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VOLUME 6, NUMBER 46

HOOD RIVER, OREGON, WEDNESDAY, NOVEMBER 16, 1910

SUBSCRIPTION, \$1.50 A YEAR

Temporary Ruling In City Water Bond Suit

Court Decides It Has No Jurisdiction But Allows Complaint to Be Amended--Says Pri- vate Bond Sale Is Illegal According to Charter

New interest and a new turn to the water bond injunction suit which is being heard by Judge Robt. R. Bean in the United States court in Portland, was added to it during the past week by a temporary decision in the case and also by the withdrawal of Mrs. Pearl Morton from the suit. In withdrawing Mrs. Morton alleges that she was induced to enter the case by undue influence; that she knew nothing about its merits except what she was told and became a party to the suit on representations made by C. D. Nickelsen, Leslie Butler, C. M. Wolfard and J. W. Morton. Her withdrawal does not affect the status of the suit materially.

In giving a temporary decision Judge Bean cites that while it is shown that the first and second proposals to sell the bonds were advertised no advertisement was made preceding the secret contract which was entered into by the city with Keeler Bros. to sell the bonds at 6 per cent and the additional inducement of a bonus. He further adds that a sale without such advertisement is unauthorized and void and in defining the reason for this decision says:

"The object of the provision requiring bonds to be sold after public advertisement and to the highest bidder is to prevent favoritism, corruption, extravagance or improvidence and is generally held to be mandatory. The fact that the defendants were unable after public advertisement to dispose of twenty or twenty-five year 5 per cent bonds would not authorize them to sell without publicity or competition bonds bearing a different rate of interest and payable at a different time, contrary to the requirements of the charter.

"But upon the record as it now stands the jurisdiction of this court is not sufficiently shown to authorize its interference in the matter. In a suit brought by a taxpayer to enjoin the issuance of bonds by a municipality the jurisdiction of the federal court is determined by the amount of taxes the complainant would be compelled to pay in discharge of the proposed indebtedness and the amount of the bonds. A preliminary injunction should not, therefore, issue but I will allow the complainant ten days for the purpose of amending his complaint. In the meantime the restraining order already issued will continue."

An affidavit in the case of more than passing interest is one made by C. K. Williams, manager of the firm of Morris Bros., the largest bond buying house in Oregon. Morris Bros. now hold the high school and other local bonds. Mr. Williams recites that the city's action in contracting to sell the water bonds at 6 per cent and a bonus of \$1,000 is absolutely unnecessary and unfair to the taxpayers and says that Morris Bros. bought the Hood River school bonds in the spring of 1908 when the money market had not yet recovered from the financial panic of 1907, taking them at 5 1/2 per cent and paying a premium of \$455. He says that the experience of his firm is that bond buyers are less willing to buy water bonds where there is a competing private water plant and adds that if the competition of the private water plant could be eliminated he is of the opinion that the bonds could be marketed at 5 per cent and could have been so marketed in the month of August 1910. Continuing he avers in the affidavit that even with the competition of the private water company he is of the opinion that the bonds could be sold at par if they bore 5 1/2 per cent interest and that he is satisfied that the issue of \$90,000 in 6 per cent bonds could have been readily sold at a substantial premium if they had been advertised; he says that his firm has been anxious to bid on the city water bonds and did bid on them when offered at less than 6 per cent and the bid was not accepted.

The bid referred to by Mr. Williams is the one made by Morris Bros. February 15th, and if accepted would have effected a saving of \$15,000 over the contract entered into with Keeler Bros.

Mr. Williams goes on to say that during the month of September or late in August he heard a report that

a contract had been entered into, in one of the local barrooms in Portland, between a member of the city council of Hood River and a member of Keeler Bros. for the sale of \$90,000 in water bonds at 6 per cent, and that he wrote to Mayor McDonald asking for information and received no reply. That he then wrote to the city treasurer and city recorder, but received no definite information from either of them, except that the latter stated that the city was considering re-advertising the bonds.

