

June 1, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

As usual things have been moving here. Treanor is doing his darndest to upset the water situation. Senator Wright takes Porterfield to lunch today (Porterfield owns 49 percent of the Sun) trying to get them to abandon the San Diego River and litigate, and make a contract with Treanor, but Porterfield is playing our game and is keeping us posted.

The grand jury has me called for tomorrow but I am going to try and side-step it for a while and am going to see the foreman at nine o'clock today.

Weitzel telephoned to tell me that the other party (he meant Bruschi) is now willing to vote to call the election. I am satisfied he had a dictaphone at the other end, or some record when he talked to me over the phone. It is a cinch I was non-committal.

Stewart was cross-questioned and examined by the grand jury last week, but denied everything.

It is a cinch we were wise guys when we refused to have anything to do with the city council at all and made up our minds to sell to the district. I told Weitzel over the phone he could thank his friend MacFullen for shooting his mouth off and bringing the situation where it is today. I have heard the district attorney is becoming involved in this situation and he has an important business trip to make East the first of the week.

I got hold of Hall of the La Mesa District yesterday and we agreed on the district paying all litigation expense from the day the Railroad Commission approves the sale. Fred Stearns is going out tonight to get orders from the district regarding the contract. As usual Stearns has been trying to bust up everything, but he is going to find out he is fired the minute the Railroad Commission approves the sale. I hope you will use any influence you

-2-

can to get the Railroad Commission's approval.

Enclosed find last week's Herald.

Yours sincerely,

EF:KLM

June 2, 1925.

Mr. Chas. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Mr. Treanor is hot on our trail. He is taking the Mayor and Common Council all over the Lake Hodges system on Thursday and is moving heaven and earth to start a campaign favorable to the sale.

The \$500,000 of El Capitan bonds that have been sold is available to immediately turn over to Treanor, providing the transfer is ratified by a vote of the people and this is their game, but it is a long ways 'twixt the cup and the lip, as Treanor will find out.

Weitzel rang up again by phone today. I had Miss May take down the conversation. He is pretty badly worroed and wants my partner in Los Angeles to keep his mouth shut. He sure has cause for worry, as well as several other of the councilmen.

Yours very truly,

EF:KLM

June 2, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

I had a n informal conference with the foreman of the grand jury and begged off for a few days. They had me programmed to go before the grand jury today. Will explain more in person Thursday.

Enclosed find clippings from this morning's paper that are explanatory. The attorneys seem to think things went along nicely yesterday in court.

Hall of La Mesa rang me up and said he and Parks thought they would be severely criticise if they assumed all cost of litigation until the Railroad Commission approved the sale to the district. As you said this was probably only a matter of a few days, I verbally gave my consent to the change.

Mayor Bacon this morning told me that he is going to take up, on Wednesday, the matter of the compromise and that he had written Mr. Brundige that he saw no reason why the city's interests would be jeopardized at all by the Railroad Commission approving the sale to the district at the present time. He wrote that letter a week ago. What can possibly be holding up Brundige. Can't you do something to stir them up? It is dead wrong for the Railroad Commission to delay the situation any longer. I hope the Bond Commission and Mr. McClure will take some action, as this is wholly within their jurisdiction.

Yours very truly,

EF:KLM

June 3, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

I remember you speaking to me the other day not to involve you in any public way with Mr. Treanor in the matter of opposition to the sale of Lake Hodges to the city.

I have no intention of getting into the press either myself, or injecting you into it in opposition to the Lake Hodges System, but the deal is so rank and my interests are so large in the Santa Fe and San Dieguito Irrigation Districts which get their water from Lake Hodges, with my knowledge of the attitude of the political city council in case they were in the saddle, makes it mandatory on me to privately oppose this Treanor plan as not being for the best interests of the city. This I shall do quietly among my friends.

I would not want any misunderstanding with you in relation to this matter, and would like a statement as to just what you meant so that we can have a clear understanding. I don't want to embarrass you if possible in the matter, and hope you will write me frankly.

I cannot see the city spend seven or eight million dollars accepting the present plan as offered by Mr. Treanor, for it is an economic crime, when for less than half that money the city can get practically the same amount of water and develop 1500 to 2000 horse power of electricity as well, and yet put the water into the city by gravity at high levels.

Inclosed find copy of letter to me from Mr. King that may be of interest.

I have been informed by two people that there is \$100,000 slush fund for putting this deal over. They

June 3, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find clipping from last night's Tribune relative to recall of Judge Conkling, for your information.

Yours very truly,

EF:AH

cc - Mr. Smiley

are going after it heavy and fast, but they are going to get left.

Please write me frankly on this matter. I want to carry out your wishes as far as I can.

Very sincerely yours,

EF:AH

June 4, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

E. V. Winnek, an attorney who is very close with three or four members of the city council, called on me today. He urged that we do not extend the option to the La Mesa District. He said he, directly, represented the city in this matter, that the city would pay \$100,000 for our interest in El Capitan damsite, and give us a check within the next two weeks and stop the litigation.

He further said he was authorized to buy the Cuyamaca System and pay \$1,000,000 for it. That if we agreed on any price on the Cuyamaca System he would have to have a commission of \$75,000.

