

# La Grande Evening Observer

VOLUME VII.

LA GRANDE, UNION COUNTY, OREGON, SATURDAY, JANUARY 9, 1909.

NUMBER 75.

## BOND MATTER KNOTTY PROBLEM

### ARE BOND MONIES PREFERRED CLAIMS?

County Court Wrestling With Proposition Growing Out of Failure of the Farmers & Traders—No Definite Action Taken—Ivanhoe Advises the Court—Drawing Jury List is No Small Task—Being Done This Afternoon.

The time of the county court was taken up this morning with drawing the jury list for the circuit court. To those not conversant with the duties implied with this task, it seems a simple and light official matter, but to the court upon whom this obligation falls, it means a day of close attention and painstaking effort, and to the taxpayer of Union county it is also an important matter. From the list drawn today men must be selected who will be called upon to pass upon difficult litigation and it is not altogether unlikely that some of these prospective jurors may be called upon to weigh evidence against human life. The county court, with the assistance of County Clerk Ed Wright, is making every effort to secure a jury list composed of reliable and representative men from each precinct, men who will not allow person prejudice and desires to have consideration, and render judgment strictly upon the evidence presented to them.

**Bonds Discussed.**  
Just before the noon recess District Attorney Ivanhoe met with the court, and upon request, advised the court with reference to the rights of the county regarding the collection of the bonds of those officers who had deposited funds of the county with the defunct Farmers & Traders' National bank. There has been considerable talk about the county money deposited in the defunct bank ranking as pre-

ferred claims, and it was upon this question which the court wished the advice of the district attorney. His advice was to the effect that so far as the county is concerned it mattered not whether the claims could be construed as preferred or not, and as a matter of fact the county was not in position to hold the bank responsible at all, but the officers or their bondsmen alone were liable for whatever loss might occur. It was his opinion that the county had nothing whatever to do with the settlement with the bank, and that if the county court saw fit to assist the officers and bondsmen in collecting from the wrecked institution they should first protect the county from any possible loss, and this could only be satisfactorily done by a good and sufficient bond given by the bondsmen. He advised the court to lend itself to no legal entanglement which could in any way result in the loss of any of its present rights. The question of preferred claims is a deep one, and one which is far reaching in its effects. The best legal minds in the county differ regarding just what constitutes a "preferred claim," and some interesting legal battles will undoubtedly be the result before the affairs of the bank are finally wound up. While this matter was under discussion, County Clerk Wright, who is also interested to the extent of nearly \$1200, having deposited that amount for which he is responsible by virtue of being clerk of Union county, announced that he would make no attempt to enter his claim as preferred, but would allow his claim to take the natural order of procedure and sustain the loss, whatever that may amount to. Just

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## EXTREME COLD AND BLIZZARDS

### GREATER DROP IN MERCURY PREDICTED TONIGHT.

Coldest Night This Winter and Severe Blizzard Combine to Make Life Disagreeable—Bursting Water Pipes are Numerous—No Wind Flurry Due, But Settled Cold of Extreme Character is Predicted—All Indications Point to This Tonight.

The coldest night this year, accompanied by a blizzard of the worst type, made the night of Friday, January 8-9, one long to be remembered in this city. The government thermometer registered 5 degrees below zero between dusk and daylight today, and it was close to the noon hour before it again resumed an "above zero" standing. Coupled with the sharp wind blowing the blinding snowstorm, all people on pleasure-bent failed to go far. By midnight the storm had abated but the mercury kept dropping.

**Colder Tonight.**  
Government machines and telegraphic weather reports all point to an extremely cold night tonight. Weather Observer Worstall affirms that last night's record will be more than equalled this evening, unless a sudden change for the warmer takes place. Observations indicate that the blizzard winds are passed.

**Plumbers Busy.**  
Zero weather meant many a bursted water pipe in La Grande. Admittedly the coal man is a busy mortal today, but his career is a simple life compared with the woes of the plumber, who has untold orders to attend to, and most disagreeable weather in which to ply his vocation. But what is worse than the woes of the housewife who is stranded amidst broken water pipes? Many were overtaken unprepared.

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## PROBLEM FOR THE COUNCIL

### WHICH IS THE RIGHT COURSE TO TAKE.

Under Existing Circumstances the City Council is Discussing Whether or Not to Accept Bid of American Light & Water Company, or Advertise for Bids—The 20th of This Month Will Decide the Matter Relative to Sale of Bonds.

The city council has a problem that it will have to work out between now and the 20th of this month, which will require considerable thought before final action is taken—the Beaver Creek water project. The council and the people are quite anxious that this water system be completed this year. With that object in view the council advertised the sale of the bonds last fall and supposed it had them sold. There was only one bidder and that firm, as far as the council is concerned, has disappeared from the face of the earth. Registered letters have been mailed it, and telegrams sent, but no replies have ever been received.

At a special meeting a resolution was passed ordering the recorder to notify the company that unless they perfected the purchase the bond contract would be declared off, and there is every indication to believe that when the 20th arrives the \$160,000 bond issue will remain unused, and the city is no nearer the construction of the water system than it was several months ago; for, in the natural order of things, the entire proceedings would have to be gone through with again, the advertising for bids for the sale of the bonds, and until the legal time for advertising had expired and the bonds sold, the city could hardly expect to advertise for bids for the construction of the system until the contractor knew that his money was available. Some of the councilmen believe that if the bonds have to be sold again, through advertising again for bids, it simply means that nothing will be done this year.

