

May 13, 1905.

Mr. Edward Chambers,  
San Francisco, Cal.

Dear Sir:-

Enclosed find copy of report from Oceanside to Pauma. This is my first experience and hope that you can secure some information from it of interest. As stated before, we have already secured pledges of \$40000 or \$50000 bonus in cash and freight. We believe that we can raise at least \$75000 in actual cash to be paid when the Railroad is completed. We believe the only proper way to handle this is to start it as an independent road and we feel sure we could give you satisfaction as we are in close touch with the moneyed men of Oceanside as well as those of the entire length of the Valley. We want one-half of what bonus we raise for services rendered and for the furnishing of a free right of way from Oceanside to Pauma. I will be in San Francisco next Wednesday and will call on you at that time. I am sending you by this mail a map of the country.

Diet. E.F.

Very sincerely yours,

COPY

San Francisco, Cal. Aug. 15, 1905.

-Railway in San Luis Rey Valley-

Mr. W. G. Kerckhoff,

c/o Pacific Light & Power Co.,

Huntington Bldg., Los Angeles.

My dear Mr. Kerckhoff:-

Mr. Wells advises me that Mr.

Ripley has decided that it would not be profitable for us to build the line from Oceanside. Mr. Wells is ready to give you Mr. Ripley's answer. Will you please call on him?

Yours truly,

(signed) Edward Chambers.

EC-S.



# The Atchison, Topeka and Santa Fe Railway System.

EDWARD CHAMBERS,  
Asst. Freight Traffic Manager

TRAFFIC DEPARTMENT,  
641 Market Street.

San Francisco, Cal.,

Aug. 19, 1905.

C-P-26-78

Mr. Ed. Fletcher,

c/o Fletcher-Doyle Co., San Diego.

My dear Mr. Fletcher:--

I have just received advice that our people have decided not to build the line from Oceanside and have so advised Mr. Kerckhoff. Mr. Wells, however, has said to Mr. Kerckhoff that we would be willing to make an interchange arrangement in case Mr. Kerckhoff and his people decided to build the line themselves. The details of such an arrangement would be handled by myself.

I am going to Los Angeles the middle of next week and will then see Mr. Kerckhoff and hope also to see yourself and we can decide what is to be done.

Yours very truly,

*Edward Chambers*

EC-S

10/7/05.

Mr. Edward Chambers,

Chicago,

Illinois.

My dear Mr. Chambers:--

Confirming telegram sent you by Mr. Barnoll will say that I consider the matter of your building up the San Luis Rey of vital importance. From a conversation that I overheard between Mr. Kerckhoff and another party he would yet allow you people to build up the San Luis Rey at your own expense and Mr. Salmons and I will give you free rights of way the entire distance. It is necessary for you to take this matter up immediately with him or, in my opinion, the Southern Pacific will do this work, for Mr. Kerckhoff told me that he had other parties who would build this road if the Santa Fe did not care to.

Since you left they have decided to purchase, and Mr. Salmons and I have purchased, all the land from Oceanside to, and including Warner's Ranch. After the power has been developed the water will be put on all the valley land which we will then divide up into twenty and thirty acre tracts. This means a good business for you and I consider it a paying proposition from the start. They will spend millions of dollars in dams, tunnels, power plants, etc., and it certainly means business.

You will control a large part of the Ramona, and all of the Julian, Santa Isabel, San Felipe, Warner's Ranch and Oak Grove trade.

I think Mr. Kerckhoff will be satisfied to have you build to the Pauma Ranch and we will get the county to make a first class road from there eight or ten miles to the head of Warner's Ranch.

I believe the Southern Pacific people are figuring on that proposition now. This information I am giving you must be kept strictly private.

I do not believe that you would be able, thirty days from now, to get Mr. Kerckhoff's consent to the Santa Fe building up the San Luis Rey. It is true that Mr. Salmons and I absolutely control the rights of way over any and all property they may buy, but our interests with them are so large that we cannot hold out against them if they should not desire to do business with you people.

Besides buying all the land in the San Luis Rey we have bought nearly all of Smith Mountain, the Pauma Ranch, as well as \$300,000 worth of property in Carlsbad, South Oceanside and other points on the coast, where possibly a large amount of water will be put. This means business for you at those points.

