

WATER UTILITY INVESTMENT IS DEEMED SOUND

Financial Aspects of Municipal Ownership Proposal Are Analyzed

System Should Pay for Itself in 20 Years at Present Rate of Income

If the city of Salem should take over the water utility and operate it as economically as the Oregon-Washington Water Service company has done in the last year and one-half, it would be possible for the city to pay for the system out of the earnings in 20 years—provided also that the present rates were maintained and that the taxation laws were not changed so that municipally owned utilities became taxable.

This is the conclusion reached in an analysis of financial aspects of the proposed purchase and condemnation of the system, prepared at The Statesman's request by Fred H. Paulus, deputy state treasurer.

Ownership Favored With Reservations
The analysis is based solely on figures available in various departments at the statehouse, and Mr. Paulus did not include there in his personal report, but stated after completing it that he favored municipal ownership with the qualification that the city council should make a thorough investigation into the condition of the water system and find that it need for replacements is not too extensive. He also took occasion to correct an unintentional misquoting of his previous remarks on the subject. His analysis follows:

"In case the city should eventually take over the plant of the Oregon-Washington Water Service company, it should not, in my opinion, attempt to issue bonds that are not general obligations of the city. Examination of the water works of cities in Oregon of the same class as that of Salem, discloses that all such bonds were issued as general obligations of the cities, and that the full faith and credit of the cities were pledged toward payment of the principal and interest. City of Portland water bonds also are issued toward as general obligations of the city.

"Another reason why the bonds could not be issued merely as liens upon water revenues is the fact that they would not command as favorable a sale price as would be the case if they were issued as general obligations of the city."

LEGION PLANS ON BIG CELEBRATION

There's going to be a big Fourth of July celebration in Salem—that much was rather definitely agreed at Tuesday night's meeting of Capital Post No. 9, American Legion.

But as to just what sort of celebration it will be, was a question which provoked long and loud argument, and at an early hour the "moral" legionnaires were still arguing in groups on street corners and in restaurants, while faithful wives waited at home and wondered if the war had broken out again.

Considerable support for the proposal to sign up the big Indian congress which has been offered for three days around Independence day, was expressed, and there was another group which favored a less extensive and more typical Fourth of July program. A decision will probably be reached at the meeting two weeks hence.

A Lincoln address, by James Mott, entertainment arranged by Bill Braneau and a feed topped off an unusually lively meeting. Plans for a large delegation from Salem to attend the Forest Grove post's building dedication February 22 were discussed.

1200 Unemployed Storm City Hall At Cleveland

CLEVELAND, Feb. 11.—(AP)—A mob of 1,200 unemployed men and women, gathered together by communistic agitators and incited by alarmists, stormed the city hall today and were beaten back by police after injury to 20 of their number and to two police officers.

Two men were treated for serious injuries at Lakeside hospital and two other men were held by police.

The riot started about 3 o'clock and lasted about 20 minutes. Most of the fighting occurred in little Nuclei, around each of the 200 policemen on the steps of the hall and in Lakeside avenue in front.

Trouble started after all but 300 of the mob had been held outside the chamber of the city council, where the council welfare committee had under consideration a petition for jobs which was presented last week by the newly formed "council of the unemployed."

2 Men Enter Jail And Then Proceed To Become Drunk

Scandal in the city hall! Things looked very much like it when two of the inmates of the basement space which is officially a part of the city jail and under control of the police were found to be thoroughly intoxicated. Furthermore, there was evidence that they had gone their drinking right there in the jail.

However, there are extenuating circumstances which clear the police of any complicity in the alleged drunken orgy. This room used, except in emergencies, exclusively for housing transients, and the door is not usually locked.

These men didn't make the customary call in the police station to ask the privilege of a bed; they just walked in at the Chemeketa street entrance, taking their canned heat with them. They gave the name of Louis Lang, Detroit, Mich., and Mike Donohue, Spokane. They were transferred to a ground floor cell.

