TELEPHONE SERVICE BAD, SAYS EXPERT AT SALEM HEARING

(Continued From Page One)

a heavier tariff on long distance tolls, but he warned that the success of higher toll rates is interlocked with efficient and entirely satisfactory service. He cited instances in Washington where the toll rate was as much as 40 per cent higher than in Oregon and insisted that the low rate in Oregon did not demonstrate a corresponding increase in revenue as a result of the difference.

Babcock testified that the burden on the large business users, the toll lines and the so-called luxury, or main line residence phone, should be heavy so that it would carry a large part of the overhead of the company in order that the four party line business service to the patron of moderate means could be developed.

BURDEN SHOULD BE LIGHT

The burden upon the small business man and the wage earner should be made very light so that they could use the convenience at the lowest possible cost. This would mean a policy of development of party line service. This policy, Babcock contended, does not exist in Oregon. He contended that the Pacific company has followed the policy of discouraging the use of party line service and had fixed a lower toll rate than that which existed prior to the war.

This resulted in a prejudice against the small user. The four-party line service had been developed in the Middle West and East, Babcock testified, resulting in the ability to give lower rates by reason of increased business and better service.

ATTACKS OLD EQUIPMENT

Babcock attacked the "obsolete" equipment of the Pacific company's party line plant, arguing that this out-of-date equipment and the inconveniences put upon the subscribers through its use was responsible for the failure in the development of the party line business. The Oregon policy, he said, called for the manufacture of modern party line equipment and expense in proportion to the territory served.

He said that the Western Electric company had possessed adequate patent rights for the manufacture of modern party line equipment for the past 10 years, and had manufactured this and sold it to independent companies.

RAPS INTERRELATED SYSTEM

He showed that in Portland the party lines represented but 11 per cent of the total service, while in Seattle, where the company had developed it, the proportion was 50 per cent of the total, while in Everett, where an independent company used the modern equipment, 84 per cent of the total subscribers used the four-line service.

He attacked the interrelated system of ownership and control existing between the American and Pacific companies and the Western Electric company, and charged that this was directly responsible for the policy and conditions which prevented such modern development of the Oregon field as would result in more extensive use of the service and consequent lower average rates.

SAYS EQUIPMENT OBSOLETE

Continuing his testimony, Babcock dived into the mazes of technical and engineering discussion and data which seemed to be perfectly clear to the small army of engineers and technical experts grouped about the room, but left the common people, including the newspaper men, scattered here and there with the dazed expression of a man unexpectedly hit in the head with a brick.

Out of it all it could be gathered that the major's investigation showed that the system and equipment used in the Portland exchanges were obsolete and overloaded, so much so that he said they "should be legislated or ordered out of service because of their prejudice against low rates and good service to the public."

He said that he had visited the Marshall and Main line exchanges in Portland and that the equipment used there, though it is the standard equipment of the Pacific company, was "most extravagant and put a great burden on the operators." The East line exchange was more overloaded than the other two, he testified.

USE SECOND-HAND BOARD

He also said that the new switchboard equipment now being installed in the east side exchange was second-hand and apparently had been shipped to Portland after having been discarded by some other large city of the country.

The major went into an extended discussion of the differences between the manual, full automatic, semi-automatic and auto-manual exchange systems, and insisted that the semi-automatic system was the "most advanced step in telephone art," that it was more economical and efficient in use and that it would result in great saving in plant investment so far as the company was concerned when it came to changing over from the manual system, a thing that would have a direct bearing upon the necessity for increased rates to support expanding business.

SUGGESTS IMPROVEMENTS

He discussed at length an investigation he had made on behalf of the city of Chicago and quoted the conclusions gained as a result and as applied to the proposal of the Chicago company to change from a manual to a full automatic system as is now contemplated in Portland.

The semi-automatic system, he testified, would mean that the operator service would be retained with an efficiency of 100 per cent and a reduction of 66 per cent in operator costs. It would add 20 years to the life of the $11,850,069 manual plant of Chicago and would result in the saving of $11,705,600 as compared with the full manual system.

