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\$200,000 DEAL REMOVES PACIFIC TELEPHONE COMPANY FROM TWO COUNTIES

SINGLE LONG DISTANCE LINE ALL THAT REMAINS OF BELL CONCERN IN UNION AND WALLOWA

HISTORY OF COMPANY.

Originally known as Vegere Telephone company. S. D. Crowe bought half interest in 1905 when concern was in its infancy.

Capital stock increased from \$4,000 to \$25,000 in 1906. On January 14, 1907, capital stock again increased to \$75,000 and name changed to Home Independent Telephone company. Thirty thousand dollar bond issue floated in August, 1907.

Capital stock increased in 1909 to \$100,000.

Subscribers when Crowe took interest, 100; prior to purchase of Bell system, 1250. Total after April 1st, 2,300.

Physical valuation of plant in 1905, \$4,000. Physical valuation today, over \$200,000.

Company now owns over 200 miles copper metallic toll circuits, over 350 miles of iron toll circuits; all to be used in connecting exchanges and pay stations, exclusively, and does not include the Pacific long distance wires running through Union county.

The company will have four copper wires from La Grande to Joseph; two copper wires from La Grande to Union and Cove; several iron circuits from La Grande to Joseph and from La Grande to Union and Cove.

Classed as the hugest financial transaction in Eastern Oregon since the bonding of the Eastern Oregon Light & Power company, standing out as a monumental business transaction, marking a rare instance in the history of the Bell Telephone combine in that the powerful concern has given way to a local telephone company financed and officered by local people, branding General Manager S. D. Crowe of the home company as a master general in business deals, and lastly removing from Union and Wallowa counties all competitive lines working opposite to the Home Independent Telephone company, a deal has been consummated which transfers to the Home Independent Telephone company all the local exchanges in Union and Wallowa counties and various other properties owned and now operated by the Pacific Telephone company. Instead of amalgamation with the Pacific concern as is historically a common thing, the lesser concern has gained the upper hand and now stands the master of the local situation.

By the sale and subsequent improvements to be made to the Home concern, over \$200,000 is involved, and that by a concern which five years ago was a mere rural telephone line doing business under a capitalization of \$4,000. The strides are marvelous and almost unbelievable, and the crowning climax to the company's growth, is the consummation today of a deal that has been under negotiations for months, that removes the Pacific Telephone company from the local field.

Crowe the General in Charge.

Matching strength and wits with corporation attorneys, pitting knowledge of telephony with that of the best versed telephone men employed by the Bell system, forcing here and relenting there but always coming out of differences with satisfactory settlements to himself and his company, S. D. Crowe the general manager of the Home company has branded himself as a general in a business way. The contract is said to be favorable in every respect to the home people and in no instances was the local concern forced to surrender salient points in such a way as to hurt itself.

The deal has been long in the making. Contracts, tentative in nature, have been turned down by the local company's manager and legal counsel, when they satisfied the Bell's attorneys and top heads of the Bell syndicate. Finally, after months of negotiations and sparring for advantages, the deal came to the point where it remained for the signatures only to be attached. In the sale is represented a turning point in the well-defined policy of the Bell telephone heads at New

York—never to give in to the competitive concerns but to force out competitive lines by buying them over. In this instance the New York and San Francisco managers switched policies and permitted the unprecedented deal to be realized.

REASONS FOR SELLING.

Two Telephone Companies Become a Nuisance to General Public.

Primary reasons advanced for the unprecedented sale and retirement from the local field of a branch of the monumental Bell system are numerous and in a large measure, feasible. Showing a remarkable growth, the Home Independent Telephone company became such a strong competitor that the local service of the Pacific States exchanges were a losing proposition and by transacting the deal the Pacific company could unload an unpaying district but still retain the long distance service. To avoid the expense and nuisance to the public of having to maintain two telephone systems, and to be able to connect all parts of Union and Wallowa counties with the Bell long distance service hereafter as soon as the changes are made, all subscribers of the Home company will be able to telephone to any point on the Pacific coast and the Rocky mountain states. In this way it is plainly seen, the Pacific people do not lose their long distance service which is the fundamental principle of that concern's policy—to maintain a vast long distance telephone communication service. While the home company has had such a rapid development throughout the rural districts and small cities, the Pacific company has been continually adding to the La Grande and Union exchanges and the present deal will involve the turning over of some 1,200 subscribers to the local people, making a total of over 2,300 subscribers which with the contemplated improvements will no doubt soon be increased to 3,000.

Though the Pacific people seldom gives way to home concerns in this manner it does so in this instance with long distance service still intact for all independent subscribers retain the long distance service of the Bell system. With ample capital behind it the home concern was a strong contender for local subscribers and had Wallowa county well bottled up.

The Property Involved.

