

HOME PHONE INVESTMENT TOO LARGE TO YIELD FAIR RETURNS

Railroad Commission in Granting Small Increases Says Company Cannot Hope for Increased Schedule Needed to Yield Fair Return, as Same Would Be Unreasonably High

Detailed report of the decision of the state railroad commission granting the Home Telephone company an increase in one party business lines from \$2.50 to \$3 a month, two party business lines from \$2 to \$2.50, and other phones in proportion, tells the Home company that it is overburdened with duplicate and useless equipment, and that heavy operating expenses that it cannot hope to establish rates that will bring it a fair return, as such rates would destroy its business, being excessive for the subscribers. The report says:

At a date of consolidation the original cost of the various plants of the Home company as set out in its books, including toll line that was afterwards dismantled, and including all expense of organization, promoters and contractor's profits, was \$142,981.90. The original cost of the Pacific company's plant in Medford and Jacksonville, as transferred, is estimated to have been \$117,682.

Details of Transfer The consideration received by the Pacific company for the transfer of its plant to the Home company was as follows: Forty-nine (49) bonds of the Home company, with a par value of \$1000 each, \$49,000; three hundred sixty (360) bonds of the Home company of a par value of \$100 each, \$36,000; six thousand and nine hundred (6900) shares of the capital stock of the Home company of a par value of \$207,000, at an agreed value of \$42,182, and the Pacific company paid in cash \$9500.

The effect of the transfer was such that the Pacific company withdrew from the local exchange service in Medford, Jacksonville, Gold Hill and Rogue River, and the Home company withdrew from the local exchange service in Grants Pass and from toll line service entirely; and by the transfer to it of more than a majority of the capital stock and bonds of the Home company, the Pacific company acquired and now has the control of the Home company, but the title to the exchanges now operated in Medford and Jacksonville, Gold Hill and Rogue River, remains in the Home company.

Cost of Reproduction The cost of reproducing the properties of the Home company as of September 15, 1913, including working capital of the amount of \$2800, and making an estimate of the cost of organization and of interest during construction, would be \$204,688. This amount represents the cost of reproducing the properties of the Home company in normal new and usable condition, without making any deductions on account of depreciation which has accrued, or for elapsed life which has taken place, or on account of duplication of portions of the plant not used or useful in the service of the public, which have arisen by reason of the fact that the plant is the consolidation of two former competing systems. The cost of reproducing would be \$39,094, and the cost of reproducing new the plant omitting such duplications would be \$165,594. Figuring depreciation, the properties all figured at \$139,380.

The operating revenues of the Home company have decreased since the consolidation, as compared with the revenues of the consolidated units, but the operating expenses have not been correspondingly diminished.

Would Lose Subscribers If the commission should grant authority for the Home company to increase its rates to the extent prayed in its original or amended applications, Home company would lose a large number of subscribers who are now patrons of its exchanges, without gaining any subscribers in place thereof; and the effect would be to decrease the number of subscribers connected, to diminish the value of service to the existing subscribers and not to increase the gross or net revenues of the company in proportion with the increase in rates.

It is not possible, either by the schedule of rates applied for, or by any schedule which the commission can name, to yield to the company its present unduly high operating expenses, its taxes, depreciation, and any substantial return upon the investment, for the reason that any rates which would yield such return would be so large that the same would exceed the value of the service to the patrons and would be unreasonably high, and the applicant would in consequence lose so many subscribers that neither its gross nor net revenues would be increased.

At the time of consolidation, the rates of the Pacific company were as follows: Medford \$2.50 per month for one-party business service, wall equipment.

\$2.00 per month for two-party business service, wall equipment. \$2.00 per month for one-party residence service, wall equipment. \$1.50 per month for two-party residence service, wall equipment. \$1.25 per month for four-party residence service, wall equipment. With an additional charge of 25c per month for portable equipment.

With an additional charge of 50c per month for portable equipment. Since the consolidation the rates herein set out have applied in Medford and Jacksonville. The telephone company asked an increase from \$2.50 to \$3.50 per month for one-party business phone and other rates in proportion. The railroad commission in its report concludes:

"If the commission should grant authority for the Home company to increase its rates to the extent prayed in its original or amended applications, Home company would lose a large number of subscribers who are now patrons of its exchanges, without gaining any subscribers in place thereof; and the effect would be to decrease the number of subscribers connected, to diminish the value of service to the existing subscribers and not to increase the gross or net revenues of the company in proportion with the increase in rates. It is not possible, either by the schedule of rates applied for, or by any schedule which the commission can name, to yield to the company its present unduly high operating expenses, its taxes, depreciation, and any substantial return upon the investment, for the reason that any rates which would yield such return would be so large that the same would exceed the value of the service to the patrons and would be unreasonably high, and the applicant would in consequence lose so many subscribers that neither its gross nor net revenues would be increased.