That one thing we could sure count on, if this litigation continues, the city will parallel our pipe lines in Normal Heights, Kensington Park and East San Diego, and never give us a dollar for them.

He urged us not to sign the new contract with the district, and when I told him I did not authority, he asked me to see my partner, Mr. Stern, and give him an answer next Saturday or Monday, that as far as the city was concerned, it was a fight to the finish, if we did not come across now, and quick.

Yours very truly,

EF:KLM

June 4, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find list of points that should be taken into consideration, I believe, in the city's proposed condemnation suit of El Capitan.

Yours very truly,

EF:KLM

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
5th
1925

My dear Colonel Fletcher:

At your suggestion, I have been giving considerable thought to the question of what is fair and equitable as between the La Mesa Irrigation District and ourselves in the matter of attorneys' fees and other costs for litigation in the various phases of the fight against the City of San Diego and others.

It is a rather involved question upon which any decision must be somewhat arbitrary. We have been making common cause with the Irrigation District and our fight has been made quite as much in their behalf as in our own, and vice versa. I think you join me in the sincere hope that we can adjust this and other phases of our problem with the District in a way that will be mutually helpful and acceptable.

If we look at this situation in a hard-boiled way, I think we might properly say to the District that the expenses of all litigation should be borne by the District from and after the date of the original option, which is April, 1924. The District has proceeded upon the theory that its legal rights under this option run from the date of the option, for example - in the vexed question of whether or not El Capitan is subject to condemnation by the City of San Diego. The District takes the position that if and when it has purchased El Capitan under the terms of the option of April, 1924,

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or its extensions, that El Capitan is beyond the City's condemnation because the option anti-dates the condemnation proceedings. I note that the proposed contract between ourselves and the District carries this language:

"and it is hereby mutually agreed between the parties that this contract of Purchase and Sale shall relate back to and be binding on both parties hereto from and after the 5th day of April, 1924, the same being the date of said original agreement".

While I think we might, with some propriety, take this stand, I do not believe we should do so. It would not be the fair and equitable thing.

On the other hand, the District is asking for a binding contract, which does not expire until next November. In the meantime, the litigation is being pressed. We are certainly making this fight during this ensuing six months for the benefit of the La Mesa Irrigation District. You and I know that if we cared to abandon the District and undertake to sell our properties direct to the City of San Diego that in all probability we could be immediately successful. We have clasped hands with the District, however, and have told those people that we would fight this fight through with them as long as they were proceeding with due diligence and in good faith. We meant what we said and we still mean it. At the same time, it is right and proper that the District should carry a reasonable proportion of this burden. You and I have carried the great bulk of this cost for the last fourteen months, while the District holds an option. Perhaps it would be right and proper to ask the District to bear half of the attorneys' fees and all other costs of litigation from April 4, 1924, to the date at which the final transfer is made under the present proposed contract.

I would be entirely opposed to the proposal with reference to costs of litigation contained in Paragraph 7 of the proposed contract, which places the entire burden of all costs of litigation upon our shoulders for the full limit of this contract; if for no other reason than that the District might postpone the transfer of these properties for

three or four months under this contract after all conditions precedent to a transfer were fully arranged. It would seem to me that if the District is not satisfied with the suggestion I have made above, that they would be doing less than justice by us if they were not willing to take over all costs of litigation after the date upon which we place our deeds in escrow, under the terms of this contract. Certainly, at that time we will have put ourselves in their hands and the future ownership of our property will be automatically passing from us.

I believe that this is the least concession that the District can in fairness make to us.

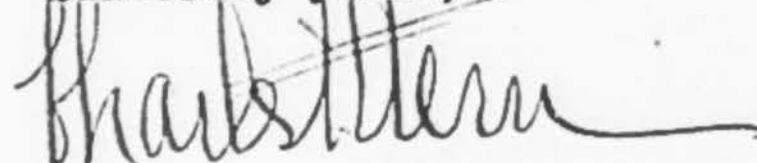
Within this point of view, I think that the contract should provide that from the date of deposit of deeds in escrow, the District shall be entitled to receive all revenue derived from the operation of the Cuyamaca System and to pay all operating expenses of said operation, and shall pay to us 6% interest upon the purchase price.

My impression of Messrs. Hall and Halley is that we can discuss these matters frankly, as matters of mutual interest, and that we can anticipate that they will meet us in a spirit of fairness.

Please pardon the length of this letter but the importance of the subject seems to warrant a detailed discussion.

With best personal regards, I am

Sincerely yours,



Colonel Ed Fletcher,
San Diego, Calif.

June 8, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find copy of letter to Crouch & Sanders of June 6, 1925, demanding \$2500 retainer, that is explanatory.

I am satisfied in my own mind now that the attorneys have completely about-faced and are rushing these cases to trial for fear they won't have a chance to try them at all thru a compromise between the City and the District at an early date.

Have you any suggestions to make?

