THE WEATHER

EIGHTIETH YEAR

WILL REORGANIZE LINEN FI

Commission Orders Purification of Salem Water-

Public Service Group Hands Down Order Following Recent Hearing

Officials of Utility Await Outcome of Parley on Purchase, Stated

Construction of an adequate fil tration plant or the adoption of other means to insure a supply of potable water for the city of Salem, is demanded of the Oregon-Washington Water Service company in an order issued late yesterday afternoon by the public service commission. The commission's order calls for completion of the improvements within the next 90 days.

The order of yesterday results from a hearing held February 18 when the city of Salem, representatives of local canneries and representatives of the water company appeared before the commission to present facts on the present status of water supply in

The city and canners contended that the water company was not meeting the requirements of the Oregon code which requires dropped. "every public utility is required to furnish adequate and safe service, equipment and facilities. Hold Service is

Not Satisfactory After reviewing the status of water service in Salem over the last three years and pointing out the law's provisions relating to utility service, the commission finds, as follows:

That the service, equipment and facilities furnished by respondent Oregon-Washington Water Service company, are inadequate and unsafe for the furnishing of palatable, pure and satisfactory water to its patrons in the city of Salem,

That the character and quality of the service provided has at times been unsatisfactory in that the water furnished the consumers contains objectionable tastes and odors;

That in orders to provide adequate and safe service, equipment and facilities for the future the Oregon - Washington Water Service company should be required to install an adequate filtration plant or adopt such other and proper means as may seem meet by the respondent, Oregon - Washington Water Service company, to insure a supply of potable water which is free from malign bacteria and will meet as nearly as possible the requirement of the state board of health for drinking purposes and said water should also be odorless and tasteless; That an order should be made

by the public service commission (Turn to page 2, col. 1)

Child Welfare Study Approved By Senate Vote

The senate Friday adopted

a house resolution introduced by Representative Lee providing for the appointment of an interim committee to conduct a study of agencies and laws affecting de- for Luper, said he will do so on pendent and delinquent children, grounds that the grand jury The committee would be appointed by the governor and serve without compensation. The report of the committee

will be filed with the 1933 legis-

Advertising in The Statesman Pays. Says 'Bill' Busick

Increased advertising pays, says "Bill" Busick of the

Busick has doubled his advertising in The Statesman the past two months, and in January his business increased 85 per cent and in February it is hitting 90 per cent higher than for the same month last year.
"It's a remarkable situa-

tion, because merchandise is selling at lower figures than a year ago. And still I double the business," says Mr.

Busick has tried to maintain a policy of lowest prices possible consistent with good business, and it is to this good merchandising, together with the increased advertising, that he attributes doubled business in spite of lower prices.

Arbitration Offer Of Water Company Told City Leaders

Elliott Proposal Involves Dropping Appeal on Past Bond Election; Representatives Of City are Noncommittal

DEFINITE proposal on the part of the Oregon-Wash-A ington Water Service company for arbitration on the value of its plant with the city of Salem preparatory to the acquisition of the property by the municipality, was laid before Mayor Gregory, City Attorney Trindle and Aldermen Purvine and Kowitz at an informal meeting held last night at the city hall. President El-O

Here's Hoping she Roars:

Moisture Shortage is

Dwindling, Shown

Tomorrow will dawn the first

day of March, Will it be calm

like a lamb, a few of which are

even now frisking about over the

will go out in opposite manner-

withheld roars are nerve rack

An effort was made to het with

the weather man as to the humor

of March 1, but he would not

to take a look at the past few

days and count our blessings for

it is "with great pleasure" that

the announcement is made that

the moisture shortage over last

year has been caught up to 4.72

inches as against last year. At

that you can't start growling

The rainfall comparison has

been made with November, De-

as against the same months of

this season. February has done

very well by the rain shortage.

following amounts of rain has

fallen: .12; .8; 0; .32; 0; .11;

One and eight tenths of a foot

above low water mark in Febru-

Just as a matter of interesting

comment it is noted that the rain-

fall for December, 1929, was 10.

ches and for January 1931, 6 .-

All of the above just goes to

prove that there is no use look-

not as much rain in December as

usual for what is usual? Wait

until it is all through raining and

then see how the weather man

Of Miles Firm;

Money on Hand

Firty thousand dollars was de-

posited with Ladd & Bush yester-

day by F. J. Gilbraith of the Miles

Linen company for taking up the

has "done by you."

in cash at par.

