

The Lane County News

W. A. DILL, Editor and Mgr.

Published Every Monday and Thursday by the Lane County Publishing Association.

RATES OF SUBSCRIPTION	
One Year	\$1.50
Six Months	.75
Three months	.50

Advertising rates furnished on application.

Member of the Willamette Valley Editorial Association.

MONDAY, MARCH 13, 1916

WOOD BLOCK IN SEATTLE

If modern wood block pavement gives good service in Seattle, what is to prevent it from giving equally good service in Portland? About the only reason is, that in Portland we do not give it a chance.

Having at hand a recent issue of the Seattle Municipal News we find some interesting and instructive matter pertaining to wood block paving in Seattle, embodied in a report of a special committee of engineers to the board of trustees of the Seattle Municipal league. As dealing with the comparative merits of brick and wood block pavements the report is exhaustive, and is based on conditions that obtain for the most part in Seattle, but extended to the experience of other cities as well. In effect it declares for wood block as ultimately the best and the cheapest pavement that is laid.

The report is made in response to a demand for investigation and recommendation concerning the paving material best to be used on a certain stretch of municipal highway the improvement of which is shortly to be undertaken. The final recommendation of the report reads as follows: "From all the foregoing, your committee respectfully recommends the use of creosoted wood block pavement for the improvement of East Marginal Way, and further that the specifications governing the same be revised in accordance with the most modern and up-to-date methods and practices."

Concerning the first cost of brick and wood block paving the report shows that during the past couple of years the cost has been practically equalized between the two in Seattle, and this does not take into account the cost of covering the brick pavement with sand and plank to protect it until it is set and fit for use. This, the engineers claim, adds about 30 cents a square yard to the total. In the matter of maintenance the report says of wood block paving in Seattle: "We can find no records of any money being spent in maintenance of the wood block pavement laid on Second and Fourth avenues, although the latter has been in use for upward of seven years, and taking into consideration the recent repairs made necessary by unusual weather conditions, which trouble seems to be due to the construction of the pavement adjacent to and between the tracks, as well as the tracks themselves."

In the matter of traction and slipperiness the committee found that wood block pavement is as desirable as any other, and in the matter of sanitation it finds that type of paving more desirable than others. The report states that no wood is better for this purpose than Douglas fir, nor any pavement of greater community service and economy. As we read this report we again ask, what's the matter with wood block pavement for Portland?—Telegram.

Is the Springfield camping ground going to be put into commission again this year? It made a big hit last year, and we will have something worth while to show visitors this year.

Byllesby & Co., Organization Serves 2,000,000 People

The year just closed shows a marked improvement in public utility industries throughout the country. While street railway companies were hampered in the early part of the year to considerable extent by the prevalence of "tinny" buses, these nondescript vehicles are fast fading from view in many places where they have been regarded as a menace to the street railway companies. The electric light, the power and gas industries all show very gratifying gains, and operators of these companies, and investors in their securities are wearing a more cheerful countenance than they have for several years.

In order to reach sound conclusions regarding the public utility situation throughout the country, it is only necessary to select one of the several great corporations which are controlling and operating properties in various sections of the country. As an illustration the H. M. Byllesby & Company organization might be selected. This firm operates thirty-five companies scattered through sixteen states serving a population of nearly 2,000,000 people.

A visit to the grand office of the company in Chicago found the officials in an optimistic frame of mind as the reports from the various operating companies for the year 1915 brought with them a showing of decided improvement in all sections except perhaps in Oregon and Washington and some parts of the South. The officials declared that the Northern States Power Company, one of the company's subsidiaries, made an excellent showing during the year, the net earnings being increased approximately 20 per cent. The Standard Gas & Electric Company, greatly improved its position during the latter part of the year by the sale of long term notes and restoration of cash dividends on the preferred stock. The sale of these notes, which will retire the short maturity obligations of the company, marked the turning point, not only in the affairs of this company but in the general financial situation as related to public utility enterprises, which for some years have had to resort to short-term notes when any considerable amount of money was needed.

It is apparent that the Byllesby gas and electric companies, like many corporations engaged in this line of public utility service, have gone through a period that has thoroughly tested their strength, and has demonstrated their ability to withstand the vicissitudes of lean years which bring disaster to all but the most solid concerns. These experiences have demonstrated that a great investment field has been created in the securities of well managed public utility companies, and during the past few months many people of moderate means have become interested in the stock and bonds of these properties.

Organized in 1902.