Yours very truly,

EF:AH

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST ~~AVENUE~~ BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
10th
1925

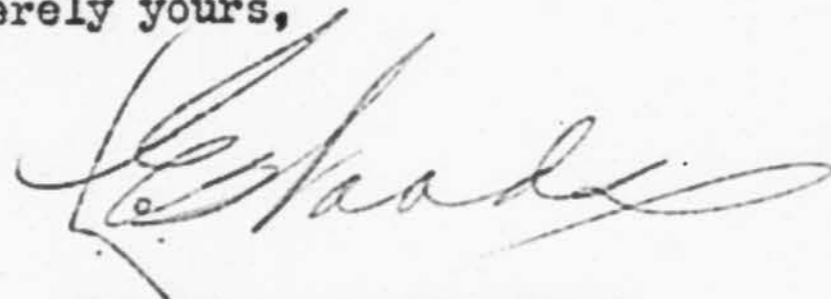
Dear Colonel Fletcher:

Mr. Stern has asked me to answer your letter of yesterday regarding your phone calls to Independence and San Diego.

The charge on your call to Mr. Lee at Independence was \$4.30; I had the charges reversed on your call to San Diego.

With kindest regards,

Sincerely yours,



Secretary to Mr. Stern

Colonel Ed Fletcher,
San Diego, Calif.

June 12, 1925.

Mr. C. F. Stern, Vice-president
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find check for \$4.50 which Mrs. Woods says is what I owe for telephone calls.

Yours very truly,

EF:KLM

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June 12, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Regarding my \$30,000 note, which is due June 26th with note and first mortgage of Griffith Henshaw as security covering several hundred acres of land - security of two or three to one - I would like to extend it for a year if possible. The note and mortgage have been assigned to you. If agreeable, kindly send me a new note and a statement of interest due, and I will send you a check.

Yours very truly,

EF:AH

June 13, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find letter from Reid and letter from Sullivan, also copy of my letter in reply.

It is the biggest thing out-doors for the least money that I know of in existence, and the least risk. Let us go and look it over anyway.

The folks are going over to Mesa Verde National Park leaving here the 26th or 27th and arriving at Gallup around the first. They are going whether I go or not. It includes the White car and the Fletcher car. I was thinking it was just possible you could take the good lady along and if the litigation here does not need me on the job we could find a place for both of you to make the run from Gallup to the Mesa Verde National Park in a day, or not to exceed a day and a half comfortably, and then to Durango and over the Silverton highway 12,000 feet high, over the Rocky Mountains to Glenwood Springs. This trip is easily made in five or six days and you can see all you want to. How does this sound to you? You will never have a better opportunity and see more of the wonders of the world.

The above is just a suggestion.

Yours very truly,

EF:AH

June 13, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Would you be interested in the purchase of \$400,000 or \$450,000 worth of San Diego Athletic Club bonds issued by Strauss & Company? They mature in three to fifteen years and can be issued in \$100, \$500 or \$1000 denominations. They are exempt from personal property tax, also 2% normal income tax. They are 6% bonds and can be bought at 97 and will net you around 6.25 percent to 6.30 percent. This is the information I have received from the representative of Strauss & Company here.

May I have your reply this coming week because I have been told that two other parties are negotiating their purchase and I have first option.

Yours very truly,

EF:AH

June 13, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Mr. Stern:

Enclosed find editorial from today's San Diego Herald, also Sweetwater Water Company clipping that I saw in the paper today. Also clipping showing that Treanor had the council out on an inspection trip.

I had an interesting talk with Mr. Halley on the trip to San Francisco. He said that Frank Belcher in the last two or three days, has made the statement to him that it is unthinkable that San Diego should be dictated to by the La Mesa Irrigation District or anybody in the back country. Also Mr. Glenn, his next door neighbor, told him that he had been informed by city officials that it was planned to put 8,000 acres out of the 18,000 acres into alfalfa in the La Mesa District, which would take 3 acre feet per annum. Also that Claus Spreckels had been tricked into backing this proposition up, or words to that effect -- the sale of the Cuyamaca System to the district.

Yours very truly,

EF:KLM

June 15, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find letter from the New
York Life Insurance Company. This is a new one
on us - insuring the lives of our attorneys!

Yours very truly,

EF:AH

June 16, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Mr. Smiley says he sent the three copies
of the extension of option up to you for your sig-
nature after I had signed them, as well as the
District. Kindly mail one copy to this office please
for our records, keeping one yourself, and I suppose
the other is going to Mr. Paddock.

Yours very truly,

EF:AH

June 17, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

I have been moving heaven and earth down here in San Diego getting the real estate witnesses ready, and I believe we are going to make a fine showing. I did not see how I could do anything in Santa Ana, but I left word with the attorneys that I would come up on an hour's notice any time they would want me.

Inclosed find clipping from this morning's Union relative to the hearing at Santa Ana, also clipping from this morning's Union showing what they had to say regarding the ratification by the Railroad Commission.

Crouch telephoned for \$500 to pay the court costs. I protested to him and Smiley and told them that the District ought to put up at least half the cost now and further that something ought to be done in the shape of an agreement between the District and us regarding reimbursing us re the condemnation suit for moneys advanced.

