



ELECTED to a two-year term on the executive board of the Oregon Gasoline Dealers at their eighth annual meeting in Salem, Jan. 15-18, was Paul Coleman of Coleman's Union Service, 1101 Main Street. He is shown in front row at far left. Other officers are, left to right, Coleman, Maynard Hadley, Al Lindley, Kenneth L. Heuvel, Virgil W. Rukke, Earl Davis, Michael V. Morelli, E. A. Haugstad and Charles L. Goforth, executive manager. Rukke was elected president, Lindley, vice president, and Morelli, secretary-treasurer.

Telephone Subscribers Top Record

The number of telephones serving Beaver State Telephone Company's subscribers climbed to an all-time high in 1959.

Stations in use in the company's Lake - Klamath County operating area stood at 2,659, as of Dec. 31, 1959, Beaver State Manager William Castle reported recently. This was an increase of 150 over the 1958 final total, Castle said.

Seven of the company's eight exchanges registered at least some gain, with Lakeview making the largest numerical advance—1,894 to 1,958 during the past 12 months. Other comparative 1959 and 1958 year-end figures were Adel 21 and 22, Chemult 48 and 49, Chiloquin 459 and 425, Fort Klamath 95 and 98, Paisley 62 and 68, Plush 10 and 11 and Summer Lake 30 and 31.

Castle noted that Beaver State had spent more than a third of a million dollars last year to modernize its facilities for local service at Chemult, Chiloquin, Fort Klamath and Rocky Point and improve its toll installations. The company completed building programs in the four exchanges and at Lakeview last summer, achieved dual conversions at Chiloquin and Rocky Point and finished nine long-distance construction projects in Lake and Klamath counties involving expenditures of nearly \$175,000.



CHARLES E. MARTIN

OTI Tutor Gets Honor

Charles E. Martin, professor in medical technology at Oregon Technical Institute, received a diploma in bacteriology at a meeting of the Washington State Society of the American Medical Technologists on Jan. 21. The honor was conferred by Dr. Terence B. Quarton, Seattle, dean emeritus, American College of Bio-Analysts, and a regent of the American Board of Bio-Analysts. Martin is Western District counselor for the American Medical Technologists.

He started the medical technology program at Oregon Technical Institute early in 1948.

There are more than 500 different species of hummingbirds.

SP Offers Joint Plan To Rival

The Southern Pacific recently announced that if its application to the Interstate Commerce Commission for stock control of the Western Pacific Railroad is approved, it will propose that Western Pacific offer Santa Fe full joint trackage rights over the Western Pacific between Stockton and Bieber, Calif.

D. J. Russell, president of Southern Pacific, said that SP's announcement is "to make sure there is no misunderstanding about Southern Pacific's intentions to preserve the Bieber route of WP's so-called 'Inside Gateway,' between California and the Pacific Northwest.

"Ever since SP applied for WP control last October," he said, "SP has insisted that it would retain the Bieber Route and maintain Western Pacific, with all its routes and gateways, as a separate railroad."

"The arrangement we're offering now should remove all doubt as to SP's desire and intent to maintain the separate and independent existence of the Bieber route," Russell said.

"At the same time, joint trackage rights with Santa Fe over this line will in no way alter our proposal to make service improvements and reduce costs through coordination of facilities and service of Western Pacific and Southern Pacific.