It makes not difference to us who builds up the San Luis Rey river for we are assured of our profit on the railroad proposition, Mr. Chambers, and it is simply my friendship for you that causes me to explain this matter in detail. You can see how important it is for me to keep this matter strictly confidential and I know you will consider all this information "sub rosa".



No.2.

This letter is written to impress you with the fact that within the next thirty days you must decide whether you want that business or whether you will let it go to competitors.

Pick out any engineer you desire, send him with me and let me explain the situation in detail. I would prefer to have Mr. Barnell go if you will let him. I would be pleased to come to Chicago even, providing you will pay my expenses, and shall be in a position to show you the improvements, and their extent, all of which means so much business to any railroad that may be built up the valley.

In closing I will simply add that in my opinion the Southern Pacific railroad are going to build into San Diego without a question of doubt and construction will be commenced with six months from date.

Yours very truly,

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MEMO.

OK  
Send copy  
to Trainor  
& Hershaw  
White &  
Finke  
Chambers, little

3

Monday, Jan. 3

362



Copy Chambers letter sent  
to G. Henshaw  
J. Iwanor  
H. Albright  
F. Belcher  
Phil Swing  
F. M. White  
H. H. Fincken  
S. O. Faulkner  
H. E. Hodges  
E. J. Engel  
J. P. Conway

February 1, 1921.

Office  
copy

Mr. Edward Chambers, Vice President,  
Santa Fe Railroad Co.,  
80 East Jackson Blvd.,  
Chicago, Ill.

My dear Mr. Chambers:

Confirming my verbal promise to you when you were here, I wish to call the Santa Fe Railroad Company's attention to the following situation:

FIRST: All competent engineers recognize the fact that there is twice as much irrigable land in San Diego County practically frostless, and subject to intense cultivation, as there is water to irrigate it, when our water supply is completely developed.

SECOND: The only available source of water supply for that section - Escondido to Oceanside - thru which your Santa Fe Railroad runs for 22 miles, is from the San Luis Rey River.

THIRD: These lands, Escondido to Oceanside, are as fertile and as free from frost as practically any in San Diego County. This is demonstrated by the citrus development at Vista, where a few acres have been put in and irrigated from a system of shallow wells.

FOURTH: The Volcan Water Company owns the Warner's dam-site and 6,000 acres of land that will be flooded, as well as the entire Warner's Ranch of 47,000 acres, thereby controlling the upper riparian rights. It also practically controls all the riparian rights for 54 miles from the dam-site to the ocean along the San Luis Rey Valley, and is in a position at any time to acquire the balance of the rights of diversion, thereby making it possible to take the water out of the San Luis Rey watershed into any other watershed or section of San Diego County. San Diego City is short of water, and is seriously considering the acquisition of this source of supply, altho it can get other sources of supply from the San Diego River, the Santa Ysabel or Tia Juana Rivers, but the cheapest source of supply per million gallons delivered into the City's reservoirs is from the Volcan Water Co.

FIFTH: There is being organized an irrigation district of from 30,000 to 40,000 acres, between Escondido and Oceanside, the plan being to acquire the Volcan Water Company's water development from Warner's dam. Complete field surveys have been made and the tentative boundaries of the district agreed upon, all as per map hereto attached. The State Engineer has made a report favoring the formation of this district and the acquisition of the Volcan Water Company's water supply. This report also states that there is a water supply sufficient to irrigate over 40,000 acres,



that the value of the present holdings of the Volcan Water Company on the San Luis Rey, including the damsite, reservoir site, riparian rights of diversion to the ocean completed to date, etc., is \$2,047,575.00 and that it will take approximately three million more to complete the construction of the dam and distributing system within the district. The report states that the project is feasible, that the soil is fertile and in sufficient quantity to warrant the formation of the district. If no water is put on these lands, they will forever be a dry farming proposition, while with water they are susceptible to high development for citrus crops and winter vegetables. Without water these lands are worth only from \$25 to \$75 per acre; with water from \$400 to \$600 per acre.

The records of the Santa Fe Railroad show that your Company can expect nearly a carload of citrus fruits per acre and a carload of winter vegetables per acre per annum, where two crops are raised, from the irrigated lands in Southern California. With this system completely developed, the Santa Fe will add 40,000 acres of irrigated lands, directly tributary to this branch line of the Santa Fe Railroad--Escondido to Oceanside. Attached hereto is interesting letter from Mr. Answalt on this subject.