Yours very truly,

EF:AH

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST ~~TRUST~~ BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
17th
1925

My dear Colonel Fletcher:

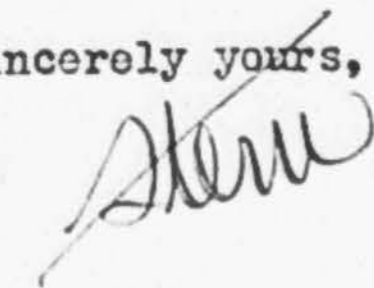
Please accept my congratulations which, of course, are mutual upon the final but favorable action of the Railroad Commission. Let's now press the matter to a finality with all possible speed.

I have your letter of June 16th with reference to the disposition of the three copies of the contract with the District. I signed this contract on Monday and, in accordance with my instructions from Smiley, I telegraphed him that fact. He said in his letter he would advise me where to send the three copies; I have been holding them subject to those instructions. You seem to be a little in doubt yourself as to what should be done with them, so please confirm with Smiley and give me my orders.

I inclose letter from Brown, which is self-explanatory. I presume that the title papers that he has in mind you will want to prepare down there. The attorneys for the District, as well as our own attorneys, will have to be satisfied. Please advise me promptly what to say to Mr. Brown, returning his letter with your answer.

Sincerely yours,

Colonel Ed Fletcher,
San Diego, Calif.



Water History

June 18, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

I had two members of the Railroad Commission, Messrs. Seavey and Squires, and their engineers to dinner at Mission Beach last night, also out over the La Mesa Irrigation District.

At the dinner table when I was asked why the compromise did not go thru between the District and the City, Mr. Squires spoke up and said, "I know." and when asked why, he stated - "Because Fletcher and Stern won't tickle the hands of three or four councilmen with their share of the profit on the sale." I laughed it off, but Mr. Squires said - "I have it on good authority that it is true for I am in close touch with the situation here and you don't dare deny it."

Another thing that I was told by Mr. Ready, the chief engineer of the Railroad Commission, and which may be of interest, is the following: He told me that on his trip to San Francisco for the February meeting he was talking with our Mr. Harritt on the train and made the statement in too loud voice as follows: "I am of the opinion that the City Council of San Diego are playing politics and my sympathies are with the Irrigation District, and I am going the limit to see that the La Mesa Irrigation District is protected, for I have no confidence in the city officials of San Diego doing the fair thing by the District unless the contract fully protects them." Ready says, "I looked up just then and saw a red-faced Dutchman leaning over and listening to my conversation. The next day I recognized him as Councilman Held at the Railroad Commission meeting, and realized that he had heard everything that was said."

Yours very truly,

EF:AH

June 18, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Answering yours of the 17th, inclosed find copy of a letter I wrote yesterday to Mr. Brown.

We have been working day and night at the title company getting out the descriptions for the sale of the property, and the title company has given me a written opinion today in relation thereto, a copy of which is herewith inclosed.

I am returning Brown's letter. I hope you can let him have the \$140,000 at 5 $\frac{1}{2}$ %. I promised Mr. Brown that I would do all I could to get a 5 $\frac{1}{2}$ % rate, but of course no positive commitment was made as I did not have any authority so to do.

Just as soon as Brown sends down that \$100,000 note and mortgage and agreement which we can sign, I think it imperative that you either write to Brown direct or make me the goat and send me a letter interpreting 5% discount per annum that we are entitled to by paying cash, and ask me to take the matter up with Mr. Brown and ask him if that is not his interpretation. It may be better not to bring that matter up until Brown puts Mrs. Murray's deed to the Title Company with instructions what to do and the amount to pay, after Brown has written his instructions and the deed is deposited, and then we can question the instructions.

Our office force have been working night and day on this matter of deed to the District, and this week we should have the deed satisfactory to the title company ready for signature, also the deed Mary H. Murray to us, ready for her signature. I then intend to hop onto the train, go to San Francisco, stay there until Mary Murray signs the deed and Brown sends it to the title company with instructions. In this way matters will be expedited so that we stop this litigation expense and unload it onto the District at the earliest possible date. It is a holy fright - the money that is being squandered in this litigation.

Yours very truly,

EF:AH

money that is being squandered in this litigation

June 18, 1925.

Mr. Charles F. Stern, Vice-pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Of all the ridiculous things in a newspaper the enclosed clipping, on the front page of the Evening Tribune, beats anything I have ever read, and shows you what children we have to contend with in the city council matter.

Stewart is the henchman of Treanor, and Fred Heilbron and Weitzel both told me he was going up to Los Angeles every week to report on the situation down here and get his orders.

Yours very truly,

EF:KLM

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

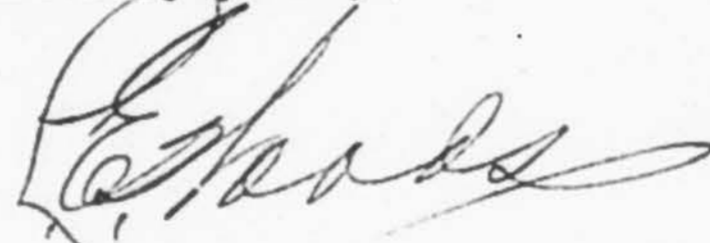
June
19th
1925

Dear Colonel Fletcher:

At Mr. Stern's request, I am inclosing you herewith copy of the Agreement between the Cuyamaca Water Company, a co-partnership, yourself and Mr. Stern, as parties of the first part, and the La Mesa Lemon Grove & Spring Valley Irrigation District, dated June 13, 1925.

