

# Extensive Highway Building Planned for Postwar Era

## Many Business Changes of Importance During Last Year

Record of the business changes in La Grande during the last year, since Oct. 1, 1944 and of the contemplated construction and building work set out upon during the year shows that most of the changes were looking to future expansion of the economy and industry of the valley.

One of the first changes in the year was the purchase in October of Steen's Flyways by Keith Province and Merlin Johnson who changed the name of the business to the Eastern Oregon Airways. Both the men had more than 2,500 flying hours to their credit. They planned to continue instruction with the trainer planes, both here and at Enterprise. There were then 45 active students of flying.

**Absorb Bank**  
Another important change during the year was the absorption by the U. S. National bank branch here of the First National bank of Elgin. The change was announced by Paul S. Dick, president of the U. S. National bank of Portland.

Still another important business event, one in December, was the Eastern Oregon Light and Power company's refunding of its \$1,850,000 bonded debt to save 2 percent interest charges. The new issue was for \$1,800,000 with the odd \$50,000 being paid off from current funds.

The new issue was to be paid off at \$30,000 a year for the first five years, \$35,000 for the next five and \$25,000 annually for the rest of the 25 year period.

**Farm Loan Grows**  
In February, seven national farm loan agencies merged to form the La Grande National farm loan association. Also in that month, the Eddy Bakeries bought the La Grande Bakery company from K. J. McWilliams.

The city budget for the year was set at \$179,857, which was \$39,093 more than the overall cost of government of the previous fiscal year ending June 1. The tax rate was expected to be less, however, because of elimination of sinking funds and reserves and

retirement of bond issues, as well as economies being effected.

Drilling for oil in the valley also was started in June, with the work taking place on the Charles E. Davis and Richard B. Davis farms near Hot lake.

**Feeder Line**  
Advantages of a feeder line for La Grande were explained in August at a meeting of the chamber of commerce airport committee with representatives of the Zimmerly Airlines at the chamber. Zimmerly lines purposes set up services between La Grande, Baker, Spokane and several Idaho cities.

Summary of business changes and events in the year:

**October**  
Steen's Flyways sold to Province and Johnson. . . Cannery project ended with 17,801 cans processed by 255 families. . . Priorities were offered to ease the housing shortage here by conversions, where housing shortage was "causing undue hardship."

Mounting business in the postoffice had aroused the realization of the need of more facilities. . . during the first half of the month \$3,792 was the total of postal receipts.

**November**  
Postal receipts for October were announced \$6,734; for the previous October they had been \$5,779. . . The U. S. housing authority was to make a survey of the housing situation here. . . A need of 50 temporary housing units was disclosed.

**December**  
Fifty housing units were approved for La Grande by James Maxwell, housing administrator, 12 with three bedrooms each, 13 with one bed each in each wing.

**January, 1945**  
An increase of 75 percent in the city water supply by increasing the height of the Beaver creek storage dam by 10 feet was recommended by the city manager and engineers. It was said the 200 million gallons of storage space was adequate at present but would not meet postwar needs. . . Fire loss of \$38,500 in



ROCK CREEK plant of the Eastern Oregon Light and Power company five miles and a half west of Haines in Baker county, at the foot of the Blue mountain range. Although the penstock is not shown in the picture it is a steel pipe 2,720 feet long and the Pelton water wheels are rated at 880 horse. The generators are rated at 450 KW, 2,300 volts each. The total head is 960 feet, one of the first high head plants in the northwest. The substations steps up the voltage to 23,000 volts for transmission lines extending to Union, Baker and Grant counties. The Rock Creek plant is the dispatching center for the system, it controls the loading of the plants, switching of lines and other details of the system operation.

the Union Pacific roundhouse increased the city fire loss during the year to \$46,249, the city fire chief reported. It had been four times the loss of 1943. . . Telephone and electric service was disrupted Jan. 5 by violent wind storms during the previous night.

