

PHONE COMPANY TO PAY \$15,000 YEARLY

Agreement on Terms Opens Way to Early Merger.

CITY WITHDRAWS PROTEST

Properties of Home Company to Be Transferred to Pacific for \$2,000,000.

After being deadlocked all morning over the amount of compensation to be paid the city by the Pacific Telephone & Telegraph company after it absorbs the properties of the Home Telephone company, officials of the Pacific company and members of the city council finally agreed upon terms.

Under the agreement made, by passage of an ordinance by the council yesterday afternoon, the city is to receive \$15,000 each year from the Pacific company as a franchise tax.

The payment to the city, he stated, naturally would be borne by the telephone users in higher rates, and for a time he held \$10,000 a year as the highest possible figure the company could pay the city for the franchise privileges.

Other members of the council supported Commissioner Bigelow to the point that they felt the city was entitled to more than \$10,000 in compensation from the Pacific company.

Bondholders in Waiting. During the argument bondholders of the Home Telephone company sat on the sidelines, awaiting action of the council which would either bring them 70 cents return on each dollar invested or 10 per cent on each dollar they claimed.

Oswald West, receiver of the company, who negotiated the deal which will result in the merger of the two companies, in desperation yesterday said the prospect of plans to take the company had their "stake horse" in the last race of his career.

"We have shot down in my horse until we have no more 'hop.' The last shot has been injected, and if it fails to support him in this race we are gone," he said.

The support has not been given and the Home plant will be forced to suspend operation soon if this merger is not consummated.

In opposing Commissioner Bigelow's plan of paying the city 1 per cent of its gross revenue, Mr. Pillsbury told the council that the Pacific company was operating in Oregon without deriving a nickel profit from its efforts.

This same condition, he stated, existed in the company's operation throughout the state of Oregon and in Washington, also.

"In fact," Mr. Pillsbury said, "our entire coast system is bringing no return upon the common stock of the company. The coast system is earning a revenue which pays 6 per cent interest on \$2,000,000 preferred stock and 5 per cent interest on \$2,000,000 of bonds. And that is all. The remainder of our revenue is assumed in payment of operating expenses."

Approval of the merger by the city council, which is required by a provision in the franchise granted to the Home Telephone company by the voters, removed the last obstacle.

The foreclosure sale of the Home properties made on February 17 to A. L. Mills, acting in behalf of the bondholders of the Home company, comes before the circuit court today for confirmation.

Duplication to Be Abolished. Under an agreement made between officials of the Pacific company and the bondholders of the Home company Mr. Mills is to transfer the properties of

the Home company immediately after the confirmation of the sale by the court to the Pacific company for approximately \$2,000,000.

According to Mr. Pillsbury, the merger will result in the elimination of duplication of telephone service in Portland, giving subscribers to both companies opportunity to choose the service desired and secure an interchange of service over the lines of both the Pacific and the Home company.

The Home plant will be continued in operation, he states, the employees being retained, with a possible exception of men holding executive positions. The merger of the physical properties will consume about one year's time, according to Mr. Pillsbury, although the transfer portion of the work of merging the two systems will be effected within three months following the transfer of the properties.

Telephone service valued at approximately \$1200 each month will be furnished to the city without charge as a result of the new agreement. A portion of this service has been received by the city for many years, but under the new agreement the city will receive additional service amounting to approximately \$400 and will be given additional service as conditions require.

Official Casualty Report.

WASHINGTON, Feb. 27.—Casualty lists today, exclusive of corrections, contain 3069 names: 3 killed, 8 died of wounds, 11 of accident, 63 of disease, 113 wounded severely, 1225 degree undetermined, 1455 slightly and one missing. Following is the summary of casualties to date:

Table with columns: Deaths, Reported, Today, Total. Rows include Killed in action, Died of wounds, Died of disease, Died of accident, Total deaths, Wounded severely, Missing and prisoners, Total casualties.

OREGON.

Wounded severely.—Pfeiffer, Charles (Cpl.), Juntura, Or. Berg, Theodore H., Dallas, Or. Leaven, Elmer E., 296 Tillamook, Portland, Or.

Wounded, degree undetermined.—Langston, Vernon S., 222 Malden street, Portland, Or.

Wounded slightly.—Ward, William B., 909 Vernon avenue, Portland, Or.

Died of wounds.—Pfeiffer, Charles (Cpl.), Seattle, Wash. Returned to duty (previously reported missing) Eugene M., Yakima, Wash.

Wounded severely.—Pfeiffer, Charles (Cpl.), Seattle, Wash. Piper, Floyd J. (Cpl.), Vancouver, Wash. Mitchell, Robert E., Seattle, Wash.