I am also forwarding a copy of this Agreement to Mr. Frederick W. Stearns of your City, and holding the original here for Mr. Stern's files.

Sincerely yours,



Secretary to Mr. Stern

Colonel Ed Fletcher,
San Diego, Calif.

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June 19, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Mr. McClure came down last night and I told him of my talk with Mr. Claus Spreckels, and his statement that he was immediately going to bring about that Railroad Commission compromise in any event. Mr. McClure was very much interested and I asked him if he would not go and see Mr. Spreckels and talk it over as long as he was in town. He said he would, so I telephoned over to Spreckels' house and made the engagement, and Mr. McClure went to Mr. Spreckels office alone.

I thought it was the better thing under all the circumstances, and Mr. McClure was mighty nice about it.

I cannot help but feel that Claus Spreckels is our salvation in the matter of bringing about a compromise between the district and the city. I have never lost faith in his sincerity, but the truth absolutely is this -- that the city council is dictating to MacMullen and Claus and the situation got away from them. Will report on the result of the conference later.

If I remember rightly it was John Treanor who gave you one reference as to Fletcher's reliability and crookedness the name of Don Stewart - the chap who gave out that interview in the Tribune yesterday, and John Treanor's personal representative. The other man was Frank Salmons, and the third man, MacMullen.

I have had a good laugh over our "mutual friend" Treanor. It came out in court yesterday on cross examination, of Mayor Bacon, that Treanor did make a confidential offer to the city six or eight weeks ago, in writing, but it has been kept from the public. Treanor asked that Bacon keep it confidential so as not to get into the hands of his competitors. That was part of yesterday's testimony and published in today's papers.

Unfortunately for our "mutual" friend, John Treanor, the litigation here over declaring the San Dieguito Water Company a public utility, which has been on for the last two days, has brought out in all the newspapers the fact that the San Dieguito Water Company has no surplus water. Mighty poor advertising for our "mutual" friend Treanor, who is trying to sell the Lake Hodges System, and in the meantime I am just a spectator on the outside. Have been on the witness stand for a day and a half, subpoenaed by the Railroad Commission. Treanor has been here all the time backed up by five attorneys, J. B. Hippinsett, Hodges, Paullmer, the Santa Fe attorney. I have been congratulated by both sides that I have been a perfect witness. Mr. Hodges has bubbled over with enthusiasm as to my testimony and has subscribed another \$600 toward the Lake Hodges road, which I am trying to get completed. He says he is going, directly or indirectly, to get as much more out of Treanor for me in the promotion of our Solana Beach-Lake Hodges-Escondido road. Ha ha!!

I will have a good laugh with you the next time I see you, --- things I cannot put in print.

Yours sincerely,

EF:AH

June 19, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Mr. McClure reports that he had a splendid meeting with Claus Spreckels, that Mr. Spreckels as much as admitted that the City Council were a bunch of crooks, that he was glad that the Commission had confirmed the sale to the District, and that he was going the limit now to bring about a compromise between the District and the City.

We made a mistake that we did not include in our agreement with the District that if we gave up the hunting, fishing and boating rights under a compromise between the District and the City, we should be reimbursed for our losses and costs of litigation etc. in the meantime.

Mr. McClure has promised me that he will write a letter to Mr. Edwards, the managing editor of the Sun on this local situation and send me a copy of it. It will be a wonderful thing along the lines of harmony and bring together the City and the District. I hope he comes across.

Yours very truly,

EF:AH

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
19th
1925

My dear Colonel Fletcher:

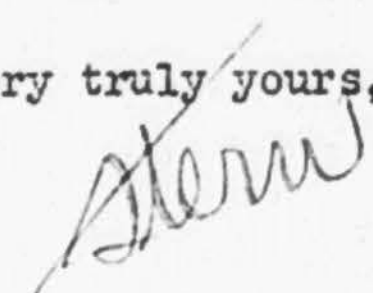
I have for acknowledgment your letter of yesterday re-inclosing Brown's letter. I will take care of the \$140,000 credit to the Murray Estate, working out the conditions with Mr. Brown. I think you had better not be in on this party.

By all means jam the thing ahead and let's get our deeds in escrow in the form approved by our attorneys at the earliest possible moment.

With reference to the 5% discount for anticipated payment, I do not think it is the thing to do to discuss this at all at this time. Let Mr. Brown interpret the contract in his own way and deposit his deeds with his escrow instructions. If his instructions are not in accord with our interpretation of the contract, we will then discuss the matter with him. I do not think it should be mentioned in any way unless and until the above point is reached. Should we talk to him about the interpretation of the terms now and develop a disagreement, we shall only succeed in holding up the deeds and that is not what we want.

Very truly yours,

Colonel Ed Fletcher,
San Diego, Calif.



June 19, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find copy of Order from the
Railroad Commission re sale of the Cuyamaca System
to the District.

