

KEELHARER'S PLAN MIGHT BE WISE

City Attorney Reports Adversely on Public Utilities Certificates Issue

BOND SALE MIGHT BE HAD

Authority of People, Given by Votes, Would Be Necessary Before City Might Place Bonds on Market, Attorney Says.

The plan of financing the purchase of the United Railway Line from Portland to Linton, through the sale of public utility certificates, as suggested by City Commissioner Keelharer, is fraught with many difficulties, uncertainties and is of doubtful validity, according to an opinion of City Attorney La Roche and Deputy City Attorney Tomlinson, submitted to the City Council yesterday.

The opinion states that the construction and operation of such a line could be financed by a sale of bonds to the city of Portland, but such a bond sale would first have to be authorized by a vote of the people.

City Liability Not Escaped.

Mr. Keelharer's plan was for the sale of public utility certificates secured by a mortgage or mortgages upon the railroad line itself, on the ground that under such a plan the indebtedness of the city would not be increased nor would the taxpayers of the city be liable for any deficit. In ruling on this point the City Attorney says:

"This, of course, contemplates that the city will own the property before it executes a mortgage thereon. The provision attempts to relieve the city from general liability and to cause the certificate holders to look solely to the mortgage upon the particular property for the payment of principal and interest, but nevertheless the mortgage will be an indebtedness against the city, payable out of this specific property."

Authority Not Free From Doubt.

"Such a mortgage as is contemplated would be an indebtedness against the city, though limited to payment out of particular property and proceeds thereof, and in violation of provisions of the authority of the council to issue and sell public utility certificates for the acquisition of a particular utility without a vote of the people is not entirely free from doubt."

Because there is no provision in the charter stating the duration of the public utility certificates, the council contends that the power of the city to issue them would be limited to a period of two years, in compliance to a provision in the city charter providing that the city can enter into contracts for a period not exceeding two years.

Two Instances Are Cited.

"If the city," the opinion on this point reads, "should be held liable in court for personal injuries caused by the negligence of the city's employees or by negligence on the part of the city in not furnishing a sufficient and efficient force of men upon the line, it is possible that the certificate holders might resist any attempt on the part of the city to pay such claims out of the earnings of the road."

"Again, if the road should fail to earn sufficient to pay operating expenses and interest on the certificates, and if the certificate holders could show that such failure was through negligence or mismanagement on the part of the city, the certificate holders might be able to claim damages against the city to the extent of the deficit."

Charter Provision Lacking.

There is no charter provision, according to the opinion, that expressly authorizes the leasing by the city of a track or common user privileges thereon and therefore City Attorney La Roche expresses doubt as to the legality of leasing the line to the city.

Raincoat Plot Is Denied

Officer, Manufacturer and Lawyer Plead Not Guilty to Conspiracy.

NEW YORK, July 31.—Captain Aubrey H. Vaughan, of the Quartermaster's Reserve Corps; Felix Gould, a manufacturer, and David L. Podell, a lawyer, pleaded not guilty to charges of conspiracy to defraud the Government in connection with Army raincoat contracts in the Federal Court today.

Bail was fixed at \$10,000 in the cases of Captain Vaughan and Gould, and Podell was put under \$500 bonds.

Sir John F. Beale to Preside.

LONDON, July 31.—Sir John F. Beale, vice-chairman of the wheat commission, will preside over the allied food board consisting of food controllers of Great Britain, France, Italy and United States, according to the Times. This board has been holding daily conferences here and has formed a permanent organization.

How He Quit Tobacco

This veteran, G. B. Lamphere, was addicted to the excessive use of tobacco. He wanted to quit but needed something to help him. He learned of a free Great Britain, France, Italy and United States, according to the Times. This board has been holding daily conferences here and has formed a permanent organization.

MOVING PICTURE NEWS



Marquise Clark as Little Eva in 'Uncle Tom's Cabin' at the Columbia.

TODAY'S FILM FEATURES.

Majestic—Arnold Daly, "My Own United States."
Liberty—Norma Talmadge, "The Safety Curtain."
Sunset—Bill Hart in "Truthful Talker"; Charlie Chaplin, "His Night Out."
Star—True Boardman, "The Doctor and the Woman."
Columbia—Marguerite Clark, "Uncle Tom's Cabin."
Peoples—Mary Pickford, "How to Succeed in Business Without Really Knowing It."
Globe—Margaret Illington, "The Sacrifice."
Circle—Mabel Normand, "The Picnic."
Hells—Hears of the World.

