

SOME HISTORY, SOME PLANS FOR FUTURE

(An official history issued by the Board of Directors)

In the fall of 1905 the Cottage Hospital Association of Hood River, Ore., was incorporated with a capital stock of \$10,000, most of which was purchased by physicians then practicing in Hood River, and various merchants and bankers of the town. The building now occupied by the hospital was purchased with an encumbrance of \$3,500 in the form of a mortgage, and the hospital opened for business in a very modest way at first.

It was understood perfectly among the stockholders that it was not designed as a money making project, and that no dividends were to be expected from the stock then or at any time in the future. The stock was sold on the assumption that the stockholders were to be assessed one per cent per month, or whenever funds were needed, until such time as the institution might be self supporting and that then no further assessments would be called for unless needed. In addition to the revenues from ordinary paying private patients, the Association had resources from several contracts with the Stanley-Smith Lumber Co. and other lumber mills under the terms of which the hospital received \$1 per month from each employee on the pay roll, in return for which it was to furnish treatment, board and nursing to injured employees. The board and nursing were supplied by the hospital. The treatment was donated gratis by the physicians holding stock in the Association.

Each doctor in turn took care of the contract patients for a month and gave them what professional care was needed, calling upon his colleagues as occasion demanded, for counsel or assistance in operations or more complicated cases. It was understood that if ever the hospital should become prosperous enough to afford it some compensation would be made to these doctors for their services, but no one really ever entertained any expectation of receiving such compensation, and each physician was more than willing to give such service to the hospital and more than satisfied if the result insured to him the advantage of having a place to take his private patients for hospital treatment.

Without these contracts, which continued for nearly seven years, it would have been impossible for the hospital to have existed. In fact, with them it was a hard struggle. The problem of making ends meet was a difficult one for years. In fact, ends did not meet. At one time the hospital was in debt fully \$2,500 to the merchants of the town. It is here timely to state that these merchants carried the institution with wonderful forbearance and patience, and deserve the greatest credit for the fact that they never allowed the hospital to lack necessary supplies. The Board did the best it could with what funds were available, borrowed some money from time to time and tried to divide what there was fairly among all the creditors and succeeded in keeping up the credit of the institution.

The fourteen years of the hospital's existence are divided like the period of Joseph's rule in Egypt, into seven lean years and seven years, not precisely fat, but let us say fairly well nourished. In the year 1913 the lumber contracts were discontinued. A year before that time the indebtedness was about \$5,000, \$3,500 in the form of the mortgage and \$2,500 in floating indebtedness.

The financial history of the hospital from that time to the present can best be told by the statement that the entire indebtedness is now a mortgage of \$2,000. And yet this does not entirely tell the story, for the equipment of the hospital has not only been kept up, but augmented greatly. In fact, the records easily show that over and above meeting all expenses the institution has shown an average net profit of \$1,000 a year for the past five years. This has accrued from straight hospital fees, with no contracts, subsidies or donations of any kind. Moreover, this gain has been fairly well distributed through the five years. There have been some ups and downs, but the down have been in decided minority and correspond in a very interesting manner with periods of general business depression.

And right here, in order there may be no misapprehension, we wish to emphasize the fact that the policy of not declaring dividends has been adhered to consistently, although it seems clear that the hospital can be depended upon to earn a net profit, as above shown. Every dollar of surplus has been devoted to reducing the debt and in improvements and added equipment. It may be stated positively that no stockholder or director has been benefited directly or indirectly. Even doctors holding stock who have patronized the hospital have paid full rates for themselves and members of their families.

For the last five years the current bills, interest, taxes and insurance have all been paid promptly when due, and at no time have current bills been appreciably delinquent. The Association has established and maintained a good credit with its banks and has, when necessary, loaned cheerfully accommodated with loans which have been promptly repaid when due, although it has only been necessary to utilize this credit twice.