CURB SUBMARINES IS PLEA OF ENVOYS

Abolishment Found Impossible at London Disarmament Conference

By FRANK H. KING
Associated Press Staff Writer
LONDON, Feb. 11.—(AP)—Although the Anglo-American effort to abolish submarines from the high seas was thwarted today by the opposition of France and Japan, the five nations represented at the London naval conference, sitting in formal plenary session, voted complete agreement to outlaw barbarous activity.

They launched a definite conference program toward this objective which delegates hope will be the beginning of the end of the wartime horror and peacetime death trap of the oceans. Briefly, the sea powers declared their stand on submarines as follows:

Italy supported abolition in principle, contingent upon drastic reduction in other classes of warships.

Britain, through A. V. Alexander, first lord of the admiralty, proposed abolition in the general interests of humanity, based on the war time terror of the submarine and its peace time calamities.

Stimson Takes Strong Stand Against Sub
Colonel Henry L. Stimson of the United States delegation supported Mr. Alexander and later presented a constructive proposal for restricting submarine warfare. The most tensely dramatic moment of the session came when Secretary Stimson declared: "The use of the submarine in the world war revolted the conscience of the world, and the threat of its unrestricted use against merchant ships was what finally determined the entry of my own country into the conflict."

France maintained that the lesser naval powers could not do without submarines; that the submarine was only a death dealing instrument like all other warships, and should be regulated and limited.

(Turn to page 2, col 4)

Special Radio Broadcast to Be Held Today

OREGON STATE COLLEGE, Corvallis, Feb. 11.—(Special)—The series of radio lectures on heroines of the Oregon country in which Marion county club women have shown special interest will be broadcast Wednesday afternoon at 3 o'clock over KOAC when Dr. J. B. Horner, director of historical research, recounts the story of Madam Dorion, the holy woman of the Sioux, who was the heroine of Washington Irving's book "Astoria."

The Hubbard women's club has written Dr. Horner that it is meeting at the hour of his weekly lectures to listen in as a group. Other groups over the state have expressed similar interest.

OREGON FOUND IN EXCELLENT CONDITION NOW

Representative Citizens of State Gather at Call of Governor

Permanent Economic Body Organized at Portland Meet Yesterday

PORTLAND, Ore., Feb. 11.—(AP)—Representative Oregon citizens, called by Governor A. W. Norblad to Portland today for the first economic conference held in the west since President Hoover set the pace several weeks ago, found their state a lusty youngster with great ideas and possibilities of growth and development and laid the foundations for a permanent economic body which is expected in the future to advise how best to keep the wheels of progress and industry rolling.

At the conference Governor Norblad told the 60 or more representatives that "prosperity depends upon the circulation of money, and I believe as does the president, who has prescribed 'construction in large doses' for the business structure."

The governor outlined the position and resources of the state, then threw the meeting open to discussion.

Nearly Hundred Million Spent on Construction
George B. Herington, executive secretary of the Portland chapter, Associated General Contractors of America, declared Oregon will spend \$14,934,200 in construction during 1930, exclusive of public improvements before the people for approval at coming elections.

A suggestion by C. C. Colt, conference chairman, for the appointment by the governor of a permanent body of 20 or more men to be called the Oregon economic advisory board was answered by the state's executive in the affirmative. "I shall appoint such a committee by the end of the week," the governor said.

The members of the committee, according to a resolution adopted, "shall be selected as to the progressive and intelligent appreciation of economic standards and tendencies and their executive ability . . . to lay plans to advance and make certain the proper functioning of the various steps toward executing the committed and probable construction projects available now and hereafter."

The board will serve without compensation.

CHICAGO CONTINUES ANTI-CRIME DRIVE

Moonshine Still Confiscated by Cops Last Night

CHICAGO, Ill., Feb. 11.—(AP)—Chicago showed today that it meant business against crime. The Cook county grand jury swung into action to back up the sweeping drives conducted by city and county authorities and laid a heavy hand on nearly a score of known gunmen brought before it today. Indictments were reported to have been returned against 19 men alleged to live by pistol and machine gun and bond on each was fixed at \$10,000.