While the Pacific telephone concern retains the long distance toll lines traversing Union county it loses local toll circuits in addition to the exchanges in Union county and disposes of all its property, toll and local, in Wallowa county. April first, when the deal becomes effective, the Pacific system will merely own a toll line that runs across Union county on the circuit between Baker and Walla Walla. The removal of one of the competitive lines in this territory meets favor from both companies' subscribers. The amount involved was not definitely announced but General Manager S. D. Crowe of the home company admits that the transaction runs over \$200,000 and the proposed improvements will carry the total in excess of that amount. The sale includes the exchanges of La Grande, Union, Cove, Elgin, Wallowa town, Enterprise and Joseph along with all local toll circuits and toll stations.

SHOWS RAPID GROWTH.

Company has Made Wonderful Strides in the Past Few Years.

The Vegere Telephone company was incorporated at Imbler June 25, 1904, by F. I. Vergere, S. L. Brooks, J. L. McKinnis; capital stock \$4,000.

On October 1st, 1905 S. D. Crowe purchased one-half interest, Vergere retaining the remaining half, both being practical telephone men. At this time the company had all told, about 100 subscribers scattered throughout Union county. This number was doubled with the next few months and the demand for telephones in the rural districts and in the smaller cities became so great that it was necessary to increase the company.

March 24, 1906, the capital stock was increased to \$25,000 and a large

number of local business men and farmers, in both Union and Wallowa counties, took stock in the concern. The lines were extended throughout both counties and the demand for telephones increased rapidly. It was soon discovered that the finances available were insufficient to take care of the business. Accordingly, on January 14, 1907, the capital stock of the company was again increased to \$75,000 this time and the name changed to the Home Independent Telephone company. In addition to this increase a bond issue for \$30,000 was floated through the financial influence of S. D. Crowe who at this time was

secretary-treasurer and general manager which position he still holds.

On January 19, 1909, the capital stock was again increased—to \$100,000 at which figure it now stands.

Financed With Ease.

While many local people express surprise at the ability of the home people to finance so gigantic a deal the task was not as enormous as might be thought at casual study. With J. L. Caviness, W. J. Church, president and vice president respectively, behind the company with their business ability and financial strength and with Manager Crowe's strong financial influence in the east, the proposition was not at all difficult.

The full slate of officers now in charge of the company's affairs, are: J. L. Caviness, president; W. J. Church, vice president; S. D. Crowe, secretary-treasurer and general manager. The balance of the directors are R. E. Smith, now of California, F. I. Vergere, Enterprise, William Stranger La Grande and William S. Crowe, of Manistique, Mich.

GIRL ESCAPES INJURIES.

Collides With Sulky While Edding Bicycle but Escapes Fortunately.

Miss Helen Andrews, daughter of Night Chief Dispatcher and Mrs. C. M. Andrews, 3204 Pennsylvania avenue, collided this morning with a sulky driven by Charles McCrary in front of the Golden Rule store and fortunately escaped with only slight bruises. She was riding a bicycle and in the excitement of traffic ran into the passing sulky with the result that she was thrown to the pavement and badly shaken up. She was carried to the M. Bloch store and soon recovered sufficiently to ride away on her wheel. Her face was slightly bruised.

Kenyon Favorite in Iowa.

Des Moines, March 17.—Kenyon received 68 votes today, lacking nine of the senatorial election. He will probably be elected tomorrow.

REBELS SCORING VICTORIES

TWO SPIES SHOT DOWN BY INSURRECTO TROOPS.

Federals Said to Have Lost Heavily in Fighting Today.

New York, March 18.—A special to the World from Douglas, Arizona, says insurgents ambushed a band of federalists near Campus, and killed 65 of them.

Rebels Win Another Victory.

Marfa, Tex., March 18.—Several Mexican soldiers were killed at close range fighting near Oginaga, today. The federal command is reported bottled up while Colonel Doranto and 30 of his soldiers are surrounded in groups of houses within a mile of the garrison.

Alleged Spies Shot.

Mexicali, March 18.—Under cover of darkness early this morning, rebels shot Felipe Ries and an unknown man suspected of being spies for federalists. "We gave them a fair trial," said Captain McDonald. "We would expect the same thing if rebels are caught by the regulars."

Sentenced for Twenty Years.

Albany, March 17.—Attorneys for Mrs. Edith Melber, convicted of the second degree murder of her son, said she won't appeal. The woman probably will be taken to Auburn to begin a 20-year sentence today.



HEYBURN OF IDAHO, MOST TALKATIVE SENATOR.

INVASION OF MEXICO BY YANKEE TROOPS APPEARS CERTAIN

El Paso, March 18.—Armed intervention into Mexico under the guise of ending the revolution is believed inevitable today by high division officials who have received secret orders from the war department to prepare troops for instant field service and troops are greatly excited at the prospect of active war service coming within another week. Rifle practice and strenuous drilling is the order of the day.

Massing of armed troops on the approaches to the international bridge, together with other military activities leads to the belief that the United

States is preparing to invade Mexico. Many troops are near the bridge. News coming from Augustus where Taft has headquarters indicates the president will send a special message to congress dealing with the international situation and the mobilization. He will explain the various reasons.