An important point which cannot be too greatly stressed is that the Hood River hospital has made what might be called two records. In the first place, it is very unusual for hospitals owned either by individuals or corporations to pay expenses, to say nothing of making a profit. It is well known among those familiar with hospital management that most hospitals operate at a financial loss, except hospitals run by religious orders. It may be said that it is impossible for a hospital to pay unless either endowed or most carefully managed. The margin between the expenses and receipts is essentially small and unless endowed in some manner, or unless almost all bills are collected and expenditures very closely watched, any hospital will lose money. The reason that religious orders do not lose money is because they call upon the community for donations and the work is done by members of the order at either a minimum wage or no wages. Before the management of the Cottage Hospital learned to keep collections up and expenses down the institution lost money. Since that important point has been learned and practiced it has made a little money.

The other respect in which the Cottage Hospital has made a record is in its established and unvaried custom of treating everyone alike, especially members of the medical profession. There never has been a doctor in Hood River who could not take his patients to the Cottage Hospital with the assurance that he and his patients would be treated well and impartially as if he were a member of the Board of Directors, even though he owned not a share of stock. There never has been a reputable doctor practicing in Hood

River who would not have been welcomed as a stockholder, or who could not have purchased treasury stock in the Association on the same terms as any other stockholder enjoyed. Any one familiar with hospitals could say that this situation was unique.

We are stressing these two points in order to show that the people of Hood River should feel confident that the Association can continue to run a successfully successful hospital and one which will continue to serve the whole community impartially and well. For several years it has been very apparent that the greatest shortcoming of the hospital was its lack of room to take care of its business. This condition has been growing rapidly more and more acute. The institution has been handicapped in some other respects, but its principle handicap has been lack of room.

For the past year it has become common and popular in the community to considerably exaggerate the shortcomings of the hospital. It has been estimated widely that the hospital is inadequate in many, if not most respects, to the needs of this community. This is a great exaggeration. In all that goes to make a useful and efficient hospital the Cottage Hospital compares favorably to most small town institutions and excels many. Its equipment and organization are good enough to enable it to handle successfully any kind of case, medical or surgical, which can be brought to it. The statistics of the hospital show success far above the average in both its medical and surgical work. It lacks some of the conveniences and refinements found in up to date and wealthy institutions, but the results are as good as those achieved in the best hospitals found anywhere. Even at the present time there is nothing lacking in the facilities for turning out first class surgical and medical results. The most acute need, then, is more room.

The Board of Directors, recognizing this contingency last summer and since that time has been wrestling with the problem, which naturally resolves itself into the two questions: Shall we enlarge the present building or shall we rebuild? The present capacity of the hospital is 20 beds. To safely cover the needs of the community now and for some years to come this capacity should be increased to 50 beds.

There could be no room for questioning the fact that the most desirable and attractive plan would be that of building an entirely new and modern hospital. Such a project would, of course, be beyond the powers of the present corporation. But the stockholders and directors of the hospital would be willing to cheerfully contribute the present property and plant toward any general movement originating spontaneously with the entire population of the community to raise the funds for a community hospital, provided first, enough money could be so raised, and provided a plan of management and control could be worked out which reasonably insured for the future the two most notable features which have characterized the Cottage Hospital, its financial success and usefulness to the entire community including the entire medical fraternity.

The Board of Directors consists of four doctors and a merchant. Three of the doctors have been directors throughout the 14 years of the Association's existence. The other doctor and the merchant have served for the last seven years. Such a board may be presumed to know something about hospital organization and management. Starting with what experience and knowledge of the subject it had acquired in 14 years this Board proceeded to find out what it could about the cost of building a modern, up to date, fireproof hospital. The result of its investigations showed that at the present state of the market for labor and material, such a plant would cost from \$1500 to \$2000 per bed. This means that a new hospital would cost from \$75,000 to \$100,000 at least, and probably considerably more before it would be finished and equipped. The long and short of it was that the Board did not and does not believe that the people of Hood River valley can afford such a heavy taxation for a hospital, however desirable it might be. For it is nothing more nor less than a tax, however it may be named and levied. What it is collected by a man with a subscription list from part of the people or by the assessor with a gun from all of the people, there is no difference between the two methods, unless it is that the latter is the better and sounder economy. We are taxed to death already and we need all sorts of things as much, if not more than we need a \$75,000 hospital.