I am a member of the County Highway Commission. We are spending \$2,300,000 for paved roads, and last week we let a contract to put in a concrete pavement 18 feet wide, 5 inches thick from Escondido to San Marcos, through this proposed district. Eventually, we will have the highway paved completely. Electric power is now available the entire distance, Oceanside to Escondido. As you know, it is an ideal place to live. The country will develop rapidly with a sufficiency of water, and it is not the freight alone, but the increased passenger travel, as the country builds up, and the general good to the entire country that will come from this large water development.

SIXTH: The water supply is a vital question. The watershed of Warner's dam is 205 square miles. We have not taken the figures of our own engineers as to net safe yield, but a Board of five Engineers, consisting of J. B. Lippincott, M. M. O'Shaunessy, F. Solow, formerly of the U. S. Reclamation Service, H. Hawgood, and W. S. Post, have determined the net safe yield of Warner's to be 25 million gallons daily, irrigation supply, covering a twenty year period. As a double check we made arrangements and induced the U. S. Reclamation Service to make an investigation and their complete report shows the net safe yield covering a thirty year period to be 21.4 million gallons per day, irrigation supply, while the State Engineer's report to the proposed irrigation district shows there is a sufficiency of water to irrigate over 40,000 acres from Warner's dam, and supplemented by pumping from the San Luis Rey River.

Over \$200,000 has been spent in cut-off walls, outlet tunnel, concrete gates, cement conduits, roads, telephones, houses, etc. at the damsite. By the construction of a dam 107 feet high, the estimated cost being \$800,000, the largest reservoir in Southern California can be built, and will hold 200,000 acre feet of water.

An additional source of revenue with this project built is the several thousand horsepower of electricity that will be developed thru two power drops; one of 900 feet and one 500 or 600 feet. This alone should bring in a gross revenue of approximately \$150,000 per annum, and adds an additional factor of safety to the holder of the bonds. Owing to the high price of oil, the value of electricity has materially advanced the last two or three years and we have a party who will buy the power at the switchboard at a valuation placed on it by the State Railroad Commission.

The enclosed map shows the Warner's reservoir and proposed conduit and tentatively the lands to be irrigated, as outlined by the State Engineer in his report.

The Volcan Water Company is willing to sell to the proposed district their present holdings, and take forty-year six percent bonds in payment at par. It will take approximately three million dollars to complete the dam and the distributing system as outlined by the proposed district. We have every assurance that any bonds issued by the district will be approved by the State Bonding Commission of California, making them savings bank security.

Will the Santa Fe Railroad be interested to the extent of getting capitalists to investigate this project? If it is not found in every particular as represented by any engineer you may select, the Volcan Water Company will pay the expenses of the investigation. I am sure every point can be thoroughly demonstrated as to quantity of water, the question of ownership of water rights, the amount of land available for irrigating purposes, and its adaptability. I shall be glad to come to Chicago to go into the matter, if the Santa Fe officials, or any of your friends are interested in any way. Mr. W. E. Hodges is familiar with this project, and I hope you will, at least, ask him to make a report on its feasibility.

If \$3,000,000 cannot be secured at the present time to finance the whole project, if a million dollars could be secured, it would complete the Warner's dam and bring the water to Escondido. As security for the \$1,000,000 loan there would be the properties above mentioned, valued at over \$2,000,000 by the State Engineer, and as revenue there would be the power and in addition thereto the Escondido people wish to purchase under contract 5,000 acre feet of water. Either thru the issuance of bonds by the Escondido Mutual Water Company, or under contract of purchase, sufficient revenue can be shown to warrant this loan of \$1,000,000 to be an absolutely safe investment, and in addition we will have roughly eighteen or twenty thousand acre feet of water to be disposed of, either to the Escondido-Oceanside district later on, or to the city of San Diego.

I cannot too strongly impress upon you, however, that from Oceanside to Escondido this is the only available source of water supply, and the lands will be forever used only for dry farming purposes if the water is diverted to other sections of the county.



- 4 -

Hoping that this project will, at least, be investigated  
by your company, I remain

Yours very truly,

VOLCAN WATER COMPANY

By

*Ed Fletcher*  
Manager

EF:KLM:S

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 4 Folder: 31**

**General Correspondence - Chambers, Edward**



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