Just and reasonable rates for the applicant to charge for its service to the public are the following:

Table with columns: Rates per month except as otherwise indicated, Medford, Exchanges (Jacksonville, Gold Hill, Rogue River), and various service types (Business, Residence, Business party line).

*Add 25c per month to rate indicated for portable desk telephone. **Present rate.

Other rates, as named in the company's tariffs on file with the commission, to remain unchanged. The application, as amended, contemplates a reduction of the service in Gold Hill from 24 hours to 14 hours per day. Such diminished service would be unreasonable and inadequate and the service afforded should remain at the present standard.

The Home company, in its amended application, asks for the establishment of business and residence eight-party line service in Medford and Jacksonville. The commission finds no facts exist to warrant the establishment of such service, and that the general service would be deteriorated and rendered inadequate should such party lines be generally put into service.

It is, therefore, ordered that leave be granted applicant to increase its rates as specified in paragraph 20 hereof, and not otherwise, and that in all other respects the application be denied. Dated Salem, Oregon, June 3, 1914. Railroad Commission of Oregon. By Frank J. Miller, Thos. K. Campbell, Clyde B. Aitchison, Commissioners. Attest: H. H. Corey, Secretary.

You Get the Best There is when you smoke Gov. Johnson cigars and patronize home industries. CHICHESTER'S PILLS

RURAL LIFE PLEA MADE TO WOMEN OF FEDERATION

(By E. J. Kaiser)

The rural postal roads being built in Jackson county under the direction of the office of public roads, department of agriculture, will be completed by August first, according to Major W. A. Crossland, senior United States highway engineer in charge. The work was begun last fall and remained dormant until this spring.

The fund consists of \$30,000 and the federal government through the Shackleford bill made the \$500,000 appropriation from which Oregon got \$10,000 which Governor West awarded to Jackson county, the county court qualifying by appropriating the other two-thirds from the county road fund. The routes selected were made jointly by a representative of the office of public roads and the county court and approved by the postmaster-general and secretary of agriculture, the principal issue being the population to be served by rural free delivery routes.

Division of Work In addition to the appropriation made by the Shackleford bill the office of public roads furnishes the services of the senior highway engineer and a junior highway engineer, Robert H. Harrison, as well as all their expenses, including automobile hire, thus allowing the entire appropriation to go on actual road construction.

The work was divided into four routes, the principal mileage being a circle of the valley from Medford through Agate to the Modoc orchard or old Bybee bridge, then past the Antioch school house and Sams valley postoffice to Gold Hill, after which it takes the Kanes creek route and skirts the foothills west of Central Point and comes into Medford again via Rosa Lane. This route makes a total of 28 miles and it makes a tour of the valley, which for scenic beauty far surpasses the Pacific highway, which passes through the center of the valley along the line of the railroad in the main.

Along this route there is one loop that connects Central Point with the Agate and Butte creek and Sams valley country on the east and consists of two miles and another two-mile loop that connects Central Point on the west with the foothills road commonly known as "Millionaire Row" on account of the section being noted for the beautiful modern homes and elegant orchards established and maintained in recent years by wealthy people who have selected that elevated locality on account of its panoramic view of the lower valley.

Expenditure of Funds The other is a ten-mile loop south of Medford covering the thickly populated suburban population off from Oakdale avenue to the vicinity of the old county hospital site. The entire route covers 52 miles and none of it duplicates the Pacific highway. The Shackleford bill was a single appropriation by congress as an experiment to meet the cry for better postal roads as a result of the parcel post and carried few directions, Major Crossland and his office using their judgment in the expenditure of the money. The county had expended considerable funds on some of this mileage in the past ten years in roads, bridges and improving the roadway, and Major Crossland is leaving these stretches intact and expending the money in concrete bridges across creeks and culverting the gullies and reducing the higher grades and raising the surfaces at low points and in swampy or sticky districts placing the Telford foundation and crushed rock. There are also a few slight changes in the roadway where the right of way and some expense is being supplied by the adjoining property.

