PAGE TWO



Financial Aspects of Municipal Ownership Proposal Are Analyzed

(Continued from Page 1.) sued as general obligation bonds. They would not be eligible as security for state or county funds, and might not be purchased by the state for any of its trust funds. The question of taxability under the federal income tax law also might be raised. These facts alone, would have an unfavorable effect upon the sale price of the bonds, if indeed they could be sold other than as obligations of the city.

"Following are the approximate ratios in per cent of indebtedness of water bonds to assessed valuations as of July 1, 1928, in the larger cities in Oregon that have such bonds outstanding: 16.75 Ashland 6.40 Astoria 5.51 Baker Bend 20.50 Corvallis . 3.50 Eugene . 4.43 4.30 La Grande 16.40 Medford Rendleton 2.58

4.26 Portland .11.55 St. Helens "The average ratio of water hand indebtedness to assessed valuations for the above listed municipalities of July 1, 1928, was about 8.75 per cent.

Present Bond Debt

of City Summarized tion of the city of Salem is \$17,-591.573.00, or \$17,205,473.00 after deducting the assessed valuation of the water plant. The ratio to the latter assessed valuation of water bonds which the city would have to issue to provide funds of \$\$50,000 to slight-5 more than \$1.060.000 with which to purchase the water glant would range from about 5 o 6 percent or about 3 per cent less than the average of 5.75 per

The total of general obligation boads of the city of Salem outstanding at the present time is that the 28° pupils in question \$920,500; and street improve- lived in the Washington district, ment bonds, which are a prior and that the error, indulged in lien on collections from street as- by members of the Park faculty sesaments, amount to \$1.052,- without informing the superin-105.96. The total indebtedness of | tendent, had been rectified as soon the city is \$1,972,605.96, against as found. He admitted it was an which sinking funds totalling injustice that one pupils who lives \$139,664.75 are available, leav- four blocks from Park school ing a net indebtedness of \$1,832,- travels now 10 blocks to Wash-\$41.21. Adding to this figure the ington, but said that was the way \$50,000 bridge and \$170,000 sew- the lines fell.

BRITISH CONTENDERS FOR FOX TROPHY

Members of the representative team of English, Scottish and Irish bowlers arriving at New York on the S. S. Samaria on their way to California

Change in Boundary Asked By Residents in Vicinity **Of Yew Park Grade School**

Request for a change in the immediate survey of the situation. and intimated that it might be arboundary line on the north for the ranged that the smaller pupils, those of the first two grades, may Park school was made in a petition signed by Roy Campbell and Norman Allport and submitted continue going to Park as prilast night to the school board. mary grades at that school are The request came, it was brought not large. out in discussion by Ellis Pur-

vine and Campbell and Allport, as a result of action taken early this semester in moving 28 pupils from the Park school to Washington and was based on the longer distance which a number of these pupils have to travel to Washing-

Fact that four dangerous streets, State, Court, Chemeketa and Center must be crossed by the young children in reaching Washington was given as an additional reason for need of a change.

Superintendent Hug pointed out that no new change in the boundaries had been made, but rather that the Bellevue street boundary which was designated two years ago was being enforced. Hug said that a check up had revealed

part in the contest for the Charles J. For After the western contest, the team will tournaments in various American cities.

CURB SUBMARINES

(Continued from Page 1.)

Admiral Takarabe for Japan maintained that the submarine had its legitimate uses as a medium of defense, as a scout and in warding off the enemy in a nation's home waters.