Yours very truly,

CF:MLM

June 20, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find clipping which is explanatory. I put this article in at the request of the district officials. It did not raise a ripple, a criticism or a denial from anybody, although it was put in last Wednesday.

We were mighty fortunate in having the Railroad Commission, in their decision, come out as strong as they did. It was certainly a terrible arraignment of the city council - see Pages 7 and 8 of the Decision sent you yesterday.

The Santa Fe are perfectly wild in their efforts to sell the Lake Hodges system to the city. You would die laughing to see how friendly they are to me now, -- but I don't think it is in the cards.

Yours sincerely,

EF:KLM

June 20, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Answering yours of June 19th, you beat me to it! I agree with you absolutely. Let's get everything in escrow, get Brown to put Mrs. Murray's deed in escrow with the Southern Title Guaranty Company, see what that escrow consists of, and then fight it out after the papers are in escrow.

I have been working with the Southern Title Guaranty Company almost day and night, also our engineer, Mr. Shropshire, for nearly a week. I got them to draw up all the papers and get their attorneys to interpret the contract, our agreement, with the result that the title company says the property rests in my name, and a public utility, that my wife and I should deed individually and I should deed as the sole surviving partner.

They have drawn up the papers for signature, and the escrow as well. Copy of the escrow is herewith attached.

Enclosed find clipping from this morning's Union which gives us a shock. It is intended to bust up the morale of the district. My son reported to me yesterday some rumors from the district that are disquieting in case even the condemnation suit should go against us. It comes from Mr. Carroll Smith of the La Mesa Scout. I do not know how serious it is, but the emergency is so great, and following the instructions of the Southern Title Guaranty Company, that I will sign the papers prepared by their attorney unless I hear from you by Monday, and place them in escrow. Enclosed find copy of letter that I have written Mr. Brown.

Yours sincerely,

EF:KLM

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST ~~INVESTMENT~~ BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
22nd
1925

My dear Colonel Fletcher:

In looking over the Order of the Railroad Commission, authorizing the sale of Cuyamaca to the District, I note among the conditions, the following:

"2, That the authority herein granted shall apply only to such transfer as shall have been made on or before sixty (60) days from the date of this order, and a certified copy of the instrument of conveyance shall be filed with this Commission by said Ed Fletcher within thirty (30) days from the date on which it is executed."

I am wondering just what the legal effect of this condition may be? I presume you do not anticipate that the transfer will be concluded within sixty days? QUERY: Have we met this condition when we place our deeds in escrow or must we go back to the Railroad Commission for a continuance of this Order?

Sincerely yours,

Colonel Ed Fletcher,
San Diego, Calif.

June 22, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

I was amazed today to have Mr. E. J. Burns, the efficiency expert and Assistant General Manager of the San Diego Electric Railway Company, under Claus Spreckels, strike me for a job. He told me the following:

That within the last few months a committee in San Francisco has taken full charge of the A. B. and John D. Spreckels interests, John D. appointing three, Mrs. A. B. Spreckels three, and the seventh one on whom they agreed was a man by the name of Hannen, who has been in charge of all their sugar plants.

That this is a trust; that he is a controlling factor and he is playing ball with Mrs. A. B. Spreckels, with the result that John D. is absolutely powerless.

There is a committee of five here who can only recommend to San Francisco. That five consists of Belcher, Clayton, Mercier, Mrs. A. B. Spreckels' brother and Claus Spreckels. Claus Spreckels is chairman, but the control even down here is favorable to Mrs. A. B. Spreckels.

That Hannen and Mrs. A. B. Spreckels have no interest in future development and investments. They want the revenue. They are insisting upon taking \$2,000,000 out of San Diego, as well as \$2,000,000 out of their San Francisco interests, to take care of the \$4,000,000 inheritance tax that the A. B. Spreckels Estate must pay.

That the San Francisco committee has absolutely fired Burns and Claus, that for a month they have had no authority whatsoever and a young fellow by the name of Watson has been put in Claus' place. Burns is out entirely probably the 1st of July and is looking for a job -- that Belcher, Clayton and Mercier are working together, are in control of the situation here and have a darn sight more to say than Mr. Spreckels himself. They have John D. tied up in a knot.

A short time ago at the Sciots meeting, John D. denied any such situation publicly to the Sciots and that he was proud of his son, Claus, that he was carrying out the John D. policy, making good, and he would stay with him to the bitter end. A week later John D. went to San Francisco with fire in his eye, and told Claus and Burns that he would straighten everything out, for Claus to go back to the management of his interests here as heretofore, and that inside of a week conditions would be satisfactory to Claus. Burns said the old man came back with his "tail between his legs" a week later and told Claus he better take the situation as it is, that things would have to remain "as is", so Claus is put on the shelf. To sooth his feelings he was put on as chairman of the committee here, which can only recommend and spend nothing, -but he does not even control that committee!

Burns went on to say that three of the city council, whose names you know, called on MacMullen and said they were going to fight the proposition of the compromise between the district and the city and they forced MacMullen to switch. Burns also told me that the Spreckels people had so many things to ask of the city council that they have to back up the majority of the city council in whatever they want. Burns told me definitely he know the day and the hour when the city council told MacMullen he had to switch, and indicated that the council had the goods on MacMullen. The next day after the meeting between the three councilmen and MacMullen, the Union came out in its attempt to bust up the proposition.

