

The San Francisco Call

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ASTONISHING METHODS OF THE WATER COMMITTEE

It may be assumed that the city of San Francisco and the citizens will be willing to buy the Spring Valley water system when the price is right. A volunteer body of citizens, organized under the name of the federated water committee, has arrived at certain findings on this subject after deliberation and investigation, chiefly arithmetical and not without some personal acrimony and reflections on the motives of members.

Let us disregard the personal features of the affair and take up the method. As has been said, this was almost wholly arithmetical. The Spring Valley has been appraised, perhaps, a dozen times or more, and the remarkable thing about these valuations—all made by experts—is that they range anywhere from \$23,000,000 to \$51,000,000. This is an arithmetic of magnificent distances, all sworn to on a stack of bibles.

With all these figures thrown into hotch pot, the rest was easy. The committee took all the estimates, giving them equal weight, added up the sum and took the average. The process assumes that all the valuations are wrong, but each may be used to correct the errors of the others. It is a case where a dozen wrongs make one right, with the assistance of a slate and pencil.

In this astonishing process the highest valuation pressed into service by the arithmeticians was the wild and visionary appraisal of \$51,000,000, made by Chief Engineer Schussler. It was not taken into account by the committee—in all probability the committee did not know—that this estimate was not based on the actual value of the Spring Valley plant, but on a comparison with the cost of bringing an equally good supply from the Sierra. It was contended by the corporation in the suit against the city that the value of the system was equal to the cost of duplicating the plant. Schussler guessed that it would cost \$51,000,000 to bring water from the Tuolumne. Grunsky guessed that it could be done for \$39,000,000, but neither estimate has the slightest bearing on the actual value of Spring Valley, which should be no more than the cost of land and construction, plus interest on the investment, most of which has already been paid by the water consumers.

These interesting matters of history and principle are recalled because of their direct bearing on the methods of the federated water committee. If Mr. Schussler ever anticipated these methods he has neglected a shining opportunity. Even now he must be disgusted at his own moderation. He could just as easily have pushed his guess up to \$100,000,000 as stopped at a dirty half hundred.

The committee makes neither apology nor explanation for including this ridiculous estimate of \$51,000,000 in making up its inflated average. It is fair to assume that there is neither explanation nor apology. As far as can be learned from the report, the committee did not even take the trouble to learn the history or basis of Mr. Schussler's estimate.

The Spring Valley water plant will not be sold by jockeying. Too many people are looking and the history of the property is too widely known. The obvious undervaluation of the Lake Merced property, which it is proposed to reserve and deduct, may be left on one side for the present, with the single remark that the committee is not making any mistakes to hurt the corporation.

When the price is right the city will be ready to consider the proposition. Assuming that a satisfactory and reasonable figure is named the proposition can be financed by an issue of 4 per cent bonds, which the stock and bond holders of the corporation should be glad to accept in payment at par of the municipal bonds.

EXPLOITING STREET RAILWAYS

THE history of urban traction in Chicago has its lesson for San Francisco, because this city is apparently about midway of the journey which in the lake city concluded with a receivership and the squeezing out of the water from the street railway stock. In Chicago the other day a federal judge ordered a receivership of street railways transferred to another company at an appraised valuation of \$39,000,000 property, which had been the basis of stock and bond issues, whose face value was \$109,000,000. In a word, there was \$70,000,000 of water or fictitious capital charged on the property. In San Francisco there is a capitalization of \$80,000,000 in street railways, based on property that can be reproduced or replaced for less than \$20,000,000.

Chicago has had a hard fight to get rid of that \$70,000,000 of watered capital, which was a charge and burden borne by the industry and business of the city. It stood like a wall, resisting all efforts at public regulation of the lines and as an obstacle to efficient service. Dividends and interest had to be earned on the water, and to that end the service was starved. Much of this water represented bribery of public officials. A considerable part stood for the profits of promoters and able financial schemers. The people carried the load and were compelled to endure the wretched service until the city almost rose in rebellion.

At once when competition came revenues declined. Dividends stopped and the interest on bonds went to default. The property fell into neglect and in due course a receiver was appointed.

Such is the natural and necessary result of overcapitalization, a topheavy financial structure that sooner or later falls by its own weight. The city suffers in the process from wretched service and credulous investors lose their money when the time comes to squeeze out the water. The only people who profit by the transaction are the promoters and the financial exploiters who work the deal and sell their fictitious issues to unsuspecting investors. The time is coming when overcapitalization of public utilities

What Is Happening to the Lottery Bandits



will be made a crime in all states of the union, as it already is in some of them. The process is simply a polite way of obtaining money under false pretenses on a colossal scale.

PULLMAN COMPANY IN A CORNER

IT is not in the least surprising to find that the Pullman company complains of its assessment by the state board of equalization. The sleeping car company holds the record as the most successful and unconscionable tax shirker in the United States. The city of Chicago is seeking to recover millions due from this corporation for back taxes. In California, as in every other state of the union, this outlaw monopoly has successfully and continuously beaten the assessor and the tax gatherer.

This year the state board of equalization raised the assessment of the Pullman company to \$1,625,527. For years the board has been seeking information from the sleeping car people concerning their earnings, but every request was met with refusal. The fact that the law requires common carriers to furnish this information to the board cuts little figure with the Pullman company, which has always made a business of profitable law breaking.

