGS from Ken-Dell Christmas tree farm near Mount Shasta are used for making wreaths. Shown here are Mrs. Betsy Neptune, left, and Mrs. C. Imadeen Hill with a few of the 750 wreaths they have made for the holiday trade.

—Photo by J. O. McKinney.

Lumber Price Index Jumps

PORTLAND (AP)—Craw's Lumber Market News Service said Saturday its lumber price index rose in the two-week period that ended Thursday. The average climbed 89 cents, the report said. Production has fallen off sharply in recent weeks, Crow's said, but increased lumber buying has been reported in the East and Southwest.

Commercial hatcheries of the United States produced 155,654,000 chicks in last September, up 15 per cent from September, 1959.

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Dividend Payment Announced

The Equitable Life Assurance Society of the United States expects to pay holders of individual insurance and annuity contracts \$98,700,000 in dividends in 1961, it was announced today.

James F. Oates Jr., president, said that this would be the largest allocation in the company's 101-year history. It will be almost twice as much as in 1951 and eight million more than the 1960 payment.

Oates said that more than one-half of the rise stems from a net increase in the scale of dividends. The remainder is the result of a rise in the volume of insurance in force.

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