The Board then turned to the more modest project of enlarging the present plant. No member of the board is in love with the idea of enlarging an old building any more than most people. But after much study and re-plant and re-revision and with the help of certain architects, a set of plans was evolved which will, if carried out, result in sufficient enlargement, together with improvements in the present building, to insure to the community a hospital large enough to take care of our business for 12 or 15 years to come, at least, and equipped to afford the fraternity full facilities for the highest class of surgical and medical work. In short, to serve the needs of the community as well as those of any place of its size are served and much better than most.

These plans will be laid before the public in detail with full specifications in another article. The cost of putting them into execution will be \$15,000. The entire present indebtedness of the Association being \$2,000, the Board proposes to offer for sale bonds to the sum of \$13,000, redeemable 15 years, paying interest at 4 per cent semi-annually. The Board believes, and feels that it can prove, that this is a safe and sound investment, viewed as a business proposition, with the added value of being a public benefaction. Anyone sincerely interested in the welfare of the community can contribute to the same without losing anything and practically without cost to himself.

The hospital has been earning \$1,000 a year for years. The plans are such that very little increase in operating expense will be needed. Therefore, it is a very reasonable and sound assumption that the earnings will be doubled. And \$2,000 a year will fully take care of the interest and final redemption of these bonds. In case the net earnings should exceed \$2,000, the stockholders and Board are agreed on the policy of expending the surplus in betterment and no dividends are expected or desired by anyone.

The Secretary of the Board will cheerfully furnish information from the records and statements to anyone interested in the investment, tending to corroborate the statements made in this article, or concerning the financial history and outlook of the institution. The president of the Board will likewise be glad to furnish detailed information as to the plans for enlargement and improvement of the present building.

Searches of records and reliable abstracts made by Oregon Abstract Company, A. W. Onthank, Manager, 305 Oak Street. Phone 1321, jf20-4f



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Paid advertisement inserted by Colla Dymond in behalf of the Joint Alumni Relief Committee for Higher Education in Oregon, 514 Fitch Block, Portland.

MR. EGBERT MAKES STATEMENT.

My friends have requested me to submit my name for consideration at the primaries as a candidate on the Republican ticket for representative to the Legislature from the 29th district. If nominated and elected I will endeavor to the best of my ability to promote the best interests of my district and the state at large.

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—and no one could tell the difference



Marie Morrissey drawn from actual photograph

Tuesday night's audience mystified Tries vainly to detect difference between voice of famous contralto and RE-CREATION and Edison's New Phonograph

Those present at the 'Riverside Church last night saw Marie Morrissey walk onto the stage. They saw her take her position next to a beautiful cabinet. They saw her lips give voice to the opening lines of Happy Days. Then suddenly her lips were still—but the song kept flowing on.

How came this? They were hearing Miss Morrissey's voice, yet Miss Morrissey was not singing. The entire audience gasped as it slowly realized that it had been unable to distinguish between Miss Morrissey's voice and the RE-CREATION of that voice by the New Edison.

This was the daring test undertaken last night at Riverside Church

by Thomas A. Edison. He sought to prove that no difference exists between the voice of the living artist and its RE-CREATION by the New Edison. The musically cultured of Hood River were invited to pass judgement. No test could have been more exacting.

Miss Morrissey made comparison after comparison. The mystified audience tried vainly to catch a difference between the original rendition and its RE-CREATION by the New Edison. No one could tell one from the other.

It was a triumph whole and complete for the New Edison.

The NEW EDISON

"The Phonograph with a Soul"

The instrument used in Tuesday night's Tone-Test is the regular model which sells for \$295. It is an exact duplicate of the Laboratory Model which Mr. Edison perfected after spending Three Million Dollars in experiments.

The New Edison alone of all phono-

graphs is capable of sustaining this test. Until Mr. Edison knew it would do so, he regarded his work as unfinished.

Ask some one who was present Tuesday night. Learn the amazing truth. Then come in and let us prove it personally to you.

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