Meanwhile, spurred by public indignation at the recent outbreak of murder and bombings, police continued to comb the half-world and by sunset had ferreted out another 800 hoodlums and gangsters.

The total inmeshed in police toils and brought to the bureau of identification since the city-wide clean-up started Saturday is expected to reach 2,000 by tomorrow and with another week of strenuous activity on the part of police, Commissioner William F. Russell hopes to have broken the back of hoodlum lawlessness in Chicago.

BLAST WRECKS SHIP

NEW YORK, Feb. 11.—(AP)—Baked by a fierce fire which followed a series of explosions in her hold just after her 349 passengers had been discharged, the North German Lloyd liner Muenchen tonight lay wrecked at her pier.

Blossom Day Will Be Advertised in Extensive Fashion

Plans for the annual observance of Blossom day were launched at Tuesday night's meeting of the Cherrians. A publicity committee was appointed and given authority to arrange for a contest to obtain new and attractive pictures which may be used in advertising the event. Members of the committee are Cherrians Olinger, Myers, Worth and Hixson.

The proposal to deck the Cherrians out in linen uniforms was discussed and the council of nobles instructed to obtain samples of the material and prices and report back at the next meeting.

It was proposed that the Cherrians hold a picnic in lieu of one of the regular monthly dinners. There was some discussion of participating in the Portland Rose festival again this year, but nothing was done pending word as to whether the festival will be held.

STUDENTS TOLD OF PRINCIPAL'S PLANS

Salem High School Pupils Warned to Cease Hoodlum Activities

Salem high school students can produce a quiet assembly. That was clearly demonstrated yesterday when Principal Fred Wolf called a special assembly to tell students of the plan he had devised to keep assembly noises at a minimum.

In a determined manner the principal told the students that he would no longer allow the insubordinating conduct which has characterized previous assemblies, and said that regardless of what the students thought of him, he was going to see that all talking was stopped and that in future, there should be no vacant seats during assembly.

To make sure of these requirements, he announced that he would place a teacher every fourth row in the assembly, the instructor to report any talking and the students found so doing to be confined to a smaller study hall for the rest of the year. Teachers were assigned to their positions and the 150 or so students who have been standing up asked to find seats. Further, upon dismissal teachers are to march out ahead of the students.

That the plan is going to be a success was predicted following the orderly assembly yesterday. Students even gave hearty applause at dismissal as teachers left the room ahead of them.

Moonshine Still Confiscated by Cops Last Night

A moonshine still of the "wash boiler" type and 21 gallons of alleged liquor were discovered by Salem police and state prohibition officers who raided a house at 470 Locust street Tuesday night.

Two men were arrested. One, who appeared to be the tenant of the house, gave his name as Gus Martin, but the officers found on his person a driver's license made out to W. H. Houston. The other was Jack Clements.

The "can" and 16 gallons of its product were transferred to the police station, the remainder of the liquid having been spilled when a five gallon jug was broken at the time of the raid.

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HUGHES TO BE CONFIRMED BY SENATE TODAY

Borah and Glass Join Opposition Voicing Numerous Objections

Leaders Nevertheless Confident of Backing by Big Majority Vote

By FRANCIS M. STEPHENSON
Associated Press Staff Writer
WASHINGTON, Feb. 11.—(AP)—Severe condemnation of the views of Charles Evans Hughes rang forth in the senate today at unexpected opposition to his nomination as chief justice of the United States developed and forced over until tomorrow a vote on his confirmation.

Senator Borah, republican, Idaho, and Senator Glass, democrat, Virginia, assailed Hughes' attitude on public questions. They stirred up a debate which brought two democrats—Wagner and Copeland and the veteran Senator Gillett, republican, Massachusetts, to their feet in praise of the nominee.

Western Independents Lead Opposition
The opposition to Hughes, centered principally in the group of western republican independents, appeared overnight after the speech of Senator Norris, republican, Nebraska. Leaders were confident tonight regardless that Hughes' nomination would be confirmed tomorrow by a decisive majority.