This was on Sept. 17th, when the contract had already been signed on August 5th, according to a notation in the city recorder's books.

Mr. Williams, in concluding his affidavit, says that in his opinion the profit of Keeler Bros. on the contract will be \$10,000 to \$12,000. That he still believes that the water bonds of the city of Hood River, bearing the interest and containing the terms called for by the contract of Keeler Bros., would readily sell at a substantial premium, and that Morris Bros. are still willing to bid on the bonds if they are offered for sale in accordance with the terms of the Hood River municipal charter.

Ten days are allowed the complainant to amend his complaint.

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CROSSED IN LOVE GIRL TAKES LIFE

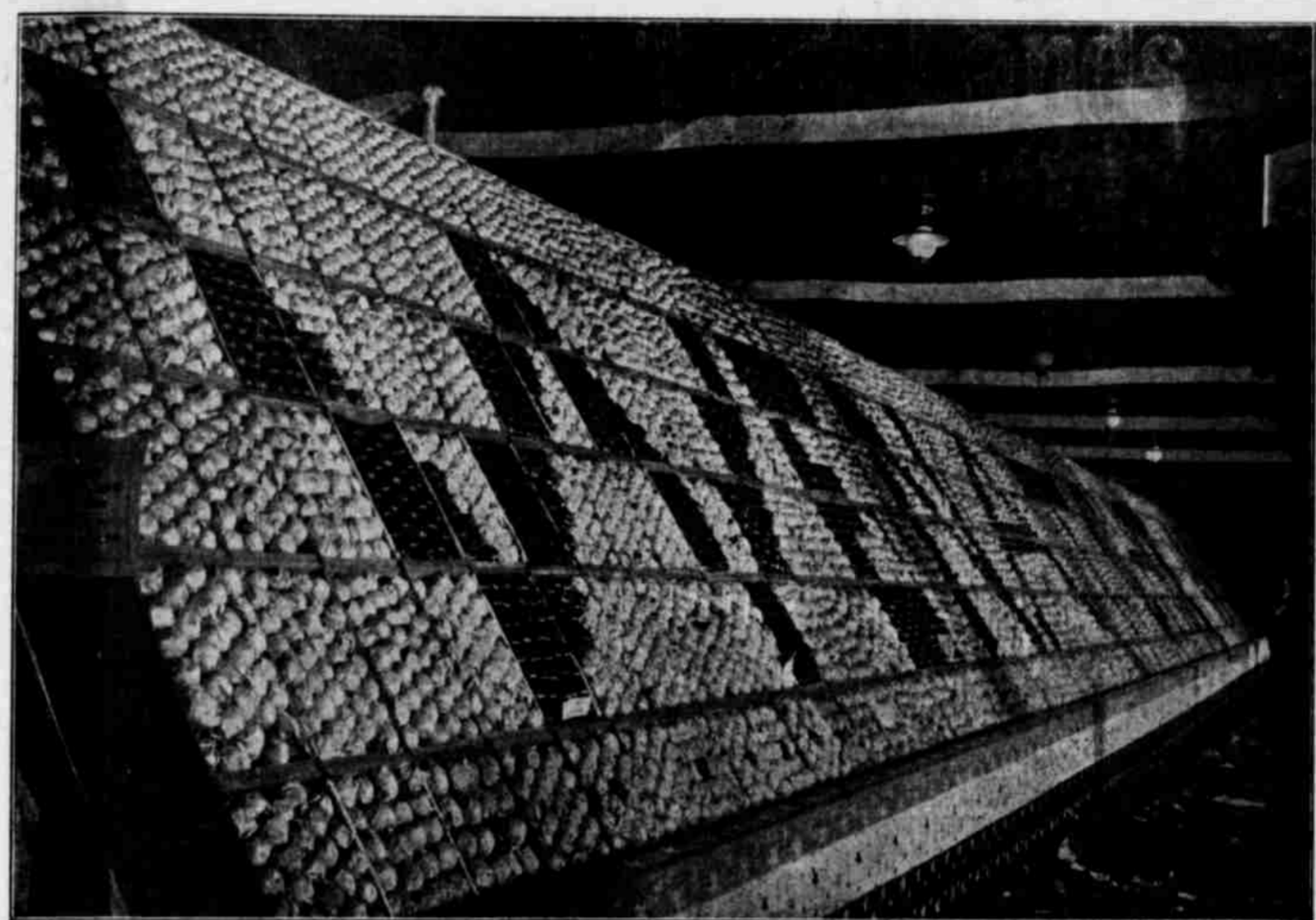
Fully dressed, Ruth Southworth, a domestic employed in the home of Councilman George I. Slocum, was found dead in her bed Wednesday morning by Mrs. Slocum, when the latter went to awaken her. Although the cause of the girl's death has been investigated by physicians, it has not as yet been determined. It is believed, however, that she committed suicide, as a note was found by Coroner Edgington which read: "Mrs. Slocum, phone to my aunt, Mrs. S. M. Conrad, and tell her my predicament."