DOLLARHIDE SAYS HE'S PUBLIC BENEFACTOR

Dudley Dollarhide, proprietor of the Dollarhide toll road, was a Medford visitor Wednesday and claims that he is a public benefactor by keeping the toll road open and in repair. The income from tolls, he asserts, does not pay for its maintenance. He claims to be operating under a territorial law, under which the road was established, and which he says still governs his case.

Mr. Dollarhide says he will ignore the order of the county court fixing his tolls at \$1 per vehicle, and has established the following scale: Two dollars for Ford cars or cars under that horsepower, and \$2.50 for cars upward and \$3 for seven-passenger cars and 50 cents for motorcycles. A two-horse wagon goes through for \$1.50, a two-horse buggy for \$1.25, and one-horse buggy \$1, and a two-wheeled one-horse cart for 50 cents, and man on horseback 25 cents. Cattle, 10 cents per head, and sheep and hogs, 5 cents each.

A deduction of \$1 is made for round trips for autos. Notwithstanding Dollarhide denies charging more than the above rates, the charge is repeatedly made that he does. He admits a sliding scale in favor of those that use the road quite often. The county court will test Dollarhide's right to establish and collect tolls, claiming that his license expired years ago. He owns the ground upon which the tollgate stands.

MRS. H. L. LEACH Expert Corsetiere 326 North Bartlett. Phone 563 M.

PROGRESS MADE ON POSTAL ROADS OF JACKSON COUNTY

The Oregon-California mining congress will meet in Ashland on the 9th and 10th of July. It will be held in a large measure in conjunction with the Chautauqua program, several of the mining speakers occupying that platform. Below is the program: Thursday, July 9 8 to 10:30—Reception at Commercial club rooms.

10:30—Music. Address of Welcome, Mayor Johnson. 11:00—Response, F. J. Newman, Medford; S. J. Taylor, Yreka. 12:00—Adjourn. 1:30 p. m.—Music, Elks' quartet. President's address, L. J. Luce. 2:00—Address, S. B. Edwards, Grants Pass, "Placer Mining in Southern Oregon." 2:30—Discussion. 3:00—Address, H. N. Lawrie, Portland, "Mining Industries of the State." 3:30—Address, R. A. Watson, corporation commissioner, "Blue Sky Law, Relation to Mining Industry." 4:00—Adjourn. 8:00—General discussion and business meeting.

Friday, July 10 9:30 a. m.—Address, A. L. Lamb, Ashland, "Mining in Jackson County." 10:00—Mr. Mangum, "Mining in Josephine County." Music. 10:30—Address, Professor Parks, "Mineral Resources of Oregon." 11:00—Address by state mineralogist of California. 12:00—Adjourn. 1:30 p. m.—Music. Address, C. B. Watson, Ashland, "Clay and Kaolin and Their Possibilities." 2:00—Address, "Iron and Copper. Their Relation to Commercial Industries." 2:30—Discussion. 3:00—Address, E. P. Hopson, "Irrigation and Reclamation." 3:30—Address, C. L. Probsted, "Mineral Resources of Siskiyou County." Discussion. Subject to change.

REMARKABLE CASE OF Mrs. HAM

Declares Lydia E. Pinkham's Vegetable Compound Saved Her Life and Sanity.

Shamrock, Mo.—"I feel it my duty to tell the public the condition of my health before using your medicine. I had falling, inflammation and congestion, female weakness, pains in both sides, backaches and bearing down pains, was short of memory, nervous, impatient, passed sleepless nights, and had neither strength nor energy. There was always a fear and dread in my mind, I had cold, nervous, weak spells, hot flashes over my body. I had a place in my right side that was so sore that I could hardly bear the weight of my clothes. I tried medicines and doctors, but they did me little good, and I never expected to get out again. I got Lydia E. Pinkham's Vegetable Compound and Blood Purifier, and I certainly would have been in grave or in an asylum if your medicines had not saved me. But now I can work all day, sleep well at night, eat anything I want, have no hot flashes or weak, nervous spells. All pains, aches, fears and dreads are gone, my house, children and husband are no longer neglected, as I am almost entirely free of the bad symptoms I had before taking your remedies, and all is pleasure and happiness in my home."—Mrs. JOSIE HAM, R. F. D. 1, Box 22, Shamrock, Missouri.

NINE REINFORCED CONCRETE BRIDGES

Of the nine reinforced concrete bridges the most expensive one cost \$878.50 on contract price and the total bridges and culverts will approximate about \$5000. About \$8000 will be spent on the north side or Rogue river, principally in crushed rock road some four miles beyond Modoc orchard bridge, and considerable Telford foundation as well as bridges. A rock crusher is at work in the last named vicinity now.