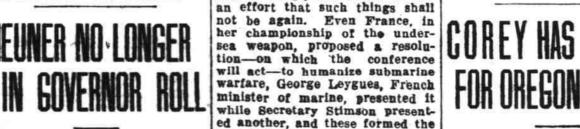
Japan viewed the submarine as E. E. Bergman, head of the a convenient and adequate means machine shop, submitted a proposal through the superintendent "emphatically opposed to unthat he be allowed to have his limited submarine warfare as witshop boys build an airplane, the cost to approximate \$199. The nessed during the world war." The British dominion spokesboard took no vote on the matter. Bids for 150 cords of wood man echoed the stand of the mo-

vere declared too high. ther country but Charles T. Wa-If a suggestion made at the ter, in a cryptic statement which meeting should be seriously considered later, principals will take the school census in the future,

each to be responsible for his or her district. Census enumeration this year cost the district nearly \$500 and was made by John Marr. of a small country to cling to the Superintendent Hug told the The minds of the men who sat board of a plan whereby, with a today in the red walled drawing

wo-thirds of a mile radius for each school, the number of grade room of old St. James' palace schools could be reduced to six turned back to tragic world war eliminating the oldest buildings, days when the helpless and inno-Grant, Washington and Park, Lincent, men and women, were coln would need to be relocated. plunged to ocean graves by the At present the school districts in ruthless craft which sunk without warning. the center of town overlap. The board gave no indication of favor-The whole mind of the confer-

ence seemingly was united toward government." ing such a building program.



ous Objections (Continued from Page 1.) tion made it clear they had no intention of blocking a vote but asked only for full debate. Sympathy With Big

The OREGON STATESMAN, Salem, Oregon, Wednesday Morning, February 12, 1930

Business Charged Citing the legal record of Mr. Hughes as a member of the supreme court and as counsel before the court, Senator Borah said he was of the opinion that the nominee "feels that practically no restraint ought to be placed upoh the vast corporate interests of the United States; that he will . Affair" with Ann Harding. go to the bench as chief justice . Collins and Singer.

Borah and Glass Join Oppo-

sition Voicing Numer-

that these efforts at restraint are inwise and that after all we must eave, in a large measure, the course of these vast interests to "We are entering," continued

greatest -undetermined question Grande.'

South High between State and Ferry Today — Maurice Cheval-ier in "The Love Parade." Saturday-"The Vagabond · Lover," with Rudy Vallee

> Don't forget that there are two 1923. stage attractions in Salem today and tomorrow in addition to all the good movies in town. When I

> > esting.

terday.

GRAND THEATRE

Today and Thursday

"BOZO" SINGER

with the

STOCK CO., in

"SPUTTERS"

and Specialties

WШ

Hold

You

Thrill

Bound

Also

say good movies, I mean it. You will find it hard to enjoy another week of shows very soon like the. present one in Salem town. As for the stage shows-

The Call

Board..

By OLIVE M. DOAK

HOLLYWOOD North Capitol street, North Salem • Today — "Anybody Here • • Seen Kelley?" with Bessie •

Love and Tom Moere. Man- *

Limited" with Monte Blue.

GRAND

fair" with Ann Harding. Col-

Thursday - "Her Private

Friday-Dick Barthelmess

BLIGH'S CAPITOL

State between High and Church Today-George Arliss in

Thursday-"Nix on Dames"

FOX ELSINORE

Sunday-"Romance of

* North High between Court and State * Today-"Her Private Af-

hattan players.

hattan players.

lins and Singer.

'Disraeli."

with Mae Clark.

in "Young Nowheres."

The Hollywood has the Manhattan players in a comedy, the style of which will tickle the fancy of the Manhattan fans, In addition to this there is a comedy on the screen which will create enough merriment to last for several "Anybody Here Seen Keldays. ley?" was meant to create both fun and a few serious moments, Senator Blease, democrat,

also. I have remarked about Maurice Chevalier so much that you will begin to suspect me, so I will suggest that there are three other folk in that play that are not half inferior to him-Jeanette McDonald, who plays opposite Chevalier, and Lupino Lane and Lillian Roth, who afford much of the comedy. The latter two are positively funny - ridiculously funny. Their two to one. The debates Thursmedy makes a brilliant dash of day are next to the last in the of foolishness for a play that district series. keeps one divided between admiration for good voice, good act-Margaret Kells ing, and amusement to the point of laughter at the plot of the story Wins Oratorical as it unfolds and the acting par-excellent of Chevalier.