The aunt referred to lives in Hood River, but says she is unable to throw any light on the sudden and mysterious death of her niece. A bottle of chloroform was found hidden in a bureau in the room, but the physicians say that it would not have been possible for Miss Southworth to have killed herself with it without its presence being detected on her body. She is believed by the coroner to have taken an opiate.

The Southworth girl had been in Mrs. Slocum's employ but two days. Tuesday night Mrs. Slocum entered her room to give her some instructions and found her taking a bath. She afterwards carefully dressed herself and is believed to have taken morphine. The girl was 17 years old and attractive.

Later investigation into the motive that caused the young girl to take her life is said to have developed a love affair in which she had met disappointment. She is said to have had despondent moods on this account and to have frequently said

THE KIND OF COMPETITION HOOD RIVER HAS AT NATIONAL APPLE SHOW, SPOKANE, THIS WEEK



A WENATCHEE EXHIBIT LAST YEAR

that she wished she were dead. Her home before coming to Hood River was in Oklahoma. The body, after being held for investigation, was buried Friday afternoon, services being held at Bartmess chapel.

National Apple Show Opens For Big Event

Carload Exhibits From Yakima, Wenatchee and Ashland Compete With Hood River Fruit --Visitors Award Valley Apples First Honors

Word from Spokane is to the effect that Hood River's apple display at the National Apple Show, which opened at Spokane Monday, is in a class by itself and should capture added honors for the valley. The opening of the show was made manifest by the tooting of factory and engine whistles, ringing of church bells and other noisy demonstrations.

C. H. Sprout, manager of the Hood River Apple Growers' Union, who returned from Spokane Monday morning, says that about seventeen cars of apples are on display in competition with Hood River. Seven of these are from Tappanish, in the Yakima valley, and are being displayed by Richey & Gilbert, the large fruit shippers. Several other cars are also exhibited from other sections

of the Yakima valley. Wenatchee is exhibiting a fine car of Spitz from the Cashmere district and Ashland a car of extra fine Newtowns. Mr. Sprout says that the car of Spitz from Wenatchee, the Ashland car of Newtowns and Hood River's car of Spitz and Newtowns are the only cars in the display in which there is any competition and the Hood River apples should take the sweepstakes and carload prizes.

The Ashland and Cashmere apples, the Union manager declares, are as fine fruit as anyone could wish to see, and dispel the idea that Hood River is the only place that can grow fine apples.

The display, taken as a whole, Mr. Sprout says, is not quite as large as the one last year, but in addition to the carload exhibits there are a very large number of small exhibits of exceedingly fine pack and quality. He says he heard people going about saying: "Well, there is no mistake about Hood River being here this year with both feet."