Major Crossland has been with the road engineering department of the federal government for 13 years, ten of which were in road building in the Philippines. Mr. Harrison has been with the office of public roads for several years and will this year be promoted to a senior engineer.

KLEIN FOR KLOTHES MADE IN MEDFORD Next door to First National Bank, upstairs MEDFORD TAILORS

PROGRAM FOR MINERS' CONGRESS ASHLAND, JULY 9

The Oregon-California mining congress will meet in Ashland on the 9th and 10th of July. It will be held in a large measure in conjunction with the Chautauqua program, several of the mining speakers occupying that platform. Below is the program: Thursday, July 9 8 to 10:30—Reception at Commercial club rooms.

10:30—Music. Address of Welcome, Mayor Johnson. 11:00—Response, F. J. Newman, Medford; S. J. Taylor, Yreka. 12:00—Adjourn. 1:30 p. m.—Music, Elks' quartet. President's address, L. J. Luce. 2:00—Address, S. B. Edwards, Grants Pass, "Placer Mining in Southern Oregon." 2:30—Discussion. 3:00—Address, H. N. Lawrie, Portland, "Mining Industries of the State." 3:30—Address, R. A. Watson, corporation commissioner, "Blue Sky Law, Relation to Mining Industry." 4:00—Adjourn. 8:00—General discussion and business meeting.

Friday, July 10 9:30 a. m.—Address, A. L. Lamb, Ashland, "Mining in Jackson County." 10:00—Mr. Mangum, "Mining in Josephine County." Music. 10:30—Address, Professor Parks, "Mineral Resources of Oregon." 11:00—Address by state mineralogist of California. 12:00—Adjourn. 1:30 p. m.—Music. Address, C. B. Watson, Ashland, "Clay and Kaolin and Their Possibilities." 2:00—Address, "Iron and Copper. Their Relation to Commercial Industries." 2:30—Discussion. 3:00—Address, E. P. Hopson, "Irrigation and Reclamation." 3:30—Address, C. L. Probsted, "Mineral Resources of Siskiyou County." Discussion. Subject to change.

WESTON'S CAMERA SHOP

Recently remodeled and enlarged, added new cameras and apparatus and is now strictly up-to-date in every way. Commercial Work of all Kinds Including copying and enlarging of pictures, legal documents, etc. Bromide enlarging, any size, and kodak finishing of every kind. Professional and amateur photographic supplies. L. M. Harmon Associated With Mo. Shop over Isis Theater, Phone 147-J

In the Entire Universe



There is no purer ice than ours. It has been tested and tried in every possible way and in every instance has been found absolutely pure. It's the kind of ice you can safely put right in the glass with the water or other beverage, the kind that you can eat without fear. Better let us be your ice man. For Quick Deliveries Phone 51

H. WEINHARD'S ICE DEPOT

Gifts for June Brides



June, the month of Brides and weddings. This means invitations and invitations mean wedding gifts. It is a beautiful custom handed down from antiquity, which makes it imperative that the friends must help the young couple by providing them with gifts they will find useful in their home. In this, I recommend the fitness of this store to help you decide the puzzling question of what to give.

MARTIN J. REDDY



It speaks to the heart through the pocket-book. That's why the Ford is a friend to thousands the world over. What any other car will do the Ford will do—and more—at a fraction of the cost. Buy today.

\$595 is the price of the Ford runabout; the touring car is \$645—f. o. b. Medford, complete with equipment. Get catalog and particulars from

C. E. GATES SPARTA BUILDING. MEDFORD, ORE.

HOT WEATHER DUE Now is the Time to Buy Your

Alaska Refrigerator

The Alaska by its perfect system of warm and cold air flow allows nature's principles—that warm air rises and cold air falls—to work in a more perfect manner than any other refrigerator built.

ALASKA REFRIGERATOR Alaska Circulation The ice rests on a corrugated, galvanized iron rack, which is so constructed as to leave an air passage under the iron. The warm air in the provision chamber rises through the flues at each end of the ice chamber, comes in contact with the ice at the central opening in the lid flue, becomes colder and drops under the ice rack, where all moisture is condensed, and falls through the central opening under the ice into the provision chamber, cold and dry. No other system keeps the air so long in contact with the ice as the ALASKA does, consequently the ALASKA does its work more thoroughly than other refrigerators.

ALASKA REFRIGERATORS Quarter-sawn oak, grained metal lining and insulated with carbonized pebbled cork. Over one million in use.

M. F. & H. Co. SOLE AGENTS