H. M. Byllesby & Company opened an office in Chicago in 1902, with the following officers: President, H. M. Byllesby; Vice-president in charge of the operation, Arthur S. Huey; vice-president and chief engineer, Otto E. Osthoff; vice-president and counselor, James S. Cummins; secretary, Robert J. Graf. With the exception of Mr. Cummins, who died in 1913, these are at present the officers of the organization. It was believed there was a promising future in the engineering field, and in the commercial management of public utility companies upon a fee or annual retainer basis. Mr. Byllesby had many years of experience in this line of endeavor, dating from the construction of the States under the direction of Thomas A. Edison. He had attained a reputation as an engineer, operator and manager of electrical and gas properties, which gave him an unique standing in the public utility field. In the new venture he gathered around him men who were specialists in the various phases of the proposed undertaking, and every condition was propitious for the success of the enterprise, because at that time many plants were about to be constructed, and there were hundreds of undeveloped, inadequate and badly managed utilities struggling to render gas and electrical service.

Needed Large Capital.

The new firm soon discovered that one of the most insistent requirements of successful utility operation consisted of large amounts of new capital for expansions and improvements in growing communities; for unless sufficient funds were available no management, however skillful, could accomplish such undertakings in a manner that would be satisfactory to patrons or to the persons who were financially interested in the properties. Coincident with this Mr. Byllesby learned that if his firm would assume full financial, as well as managerial and engineering responsibilities, bankers and investors were willing to loan new money to be put in the properties. They had confidence in the ability of the organization to design, construct and operate; and they also had confidence in the financial integrity of the officials; and so the Byllesby & Company organization gradually extended its sphere of activities until it not only managed properties but financed them as well, and has grown into a firm of international reputation.

Most of what are now known as the Byllesby properties have been transformed from sufficient money loaning concerns into public utility enterprises that are not only a credit to the municipalities, but whose securities are proving to be satisfactory investments. This transformation has been wrought because the properties have been able to receive expert managerial and engineering guidance, and have been under the care of men with broad far reaching policies—men who value the confidence of the people to a greater extent than they do the possession of the long term franchise.

While the financial control of the companies rests with H. M. Byllesby & Company, the major ownership is widely distributed among thousands of investors throughout the United States and Europe, and these investors have purchased the securities in the firm belief that wise and liberal manage-

ment of the different companies, and a due regard for the rights of the people, will lead the municipalities to cooperate and not impose unnecessary or unwise burdens upon them.

Herein lies the spirit that has been largely instrumental in winning success. It has often taken considerable time to command the full confidence desired, especially where new companies have been brought into the organization. Change of ownership or management of a public utility property does not of itself eliminate prejudice and animosity. It sometimes takes years of careful building in order to reconstruct that which has been practically destroyed, but usually an improved condition is noticeable within a short time.

Advantages of Large Capital.
In the rapid development of electrical production and distribution there is an urgent reason for large corporate units and a necessity for large amounts of capital, particularly in the construction of water power and transmission lines carry the products to the markets. As an illustration might be mentioned the present electrical production and distribution system traversing fifteen counties in south-western Minnesota with transmission lines of approximately 335 miles. Six years ago the demand for a project such as this existed but had not been carried out by the electric companies operating separately in the various communities. Three of the water powers since developed were non-productive. Rates for electric service and power were high and some of the municipalities were inadequately served. Many territories which could use electrical power could not obtain the current and a considerable number of villages which now have up-to-date electric facilities were not being served at all. The Northern States Power Co., one of the H. M. Byllesby & Co. companies, has harnessed the available power sites and the people are now being adequately served.

The Northern States Power Company.
The Northern States Power Co. was incorporated under the laws of Delaware on December 23, 1909 and controls ten units operating in Wisconsin, North and South Dakota, Minnesota, Iowa and Illinois. These properties are located in a territory less affected by the general business depression of the past few years than any other section of the country, and the bountiful crops of last year have served to continue the well established prosperity.

Including the rural and farming sections served, it is estimated that this company has access to a population of over 800,000 and the territory is showing very satisfactory gains in financial wealth and in the number of manufacturing and commercial establishments.

The chief commodity produced by the Northern States Power Co. is electricity, although it manufactures gas, and has steam heating and street railway facilities. Electricity constitutes 83.2 per cent of the total business and this was distributed in 1914, to 59,945 customers through 1,487 miles of pole lines and mains, of which 457 were transmission lines, and 1,030 local service lines. During 1915 substantial gains were made both in the number of customers and in the miles of lines. The company owns undeveloped water power sites in the vicinity of Minneapolis and St. Paul which are capable of producing 60,000 additional horse power, making the total available power facilities from hydraulic sources alone, considerably in excess of 100,000 horse power.