The decoration for Hood River's exhibit is said to be the finest ever made at Spokane, the electrical display being a very attractive feature. In addition to rows of incandescent lamps around the exhibit and the name in lights over both cars, they are trimmed and festooned with Oregon grape.

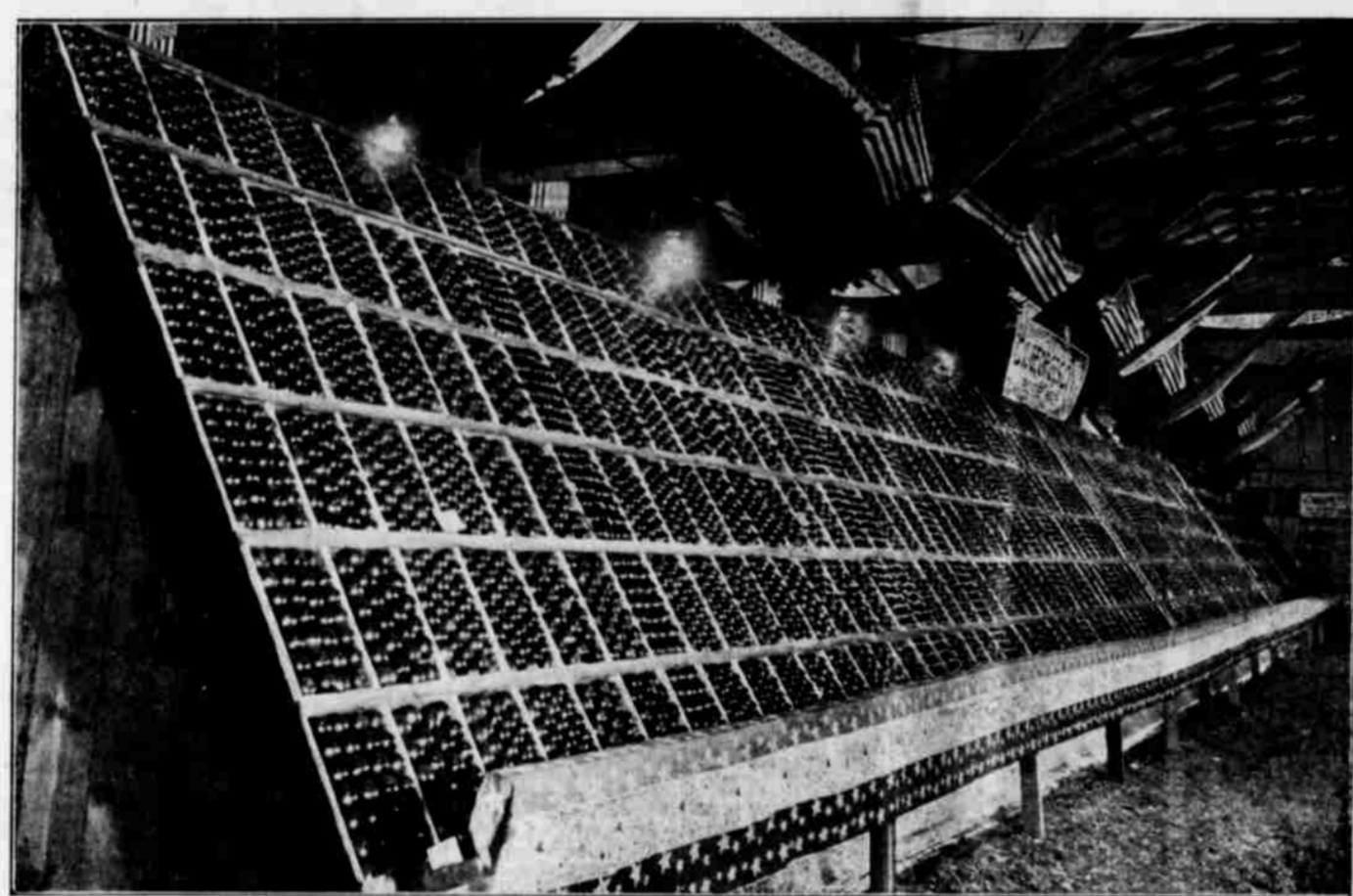
A car load of Hood River people will leave here Thursday night at the suggestion of Chas. Hall, president of the Commercial Club, to be at the show Friday when the prizes will be awarded and it is urged that everyone who is going to the show be there on that day and make it the Hood River day. A special car has been engaged to take the Hood River people to Spokane and it will leave here Thursday night, giving visitors from here Friday at the show and returning so as to bring the party home Saturday morning.