In sum, the installation of a semi-automatic system rather than a full automatic, in changing from the full manual, would save Chicago telephone users $27,955,690.

ATTACKS OWNERSHIP

These results, Babcock testified, would apply to the Portland situation to an even greater comparative extent because of the less efficient modern system of the Portland manual exchanges, which are to be discarded for the full automatic as contemplated.

Babcock also attacked the ownership of patent rights by the American company as against the interests of the public. He said the American company held full title to no less than 151 patents that have to do with the latest switchboard improvements of the semi-automatic exchange, and he contended that the failure of the American company to install these in the subsidiary company plants was against the public interest because it resulted in the use of obsolete or at least less efficient and more expensive equipment, which, in turn, reflected in inferior service and higher costs to the subscriber.

The commission will adjourn at 5 o'clock tonight until 10 o'clock Monday morning, when they will reconvene in Salem.

WOMAN GIVES TESTIMONY

Mrs. Agnes Johnson of Portland cast the sunshine of her smile and the spell of her big black eyes over the rate battle Thursday afternoon, coaxed the somberness out of Counsellor Shaw's brooding gaze, drove the sadness from the visages of the commissioners and, stepping from the witness stand at 5 o'clock, left the warring factions in smiling good humor for the first time this long and weary week.

She was Assistant City Attorney Tomlinson's first witness, put on the stand in support of the Portland case, and she brought cheer into the record, whatever other effect her testimony may have upon the ultimate result. She served the Pacific company from 1906 to 1913, first as switchboard operator, then at the information board, afterward as supervisor and chief operator.

Because of her experience with the company from a practical operating standpoint, she had been employed by the city attorney's office to make a service investigation in Portland and give the results of that upon the stand.

SERVICE BECOMES POOR

First, Mrs. Johnson said she had, during the summer of last year and the spring of this, worked as a relief operator at the Benson hotel, and she testified that during the first period the service had been fair, but during the spring it had been poor, particularly the long-distance service, so much so that she had used the Northwestern long-distance lines whenever possible because of its faster service.

She testified that she had made a service test for the city commencing June 29 and ending July 13 of this year. During that period she had made 339 calls, covering all of the exchanges of the city service. Out of this total 131 subscribers reported that they had had difficulty through having to wait long periods for the operator to answer. Continual wrong numbers had bothered 150 and long waits with no report from the operator in responses to calls had bothered 121. Of the total 196 complained that they were often called when not wanted; 169 were displeased because they were cut off while talking, 118 had complained to the company and out of this number only 56 reported that they had been given relief as a result of their complaints. Sixty-nine reported that they had sustained personal or business loss as a result of the service.

CENTRAL RESPONSES SLOW

Mrs. Johnson testified that 282 out of the 339 calls were over the manual service and that the average time elapsing in there between the time she took down the receiver and central's answer was 5.52 seconds. Out of 52 automatic calls the average between the receiver, the manual exchange girl and the automatic operator's answer was 18 seconds.

The average for a number of Washington cities, including Seattle, Tacoma, Spokane and Everett was 3.9 seconds. These latter averages were taken, however, the witness testified, from the record of the Washington commission and were compiled during the influenza epidemic and Armistice day. She testified that the company considered 5.5 seconds a good operating record between the call and central's response.

Mrs. Johnson also testified that she had asked those whom she called their opinion of the rates now in effect, and that in the big majority of cases the subscribers had complained they were too high. They had argued, so far as the residence phones were concerned, that they maintained these primarily for emergency purposes and that they were being charged too much for this service.

TURNS LAUGH ON LAWYER

On cross examination Mrs. Johnson told Shaw the Washington averages given by her probably were not entirely fair, because of the conditions under which they were compiled. She turned the laugh on the company attorney several times. Once he asked her if it were not a fair inference that when the subscribers she interviewed found she represented the city attorny's office they were anxious to give reports favorable to the city.