WILLIAM S. HART, who has been enjoying a brief vacation, is about to begin work at Hollywood under the supervision of Thomas H. Ince on a new picture for Artcraft. This production is as yet unnamed and it will be the first of a new series of Hart offerings, which it is said will mark a complete change from previous pictures starring the famous Western star. Just what this change is to be remains unknown, but that it will be novel in every respect is the assurance of its projectors. Wanda Hawley will be Hart's leading woman in the first production.

"Riddle Gawne," William S. Hart's latest Artcraft picture, in which the Western star is presented by Thomas Ince, and which will be released August 15, is said by those who have reviewed it to be a thoroughly enjoyable Western. It has more plot and suspense and even more action than that classification usually implies. Mr. Hart directed the production himself.

Like all his previous pictures, the action takes place out of doors. The company spent three weeks in the Santa Monica Mountains filming scenes, while the street set representing the village of Hart entirely cleans out in the course of the story, were taken on the studio lot in Hollywood.

Katherine McDonald is again seen as Hart's leading woman, while the heavy part is taken by Lon Chaney, one of the finest character actors of the screen.

"Brass Bullet" Not War Serial.

Word that exhibitors were inclined to regard "The Brass Bullet" as a war serial, has led Universal to take prompt steps towards dispelling this idea. The newest Universal to-be thriller has absolutely nothing to do with the present conflict. In a recent letter to the exhibitors of his company, branch chief Joe Brandt, assistant treasurer and general manager of exchanges, has cautioned them against allowing the reports already mentioned to go uncontradicted.

"We are so proud of the unusual merit of 'The Brass Bullet' that we don't for a minute want the exhibitors to get a wrong impression as to its nature," declared Mr. Brandt, when seen at his office.

"The Brass Bullet" has absolutely nothing to do with the war and the title has application only to the mystery surrounding the shot which takes the life of Homer Joy, the crabbled old miser who endeavors to complicate his wife's will and divert the major part of the fortune which she left. The story is a mystery romance, pure and simple, full of adventure, action, water, air and land situations, and will take the picture patrons far, far away from the war zone.

Outposts Are Shown.

Amazing pictures of an American outpost on the west front of France are the most important contained in the Official War Review No. 5, released by Pathé, July 23.

In the scant shelter of a shell hole the American boys are shown blandly and grinningly awaiting a German attack.

Another Washburn Play Due.

Pathé has announced that another Bryant Washburn picture will be released soon.

30,000 RICH ACRES MAY BE RECLAIMED

Irrigation of Big District in Malheur County Is Practically Assured.

BONDS TENTATIVELY SOLD

Purchase by Bankers Conditional Upon Approval by Capital Issues Committee, Which Is Counted a Certainty.

Reclamation and development of more than 30,000 acres of irrigable land in Malheur County is provided for by the purchase of \$750,000 par value bonds of the Warm Springs irrigation district by a syndicate composed of the Anglo-London-Paris National Bank of San Francisco and Clark, Kendall & Co. of Portland. Announcement of the underwriting of the bond issue was made yesterday by Ralph H. Schneeloch, of Clark, Kendall & Co.

While the purchase is conditioned upon approval of the Federal capital issues committee, it is believed that no trouble will be encountered. Possibilities of increased production of wheat, alfalfa, hay, sheep, cattle and wool are expected to more than overbalance any objections to the bond issue.

District to Be Enlarged.

About 1000 persons now reside in the district, which has headquarters in Vale. The district is 19 miles long by an average of 2 1/2 miles wide and now contains 31,700 acres of irrigable land. The dam is to be built to impound 170,000 acre-feet of water, sufficient to irrigate the 40,000 acres which it is expected the district soon will have.

It is planned to have the project well under way by the Spring of 1919 and to have the entire dam and ditch system complete in time for use in 1920. A tentative contract for construction of the dam at the Warm Springs reservoir site and for extension of the distributing system has been closed with the Shattuck-Edinger Company, of California. The dam is to cost about \$325,000, while the rest of the issue goes for a reservoir site and ditching.

Company Is Well Known.

The Shattuck-Edinger Company recently completed a \$2,000,000 reclamation and planting project for the Goodyear Rubber Company in Salt River, Ariz. The company also had charge of building the Roosevelt dam the Colorado River division and several other big irrigation projects.

With a height of 100 feet from bedrock, the dam to be built will require about 22,000 cubic yards of concrete. About 40 feet of the dam with proportional ditching is to be completed in 1919, according to present plans.

The middle fork of the Malheur River is to be used for the project. Government records show that in but one of the past 12 years have these waters failed to furnish the necessary 170,000 acre-feet. In 1915 only 149,000 acre-feet were available.