Take up Stock

about the rain for the river is

still too low for ease.

Painful Shortage

Rapidly Reduced

and .25 of an inch.

venture. All that can be done is

liott of the water company represented that firm, with Walter E. Keyes, attorney, and T. J. Delaney, northwest manager, sitting in at the meeting.

The company's proposal will be submitted in writing to each councilman this morning and an executive session of the council has been called for 3 p. m. this afternoon at the city hall when that body will consider the proposal, before subsequent discussions of the matter with water company officials.

The water company proposal. prepared in the form of a contract between the city and the company, provides, in brief, the following procedure:

1. Mutual agreement that pending appeal of May 16, 1930, and threatening like a lion beatamendment providing en of its prey? The saying is that water company purchase be which ever way it comes in, it

trator by the company and one a roar and have it over withappraisal of the water company n the basis of value. 3. Agreement that in case the

arbitrators cannot meet on terms, they be empowered to select a mutually agreeable third party, the decision of the three to be the arbitrated value of the property. 4. Resumption of filter plant

construction and its early completion with the city agreeing to expenditures as approved by its representative checking company expenditures and by a board of three certified accountants. 5. Submission of another city

(Turn to page 2, col. 1)

PREJUDICE CLAIM IS FILED BY LUPER

Charged with larceny of public funds on secret indictment by the grand jury, Rhea Luper, state engineer until a few months ago, yesterday morning appeared to ary does not speak so well for answer the charge. Luper came July. in of his own accord and while Judge L. H. McMahan was in Albany. He was allowed to go on \$1000 bond, and immediately filed affidavit of prejudice against Judge McMahan.

Luper declares in his affidavit that the judge is prejudiced against him and asks that the case go to trial in another department or that some other judge be called in to sit in the case.

Luper's indictment, made February 25, came following a John Doe presentment outlining action surrounding the case of Luper handed to the court by the grand

While legality of the indictment has not yet been attacked, Oscar Hayter of Dallas, attorney which made it is not legal because the circuit judge made no order continuing the jury from the October to the November term of court. The judge and district aftorney do not agree on the law continuing the jury.

Protection of Lawful Fishing Gear is Voted

The senate, by a vote of 18 to 2, Friday passed a bill introduced by Senator Moser providing for the protection of lawful fishing gear on the Columbia river. The measure was defeated in the senate Wednesday. Passage of the bill was opposed by Senator Franciscovich, who declared that the legislation was not desired by the fishermen at the mouth of the Columbia river. Senators Moser and Staples said the bill was intended to curb unlawful operations, and would not interfere with the activities

EDDIE THOMAS WINS PORTLAND, Ore., Feb. 27. -(AP)-Wildcat Carter, Everett, Wash., took a severe beating from Eddie Thomas, Bellingham, in six rounds of a main event boxing card here tonight.

of the honest fisherman.

FINAL PASSAGE

Vote in Defiance of Veto Is Heavier Than Upon Original Ballot

Debate is Heated, Gallery Mostly Opposing Bill Roars and Hisses

WASHINGTON, Feb. 27-(AP) -Congress today opened the treasury to increased loans to World war veterans over the obection of President Hoover. Heated discussion of the merits of the measure several times

brought roars and hisses from the

galleries where advocates were noticeably in a majority. A remark by Senator Hastings, republican, Delaware, in opposing the bill that it would lead some veterans "to steal" their insurance certificates from their wives and to squander their loans in riotous living provoked a storm of

debate. More republicans voted today to override Mr. Hoover's veto of the entire sum contingent upthan originally supported the wet fields, or will it be roaring measure, 36, lining up behind it today as against 34 on its first passage. Only Senator Watson, of Indiana, the republican leader. 2. Appointment of one arbi- if that be true let it come in with changed his vote in response to the veto.