"No," she smiled back at him. "Lots of them were afraid to talk at all for fear the company would take their phones out."

Two or three, she said, had not objected to the increased rates. "But one of these was a lawyer, who had friends in the company," she explained.

Shaw went into the element of fallibility in human service and of mistake, both from the standpoint of the patron and of the operator, with the witness to show that the service check she had reported was not bad on the face of it. He also attempted to draw out that she created an abnormal situation on the exchange board when she put in one call after another. On redirect examination, however, she said she had spread her calls over 10 or 15 minute intervals on the same exchange and had switched from one calling point to another so that, in her opinion, her work would not interefere with the normal working of the exchange.

COMPANY "TUMBLES"

Tomlinson asked Mrs. Johnson if the company operators and the company had not "tumbled" to what she was doing, and she said they had, particularly on the Columbia exchange at St. Johns. She was then asked if it was not a fair inference that the company was listening in on her conversations.

Shaw admitted that the company had discovered what Mrs. Johnson was doing. "You could not disturb the service that way without our discovering it," he said. He then asked Mrs. Johnson if it was not presumable that she would have got "snappy service" when the operators knew what she was working at, and she answered that she did get that kind of service, having had lots of one and two second answers where girls had her located.

Tomlinson, in opening his case Thursday afternoon, reviewed the comparative figures given between the rate base valuations of Oregon and several other states. The Oregon base, he said, was $15,800,000 in round numbers. West Virginia, with double the population, had a valuation of $3,000,000. Virginia, with three times the population, had a valuation of $13,000,000, Maryland with double the population had $8,000,000 and Indiana's valuation was $15,000,000 with four times the population of Oregon.

The commission at the opening of the afternoon session Thursday overruled Shaw's objections to the demand of City Attorney Mott of Astoria that he be permitted to put N. Wigdon, rate engineer of the company, upon the stand for the purpose of securing the Astoria rate case and rate of return.

Wigdon testified that the Astoria rate base now was $329,226, that the estimate of 1920 had been $187,000, and for 1921 had been $200,000. The rate of return under present rates and at the present time, Wigdon said, was 2.68 per cent on the $329,200 base. This base he said, included the estimated amount that would be spent in Astoria during the current year. He said that the estimated return for the 12 months of the current year under present rates would be 9.7 per cent. The estimated return for the entire state for the current year was 3.01 per cent.

The estimated rate of return for Portland during the current year, he said, would be 2 per cent, plus a fraction, the exact figure not being in his memory.

Mott, in discussing this testimony, contended that this estimated rate of return of 9.7 per cent coming from Astoria would, in reality, amount to 15 per cent, under the commission's system of computation. He insisted that Astoria did not complain about a reasonable rate being charged for the service rendered to that city, but insisted that it was not fair or equitable to charge Astoria a rate per phone that would yield a return of 9.7 per cent on the rate base while the Portland rate yielded but a little more than 2 per cent and the state as a whole 3.01 per cent.

Astoria, he argued, ought not to be asked by the commission to pay a rate higher than necessary to yield a reasonable return on the fair value of the plant there so that, in effect, it was carrying the deficiency of other cities and other communities.

He attacked the commissions system of grouping cities under rate classes, contending "that it was not founded on anything, considered no similarity of size either of the city or of the exchange which served it.

UNFAIRNESS POINTED OUT

"It would be unfair to ask the state of Washington to pay a high rate because the business of the company in Oregon was not paying a profit," he continued. "It would be unfair to ask Vancouver to make up the deficit of Astoria or for Astoria to make up the loss of Vancouver. It is just as unfair to ask Astoria to bear the losses of Oregon City or any other city."

Mott insisted that he did not believe the company's figures were correct and prophesied that the "Portland engineers will tear them to pieces."

