

THE CAPITAL JOURNAL

E. HOFER, Editor and Proprietor.

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WATER COMMITTEE FURNISHES AN INTERESTING STATEMENT

Explains What Has Been Accomplished—With Acting Mayor Committee Gives Comprehensive Summary of Conditions Surrounding the Purchase of the Salem Water Company's Plant.

Below is given a complete summary of the steps taken by the Salem authorities in the matter of municipal ownership of a first class water system for the city of Salem. The committee and the acting mayor have worked diligently to bring this matter before the people, and now submit this very comprehensive statement of what has been done for the information of all voters:

The price agreed upon is not a haphazard conclusion, but has been arrived at by close application on the part of the city council committees. In the first place it was decided as better to arrive at a price by appraisal than by an arbitrary price from the water company. For this reason three competent engineers were appointed to arrive at the exact value of the existing plant. The city named J. H. Cunningham, the water company named R. O. Donald, and instead of these two selecting a third man the governor named State Engineer J. H. Lewis. These gentlemen are all known to be competent, and their mode of procedure was such as is adopted by the engineering authorities of the country.

First they made a complete inventory of the water company's property, and its value was arrived at by taking the cost of each item and deducting therefrom the exact percentage of deterioration as shown by its actual condition and by the time it had been in service. This made not a lump sum, but an exact valuation of every portion of the plant, based upon its present physical condition. In order to determine the condition

of the pipes, for instance, examinations were made by these engineers at thirty different points in the city. By this process the exact status of the property was arrived at.

Next, on certain dates, the pressure was gauged at ten different places, which gave exact information as to the capacity of the pipes and their service. From these tests the engineers made their final deductions. The depreciation totals compiled by the engineers in nearly every instance showed a very material reduction from the original cost.

Next a complete showing was made of what it would cost to duplicate the physical plant, and it was found that this would take \$378,628. To this was added several items such as a growing concern. This brought the total sum arrived at by the arbitrating engineers to \$422,585. This award was submitted to the council and the whole matter was finally referred to special committees. These committees labored long and industriously to get a better proposition. They finally succeeded in eliminating a lump sum of approximately \$48,000, still retaining all the properties except the water right on the island, and that they secure for the nominal figure of \$1 per year. In addition to this item the company agrees to eliminate a further sum of \$44,000 on account of the water power, but the city reserves an option to take over this water power at any time within a period of three years at the original price agreed upon. In the meantime they pay an annual

rental of \$3000 for the use of said power. The engineers estimate that a like power produced by coal would cost the city \$11,000 per year. Thus it will be seen that the special water committees of the council have not only hammered the price down \$48,000 below the arbitration award, but have driven a close bargain in the matter of retaining the water power if needed. Many other points might

be taken into consideration which have been gained by the committees; for instance, the real estate values were made nearly two years ago, and it is conceded by the best judges that they have greatly increased in that time.

In order to give a concise idea of what the city will get when this plant is taken over, the following statement might be submitted:

Amount to be paid water company	\$205,500
Amount to cover maturing 6 per cent bonds	45,000
Amount to cover, at cost, all possible extensions and betterments to water plant from date of appraisalment to date of transfer	30,500
The city to assume the outstanding 5 per cent bonds which mature in eighteen years	\$0,000
	\$361,000
On this basis the city will find itself with the following annual account:	
RECEIPTS.	
Present total annual income of plant	\$ 55,000
EXPENSES.	
Interest on	(\$205,500
	(125,000
	(30,500
	\$361,000 at 5 per cent \$ 18,050
Operating expenses and depreciation	19,950
	\$ 38,000
Annual profit for city	\$ 17,000
The charter amendment makes provision for expenditures in addition to the foregoing as follows:	
For purchase of water power	\$ 44,000
For future extensions	75,000
Total	\$119,000
Should the council deem it to the interest of the city to expend these sums it would increase the interest charge by \$119,000 at 5 per cent	\$ 5,950
But would relieve the city from the annual rentals on the water power	3,000
Leaving the increase in expense at only	\$ 2,950

It is estimated that the increased revenue which would be derived from the extensions to be made by the expenditure of the additional \$75,000 above provided for, together with the additional business to be secured after the new sewer system shall have been inaugurated, and that resulting from the general growth of the city, which promises to be greater than ever, will nearly double the present income, making this interest item appear of small moment.