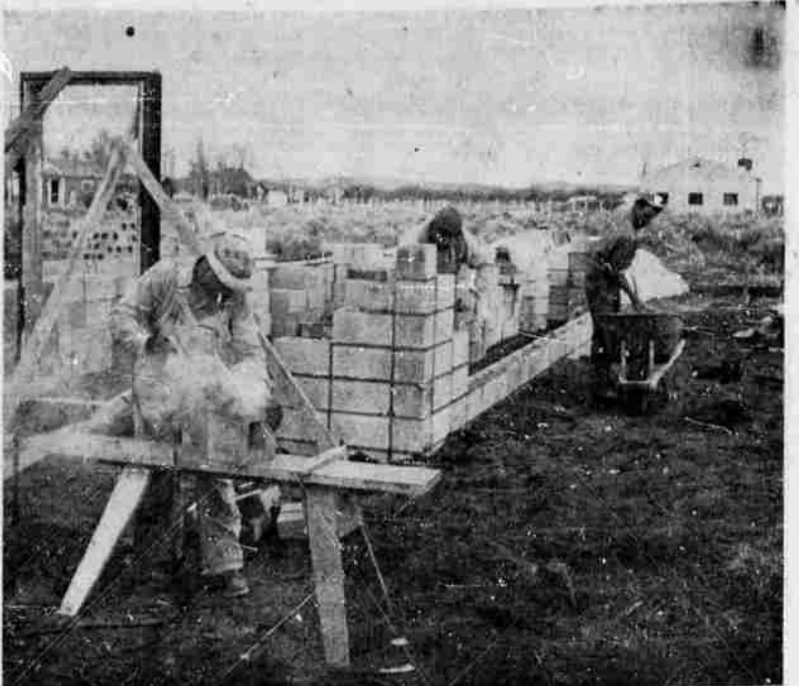
"Our primary aim in seeking control of WP has always been to take advantage of the opportunities for these important improvements that the parallel and interweaving nature of SP and WP lines affords," he said, "and this would not be changed."

Under the proposed arrangement, which would also require approval of the ICC, Southern Pacific would be agreeable to Western Pacific granting Santa Fe full trackage rights to serve industries now or hereafter located along the Western Pacific line mentioned. Santa Fe would also be able to interchange cars directly with the Great Northern at Bieber.

Russell said that SP contemplates that reasonable rental charges would be assessed against the Santa Fe for use of Western Pacific trackage and that operating and maintenance charges would be divided as they now are on the 67-mile line between the Mojave and Bakersfield, where Santa Fe has been using Southern Pacific tracks over the Tehachas mountains for the past 75 years.

Details of the proposal will be given at public hearings which the ICC is expected to hold this spring on control of the Western Pacific.

"We plan to put on a full and specific case showing how the public will benefit from SP control of Western Pacific," Russell said, "through more efficient, better and less costly rail service than can be offered by any other plan for the Western Pacific."



FORT ROCK PHONE SERVICE is close to reality. A building to house Pacific Telephone Northwest Company's automatic dial switchboard is rising in Silver Lake to provide North Lake County with its first phone service. Foreman Barney Linville, Bend, is pictured in the foreground. — Photo by Helen Parks.

First National Bank Stockholders Hear Optimistic Dividend Details

The approval of a stock dividend, a report of new record highs in all major categories of bank business and the promotion of six officers were highlights of the annual shareholders meeting Tuesday at First National Bank of Oregon.

The 12 1/2 per cent stock dividend, in the amount of \$2,512,500 and representing 201,000 additional shares of stock, will be paid on or about Feb. 15, to shareholders of record Jan. 24, according to Ralph J. Voss, president.

All directors and advisory directors were re-elected by the shareholders. At the organization meeting of the board which followed the shareholders meeting, the regular quarterly cash dividend of 35 cents per share was declared on the increased number of shares to be outstanding, payable April 1 to shareholders of record March 18.

Elected vice presidents were Wallace M. Burkhardt and George W. Goforth, managers of the Corvallis and Industrial branches, respectively; Riley DeLap, Lawrence W. Palo and Edmund J. Schneider. Roger A. Emrich was named to the newly created post of comptroller.

Record high net operating earnings of \$7,147,983, or \$4.45 per share, were reported to the stockholders. This figure was up 3.34 per cent from the previous year's net operating earnings of \$6,916,000.

The bank served more customers during the year than ever before, the president said, and recorded new year-end highs of \$503,484,700 in loans and \$880,339,689 in deposits.

Average outstanding commercial loans were up \$33 million over 1959 and a substantial increase in the number of loans made was reported, which indicated the strong demand for industrial and business loans, Voss said.

"The expanded use of credit and other banking services in 1959 reflected the increased tempo of business in Oregon," Voss told the shareholders. "While the major industry—forest products—employed fewer workers and produced less lumber than a year earlier, many segments of the economy rose to record levels. Construction exceeded all prior periods. Total employment and payrolls reached new peaks, and consumer spending was high. Toward the end of the year, however, there was a mild drag on the economy, which has continued into 1961," Voss added.