> The bill passed the senate preriously 72 to T2. Some of the absentees on that vote were present today. Democrats with one exception voted solidly against the veto, Senator King, democrat, Utah, joining with the 16 republicans supporting the president. A statement by Mr. Hoover in his veto message that the legislation might necessitate an increase in taxes was challenged by Senator Vandenberg, republican, Michigan, who contended that \$785,-000,000 in securities in deposit as a reserve for the insurance fund

were available for the loans. Aside from this reference to the reto, the senate seemed anxious cember, and January a year ago to ballot and cries for a vote went up almost every time a new speaker took the floor. There was never any doubt about the out-Between February 20 and 26 the

The river readings for the same days were: 4.2; 4.2; 3.4; 2.8; 2.7; 2.2; and 1.8 feet above zero. MEET HERE TODAY

Four-H club leaders from all ver Marion county will meet here 5 inches; December, 1930, 3.98 at the chamber of commerce toinches. Also that the rainfall for day for the second local leaders' January 1930 was only 3.98 in- meeting called by W. W. Fox, county club leader. It is probable that the main

tem of business will be organization of a Marion County Local ing for trouble because there was Leaders' association, as a move to that end was initiated at the meeting about a month ago. Miss Audrey L. Wiencken, assistant state club leader, will be the main speaker, the most of the program to be devoted to round table discussions and a cookery demonstration by the McLaughlin school team under leadership of Mrs. Emma O. Wolfard. The session will open at 9:30

Population of Prison Now 940

preferred stock issue of that Population of the Oregon peniamount. The stock was called in tentiary reached a new high mark the house was defeated. some weeks ago to be redeemed of 940 Friday night. Included The only class of stock now among the convicts are 32 wooutstanding is the common stock. | men. One more woman and three The company has no bonds or men were expected to be pressed in today.

The Legislative Calendar

House Today Third reading House Bills 408, 409, 410, 411, 412, 413, 415, 407, 350. House Joint Resolution

Third reading Senate Bills 78, 170, 179, 188, 205, 233, 238, 273, 284, 300, 305, 307, 317. Senate Joint Resolutions

House Yesterday Voted down by decisive Bynon measure provision for refund of \$894,000 intangibles tax. Approved butter grading

Approved \$40,000 appro-LaGrande.

Senate Yesterday Approved numerous house appropriation measures. Disapproved Mott resolution for constitutional prohibition of direct property taxes for state purposes.

Senate Today Third reading Senate bills 297, 345, 327, 353, 354, 355, 356, 200, 243. Senate Joint Resolution

Third reading House Bills 395. 342. 340. 317. 177, 297, 63, 355, 319, 10, 390, 99, 96, 345, 186, 164, 312, 375, 268, 79, 402, 403, 379. 378, 236, 396, 397, 318, 144, 371, 349, 394, 107, 33, 341, 325, 352, 391.

81

Intangibles Refund Defeated by House; Excise Bill Argued

Industries' Representatives Object to Raise in Rate; Claim 8 per Cent Will Drive Business to Other States

OREGON'S tax situation provoked arguments in the state legislature and the offices of Governor Julius L. Meier, today as legislation was passed and discussed on this major matter now before the house and senate. While business men from Portland, representing some of the larger industries of the state protested the increased excise tax, the house defeated the measure to re-O

turn immediately the \$900,000 collected under the 1929 intangibles tax law, declared unconstitutional by the state supreme court. These two features marked the day in the state capitol, but did not prevent action on more than 50 other bills, mostly by the senate, which went a long way toward clearing the calendar of both houses to date.

Immediate refund of the intangibles tax money collected under the 1929 law was defeated on the ground that another bill, sponsored by the tax committees and which is a part of the state tax program now before the legislature, provided for the refund on the decision of the United States supreme court. The case of the 1929 law will be appealed, and if the decision of the lower court upholds the state court, the new bill provides for the return of the money. The new bill was later passed by a large majority.

While debate on this tax issue was in progress in the house under special order, a delegation of (Turn to page 2, col. 6)

STATE POLICE USE OF RADIO FAVORED

Hookup Between Capitol and KOAC Station Provided For in Resolution

Following closely upon passage the so-called state police department bill in the senate Thursday and the assurance that the measure will receive favorable consideration in the house, the senate Friday approved a -resolution authorizing the secretary of state to connect by remote control the radio broadcasting station at Oregon State college with the state capitol building. The broadcasting station is owned by the state.

Senator Eberhard, in his explanation of the resolution, declared that the connection tween the state capitol building and the broadcasting station at Corvallis would prove effective in administering the activities of the state police department. In event the state police department bill is approved in the house, the (Turn to page 2, col. 6)

Anti-Property Tax Resolution Is Voted Down

The senate yesterday postponed indefinitely a resolution introduced by the agricultural committee providing that no ad valorem tax shall be levied upon real or intangible personal property in the state of Oregon. The resolution was reported out adversely by the senate committee on assessment and taxation, A similar resolution introduced by Representative Mott in

Condolence is Sent by Senate

The senate Friday adopted resolution of condolence in connection with the death of the late Samuel Hill. The resolutions will be signed by Governor Meier, President Marks of the state senate, and Speaker Lonergan of the house of representatives. Copies will be sent to members of Mr. Hill's family.