**It Can Be Constructed.**  
It seems that notwithstanding the disappointment at the failure of the Chicago bond buying company to complete the deal for which they negotiated, that the American Light & Water company has come to the city's rescue and submits an offer to construct the Beaver Creek pipe line according to the survey and specifications made by Engineer Pickler for a stated sum of \$146,000, and will accept in payment therefor, city bonds. In as much as this is less than the amount of the bonds voted for this project by \$14,000 and this bid is less by about \$2000 than the engineer's estimate, it looks as though this company is a guardian angel sent to us at the opportune time, and it may be. The council evidently so considered it the other night, when it passed a resolution to accept the bid of the American Light & Water company. If the Chicago bond buying firm did not take the bonds by the 20th.

**The Objection.**  
Since the passage of the resolution at the last meeting of the council some of the councilmen see that they may have acted rather hasty, and a number of property holders take a similar view that before so large a contract as this is let that bid for constructing the same should be advertised for, and ascertain whether this is the best possible bid to be obtained, in open competition. Some are making serious objections to the proposed plan, and cite the fact that this same firm on a previous occasion offered to take the entire issue of \$160,000 and put in the system. Now the same company, of its own volition, reduces its former bid \$14,000. The question is, what bid might this same company submit in competition with other contracting firms, or what the bids might be submitted if other contractors had the privilege of submitting bids. The whole thing in a nutshell is, if the bonds are to be re-advertised and

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## NEW BANK OPENS MONDAY MORNING

### E. O. T. & S. BANK CLOSED DOORS FOR GOOD TONIGHT.

United States National Bank Will Transact Business Next Monday Morning—Takes Over All Business of Retiring Institution—Checks on Trust Bank to Be Honored at New One—No Inconvenience to Either Old or New Patrons.

**Bank Officers.**  
President—N. K. West.  
Vice-President—Wm. Miller.  
Cashier—T. J. Scroggin.  
Assistant Cashier—H. E. Coolidge.  
Clerk—Charles Harding.  
Directors—N. K. West, C. T. Bacon, A. T. Hill, T. J. Scroggin, J. L. Caviness, Frank Conley, William Miller, E. P. Staples, and H. E. Coolidge.

At 4 o'clock this afternoon the Eastern Oregon Trust & Savings bank went out of existence and at 9 o'clock Monday morning the United States National bank will open its doors in the building formerly occupied by the defunct Farmers & Traders' National bank. This announcement is officially made today, following telegraphic instructions from the comptroller of the currency at Washington. The new bank opens with a capital stock of \$100,000, and will conduct the routine business coming under the scope of any national bank. In the bank as assistant to T. J. Scroggin, the cashier, will be H. E. Coolidge, of the Coolidge paint store. Both men are well versed in the principles of banking and accounting. Charles Harding, now doing clerical work for the Eastern Oregon Trust, will also be included in the office force.

Slight delay has been experienced in opening the new banking institution, due to a congested condition of the comptroller's office, but next Monday morning will find the new institution doing business, though the opening hour is approximately a week later than first planned. The event will not be marked by any ceremony or inconveniences to the patrons of the disappearing bank or prospective patrons of the new one.

**Assume the Other Bank.**  
The United States National bank will quietly and without inconvenience to any one, take over the business of the bank which tonight went out of existence. Checks drawn on the Eastern Oregon Trust will be honored in the new bank as they would be in the retiring one. All drafts will be treated likewise. All obligations and liabilities have been assumed as well. The retiring institution has been doing business nearly three years, and withdraws after having enjoyed a lucrative business.

**Seeks Missing Murderer.**  
San Francisco, Jan. 7.—Believing Dwight E. Clough murdered his mining partner, Jefferson D. Etter, in Honduras three years ago, Miles Wallace, a former district attorney of Fresno, Cal., is seeking the fugitive on the Pacific coast. The Honduras government has refused to grant extradition papers for Clough. The state department is helpless to act. It is believed he is now in Portland.

## FUEL IN ABUNDANCE KAMELA WOOD IN HUGE LOTS; MANY CARS.

Kameka, the Wood Center, Has an Abundance of Fuel and Easy Car Service—Local Coal Dealers Feel No Alarm About Coal Famine This Winter, They Say.

Kameka, Jan. 9.—(Special.)—With great ricks of fine wood standing near the tracks here, and O. R. & N. cars in abundance to convey the fuel to La Grande, there is no danger of a fuel famine in the county metropolis in the event that the present cold snap should be a continued one. With the mercury eight degrees below zero, and two feet of snow covering the ground, woodhewers find conditions favorable for speedy work in the woods. The

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That the Standard Oil company is soon to make some changes in the housing of their tank and oil house is evident. Recently the city council notified the company that the present tanks must be removed from the city limits or properly housed. As the present site of the tank is in the city limits the company must either move or build a brick structure large enough to house their tank and oil house. A representative of the com-

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## JANUARY SALE

With us Means

## A Saving Sale

Furthermore it Means

## All Mdse. Reduced

It means your opportunity to buy winter goods

**The Tailor**  
DEPARTMENT STORE

LA GRANDE, OREGON