The newly elected vice presidents each have more than 30 years' experience in commercial banking and have been associated with First National more than 25 years.

Burkhardt is a native of Albany and a graduate of Oregon State College. He began his banking career at the Albany State Bank in 1927, joined First National in 1936 and has been manager at Corvallis since 1956. Goforth joined First National as a messenger at the Main Office in 1928. He was elected assistant vice president while serving at Salem branch in 1952 and has been manager of the Industrial branch in Northwest Portland for the past four years.

DeLap came associated with the bank in 1930 at the Main Office, also as a messenger. He has served in five offices in scattered parts of the state, was manager at Albany from 1955-59 and has served as an administrative loan officer at head office since 1959. Palo joined the bank in 1929 as a messenger at the Main Office, was elected assistant vice president in 1932 and for the past year has also served as an administrative loan officer. He is a graduate of Pacific Coast Banking School.

Schneider started in banking in 1924 at the old Hibernia Bank. He came to First National as a bookkeeper in 1933, moved up to commercial loan officer at the Main Office in 1950 and was elected assistant vice president in 1952. Emrich, the new comptroller, joined First National in 1950 as field auditor after serving five years with a firm of certified public accountants. He was named manager of the accounting department in 1953 and was elected assistant vice president in 1958.

Business Review

By Floyd L. Wynne

PAGE 6-B HERALD AND NEWS, Klamath Falls, Ore. Sunday, January 29, 1961



LOU KELLISON, left, manager of Copeland Lumber Yard in Klamath Falls, was honored and presented with 20-year service pin at a banquet climaxed a four-day sales meeting in Portland last week. He was honored for his long and successful service by Joseph W. Copeland, right, president and general manager.

Lou Kellison Honored For 20 Years Service

Lou Kellison, manager of the Copeland Lumber Yard in Klamath Falls, was honored and presented with a 20-year service pin at the company's annual banquet in Portland's Multnomah Hotel Saturday, Jan. 21. The banquet climaxed a four-day sales meeting of Copeland's 57 yard managers.

The presentation was made by Joseph W. Copeland, president and general manager. "Lou Kellison is a real fine businessman and, equally important, he is a real fine gentleman," Mr. Copeland said. "He is one of the most valued members of our organization. We are equally proud of Mrs. Kellison who works in our office in Klamath Falls."

"It is people like the Kellisons who have helped our organization to become a line of 57 yards in Oregon, Washington, Nevada and California."

In response, Kellison said he valued his 20 years of service with the Copeland organization since they had been not only profitable but enjoyable.

Optimism was the keynote at the Portland meeting. Increased lumber sales and more home building are expected by Copeland Lumber Yards in 1961, the president forecast. He said he based his optimism partly on "increased business so far this year, partly on plans of our customers and partly on the general feeling."

Copeland Lumber Yards, which are in their 49th year, this year expects to equal or exceed its average sale of 30 million board feet of lumber yearly. Copeland believes his big organization will see more plywood sold at current lower prices. He added, "We're sorry to see the prices come down too low because it hurts the economy of the region." Prices of most building materials have held pretty stable, he pointed out, except for some softening, too, of lumber prices.

Building in the Pacific Northwest 65 key cities showed signs of improvement in December when total dollar volume for the area increased by 10 per cent over the previous month. According to the statistical department of Equitable Savings and Loan, building in Oregon, Washington, Idaho and California during the last month of 1960 totaled \$24,789,163, with the largest percentage gain being in British Columbia where building is up 70 per cent over November and 101 per cent higher than the same period last year.

In Washington state total building dollar volume showed a gain for the first time since October. The state reported \$12,992,298, up 10 per cent over November. Sharp increases were noted for Vancouver, Spokane and Auburn where in the latter city an Air Control Center (Federal Aviation Agency) is being built at the cost of two million dollars.

Oregon reported building gains during the past month with total dollar volume for the state up 20 per cent over November. Portland showed a 20 per cent increase with Medford, Oregon City, Klamath Falls and Roseburg all reporting substantial gains in December.

KF Leaders Enrolled In Seminar

OREGON STATE COLLEGE—Two Klamath Falls men were among 20 forestry leaders from throughout the Northwest who participated in a special Industrial Forestry Seminar.