The Willamette university debate squad lost its second nonlinois, according to a decision rendered by Prof. Earl W. Wells of O. S. C., who judged the debate. The question was: Resolved

that the nations should adopt a Thursday-"Anybody Here Seen Kelley?" with Bessie plan of complete disarmament, the local debaters upholding the Love and Tom Moore, Mannegative side of the question. Stephen Payne, Clarence Soren-Friday - "The Greyhound son and Allan Zaum were the visiting debaters.

The Wheaton college team is making a northwest tour and will meet Oregon State Teachers college at Monmouth February 12 and O. S. C. the following night on the same question. The visiting team had a record last year, winning all debates and one member of this eastern team had experience with the last year champions.

The Willamette team composed of Charles Campbell, Ray Lafke and Roy Harland was the same as met the University of Hawaii several weeks ago. They are in-experienced against such compe- Grade Crossing tition but as they are still underclassmen they still have possibilities of regaining Willamette's place in the field of forensics. The debate was held at Chema wa due to previously announced meeting in Waller hall on the university campus.

A Willamette debate team defeated Wheaton at Wheaton in

Salem Has Good Chance to Win **District Honors**

If Salem high school debaters make as good shofing in the district debates tomorrow night as in the former ones this year, they will virtually cinch the district championship, for to date Salem has 15 points, Dallas nine, Woodburn seven, Independence four and Stayton two.

The local negative, Gertrude and Norman Winslw, will meet the Wdburn affirmative at the high school auditorium here at 8 o'clock tomorrow night; and the Salem affirmative, Fred Blatchford and Eleanor Henderson, will meet the Dallas affirmative there. The Woodburn affirmative is supposed to be the strongest Woodburn team, and defeated Dallas

Shinn. Judges were Rev. George H. Swift, Mrs. J. C. Tibbits and Vivian F. Carr. This contest was the sixth silver

medal peace contest held in' the city, two former ones having been held at the South Salem Friends church, one at Leslie, one at Jason Lee and one at the First Pres-

byterian. NON-SUIT ALLOWED

An appeal of the case of E. G. Harris against the Southern Pacific railway \$18,000 damage suit will probably be made, according to Harris' attorneys who made that intimation after the case went out of circuit court Tuesday

on a motion of involuntary nonsuit by the railroad's counsel. Harris had brought suit against the S. P. company for \$17,160 personal injuries and \$1200 damages for the machine in which he was riding at the time of collision with the railroad train at Jefferson several months ago. An at-

tempt was made to show that the railroad was guilty of contributory negligence.

> Will Be Built **By Lumber Firm**

The public service commission Tuesday granted the application of the Molalla Lumber company for permission to construct three grade crossings in Clackamas county. The company proposes to extend its logging raffroad.

The commission dismissed the application of the Astoria Southern Railway company and the Tidewater Timber company for permission to construct and maintain a crossing at grade across market road.

Judge Kelly Is Kiwanis Speaker

America's outstanding example pointing to the paramount value of human life is Abraham Lincoln, Circuit Judge Percy R. Kelly declared in an addrses at the Ki-

wanis club luncheon Tuesday. The dangers against winch Lincoln fought: Disunion, lawlessness and special privilege, still prevail to an alarming extent, Judge Kelly said. Even in opposing the famous Dred Scott decision, he pointed out, Lincoln never advocated disobedience to constituted authority.