W. U. Debaters Beat U. of W

Willamette university debaters Charles Gianoli and Ross Knotts, freshmen, defeated a University of Washington squad two to one in a debate at Waller hall last night. The Willamette team argued the negative of the question, Resolved, That a policy of free tions.

Cleary and Hillman Heads Of Company Formed To Pack Fruit

Expect 60,000 Case Output This Year; Plant Will Be Opened Early

A new fruit canning firm has been organized and it has leased the plant of the West Salem cannery where it will operate. The firm is the Cleary and Hillman Packing company, the organizers being E. J. Cleary and Grover Hillman. Mr. Cleary has been secretary-treasurer of Paulus Bros. fruit packers. Hillman was formerly one of the owners of Cherry City Bakery and the Capitol Dairles.

of some 60,000 cases this season. Sales connections have been es-Santa Claus with a bulging tablished, and Ronald Jory is now pack of toys would be no more in the field signing up contracts welcome to the children of Marfor fruit. The pack will include ion county than will be the word all varieties of fruits and berries from County Assessor Oscar and will be marketed under the Steelhammer's office that the "Spot" brand which was used by county tax roll has decreased the former operators of the can-\$91,537.92, with a total of \$2,nery, the Pacific Fruit Canning and Packing company. Cold pack Payments on the new tax roll will also be employed for berries. may be made any time beginning The West Salem cannery is a well equipped, with capacity for 150,000 cases. Reid.

(Turn to page 2, col. 4)

The moment Governor Meier

spreads some administrative ink

in his characteristic handwriting

on House Bill 77 which now

awaits his signature, the public service commission will be a

thing of history. There is a prob-

ability that this signing will be

done today by the governor al-

though he may hold up the job

until the new man for the one

Last night George Joseph Jr ..

and L. A. Liljeqvist carefully

proof read the bill which has

passed the legislature. As soon as

they approve it the bill can be-

come law with Meier's approval

since it contains the governor's

There is much speculation on

the man whom the governor will

name for the new job which will

be the pivot post in his utility

regulation program. Henry Han-

zen has been busy all week look-

ing over candidates but the selec-

tion of one is still a matter held

within the close confidence of the

governor and his immediate ad-

risors. The name of L. A. Lilje-

qvist has been used often in con-

Liljeqvist has an extensive law

practice and understood to be

hesitant to relinquish it for the

uncertainties of political appoint-

ment and especially an appoint-

ment so fraught with responsi-

bility as the pivot job of the

APPLICATIONS EARLY

SPOKANE, Feb. 27-(AP)-

Fifteen minutes after Spokane

was notified that the senate had

overridden President Hoover's ve-

nection with the post.

Meier administration.

signature.

man post is determined upon.

iff Oscar Bower. Reductions are noted in the state and county tax, the state levy dropping \$991.58 and the county reduction being \$112,-019.31. The state tax for this year reaches \$318,459.22 and the county tax is \$342,956.09.

has turned the roll over to Sher-

Lower by \$91,537.92, Final

Draft by Assessor

Now Indicates

026,466 this year.

School Municipal Taxes Are Lowered Special school taxes show as increase of \$15,597.38 over last year and special cities taxes increased \$23,059.51. The high school tuition fund and county school and library levy also in creased. The county school and Library tax totals \$171,478.04; the special cities tax is \$455, 340.32; the special schools levy s \$447,878.19; and the high school tuition tax is \$121,948.-

The total county road tax is \$136,005.88. Veterana' exemptions dropped off about \$10,000.

VETERANS, HERE'S HOW TO GET LOAN

WASHINGTON, Feb. 27-(AP) -Here's what a veteran has to do to borow half the face value of his adjusted compensation certifi-

If he has obtained a loan he may present in person or mail to one of the 54 regional offices the record of it and the application for more. Those who have not received

loans must mail to the office or present a certified note to that efect along with discharge papers and the certificate. Notes can be obtained from the regional offices and veterans organizations. The regional office for Oregon is at Portland.