They were Charles S. Glidden, Klamath Lumber and Box Company, and Robert W. Metzger, chief forester of the United States National Bank in Klamath Falls.

The 15th annual seminar opened Jan. 16 and continued through Jan. 27. It was sponsored by the forestry schools of Yale University and OSC.

The advanced management training program is designed to give forest industry leaders an opportunity to discuss forestry and business problems with some of the nation's leading authorities. It is held in different sections of the country over the years.

Director Named

SAN FRANCISCO—Robert C. McCracken was elected to the Board of Directors of Di Giorgio Fruit Corporation.

McCracken is vice president and general manager of Tree-Sweet Products Company, a subsidiary of Di Giorgio, and has been associated with the company since 1939.

He was elected to fill the vacancy on the board arising from the death of Harry J. Bauer in September of last year.

Building Shows Increase In 65 Pacific Key Areas

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Idaho building was down 56 percent from the previous month with only two cities reporting gains in the entire state. Pocatello reported an increase of 44 per cent over November and Lewiston was up 246 per cent for the same period.

Residential building continued sluggish through December. Many cities reported no new dwellings at all. The most active counties in Oregon were Lane, Douglas and Marion, reporting gains of 29 per cent, 141 per cent and nine per cent respectively. In Washington, King, Pierce and Clark counties led with percentage gains of 18, two and 83 over November, 1960.

Permit volume for both residential and commercial building was down. Residential permits, off 14 per cent over the previous month and total permits down 11 per cent for the same period.

U.S. LEADS IN NATIONAL OUTPUT



OUTPUT—Total worth of goods and service in the United States was just short of half a trillion dollars in 1959. Estimated figures for 1960 put it over that mark. If growth rate equal to last 30 years is maintained, output should increase to 750 billion by 1970. Data from Better Living.

U.S. LEADS IN ELECTRICAL ENERGY INSTALLED CAPACITY—1958



ELECTRICITY—U.S. lead in electrical energy production is result of ability of the American system to meet the increasing demands put upon it by homes and industries. As more consumers use more and more electrical equipment, needs are expected to double in 10 years. Data from Better Living.

U.S. LEADS IN STEEL



STEEL—Chart shows U.S. is well ahead of rest of world in steel production. If pushed to full capacity, U.S. could turn out 150 million tons a year. Data: Better Living.

MARKET NOTE

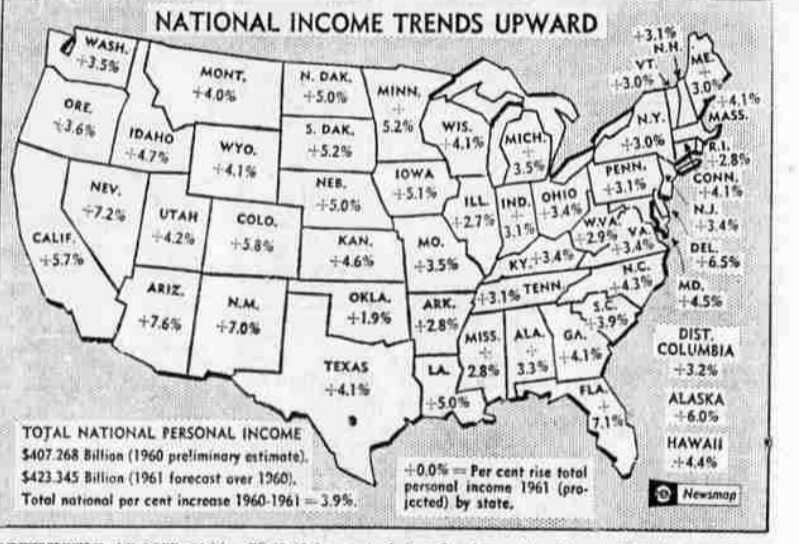
Taking note of the market's hesitancy on Tuesday and Wednesday, Martin Gilbert of Van Alstyne, Noel & Co. says there was strong evidence that offerings were being well absorbed in many cases. In any event, he adds, there is little likelihood that the recent upward pattern will be disturbed greatly, and we can continue to look for higher prices generally.

Wall Street Chatter

NEW YORK (UPI)—After a "puzzling survey" of a great many companies, Goodbody & Co. in its monthly letter for February has listed a group of 14 stocks which it believes will outperform the general market in 1961.