CHEVALIER

A

THE LOVE

METROTONE

SOUND NEWS

Disney Cartoon

Merry Dwaris

TODAY

THRU

FRIDAY

PARADE

MACDONALD

- to nt'

arrying with him the conviction

their own discretion and to their own judgment." Berah, "upon an era when the

before us is determining the re-lationship of these vast corporate interests to the millions of people

in the United States who must pay them toll year by year. Far Reaching Results **Of Policies** Cited

"Could there be any more profound question, touching the in-

and Fanchon and Marco. terest of every man, woman and child in the United States for providing for national defense but years and years to come, than the question of how much the oil peothe transportation people, and all others dealing with those

questions shall charge the people of the United States for their service? Senator Glass denounced, first,

neither he nor the British spokesthe action of Hughes in resigning man would interpret, seemed to from the supreme court to run for indicate dissension on the part of the presidency in 1916. He then took up the Shreveport railway South Africa regarding abolition. This was unofficially interpreted decision of the supreme court as being the natural disposition when Hughes was on the bench. contending this decision had desubmarine as a means of defense, stroyed all rights of states to a voice in regulation of intrastate

commerce.

bonds .yet to be issued and a ypothetical debt of \$1,000,000 or water bonds results in a total of \$3,052,941.21. This figure is pproximately 171/2 per cent of he present assessed valuation of the city, after eliminating the asessed valuation of the water plant as nontaxable property uner municipal ownership. Earnings of Recent

Years Are Viewed

"According to the statements of investment and operating income filed with the public service commission by the Salem Water Works for the first six months of 1927, and by the Oregon-Washington Water Service | er rates. company for the last half of that year, the net income of the utility for 1927 was \$52,174.16, as compared with a plant book valuation of \$1,168,151.28 at the end of the year. Deductions for county purposes. If the present taxes amounted to \$32,952.96. plant valuations should be taken The net earnings before deduc- off the tax rolls, the assessed valtion for taxes were \$85,127.12.

"The 1928 statement of the trict would be diminished by that Oregon-Washington Water Serv-'Oce company, shows net income of \$71,028.52 against a book valu-

ation of \$1,206,842.51, with deduction of \$21,156.80 for taxes. The net operating income for 1928 before deduction of taxes 9 per cent for the year 1928, or litation probably would be raised about 7% per cent and respectively, before deduction of taxes. These percentages probably

would be still higher if they were ingly. based upon the net investment of work is process, and other items, \$5,289.57; to the county, \$3,the ice commission for the reason lower water rates without any apthat the report shaws only the

consolidated assets for all of the utilities of the company in Ore-

"The 1928 report of the company on file with the public service commission shows that from earnings derived from all its operations the company paid \$42,-000 in dividends on \$591.500 book value of no par preferred stock or at about the rate of 7 per cent on that value, and that the company also paid \$52,000 in dividends on 10,000 shares of no par common stock entered at a value of \$200,000. The 1928 dividend rate on this stock accord-

ingly was 26 per cent. "The city of Salem because of its high credit rating could no doubt sell \$1,000,000 or more of water bonds on at least a 5 per cent basis, which is the same rate that practically all the bonds of Oregon-Washington Water Service company bear. After deducting from operating income annual interest charges of \$50,-000 on \$1,000,000 of bonds, the city, if it operated the plant as profitably as has the Oregon-Washington Water Service com-

Hug said he would make an enterprise would not be taxed, and that betterments and additions could be paid for from in-

creased earnings which would accrue from a gradually increasing population. As the water bonds of other municipalities are issued with ma-

turities as high as 40 years, it appears that the city could easily finance the purchase of the plant through the sale of bonds and could provide adequate sinking funds for retirement of the bonds without increasing the water rates, and possibly at low-

"It should be borne in mind, however, that there has been aged was "in."