The company's gas generating daily capacity is 1,200,000 cubic feet. The gain in gas customers during the past three years has been very satisfactory. In 1912 the total number of customers was 48,267; in 1913, 57,238; in 1914, 69,240 and it is stated that approximately 80,000 are being served at the present time.

Bringing Order Out of Chaos.
When the H. M. Byllesby & Co. organization assumed control of the properties the first efforts were to remove any existing causes for prejudice and animosity so far as it was humanly possible. Broad and liberal policies were put into effect, and the people who had complaints to make were given a cordial reception and a respectful hearing. It was not long before a spirit of confidence was established, with the result that development and improvement could be carried on unhampered by questionable municipal restrictions or unwise political attacks. Today the properties are in a better condition than at any time in their history, and their relationship with the people is both cordial and satisfactory.

Made Vast Investments.
There is no doubt that the properties with which the Byllesby organization has been identified has been more freely supplied with the necessary capital to provide for their successful operation and development than the great majority of similar corporations. This is shown by the fact that in a dozen years approximately \$177,000,000 have been supplied, a large proportion of which represents money which has gone into the development of the properties since they came into the Byllesby corporations, and a considerable part of this was accomplished during a period when a general business depression was at its zenith.

In raising this vast amount of money at a time when there was widespread financial disturbances is certainly a tribute to the Byllesby organization, and it is a recognition of the company's high standing in the financial markets and the public utility field. Perhaps much of this financial

success may be attributed to the fact that the parent companies have manifested their willingness, and possessed the ability, to render assistance to the subsidiary companies as it was needed to tide them over periods when it was either imprudent or impossible to obtain money from the sale of fixed securities. There have been times when the advances made to the local companies have reached \$5,000,000 in the aggregate. This ability to provide cash during periods of financial stress and uncertainty must, in the last analysis, be attributed to a splendid reputation for industry and integrity. Much of the money which finds its way into the Byllesby properties comes from the financial centers of Boston, New York, Philadelphia and Chicago. Previous to the beginning of the European war substantial amounts came from England and France.

Advantages to the Cities.
The advantages which a city possesses in having its public utility companies as units in an organization like that of H. M. Byllesby & Company may be understood when it is remembered that nearly every company in progressive cities requires annually for new development money greatly in excess of its net earnings. In an eighteen-month period beginning June 1, 1913, there was furnished to the various Byllesby properties more than \$21,000,000, an amount equal to the gross earnings of the same properties for the period mentioned.

The benefits of group management of public utility companies is abundantly exemplified in the Byllesby organization. Individually each must have its own executive, advisory, and operating force; each has its financial problems and many are not efficiently operated. Group management has the effect of uniting a number of struggling properties into successful organizations which are able to not only render improved service, but make reduction in rates.

Operating as separate units there has been in many cases no public utility organization save that of incompetence; no system save that of chaos; no requirement of integrity save that of political partisanship, and no test of qualification save that of intrigue. In these days the politicians fought the utility companies and the companies fought the municipalities. Each side was severely wounded, with the result that neither the public utility companies nor the cities made satisfactory progress. Group management, in most cities, has eliminated these undesirable disturbances between the municipalities and their public utility companies. There is no doubt that state public utility commissions have aided considerably in bringing order out of chaos, but the credit is mostly due to better public utility organizations, higher ideals and more honest efforts to please the people.

Effective Publicity.

The H. M. Byllesby Company believes in giving the people all information relative to every question in which they are interested. When the public is in possession of all the facts it is in better position to decide questions fairly than when it is restricted to only partial information concerning the questions at issue. The writer was in Oklahoma a few years ago when a franchise on one of the Byllesby properties was about to expire. Instead of the customary methods of intriguing with politicians for an extension the officials, by a series of well prepared newspaper talks, laid bare all the facts concerning the problems encountered by the company, the difference between favorable and unfavorable franchises and the benefits which might be expected from a satisfactory adjustment of the franchise question and an amicable relationship with the city. When it had presented its case in the newspapers it unhesitatingly asked for the verdict of the people, with the result that 80 per cent of the voters cast their ballot in favor of a franchise as proposed by the company.

Opportunities for Small Investors.