Among those who have signified their intention of going are A. T. Allen, Frank A. Cram, W. G. Palmer, Truman Butler, E. R. Moller, Crawford Lemmon, Joseph Hall, M. F. Shaw, Shelley & Shelley, R. E. Young, V. Winchell, C. A. Platt, C. L. Wheeler, E. O. Blanchard, J. E. Montgomery, R. E. Bartlett, Chas. Hall, P. S. Davidson, R. E. Laraway, C. K. Marshall, B. E. Dunan, C. H. Vaughan.

To Observe Holidays
In accordance with a resolution of the Hood River Merchants' Association all business houses will be closed and observe the following holidays: Thanksgiving day, Christmas, New Year's Day, Jan. 1st, Washington's Birthday, Feb. 22, Memorial Day, May 30, July 4th.

Notice--Stores will be closed all day on Thanksgiving Day, Thursday, Nov. 24th.

By order of the Association.



ANOTHER WASHINGTON EXHIBIT AT THE LAST APPLE SHOW

HOOD RIVER PRODUCT TAKES FIRST PRIZE

Hood River scored a victory on the only exhibit it had at the Canadian Apple Show by winning first prize on both cider and vinegar. The product was manufactured by the Hood River Apple Vinegar Company and was entered by Walter Donnelly as agent for the company. On the prestige gained at the show by the Hood River product, Mr. Donnelly sold a carload of cider to a Vancouver firm.

The Apple Vinegar Company will put out the greatest amount of its product in its history this year, and is shipping it to Portland, San Francisco and Vancouver, and its reputation for fine quality is fast spreading over the Pacific coast. For the first time since the factory opened, it is being supplied this year with a sufficient number of apples to insure this big output.

SALE OF WATER PLANT MEANS ELECTRIC LINE

A. Welch, representing the capital behind the company which recently bought the property of the Hood River Electric Light, Power and Water Company, has placed in

the hands of the city authorities a communication offering to sell the city water system.

As yet no action has been taken on the offer other than to place it on file. Mr. Welch, as the representa-

tive of big electric light and power interests on the coast, is the man who built an electric line running out of Vancouver, Wash., into the country districts, recently, and a line running out of Corvallis, and other rail-

road projects in the state. He also projected and built the electric roads at Yakima and Wenatchee, which were afterward sold to the Pacific Light and Power Company, which secured a franchise at The Dalles.

Events of World Wide Interest Pictured For Busy Readers



PRESIDENT TAFT TO INSPECT PANAMA WORK AGAIN



JOHN B. MOISANT



WILLIAM S. TAYLOR

News Snapshots Of the Week

President Taft's inspection of the Panama canal will be one of the most important moves of his administration. The question of the annexation of Panama and the fortification of the canal are two of the points he will consider while on his tour of inspection. Three aeroplanes flew around the statue of Liberty and back to Belmont park, John B. Moisant, American, winning \$10,000 prize in 34 minutes 38 seconds; Graham White, English aviator, second. The next day Ralph Johnstone arose to the record altitude of 9,714 feet. The revolutionary feeling in Spain is in danger of bursting the bonds of the king's control. After many years in exile ex-Governor Taylor of Kentucky, who left the state when Goebel was assassinated, has returned, vindicated.



KING AND QUEEN OF SPAIN