itation for some time past that municipally owned water plants be taxed at least for state and uation of the city, and school dis-

amount. The loss of tax to the state and county which would result in removal of the water plant valuation from the tax roll, would be distributed over the entire county, so that the resultant increase therefore was \$92,185.32. Ac- in the tax levies for state and cording to these figures the util- county purposes would not be felt ity earned about 4 1/2 per cent on to any great extent. However, the book valuation of the plant since the full 6 percent allowed for the year 1927, and about 5 .- under the constitutional tax lim-

in the case of city and school tax-Local Churches es, the levies for such purposes would be increased correspond-Represented at "The loss of tax revenue to the the utility consisting of the plant, city at prevailing levies would be accounts receivable, construction \$\$,687.25; to the school district,

but with deduction therefrom of \$29.34; and to the state, \$2,548 .depreciation reserves for 26. The higher levies which would 1927 and 1928 amounting to result from elimination of the as-\$252.159.10 and \$256,865.90 re- sessed valuation of the water spectively. The other investments plant would fall largely upon the or assets of the Salem utility heavy property owners, and the could not be determined from the householders in general would report filed with the public serv- receive the benefit of the same or



(Continued from Page 1.) deavored to protect him, one of

the women rushed out and shouted "the police are clubbing us!" This was the signal for tumult. Those across Lakeside rushed to the hall steps, while those on the steps pounced against the

guard at the doors. Four men jumped on Police Inspector George Matowitz and bore him to the pavement. An-other group downed Lieutenant Oliver Torrence. Then other policemen were attacked, each one a center of a little riot of his own. There were 36 rioters and po-licemen rolling and fighting on the sidewalks and pavements at ger in the use of patent medic ence. The policemen used their riot sticks freely.

(Continued from Page 1.) to bring submarine warfare with-

Neuner came into the political in the scope established by interpicture following the death last national law. December of Governor I. L. Pat-The proposals were referred to terson. Subsequently he announcthe conference as a committee of ed he was "in." When Tom Kay's the whole, where the work of boom began growing louder, howhammering them int otreaty form ever, Neuner went to Salem and,

will be done. after a talk with the treasurer, decided he would not run against Kay, if the latter's decision was Mrs. Stegner Is to enter the race.

When Kay decided not to seek the nomination, Neuner announc-

Certain developments made it apparent that Neuner did not wish to run for the nomination for governor and that the lure was not as appealing as a month

The hub of the Neuner problem was said to be his federal office. He did not wish to resign

to make a campaign and his supporters realized that he could not Stegner, local real estate man. campaign effectively if he remained in office.

In his official statement Neuner attributed his action to the possible criticism that might have brother, all of whom live in St. been directed against him had he Paul, Minn.; Sadie Margroff, campaigned and continued in his Mary Reuber and C. T. Klimenfederal post.

Newberg Meet

hagen Funeral arrangements have not been completed and are in charge

She was 61 years old. Mrs. Steg-

ner had been in ill health for

of the Clough-Taylor mortuary.

George Graves Saves Quarters Worth Big Sum

Salem Methodist churches had good representation at the one-Salem can boast of one citizen day district conference for pas-tors, Sunday school, church and whose claims to fame include that he saved 11,250 silver 25 cent Epworth League workers and ofpieces. This man is George Graves, and the circumstances ficers held yesterday afternoon and night at Newberg. From the were revealed at Tuesday night's First church, Rev. and Mrs. F. C. meeting of the Cherrians, 0 Taylor, Miss Margaret Sutherland which he is a member. and a number of others were in

Mr. Graves for a long period attendance; from Jason Lee, Rev. of years saved every quarter that Harry E. Gardner, H. B. Carpencame into his possession; and he has their equivalent now, in a ter and Ed Olsen were present; and Leslie Memorial was represavings account. Several other unsented by Ormal Trick, assistant ique things about Mr. Graves' hispastor, Mr. and Mrs. Ed Roseman tory were revealed when fellow and Mr. and Mrs. C. F. French. Cherrians prevailed on him to tell Bishop Titus Lowe was the about them.

principal speaker at both afternoon and evening sessions. Dr. T. H. Temple of Salem, district superintendent, also took part in CAPITAL DRUG CO'S the program. Children Like This



Stop children's coughs and sore throats before these aliments lead to dangerous ilis. Thoxine, a dector's prescription, now assures re lief within 15 minutes to children as well as adults without the dan-

basi sof the conference program

Oregon has every right to be proud of its representatives in congress, for in the senate Mc-Nary and Steiwer are real leaders and listened to with respect. while Representative Hawley holds one of the biggest and most influential positions, says H. H.