Wounded, degree undetermined.—Pfeiffer, Charles (Cpl.), Seattle, Wash. Simpson, Charles E. (Sgt.), Seattle, Wash.

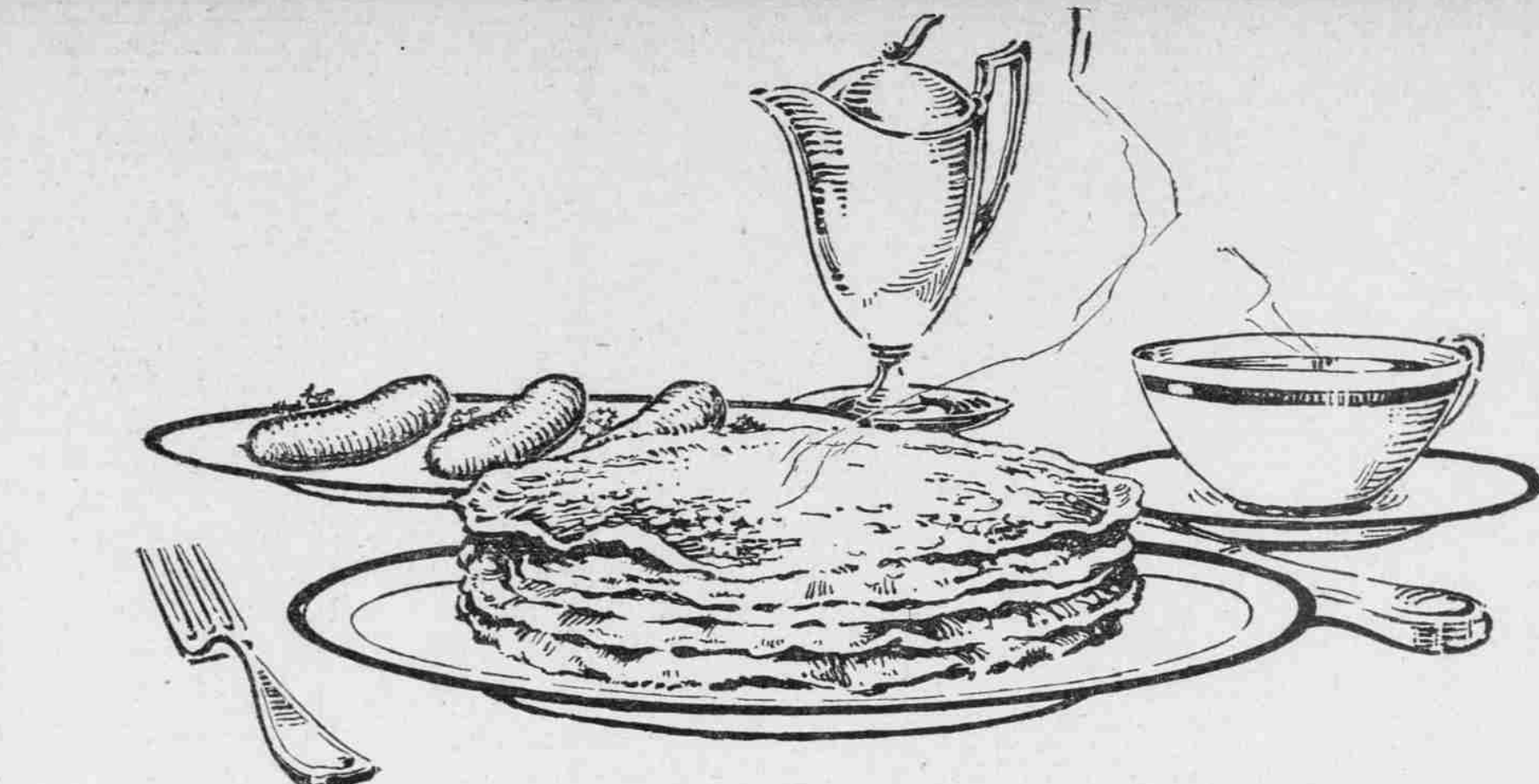
Wounded slightly.—MacKitt, Carl (Lt.), Port Angeles, Wash. Simpson, Charles E. (Sgt.), Seattle, Wash.

Died of disease.—Nicks, Claude F., Middleton, Idaho. Noctor, Raymond S., Harrison, Idaho.

Wounded, degree undetermined.—Givens, Elmer S., Nampa, Idaho. Staley, Wilbur H., Bonanza, Idaho.

Died of disease.—Sparks, John W., American Falls, Idaho. Power, Clement R., Reburig, Idaho.

Wounded severely.—Nicks, Claude F., Middleton, Idaho. Noctor, Raymond S., Harrison, Idaho.



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