Burns has been with them for 10 years, was right hand man to Claus Spreckels, is drawing \$20,000 a year salary. He says that over 150 men have been let out in the last three months in the Spreckels organization.

It was only a few weeks ago that the rumor was around town that Spreckels was going to withdraw entirely from San Diego. It forced John D. to come out in the paper publicly denying the rumor. I look for a grand old bust-up between Mrs. A. B. Spreckels and John D. and endless litigation in the near future.

The plot thickens!

Yours very truly,

EF:KLM

June 22, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find copy of the contract for your office files so that you can put the original contract away for safe keeping.

Yours very truly,

EF:KLM

June 23, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find clipping from this morning's
Union which is explanatory. It shows how badly the city
wants the Guyanaca System, and our freind, Frank Bolcher,
is determined that the district shall not get the System,
I am sorry to say.

Yours very truly,

EF:KIM

Dictated June 22d

June 23, 1925.

Mr. C. F. Stern, Vice, pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find statement in the paper which
confirms what Burns told me two or three days ago. I am
sorry for Claus.

Yours very truly,

EF:KIM

THE FIRST NATIONAL BANK OF LOS ANGELES
PACIFIC-SOUTHWEST TRUST BANK
FIRST SECURITIES COMPANY
LOS ANGELES

CHARLES F. STERN

June
23rd
1925

My dear Colonel Fletcher:

I have just had a telephone message from the Sheriff of San Diego County, who tells me that he has a subpoena for me to appear before the San Diego County Grand Jury on Thursday, the 25th. He was very courteous about it and wanted to know whether I would come down or whether he should send the Summons to me.

I told him I was going to San Francisco tonight and would not return until the latter part of the week and it was out of the question for me to be there on Thursday. He said the matter was not urgent to the extent that a few days more or less would matter and it would be all right if I could come down early next week.

I promised to telephone him on Saturday.

I presume we both know what he wants and I certainly do not want to appear before that Grand Jury. As a matter of fact, I do not think the Grand Jury should subpoena me; I have not appeared in the local situation down there and they have no legal reason for believing that I have any information of value to the Grand Jury.

I have seen you work miracles before. Don't you think that maybe you had better work another one now and head this thing off before I telephone the Sheriff on Saturday?

With best personal regards, I am

Sincerely yours,



Colonel Ed Fletcher,
San Diego, Calif.

June 23, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Confirming my conversation with you yesterday afternoon, both Crouch and Sanders have urged that I be on the stand to testify that the deed has been put in escrow with the Southern Title Guaranty Company.

I have had the Southern Title Guaranty Company prepare the deed to the District and had it checked over by Messrs. King, the engineer of the District, Harritt, our superintendent, and our engineer Mr. Shropshire. I have gone over it up, down and sideways myself as well until I am black in the face, but if there are any errors crop up in the next thirty days the title company will let us correct them.

Inclosed find copy of deed and escrow.

Yours very truly,

EF:AH

June 24, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find telegram from Brown and also copy of my telegram in reply.

I was mighty glad that Brown has agreed to put Mrs. Murray's deed in escrow now. Kindly write a letter to Mr. Brown authorizing the deeding of the property to me, otherwise it will simply necessitate the making out of a new deed and executing same, and going to extra expense and trouble.

The title company says that there is no legal requirement for you and Mrs. Stern to sign the deed to the La Mesa Irrigation District, however, if the District demands it, and you feel that you and your wife should sign the deed, the Southern Title Guaranty Company will send it up there immediately for your signature.

I leave this matter to your good judgment.

Yours very truly,

EF:KLM

Not reviewed
after dictation

June 24, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find copy of letter from Capt.
Reid that is explanatory. I will see you in Los
Angeles some day soon. I hope you will be able
to go out there the middle or last of next week.

Yours very truly,

BF:AH

June 27, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find clipping from this morning's
paper showing that Hannen is in charge and John D.
himself is out.

Yours very truly,

BF:KIM

July 6, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

Enclosed find copy of telegram that is
explanatory. I will either telephone you or get in touch
with you Tuesday in relation thereto.

Until things clear up here I don't see how I can
give the proposition any attention, but will talk it over
with you.

Yours very truly,

BF:KIM

July 6, 1925.

Mr. C. F. Stern, Vice-president,
First National Bank,
Los Angeles, California.

My dear Frank:

I had a talk with Higgins, the city attorney,
on Friday. He said that neither he nor the city council
know anything about the acceptance by the state engineer
and the Board of Directors of the district of Rhodes'
plan of dividing the waters of the river, and he had no
idea that the letter from McClure to the Mayor existed.

Something is sure going to pop, because the
Mayor has kept that from being made a public record. I
had a talk with Fred Stearns, the attorney for the district,
about the Smiley-Crouch incident.

Stearns says that both parties are to blame, that
all four attorneys had assigned to him certain arguments.
They figured it would take three or four days to present them.
The Judge in advance asked how long they were going to take
and then limited them to a day and a half. Out of courtesy
to Smiley they gave him the first opportunity to talk
the first afternoon, and the other three were to use the
next day. Smiley used up his afternoon, and then insisted
upon another hour the next day. Mr. Stearns said he told Smiley
to go ahead and use up his time, an hour and a half the next
morning.