Sends Troops East.

San Francisco, March 18.—That thousands of troops will be sent to the Philippines and Hawaii within the next few months is intimated here today by army officers following receipt of word that the second infantry will embark for Honolulu.

RUSSIA GRANTED LINEUP RUMORS HER DEMANDS ARE AFLOAT

CHINA SAID TO HAVE ACQUIESCED IN MONGOLIA FRACAS.

Russia Now Practically Supreme in Regard to Mongolian Trade.

St. Petersburg, March 18.—Pekin dispatches state the Chinese foreign board has delivered China's reply to Russia's ultimatum, practically granting all demands to the Mongolian provinces. This will give Russia virtually a monopoly of trade and will for the time being, remove causes for war between Russia and China. In presenting the ultimatum Russia allowed China ten days in which to act and official circles are resting easily today with the news of the settlement and surrendery by China of privileges in Mongolia.

RUEF "WANTS OUT."

Attorneys Attempting to Have His Case Reheard Before Court.

San Francisco, March 18.—Attorneys for Ruef today filed a petition in the supreme court asking a rehearing of the case. Ruef is now in San Quentin.

Want Berry Paroled.

A petition circulated by Mrs. W. W. Berry was filed with the circuit court this afternoon appealing for the parole of Mr. Berry, who is now serving a year's sentence for wife beating.

BELIEVED ATTRACTIONS FROM HERMISTON GREAT.

Expected Lineup Will Be Formed to File on 3rd and 4th Units.

That there is likelihood of a lineup at the La Grande land office prior to the opening of filing on the fourth unit in the Umatilla project is admitted in news dispatches from Hermiston where a great many nonesseekers have viewed the land to be put under water. There are still six claims under the third unit of filing and altogether the land will accommodate many filers.

The opening occurs on the 22nd and rumor is current that a lineup will be formed in front of the land office here.

The charges are as follows: \$60 per acre of irrigable land payable in not more than ten annual installments, each payment not less than \$6 or some multiple thereof per acre, except that in the case of lands hereafter entered the first installment of the building charge shall be \$12 per acre and the subsequent installments \$6 per acre. Full payment may be made at any time of any balance of the building charge remaining due, after certification by the commissioner of the general land office that full and satisfactory compliance has been shown with all the requirements of the law as to residence, cultivation and reclamation.

MONSTER DAM READY FOR DESERTS

BIGGEST DAM OF ITS KIND IN SHAPE FOR USE BY ARIZONA IRRIGATORS.

COST REACHES MILLIONS

With Almost Unsurmountable Obstacles Government Has Completed Wonderful Structure to Irrigate Arid Lands—Capacity of Reservoir Enormous—Roosevelt Present at Dedication.

SUMMARY.

- First stone laid September 20, 1906. Completed February 5, 1911.
- Type of dam: Rubble masonry arch gravity. Maximum height 280 feet; length of crest 1,680 feet; contents 326,000 cubic yards; develops 7,500 horse power now transmitted to Phoenix 75 miles distant.
- Reservoir capacity, 1,284,000 acre-feet. Stores 12 times more water than New Croton, Watchuett, and Ashokan reservoirs combined in the east which cost seven times more than Roosevelt reservoir. Insure ample supply for irrigating 240,000 acres of land in Salt River valley.

Phoenix, Ariz., March 18.—Adorned in gala attire, Phoenix today declared a three-day festival. The entire population, mingling together with many strangers and "the only living ex-President," adjourned to the site of the Roosevelt Dam for the dedication exercises of that great mountain of masonry.

The structure, one of the wonderful engineering achievements with which Uncle Sam is transforming his desert lands into fertile and productive farm lands, was completed February 5, and formally dedicated by Ex-President Roosevelt today. So marvelous has been the course of construction of this irrigation dam that from the beginning it has attracted the eyes of prominent engineers of the world.

Its dimensions are startling. At the base it covers an acre of land. Its height is 280 feet, on top it is 1080 feet long, and at the bottom it is 170 feet thick. A 26-story building covering a city block would not cover the space occupied by this towering masonry structure.

Located in a canyon heretofore inaccessible, 62 miles from the nearest railroad, the construction of this dam involved many problems and taxed the ingenuity of the builders to the utmost. Their first problem was the construction of a broad highway. For twenty miles this traverses a trackless desert and for 42 miles more the road was literally carved from canyon walls or blasted from the steep-sided mountains.

It is now considered one of the most remarkable highways in the entire world. It opens up to the traveling public a country unrivaled in grandeur and beauty and makes easy access to some of the best preserved cliff dwellings in the southwest.

In preparation for the construction of the dam the government engaged in many activities. An immense power plant was installed near the site selected for the structure. A cement mill was built with an output of 500 barrels daily. It has turned out, in all, approximately 340,000 barrels of cement, at a saving to the government of more than \$615,000. Two farms were operated to supply provisions for the camp and forage for the livestock. Domestic water supply was piped from springs many miles away. Nearly 600 Apache Indians were

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