South Carolina, who has been urg-

ing the reappointment of William

Howard Taft as the chief justice,

informed the senate that he un-

derstood Taft was improving in

health. He also expressed the

fear of this becoming a "family

Corey, public service commissioner who returned yesterday from a 13-day trip to Washington, D. Corey was the only western

Taken by Death public service commissioner choson to appear with six other state Here Last Night commissioners before the congressional committee on interstate commerce in the hearing on Mrs. Minnie F. Stegner, resithe Cousen's bill, which provides dent of Salem for several years, died last night at the residence.

federal regulation of all communication lines. The commissioners explained to the committee that the bill is so sweeping that it some time and only recently rewould give Washington, D. C., turned from a Portland sanitarjurisdiction even in the smallest rural telephone lines. The commissioners argued against the bill on this ground, that it would make regulation top heavy' from

forenoon, the Salem Nut Growers Washington, and sought rather to cooperative in the afternoon, and see the central regulation conthe realty board school, the Cherfined to the larger utilities. rians dinner and the Trapshoot-The Oregon commissioner spent five days in Washington and ers club meeting at night.

congressional members, and all are especially busy now on the tariff bill, which Corey finds to for \$1.00 per year.

how the big congressional committee actually works, and found it a most interesting experience.





Starts Bunday

. FREE OFFER TO KIDNEY SUFFERERS

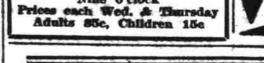
Do you have to get up nights for bladder relief-do you suffer backaches, headaches, and loss of weight-are you all tired out even in the morning-are you constinuted-do you have sheematic pains or neuritis jabs-often due to faulty kidney or intestinal eliminations?

Meet at Church Then at the Grand there is Bozo Singer and his friend, Collins. Margaret Kells with her ora-They are going to do their stuff ion "The Invincible Leader," won tonight and Thursday and on the first place in the youth peace conscreen is "Her Private Aflair," a test, held last night at the First picture with plenty of ups and Presbyterian church, and Eric

downs-enough to make it inter- Fitzsimmons and Dayton Robertson tied for second place. Miss Kells was awarded a silver medal. Let me warn you that today is Others participating in the conthe last chance you will have to test were Arthur Eaton, Merrill Ames, Wayne Pitts and Marian see one of the finest screen pro-



Present "MAMMY LOU" A Comedy Drams of the Old South in Three Acts Manhatten Players go on a Nine o'clock

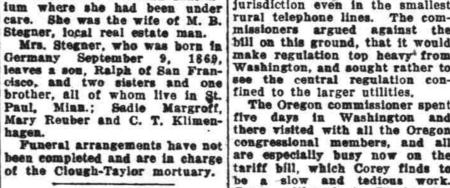


THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY



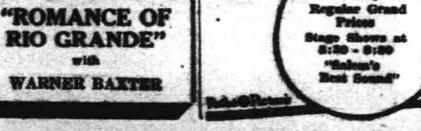
ls *yours* a "one-telephone" home?

WTHEN a young man telephones, he is apt to be shy about it . . . A home with young people in it should have an exten-

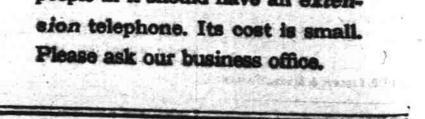


be a slow and tedious work. Corey, although in Washington before, had his first insight into

city, if it operated the plant as profitably as has the Oregon-Washington Water Service com-pany, would still have an annual sinking fund for bond surplus of about \$40,000 to set aside as a sinking fund for bond retirement. An annual sinking fund installment of this amount as to be cost and costs. Before the rist had subsided in would liquidate the entire bonded indebtedness in start 25 asses. These figures aff asset utility as a municipality would not.



0.00



4.5