Land Partly in Cultivation.

The basis of the distribution system exists in the 12,000 acres which have been under cultivation for many years. The 19,000 acres to be reclaimed will be reached mainly by an extension and enlargement of the existing ditching system. Many farmers now in the district will be benefited by the work.

About 9000 acres of the 19,000 acres now to the O. & W. Colonization Company under an old Oregon road grant. This company, which is connected with the Hill system, also had large holdings in the Ochoco irrigation project, which was underwritten last year for \$900,000 by a syndicate of which the Clark, Kendall Company is member. The O. & W. company now holds none of the original 6000 acres once owned in the Ochoco project. All but 100 acres of that project is cleared and ready for farming.

STATE CONTROLS ARMOY

Attorney-General Gives Opinion on Rights to Building.

SALEM, Or., July 31.—Control of the Portland Armory is vested in the general staff, consequently the state, and not Multnomah County has jurisdiction over the building, according to an opinion announced today by Attorney-General Brown at the request of Adjutant-General Williams.

Although the Armory was built by Multnomah County, with county funds, the Attorney-General holds that "it was completed for the state. The right to place control of the armory under the military authorities of Oregon."

The opinion of the Attorney-General would appear to determine the relative rights of the new National Guard regiment and Oregon Guardsmen in the use of the building.

45 CLASS ONE MEN MISSING

Astoria Exemption Board Reports Five Questionnaires Not Returned.

ASTORIA, Or., July 31.—(Special.)—The local exemption board today announced a list of 45 class 1 men who have been called for service but failed to respond.

The board also announced that of those who registered in 1917 there are 109 remaining in class 1, but 48 of these are with the fishing fleets in Alaska. In addition to these there are 58 men in the Emergency Fleet and 73 in the limited service.

Of the 1918 class 108 were placed in class 1, but 15 of these have joined the Navy, leaving 93 available for draft. Five of those who registered have failed to return their questionnaires and have been listed as delinquents.

PROFESSOR'S SON MARRIES

Henry V. Howe and Miss Cecil Jones Wedded at Canyonville.

EUGENE, Or., July 31.—(Special.)—Henry V. Howe, son of Professor C. Howe, head of the English literature department at the University of Oregon, and Miss Cecil Jones, were married last Friday night at Canyonville, Or., according to word received here.

Mr. Howe attended the first Summer training camp at the University and has enrolled for the second camp which opens Saturday. He is a graduate of the university and also studied at Yale. During the last year Mr. Howe taught school at Canyonville, where Miss Jones was a high school student.

LIBERTY

TONS OF ICE TO KEEP YOU COOL



Norma Talmadge

IN THE "SAFETY CURTAIN"

Puck, half child, half woman, thought that the safety curtain would shut out her past as it did fire and smoke, but it didn't.

HENRY B. MURTAGH

On the \$50,000 Organ in Special Musical Selections

U. S. WAR EXPENSE HUGE

AMOUNT MORE THAN \$2,000,000 EVERY HOUR.

America's Outlay Double That of Great Britain, but Taxes Here Are Only One-Half.

WASHINGTON, July 31.—America's war expenses now are about 50 per cent higher than Great Britain's. It was shown today by comparison of treasury reports and a newly issued British field statement. Owing to the shorter time the United States has been in the war, however, individual burden of taxation in this country is only about one-half as much as in England.

The monthly cost of the war to the United States now is about \$1,500,000,000, while Great Britain's expenses are about \$1,000,000,000 a month. The United States is spending about \$50,000,000 a day, or more than \$2,000,000 an hour. The Nation's war debt is now a little less than \$2,500,000,000, as compared with Great Britain's \$36,675,000,000.

Before the war both nations collected about the same amount of taxes every year, approximately \$1,000,000,000. Now Great Britain collects \$2,270,000,000 and the United States about \$4,000,000,000, but the population in America is double that of Great Britain.

The Government is now financing itself mainly through the sale of certificates of indebtedness in anticipation of the fourth Liberty loan, which will open September 28. More than \$1,600,000,000 came in from this source in July.

In addition the Government received \$491,000,000 from belated income and excess profits taxes, and \$97,000,000 from miscellaneous internal revenue. Now amount to \$3,522,000,000, leaving

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SWEETEST LOVE STORY EVER TOLD

YOU "JUST NATURALLY" MUST GO

PRICES: EVENINGS - 25c, 50c, 75c, \$1.00 MATINEES - 25c, 50c, 75c RESERVE YOUR SEATS NOW

10c-GLOBE-10c Washington at Eleventh. Margaret Illington IN "The Sacrifice"