Gas Plant For Bend Finished PORTLAND, Ore., Feb. 27 .-

AP)-A. E. Strong, operations manager of the Natural Gas corporation of Oregon, said today the corporation had completed installation of its plant and distribution system at Bend, Ore., and would begin supplying butane gas to that city March 5.

Did You Know ---That John Slegmund

taught school at Fox Prairie one term? That at one time there was a lot of objection to employing "lady" clerks at the legislature?

That Rev. T. L. Elliott (father of Mrs. Rev. F. A. Weil, and still living in Portland) lectured in Salem in 1886 on "Florence, Dante and Michael Angelo?"

Eighty years, nearly, of state history and of person-al biographical facts are crowded in the files of The Statesman? These will be gleaned for interesting stories for our Eightieth Anni-versary number, March 28, 1981. Watch for it.

Meeting of Stockholders is Called for March 12 Here

At Chamber of Commerce Rooms, Announced

Contemplates new Company With Funds Sufficient to Develop Plant as Weaving Factory, Stated

Reorganization of the Oregon inen mills is planned by a group headed by John Vestch, Portland attorney, representing Gov. Meier and will be submitted to the stockholders of the The new company plans a pack company at a meeting in the chamber of commerce rooms March 12. must be effected, it is stated, to avoid default of interest on the mortgage bonds the first of April and consequent foreclosure the lien on the property.

plates the formation of a new company, issuing stock in ex-change for outstanding stock of the present corporation, and the putting in of new money into the enterprise which will take care of current debts, provide new automatic looms, and start the mills as a linen-weaving factory which was the original de-

Letter is Sent To Stockholders

Letters were mailed to stockholders by a committee comsenting the necessity for prompt action in order to reorganize the property: Paul B. Wallace, J. W. Mayo, W. I. Staley, Dr. W. C. Keene, U. S. Page, Dr. H. J. Clement, Dr. M. C. Findley, T. A. Roberts, F D. Thielsen. The letter which was mailed yesterday is as follows. "Fellow Stockholders:

"The undersigned stockholders of the Oregon Linen Mills, Inc., met as the Marion hotel vesterday at the request of the Stockholders committee, (Said com-mitte having been elected at the regular meeting of the stockholders Sept. 15, 1930). The purpose of the meeting was to confer with Mr. John Veatch of Portland, attorney for Meier & Frank company, Mr. Veatch has been working on plans for the reorganization of the mill for some time and at this meeting presented for consideration the best proposition he has been able to obtain. This plan will mean the reorganization and immedi-

"We find the present financial condition of the Company to be briefly as follows: Accounts and Notes Payable. Interest, Etc..\$53,013.62 First Mortgage Bonds in Treasury which

ate operation of the mill.

may be sold to retire these obligations 61,700.00 Bonded indebtedness at the present time consists of First Mort-gage Bonds issued and

outstanding 88,300.00 April 1 with no quick assets to meet obligations, which probably means immediate foreclosure and total loss to we stockholders.

"A proposed plan was presentto of the veterans' loan relief bill, ed by Mr. Veatch, through which an application for a loan was on a new corporation will be organfile. About 100 applications were | fred by responsible parties who (Turn to page 2, col. 4)

Horrors! Spring Opening Set tor Friday the 13th

Trust those Ad men to get the between High and Commercial public all excited. Now they've Friday, the 13th-of March. The young lover might consid- ed at 7:30 c'clock.

er that day and date a real handicap. Not so these Ad men. They just won't let it be unlucky, for already they are getting ideas and making plans and preparations that ought to send all the past spring openings in the corner to hide their eyes with hu- er; C. A. Sprague and Bill Wat-

miliation. An automobile show, a treas- Lee and Stanley Keith, treasure ure hunt, public dance, stunts- hunt; Dr. Henry Morris and Kenall these will be included in the neth Morris, window displays

Tentative plans call for asking special features and entertain-

and Liberty street between State gone and set the date for the annual spring opening square on opening. Windows will be unveil-The dance, too, will be made a big feature of the opening.

Ralph H. Kletzing, general chairman, has called first meeting of his committee for Tuesday noon. Committee members are: Vern Suko and Carl A. Ramseykins, automobile show; C. M. gala event which annually brings and prizes; E. A. Brown, pubout thousands. And of course, licity and advertising; A. B. there will be the festive windows too.

Smith, platform; Palmer C. Macdonald and Harry C. McWhorter,

the city to rope off State street ment.