Shaw complimented Mott on his argument, saying that "so far as it deals with principle it is so logical and so forceful that I want you to know I agree with you." But, he contenued, the construction of a rate fabric was cast on broader lines than the conditions found in one locality. He said that it was the effort of the company to adjust and distribute the load of its rates over the entire state that a reasonable return would be made without throwing an unfair or undue burden on any one locality.

He said that "the return for the state as a whole is the aggregate of all responsibilities," and that the company expected to make more in the larger cities, up to the point of a reasonable return, than in the smaller communities less able to bear their share of the burden.

"We carry the burden," Shaw said, "because we carry the losses in some localities side by side with the moderate returns in others. We attempt to determine such rates as distributed generally will yield a return of the state as a whole."

He insisted that the rates "worked out on the average" and said that if he believed Astoria would be required to pay 9.7 per cent net he would go before the commission on his own motion and ask for a reduction to a reasonable return.

CASES NOT PARALLEL

Commissioner Corey asked Mott if there was any reason why his theory could not be applied to all utilities, to railroads, for instance. Mott argued that the cases were not parallel, that people paid a toll for the use of a railroad in proportion to the service rendered. "If I go from Astoria to Portland I pay for the service between those points," he said. "If I use the long distance line between the two places I pay the toll for that use, in addition to the monthly rental charge."

GAS TANK LOCK BROKEN

Oregon City, July 22.—The lock on the gasoline tank at the Miller-Parker garage was broken Wednesday night about 1 o'clock, when some motorists apparently helped themselves to gas for their car. The night man at the garage was at lunch at the time, but found nothing but the lock disturbed upon his return.

MANY FOREIGNERS GIVEN CITIZENSHIP

While a friend held his paralyzed right hand aloft August Dell, a native of Germany, swore before Federal Judge C. E. Wolverton this morning that he "would defend the constitution of the United States against all enemies, foreign and domestic," and thus became a full-fledged citizen of the United States. Dell's left side is also crippled, but again with the aid of friends who guided his fingers he managed to mark a cross as his signature on the books of the court after taking the oath of allegiance.

Twenty foreigners became citizens during the morning's hearing and 30 more are scheduled to receive their final hearing this afternoon.

FIVE ARE REFUSED

The court refused five petitions this morning. Antonia Vernziana's petition was dismissed with prejudice for five years because he has been convicted of a criminal charge. Carl W. Hummelgard and Anton Miller received similar treatment when the court was informed by Naturalization Examiner V. W. Tomlinson that they were slackers during the recent war. John A. S. Lindberg failed to comply with court regulations, so he was not admitted. He violated the law by bringing relatives for character witnesses.

Those admitted to citizenship this morning are: Allen H. Rollinson, England; Hans Oscar Anderson, Norway; Peter J. Ivicevich, Austria; Ali Gobin, Switzerland; David C. Lewis, England; Joseph Haklett, Ireland; Johan F. Robinson, Finland; Robert H. Graham, Scotland; John Lindner, Germany; Frank Ralph, Scotland; Arthur C. Lomar, New Zealand; Ernest H. Scott, Ireland; Peter Heinrich Fellberg, Germany; John O. Gibson, Scotland; William Miller, Germany; William F. Man, Germany; George Arthur Peake, England; Rudolph Rode, Russia; Adrian Sharkey, Ireland; August Dell, Germany.