They are Addressograph-Multi-graph, Allied Chemical, Anaconda, Chain Belt, Diamond Alkali, Merck & Co., Minneapolis-Honeywell, Norfolk & Western, North American Aviation, Philip Morris, Public Service Electric & Gas, Sully Oil, Union Texas Natural Gas, and Wilson & Co.

Thomson & McKinnon describes Texas Gulf Producing as a special situation of distinction in the oil group, owing to its interest in the exploration of a 5-million-acre concession in Libya with W.R. Grace and Jersey Standard.



OPTIMISTIC ABOUT 1961—Statisticians studying business trends predict that total national personal income will rise in 1961 to 423.3 billion dollars, up 16 billion from last year. Despite predictions for a continuing economic lag, the average income per person should rise to \$2,317 annually, approximately \$50 more than in 1960. Newsmap above shows the expected percentage rise in total personal income by states. Largest increases again are expected in Arizona, Nevada, Florida, Delaware, Colorado, Minnesota and California. Statistics from Business Week Magazine.

Shell Executives Praise Newspaper Campaign

CHICAGO—Local promotion efforts which newspapers are putting behind the current massive advertising campaign on Shell gasoline were praised here last week by executives of both the company and its advertising agency in a "rally" meeting with some 500 newspaper advertising men.

Addressing the meeting, which took place at the Edgewater Beach Hotel as an added feature of the annual meeting of the Newspaper Advertising Executives Association, were C. F. Martineau, sales promotion and advertising manager of Shell, and Jack Elliott, senior vice president of Ogilvy, Benson & Mather and account supervisor on Shell.

Reports sent in by the newspapers on their local activities have been "very heartening indeed," Martineau told the audience.

He went on to describe many of the varied kinds of "three-way" support being carried out and planned by the newspapers in promoting the campaign to the general public. Shell dealers and the newspapers' own staffs.

A vital part of the drive, said Martineau, is the personal calls to be made by newspaper salesmen on the company's dealers. "Many papers," he reported, "have already started making these calls, and they have come up with imaginative ideas." A particularly effective method being used by some papers, he said, is the assignment of an individual Shell station to each member of the staff.

"This station is his responsibility," said Martineau. "He gets to know the dealer, keeps him up to date on the campaign, and checks on how things are going at this one station. What a great idea. And what a simple way to insure year-round coverage of all stations in a market."

Elliott also stressed the importance of dealer calls. Another key element in the plan and the first step in the local program, he said, is the sending of letters by newspapers to dealers.

Charles T. Lipscomb Jr., president of the Bureau of Advertising of the American Newspaper Publishers Association, in opening the rally, displayed on a screen many of the details of the campaign, including trade ads by the company, newspaper ads, purposes of the campaign, reasons why Shell is using newspapers exclusively in consumer advertising for its gasoline.

The bureau presentation was thoroughgoing — complete to the nines, so to speak. Lipscomb discussed first the nine ingredients of Shell gasoline, the major copy feature of the campaign, then the bureau's standard and much-quoted "Nine Reasons Why" newspapers provide "top performance" for advertisers. Finally, he introduced speakers from the audience representing the nine elements or levels of the newspaper business.

The year-long Shell drive, which started in late December, will represent an expenditure for newspaper space totalling approximately \$13,500,000. It will be the largest campaign ever run by a petroleum company and probably the largest to be put behind any single product during the current year. A total of 110 newspapers in 28 markets throughout the country will be approximately \$13,500,000. It will be the largest campaign ever run by a petroleum company and probably the largest to be put behind any single product during the current year. A total of 110 newspapers in 28 markets throughout the country will be approximately \$13,500,000.

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THIS PICTURE was recently featured in the Denver Post, and was taken at the 1961 Spring and Summer Market for men's and boys' wear at Denver. More than 1,000 buyers were present. In this picture, Mr. and Mrs. Ernie Freeman of Freeman's Saddlery are shown admiring a boot made from an elephant's ear. At right is Jack Herrell, general manager of Justin Boot Company. The elephant ear was sent from Africa by a doctor who shot the elephant. From this one ear, they were able to tan enough leather to make two pair of boots.