Voters should remember that section 9 of this charter amendment does not provide for taxing future extensions of mains to the abutting property, but it simply authorizes the council to pass an ordinance for that purpose if the emergency ever arises.

GIDEON STOLZ,
 Acting Mayor.
 N. D. ELLIOTT,
 W. H. ELDRIDGE,
 A. HUCKESTEIN,
 Special Committee of the Council.

JOHNSON REFUSED AN ENTRY

COLORED CHAMPION IS BARRED FROM RACES, AND REFUSED PERMISSION TO GIVE EXHIBITION RACE DURING INDIANAPOLIS RACES IN SEPTEMBER.

[UNITED PRESS LEASED WIRE.] Indianapolis, Ind., July 28.—Much discussion today follows the action of the Indianapolis Motor Speedway management in refusing to allow Jack Johnson, the colored champion, to participate in the automobile races in September.

Indianapolis has a large negro population, and the turning down of Johnson is the big topic of conversation among the blacks. While the colored people here are inclined to resent the action of the speedway management, leading white citizens are commending the decision.

Johnson applied for a place on the track during a recent meet, but his entry was refused. He then asked to be allowed to make an exhibition race during September, which the directors also refused.

PROFESSOR MERRILL CALLED BY NOTED MILITARY COLLEGE

Professor George Merritt of Jacksonville, who formerly held the chair of science in the Medford high school, will leave next week for San Rafael, California, where he has been called to take the chair of science in the Mount Tamalpais Military academy, one of the leading educational institutions for the training of boys on the Pacific coast. Professor Merritt is a graduate of the University of Oregon, while the other members of the faculty are graduates of the large eastern universities.—Medford Sun.

STEALS 12 MILLIONS AND GETS TWO YEARS

Paris, July 28.—With the close of the trial of Henri Rochette, who has been convicted of enormous swindlings and sentenced to two years' imprisonment and given a fine of \$600, one of the most sensational cases of its kind ever tried in a French court has been ended.

Considerable surprise is felt today over Rochette's sentence, which it is universally felt is not commensurate with the enormity of the offense. Rochette was charged with fraudulently obtaining more than \$12,000,000 in violation of the corporation laws.

Chamberlain's Stomach and Liver Tablets gently stimulate the liver and bowels to expel poisonous matter, cleanse the system, cure constipation and sick headache. Sold by all dealers.

LAND OFFICIALS BACK FROM TOUR OF STATE

George Brown, clerk of the state land board, returned from a tour of the various United States Land of-

ices in the state yesterday afternoon. He was accompanied on his visit by State Land Agent Applegate who will return the first part of next week.

The visit covered a period of three weeks, and its purpose was to check up the state's records with relation to land grants made to it by the government with the government records in the land offices. Mr. Brown reports that some errors were found and that they will be taken up with the departments of the federal governments and corrections made.

SIGNAL SYSTEM FOR S. P. IS COMPLETED TO ALBANY

Work on the new signal system which is being put in by the Southern Pacific is nearly completed between Glendale and Albany, J. H. Surelle, a Portland electrician, who has been employed in the work, is in this city and he reports that thirty-five men are being kept busy and by the first of October the entire line will have the signal system as far north as Albany.

A. O. Keppel is the man in charge of the work which has progressed as far as West Forks to date.—Medford Sun.

RAE \$100,000 JEWELS THEFT IS UNEXPLAINED

Pittsburg, Pa., July 28.—Members of the family of Mrs. Henry R. Rao, sister of United States Senator Geo. T. Oliver, today maintains silence about the finding of Mrs. Rao's \$100,000 jewels, after a search extending over a year.

All circumstances regarding the restoration of the stolen gems are withheld. The general belief is that they were taken by a society raffles, who finally consented to return them upon certain conditions.

The detectives who have been working on the case scout the idea that the jewels were safely hidden in a safety deposit box by Mrs. Rao and then forgotten.

Soreness of the muscles, whether induced by violent exercise or injury, is quickly relieved by the free application of Chamberlain's Liniment. This liniment is equally valuable for muscular rheumatism, and always affords quick relief. Sold by all dealers.

Sealed bids will be received by the county court for the county of Marion, state of Oregon, up to 2 o'clock p. m., the 3rd day of August, 1910, at which time said bids will be opened by the county court, proposing to construct a macadam road from the city limits of the city of Silverton, Oregon, to the "Pine Tree Four Corners" on the Mt. Angel and Scotts Mills road, a distance of about four and one-third (4 1-3) miles, in accordance with the plans, profile and specifications, prepared for said improvement and now on file in said county clerk's office.