Recently the H. M. Byllesby & Company officials have been endeavoring to bring the public and their companies into closer relationship by offering to small investors preferred stock in their holding companies and interest bearing securities in denominations as low as \$50. They believe that a widespread distribution of securities in the territories they are serving by their subsidiary companies will eliminate to a considerable extent unfair legislation and the prejudice which many people entertain towards corporations of a semi-public nature and all concerned in them. One of the Byllesby companies, the Northern States Power Company, has sold its 7 per cent preferred stock to the extent of \$300,000 in small lots to about 100 citizens during the past year, and many made their purchase on the partial payment plan.

An inquiry in reference to the effect of this move brought from one of the company's officials the declaration that the result has been very gratifying and stock sales of this character will be continued. There is no doubt but that this is a very effective method of turning strife and animosity into co-operation and admiration.

Not only are the people and the residents in districts served by the properties encouraged to become stockholders, but a plan has been effected by which employees may become stockholders in H. M. Byllesby & Company. During last summer a plan was presented to the employees by which they might purchase the 7 per cent preferred stock of the company. The plan met with unanimous approval and the company set aside certain treasury stock which might be purchased by employees upon a monthly payment basis with the privilege of increasing the size of the investment whenever the subscriber might desire. But it was provided that no employee would be permitted to subscribe on the monthly payment basis for an amount of stock greater than one-half his annual salary. It was also provided that when a subscriber on the monthly payment plan desired to withdraw the amount of his subscription,



Careful Men and Money are behind our Bank

MEMBER FEDERAL RESERVE SYSTEM OF BANKS

THE "FEDERAL RESERVE" BANKING SYSTEM, OF WHICH OUR BANK IS A MEMBER, IS THE BEST BANKING SYSTEM EVER THOUGHT OUT. THE MEMBER BANKS HAVE PUT 137 MILLIONS OF GOLD INTO THE U. S. TREASURY. ON THIS GOLD THE GOVERNMENT ISSUES MONEY. WE CAN GET MONEY WHEN WE WANT IT BY TAKING OUR SECURITIES T OOUR DISTRICT "FEDERAL RESERVE" BANK. YOU CAN GET YOUR MONEY WHEN YOU WANT IT WHEN YOU ARE A DEPOSITOR IN OUR BANK. LET'S DO BUSINESS. COME IN.

BANK WITH US.

WE PAY FOUR PER CENT INTEREST ON TIME DEPOSITS

96-223

The First National Bank of Springfield, Oregon

The Best Groceries For Less Money

The Fifth Street Grocery

Thos. Sikes, Prop. Phone 22

such subscriber was to have the amount of his investment returned to him plus any interest due on a thirty day written notice. No coercion was made to induce any employee to purchase the stock but knowing its value as a paying investment the stock is strongly recommended to the thrifty workers in the organization.

Broadening its Endeavors.
During the past year the H. M. Byllesby Company has broadened its endeavors by including the ocean transportation business and the interchange of trade with the Latin-American republics. The Caribbean & Southern Steamship company has been organized and is carrying on an extensive business as ship owners and agents between this country and Europe and Central and South America. This undertaking has been profitable and will be still further enlarged. The Byllesby Merchantile Corporation, a separate organization, is carrying on a growing business in exporting and importing.

During the latter part of 1914 Mr. John H. Roemer resigned his position as chairman of the Railway Commission of Wisconsin and joined the H. M. Byllesby & Company as the head of the company's legal department. Mr. Roemer was largely responsible for placing the Wisconsin Commission in first rank of the public utility commissions.

(Continued on Page 4.)

.....The.....

Springfield Garage

H. SANDGATHE
Proprietor

Repairing a Specialty

Main, bet. Fourth and Fifth. Phone 11

SPRINGFIELD - OREGON

HERBERT E. WALKER
NOTARY PUBLIC

Office in City Hall, Springfield, Ore.

CAREFUL, CONSCIENTIOUS

Dentistry

DR. J. E. RICHMOND

PHONES—Office, 3; Residence, 116-J

Over Commercial Bank, Springfield, Oregon.

O. R. Gullion, M. D.

Practice Limited to

Eye, Ear, Nose and Throat.

Graduate Nurse Attending

306, White Temple, Eugene.

Why not save and deposit in our Savings Department one-twelfth of your total taxes each month? By so distributing the tax burden over the entire year, it will not seem so heavy.

4 per cent on savings.

FIRST NATIONAL BANK, EUGENE, OREGON.