The nomination was left as the order of business for the senate tomorrow. Senator Watson of Indiana, the republican leader, predicted a vote before midnight and was likewise confident of a "decisive majority." The opposition (Turn to page 2, col 5)

ENGINEER EXPLAINS RECENT PURCHASES

Hugh Rogers Assumes Entire Responsibility for Buying Manholes

Entire responsibility for the transaction whereby three manholes and one extra cover made by the W. W. Rosebraugh company were purchased by the city through a third party, is claimed by Hugh Rogers, city engineer, who Tuesday branded attacks made by the afternoon newspaper on Alderman Rosebraugh in this connection as unwarranted.

The three manholes were used in extending the Market street sewer to serve the Reid-Murdock plant, Mr. Rogers explained; and he obtained them indirectly from the Rosebraugh foundry because the type of manholes used on this sewer line could not be obtained, at least on short notice, from the Salem Iron Works. The manhole cover was purchased for a similar reason to replace one near Ferry and Church streets which had been broken.

Mr. Rogers said he bought these supplies through A. H. Moore, because Superintendent Collins of the Rosebraugh foundry refused to sell them direct to the city, citing the charter provision which prohibits council members from transacting business with the city.

As to whether this method of procedure was ethical or not Mr. Rogers said he was not worrying, inasmuch as the parties who are so indignant over this bill of approximately \$45 remained silent while Mayor Livesley rented space in his building to the city for approximately a year and a half. "I don't owe Mr. Rosebraugh any favors, but I buy supplies when I need them and where I can get them," the city engineer concluded.

Alliance Rumored Between Royal Families of Spain and Rumania



Reports in diplomatic circles in Bucharest that Prince Nicholas, member of the regency of young King Michael, soon would become betrothed to the Infanta Maria Cristina, second daughter of King Alfonso, of Spain. The report said the marriage would take place before the end of 1930.

Prohibition O. K. Declares Edison

Ultimate Enforcement to Be Achieved in Opinion of Science Wizard; Opinions Written on Birthday for Newspapermen

FORT MYERS, Fla., Feb. 11.—(AP)—Emphatic opinions on prohibition, disarmament negotiations, science and invention were scribbled with a stubby pencil here today by Thomas A. Edison, the electrical wizard, celebrating his 83rd birthday and answering questions from newspapermen.

Mr. Edison believes that absolute prohibition eventually will be enforced in the United States and that manufacture of light wines and beer in the home through modification of the Volstead act would not aid temperance. The inventor said that the age of fully automatic machinery would find the laborer with a home and many new things, providing alcohol does not intervene. Faith Expressed in Disarmament Confab
Belief that the London disarmament conference will "arrive at a sane compact to limit future troubles," was expressed by Mr. Edison. He cautioned, however, that developments in electrical and poisonous destructive elements have not made a future world war impossible or improbable.

The aged inventor, somewhat failing in health, but still active and alert, answered more than 20 questions.

Asked regarding his health, and how old he actually felt, Mr. Edison's eyes twinkled as he replied that he "generally felt 60 years, but lately some microbes have spotted me and done some experimenting with my internal machinery, so I feel about 85."

Mr. Edison who is recovering from a recent attack of pneumonia, appeared to be in only fair health.

Rumor Has Portes Gil Assassinated

EL PASO, Tex., Feb. 11.—(AP)—El Continental, Spanish language newspaper here, after investigating a rumor that Portes Gil, former president of Mexico, had been killed, tonight declared the rumor was unfounded in fact.

Settlement Offered

PORTLAND, Ore., Feb. 11.—(AP)—Payment of \$45,000 in cash and surrender of virtually all of her personal belongings, including her home and jewels, has been offered by Mrs. James P. Cooke to J. G. Gillingham, trustee in bankruptcy for the defunct brokerage firm of Overbeck and Cooke, in settlement of two pending suits against herself and her husband, who is serving a penitentiary sentence for misappropriation of funds.