At least one mile of said road improved shall be fully completed by December 1, 1910, provided the whole contract be awarded to one person or company, and in the event that a contract for one mile or more and not more than one-half of the entire distance be granted to one person, one-half of each mile contracted for shall be completed by December 1, 1910, and the remaining portion of said work shall be fully completed on or before October, 1911, provided, however, that the contractor shall keep a reasonably large force of men at said work from May 1, 1911, and work faithfully and continuously until said work shall be fully completed.

Bids will be received for the construction of all of any portion of said improvement not less than one mile in length.

The county court reserves the right to reject any and all bids.

Done by order of the county court upon the 9th day of July 1910.

R. D. ALLEN,
 County Clerk for the County of Marion, State of Oregon.

Foley Kidney Pills Have Cured Me.

The above is a quotation from a letter written by H. M. Winkler, Evansville, Ind. "I contracted a severe case of kidney trouble. My back gave out and pained me. I seemed to have lost all strength and ambition; was bothered with dizzy spells, my head would swim and specks float before my eyes. I took Foley Kidney Pills regularly and am now perfectly well and feel like a new man. Foley Kidney Pills have cured me." J. C. Perry.

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FOLEY'S KIDNEY PILLS
 for backache, rheumatism, kidney or bladder trouble, and urinary irregularities.
 Foley's Kidney Pills purify the blood, restore lost vitality and vigor. Refuse substitutes.
 J. C. PERRY.

Come In, Boys, The Water Is Fine! Meet Us This Summer at

Improvements absolutely guaranteed
 Sidewalks, Water and Streets
 Auto Garage
 Hotel, Stable
 Tent City

"Neskowin"
THE OLD SALEM CAMP GROUND

We earnestly invite you to make your SUMMER OUTING at NESKOWIN PARK, for we predict that you will never have cause to regret that you chose this ideal spot. Of course you will take your annual vacation? Then, by all means, COME TO NESKOWIN AND ENJOY LIFE.

NESKOWIN represents much that is beautiful to the eye of the lover of nature. The surroundings are ideal, the location the most perfect of any BEACH RESORT on the whole OREGON COAST. In making the foregoing assertion we know that this may be questioned, but we extend to you our invitation to come, visit and behold as we have seen. NESKOWIN has the most promising future. A beautiful little park "a stone's throw" from the finest stretch of beach anywhere. Trout fishing on one hand; deep sea fishing on the other. Located in the heart of a prosperous dairy and farming community. Plenty of fresh milk, cheese, vegetables and sea food right at hand. This is the place that INVITES YOU COME.

If you want to visit NESKOWIN—if you want any information, cut out the coupon and mail TODAY—NOW.



ROLLIE W. WATSON,
 Tillamook City, Oregon.

Please mail me map and literature of NESKOWIN

Name _____
 Postoffice _____
 State _____

Out This Out and Mail

Lots on sale at this Resort
\$100
 TO
\$300
 TERMS:
 1-4 cash, balance
 1-12 payments
 No interest on deferred payments

NESKOWIN A Beach Resort of Natural Superiority. A limited number of lots now for sale. Extensive improvements under way, and lots will be increased as the improvements are extended.

Tillamook has some of the finest beaches in the world, and this fact has been made the basis for all manner of schemes to catch the public on anything that may front on the ocean. Not one spot in a hundred can ever be made into a practical summer home and no one should think of buying beach property without seeing it or having some trusted friend see it for them."

HOTEL. Guests should engage accommodation by mail.
GENERAL STORE. Offering a Full Line at reasonable prices.
CAMP GROUNDS FREE. The finest on the Coast and special care for wants of campers.

The improvements at NESKOWIN are now being made. From 30 to 40 men are in the employ of the Neskowin Company to make these improvements. We are offering to the people of Salem and vicinity an opportunity to purchase them a Summer Home at prices that will at the present time no more than pay for the improvements being made. The price of the property will be advanced in the near future.

Salem People, This is Your Opportunity.

NESKOWIN IS YOUR NEAREST AND MOST ACCESSIBLE RESORT. The beauties of NATURE'S OWN ATTRACTIONS have been the mighty magnet drawing people to this resort for the past twenty-five years. PLACE YOUR MONEY AT NESKO AND YOU WILL NEVER REGRET THAT YOU HAVE DONE SO.

Watch this paper for further announcements.