OTHERS ADMITTED—

Persons admitted during Thursday afternoon's hearing are: Ludwig Jacob Sprogis, Russia; Joseph Schnitzer, Russia; Isak R. Mittby, Norway; Amen Assad Kaady, Turkey; Mrs. Minnie Rogoway, Russia; Howard Daniel Scott, Canada; Walter Ewan, England; Frederick A. Shoenlen, Germany; Maxwell H. Klein, Germany; Lorens Freisinger, Austria-Hungary; Francesco Guerra, Italy; Fred Reihl, Austria; Gunnar F. Edelman, Finland; William O'Callaghan, Ireland; Gennare Alfano, Italy; Carl G. Manderson, Sweden; Gustave H. C. Ehlers, Germany; Anna Lang, Austria; Elizabeth Gatzen, Germany; Frank Pleshnik, Austria; Henry de Meeleer, Belgium; Louise B. Weis, Germany; Anna Huber, Germany; Michael Zill, Hungary; John J. Strzelecki, Russian Poland; Franz L. J. Eckerlein, Germany; Werner Ruffner, Switzerland; Bernard M. Ford, England; Fred L. Miller, Germany; Joseph A. Weber, Bohemia; Felix William Carlsen, Finland; Alexander Johnson, Sweden; George S. Myers, Serbia; Gus L. Robinson, Finland; Mike Holland, Great Britain.

JUDGE ISSUES WRIT FOR GOVERNOR SMALL

(Continued From Page One)

the military forces called on the troops to resist and an armed clash followed.

Former Congressman James M. Graham, one of the governor's counsel, in submitting a lengthy opinion to Judge Smith stating that the governor of the state is not subject to arrest and therefore should not submit to any warrants, was the first to address the court.

Graham in his opening statements called attention to the liberties of the governor of a state and the sanctity of the office he holds.

Among other things, the opinion of the governor's counsel says in part:

"But how could a government function without a head? How could the law be executed without an executive? How could the laws enacted by the legislature be either in force or enforced without a governor?

CHAOS WOULD REIGN

"Now, suppose the governor submits to arrest. Suppose he refuses to give bail. Suppose he is imprisoned, but although imprisoned he is in the state and still governor. While thus under duress, he might naturally refuse to act in his official capacity, he might decline to perform the functions of his office. The governor being in the state, the lieutenant governor cannot act as governor, and so the executive function is suspended, the body is without a head. Chaos will reign.

"Again: Suppose the court orders the sheriff to arrest the governor and that the sheriff tries to carry out the order of the court, but the constitution makes the governor a commander in chief of the military and naval forces of the state and the officers and members of these forces are sworn to obey their commander in chief.

"Should the sheriff attempt to use force in arresting the governor? The military obeying their commander in chief resist the attempt. What is the result? One independent faction of the government trying by physical force to overcome and reduce to subjection another equally independent branch. The house is divided against itself. Anarchy may follow."

Lieutenant Governor Fred E. Sterling, indicted jointly with the governor, entered the courtroom as Attorney Graham was presenting his arguments. He took a seat among the spectators. The courtroom was crowded to capacity before the court was convened.

Chicago, July 22.—(I. N. S.)—Attorney General Brundage today expressed the opinion that Governor Len Small would not be prosecuted on the interest charges until his term ended, should Judge Smith of Sangamon county declare him immune from arrest.

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Saturday, July 23
MORNING
8:00 to 11:00 Physical Culture Classes Children's Chautauqua and Sunday School Institute
10:00 to 11:00 Bible Hour.....Dr. W. B. Hinson
11:00 Forum Hour, State Grange Assembly Speaker, Sen. Chas. L. McNary
12:00 Grange Picnic
AFTERNOON
1:30 Concert Program.....Sam Lewis Co.
4:00 Baseball—Arleta Club vs. Kirkpatricks
5:00 Symposium, "The 1925 Exposition," Several Speakers
EVENING
8:00 Prelude.....Sam Lewis Company
Lecture—"Us Americans" ..... Peter Clark McFarlane, celebrated writer, in a new platform classic.

Sunday, July 24
MORNING
10:30 Sunday School, under the direction of the State Sunday School Association
AFTERNOON
1:30 Concert....Lieurance's Little Symphony Orchestra, assisted by Pearl Hughes, Contralto
2:00 Sermon Lecture.....Bishop Shepard
4:00 Musical Program ..... Lieurance's Little Symphony Orchestra
EVENING
8:00 Prelude .....
Lieurance's Little Symphony Orchestra
Lecture—"The Four Square Builders" .....Capt. T. D. Upton

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