Lightship Tested
PORTLAND, Ore., Feb. 11.—(AP)—Under supervision of an official board, lightship No. 113, which will be assigned to Swiftnsure bank, off the Washington coast, underwent trials today. Captain W. B. Matheson of the Columbia river pilots was skipper for the occasion.

Trail To Star
PORTLAND, Ore., Feb. 11.—(AP)—Howard Polly, charged with larceny in connection with the resurrection of bonds supposed to have been destroyed with a recalled issue, will go on trial in circuit court here tomorrow.

Polly, deputy prosecutor said, was chief engineer of the American Bank building here, where the securities of the Interstate Utilities company, a Washington concern, were thrown into a furnace. Some of the bonds reappeared later at Des Moines and San Francisco.

Crash Proves Fatal
PORTLAND, Ore., Feb. 11.—(AP)—Dr. William Lee, 68, retired physician died today at a local hospital as the result of injuries suffered Monday when his automobile collided with a street car. He had practiced medicine in Portland for about 15 years, retiring a year ago. He then sold his property and took up his residence at Nelscott Beach, where he and Mrs. Ross lived in a log cottage erected for them.

Grades Are Perfect
EUGENE, Ore., Feb. 11.—(AP)—Securing a perfect grade in 19 hours, Mrs. Golda C. Wickham, Roseburg, a sophomore in education, scored 95 points to lead the list of men and women students at the University of Oregon in scholastic ratings for the fall term. The registrar's office announced today. Mrs. Wickham scored the highest number of points obtainable by students at the university.

CORNISH ARMS HOTEL RAIDED BY PROHIBITION AGENTS

Second Exclusive New York Establishment May Be Closed by Cops

Nearby Restaurant Also Under Supervision of Federal Dry Agents

NEW YORK, Feb. 11.—(AP)—Twenty-four hours after raiding the hotel manager, federal prohibition agents tonight descended on the Cornish Arms hotel, in 23rd street, and the nearby Cavanaugh's restaurant, one of the oldest and best known dining places in the city.

Four prohibition agents who had been living in the Cornish Arms since January 1, swore out 10 warrants before United States Commissioner Francis O'Neill and nine agents and three federal marshals went to the hotel with the warrants.

At the same time, nine other agents, with warrants, raided Cavanaugh's. One More Warrant Remains to Be Served
Nine of the ten warrants for persons in the Cornish Arms were served tonight. The tenth warrant was for John P. Murray, described by Major Maurice Campbell, prohibition administrator for the New York district, as a receiver for the hotel, which is in bankruptcy.

Murray has been in Florida for the last five weeks. Major Campbell said, adding that he expected him to be served there shortly by a federal district marshal.

Two of the nine men arrested at the hotel were described by Major Campbell as the hotel barber and the hotel bootlegger. The others were bellboys and waiters. Major Campbell said he had a much stronger case against the Cornish Arms than against the manager, raided last night, since, he said, the bellboys had accepted money for liquor and made deliveries. He added that he would seek to have the hotel entirely padlocked, not merely the rooms in which the alleged offenses were committed.

The prohibition administrator issued a warning to other hotels to cease liquor sales under pain of badlock proceedings, if they do not, he also threatened to padlock restaurants and night clubs which serve "accessories" to patrons who bring their own liquor. He announced that from now on persons who drink or display liquor publicly in restaurants and night clubs, would be arrested by federal agents. Heretofore, he pointed out, such arrests have not been made, but from now on such persons "must be prepared to accept the consequences of their law violations."

BOMBS SHAKE TRAMS
NEW ORLEANS, Feb. 11.—(AP)—Three street cars were rocked by almost simultaneous bomb explosions tonight.

Albany Sportsmen Again Vote to Hold Aloof From State Game Association; Cooke's Wife Offers All She Has

Albany Won't Join

ALBANY, Ore., Feb. 11.—(AP)—Reaffirmation of their withdrawal from the State Game Association was voted unanimously by members of the Santiam Fish and Game association here last night despite efforts of the Salem Rod and Gun club to persuade them to remain in the state body.

The reason given by the Santiam members for their refusal to remain in the association was the contract which member clubs must sign.

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