**February**  
Seven national farm loan associations consolidated to form the La Grande National Farm Loan association, with C. T. Miles secretary-treasurer and Charles Litch, Enterprise, president, and Charles Smutz, La Grande, vice president. . . The city commission voted to extend the sewer connections on Cove avenue, the cost to be borne by the adjacent property owners. . . An early start was planned on 20 new houses which had been authorized by the NHA. . . The Eddy Bakeries bought the La Grande Bakery company from K. J. McWilliams. It was announced by J. E. O'Connell, president. Ralph Nelson was to manage the bakery plant here. . . The county announced plans for improvement of the Imbler-Summerville road.

**Merch**  
Fire threatened the Paul Bunyan plant but was extinguished quickly. It had been caused by a faulty flue. . . Early action was promised in raising the height of the storage dam. Cost was expected to be about \$25,000.

**Perks - Rhinehart road 135.** Length 4.17 miles. Grading and surfacing. This road starts at the northeast limits of Summerville, thence east past the Rhinehart station, terminating near the J. Hawky property.

**Gray's corner - Indian creek road 52.** Length 4.32 miles. Grading and surfacing. Improvement for this road starts near the F. C. Hunt property, thence in a northerly direction, terminating at the Ivan Bingaman property, Starns-Craig road 21. Length 1.25 miles. Grading and surfacing with pit-run gravel. The improvement for this road begins at the H. N. Starns property, thence in a northeast and south direction, terminating near the George Craig property.

## Program to Include State, County Roads

Postwar work to modernize and improve the highways of the Grande Ronde valley and in Union and Wallowa counties has long been planned and will offer considerable employment in many forms in the first few postwar years.

There have been many improvements and extensions contemplated. Many of the improvements will be purely local in nature and will be carried out by the county road system and under county financing. For this work the county has, from all sources, about \$90,000 a year. This includes construction and maintenance of county roads and bridges, and purchase and maintenance of equipment.

Amounts to be spent on various parts of federal-state highways are not exactly fixed, but some of the expenditures are as follows:

On the Wallowa lake road, on highway #2, from Elgin to the Miman hill, a considerable section of the road will be modernized. It will mostly be rebuilt with new locations, new grades and other new installations. The cost is estimated to be about \$270,000.

For Union county secondary roads under federal aid, as is the state highway above, there will be about \$1.79 million of improvement. It includes work on the Weston-Elgin road on the section between Tolgate and Weston. There will be about 16 miles of reconstruction and so far it is contemplated to spend about \$195,000.

Road program of Union county itself includes the following which have already been set up. Other improvements of course are expected as fast as circumstances warrant.

**Ruckman-Imbler-Brooks Inne.** Road 35, length 2.99 miles; grading and surfacing. This road begins at the north city limits of Imbler going due north, terminating near the J. W. Tuttle property.

**Starns-Craig road 21.** Length 1.25 miles. Grading and surfacing with pit-run gravel. The improvement for this road begins at the H. N. Starns property, thence in a northeast and south direction, terminating near the George Craig property.

**Steers - Bowman road 83.** Length 3.6 miles. Grading. This road begins near the Sadie E. Steers property, thence in a northeast and south direction, terminating on the Palmer Junction road near the Enoch Pearson property.

## Highway Shops to Expand Work in Postwar Era

One of the industries which is expected to grow when the state and the community gets into full postwar activity is that of the state highway commission shops here.

The La Grande branch of the state highway department services Baker, Gilliam, Grant, Malheur, Morrow, Umatilla, Union and Wallowa counties and part of Harney and Wheeler counties, an area of about 39,000 square miles which has 2,200 miles of primary and secondary highways maintained by the state.

The shop, even during war time, supplied and maintained 470 pieces of equipment used on the highways, including cars, trucks, snow plows, tractors, graders, power shovels, road oiling equipment and many other pieces.

A storeroom in connection with the shop supplies all the parts used by the shop and furnishes tools and supplies for the highway maintenance crews in the division. This storeroom in a year purchases as much as \$60,000 worth of supplies.

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