Mr. Smiley used the hour that he asked for and was
still talking - that Crouch got up quietly and went to Mr.
Smiley and showed him a telegram and whispered that his
time was up. Mr. Smiley kept talking. Fifteen minutes
later Mr. Crouch did the same thing again, very quietly.
Mr. Smiley paid no attention and kept talking. Again fifteen
minutes later Mr. Crouch quietly went up to Mr. Smiley and
whispered to him he had used up an hour and a half, all of
Mr. Stearns' time. Again Mr. Smiley paid no attention, but
kept talking, and then about quarter to eleven Mr. Crouch
took the bull by the horns and went up to Mr. Smiley and told
him publicly that he was chief counsel and that Mr. Smiley
would have to stop, as the others desired to say something.

Mr. Fred Stearns feels that Crouch could have handled the matter a little more diplomatically, perhaps, but Crouch got the idea it was the only way to stop Mr. Smiley - to treat him rough, and he thought he had extended every courtesy one man was entitled to.

I do not take sides either way, but it seems to me Mr. Smiley should have confined himself to his original agreement of the day before, and should have, in any event, quit when he had used up all of Mr. Stearn's time as well. Mr. Smiley certainly is a good man when it comes to law, but he is an absolutely poor stick when it comes to presenting his case, because of the impediment in his speech, which very much detracts from the force of his oral argument. I am certainly sorry for the whole thing. The episode was played up in the San Diego papers, much to our embarrassment, and it was doubly so when Mr. Cosgrove publicly offered to give Mr. Smiley part of his time. That was the most insulting thing of all.

Yours sincerely,

EF:KLM

J u l y
1 7
1 9 2 5

Mr. Charles F. Stern,
First National Bank,
Los Angeles,
California.

My dear Frank:

Inclosed find letter from Mr. A. J. Crookshank, President of the First National Bank of Santa Ana, which is explanatory. I will see you later in relation thereto. Whenever you can be of service to my friend, Mr. Crookshank, do not hesitate to go the limit.

Very sincerely,

EF:F

July 18, 1925.

Mr. C. F. Stern,
Mammoth,
Mono County, Calif.

My dear Frank:

Inclosed find copy of letter to Mr. Griffith in charge of the Silver Lake Power Plant.

You can run over to Silver Lake in an hour and a half by machine. Telephone over in advance and let Griffith know when you are coming. Take your fishing tackle along, mostly spinners. Griffith will make the arrangements to take you up the tramway to Acme Lake, and then it is a three-quarters of a mile walk up to Gem Lake where in the middle of the day you can get the best fishing ever. There is an old man there who rents you boats. My suggestion is you take along your luncheon, get Griffith to reserve some boats for you, and you will have the finest fishing of your young life.

Regarding San Diego affairs, Belcher is taking the lead and a compromise is being worked out that I believe will make you happy. Will keep you posted. No other new developments.

Mrs. Fletcher arrives home tonight with the boys.

I had a conference with Smiley, and he agrees with me in the matter of giving an option to the District that we should be fully protected by a contract. Crouch says that our present contract with the District is all that is necessary. I don't agree with him. In the mean time we are trying to agree with the District on the amounts of principal and interest that we have invested in the system since the original option, and will have things in good shape on your return.

July 20, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find copy of letter from Crouch. What do you think of this?

Yours very truly,

EF:AH

I just hope that you have the time of your life up there and by all means make this trip up the tramway and tell the Mrs. that I am thinking of her as she goes up that 4500 foot mountainside on the tram. She will get the thrill of her life as well as the rest of you.

With kindest regards,

Very sincerely yours,

EF:AH

July 23, 1925.

Mr. Charles F. Stern,
Mammoth,
Mono County, Calif.

My dear Frank:

Inclosed find copy of letter from Brown together with contracts signed in duplicate holding Brown harmless in relation to the Murray \$100,000 outlawed note, all of which is explanatory. Kindly sign and mail to Mr. Brown if it meets with your approval.

Mr. Mathews under oath has verified the statements therein contained and I have certified that everything is as stated in relation to the \$100,000 note and mortgage, and this agreement is according to the records.

Yours very truly,

EF:AH

July 27, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find clipping from the San Francisco Chronicle which perhaps Senator Flint ought to see. Mrs. A. B. Spreckels is in complete control, owning 48% of the stock and in a working agreement with William Clayton who owns 4%. That leaves John D. Spreckels a minority interest of 48% and Mrs. Spreckels and Clayton are making a clean house of it.

Yours very truly,

EF:AH

July 27, 1925.

Mr. C. F. Stern, Vice-Pres.,
First National Bank,
Los Angeles, California.

My dear Frank:

Inclosed find copy of letter from Mr. Harrison of the Attorney General's office that is explanatory. I am going at it another way now.

Yours very truly,

EF:AH

Ed Fletcher Papers

1870-1955

MSS.81

Box: 27 Folder: 28

General Correspondence - Stern, Charles F - 1925



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