In the absence of definite information the board proceeded to make an arbitrary assessment in accordance with the rule of law in such cases, and the taxes on that assessment will be collected. If the Pullman company goes into court to dispute the validity of the assessment it will be met by the facts of its own contumacious neglect to observe the law. He who seeks equity must do equity, and the corporation cannot come into court with clean hands.

DISCIPLINE FOR LOS ANGELES

THERE is a strange but instructive controversy afoot in Los Angeles which is important to outsiders, chiefly because it discloses a state of mind characteristic of the population in that city. It appears to be the unwritten law of Los Angeles that H. E. Huntington shall not be expected to obey the statutes made and provided for the common citizen. Indeed, there is a pious belief in that neighborhood that Huntington is "the man who made Los Angeles," and, of course, the natural corollary is that the creator should do what he pleases with the creature.

Now, this prevailing confusion between Huntington and the Almighty, peculiar to Los Angeles, has become the cause of a grievous and distressing clash between certain municipal authorities and the manager of Mr. Huntington's street railways. These authorities had the temerity to object that Huntington's streetcars did not carry life saving fenders such as the law requires. This was an act of insubordination and even rebellion that very naturally incensed as well as astonished the imperious railway manager. Why should the worm turn?

Quoth the manager: "If the city continues its fight against the company we will cease to operate our interurban cars in the city. The company deems this step necessary to protect itself if the city persists in trying to compel the use of the approved style of fenders."

One wonders how a threat of that kind would be received in other cities. Of course, it is nothing but an impudent bluff, but the same tactics have won in Los Angeles before and, indeed, have been part of the Huntington stock in trade. He who made can unmake, and the creator's agent tells these wretched people how he proposes to do it. If they have neither gratitude nor sense of duty to their maker they must suffer the consequences.

NOTE AND COMMENT

Korea has a nice, new, Japanned emperor.
The Des Moines boy who swallowed a tin whistle and converted himself into a human callopie might get a job as an automobile horn.

The enemies of President Roosevelt are the ones who are doing the most worrying about whether or not he will run for a third term.

The Oakland Tribune, doing the best it can to earn whatever it gets from the graft gang, finds "the astute Call" to be "as diverting in its variety as a pet coon with a shaved tail." If newspapers had their deserts the Tribune would have the warden's pet and would have a shaved head.

Rockefeller says he has always tried to win the confidence of every man with whom he had dealings. Also the cash.
Says the Los Angeles News: "Hearst is the Michael Feeney of journalism, according to the San Francisco Call. Mike has grounds for a libel suit." The Call confesses judgment and offers it apologies to Mike, meaning Feeney and no other of that surname.

The Smart Set

MR. AND MRS. J. DOWNEY HARVEY announce that the marriage of their daughter, Miss Anita Harvey, and Oscar Copper, will take place on Wednesday, September 11, at the home of Miss Harvey's grandmother, Mrs. Eleanor Martin, in Broadway. Owing to the recent serious illness of Miss Harvey the wedding will be a very quiet one. The bride's only attendant will be her sister, Miss Genevieve Harvey. After the wedding the young couple will occupy an apartment in the Lafayette.

Mrs. John Metcalfe will be hostess next Wednesday at her home in Presidio Heights. A luncheon in honor of Mrs. Goodman and Miss Ruth Goodman, whose engagement to Mrs. Metcalfe's son, George L. North, has just been announced. There will be 16 at the luncheon, and in the afternoon Mrs. Metcalfe has invited about 100 of her friends to an informal tea to meet her honored guests.

Mr. and Mrs. Charles W. Conlisk have invited a party of friends to accompany them to Bohemian grove, leaving here tonight and returning next Tuesday.

Mrs. Genevieve Baker left last week for a three month trip through the east. She will stop in New York city the greater part of the time and later will visit in Chicago and Philadelphia.

Mr. and Mrs. George Cadwallader have given up their Bohemian grove street and will spend the winter with Mrs. Cadwallader's mother, Mrs. Russell Wilson, at the latter's home in California street.

Mrs. Henry Crocker will return soon from her summer home in Marin county, preparatory to going east in September, where she will place her daughter, Miss Marion Crocker, in a finishing school.

Dr. and Mrs. Frederick La Bancroft have gone to New York, taking with them Mrs. Bancroft's sister, Miss Lillian Shoobert.

Mrs. Harry Benson, wife of Major Benson of the cavalry, has spent the summer in the Yosemite valley, where her husband has been stationed, and where she has entertained a number of friends.

Mr. and Mrs. Robin Dunsmuir, who have been visiting Mrs. Dunsmuir's mother, Mrs. Shoobert, in Sausalito for several months, left last Saturday, accompanied by Miss Fannie Shoobert, for Victoria, B. C.

Mr. and Mrs. Robert Tibbets, who have been staying at the Hotel Rafael for the last six months, have leased the Fouts home in Gough street and will occupy it about September 15.

Miss de Saisset of San Jose is enjoying a sojourn in Switzerland, visiting her cousin, Baroness de Grafenried de Villars. She will not return until the early fall.

In the Joke World

"Why don't you explain your position on the tariff?"
"Why should I?" asked the eminent statesman. "I once tried to explain it and the first thing I knew I got interested in trying to understand it myself and worried myself almost to death."—Washington Star.

De Long—I hear you are hunting for a rich wife.
Shortleigh—Right you are.
De Long—Bag anything?
Shortleigh—Nothing but my trousers.—London Tit-Bits.

"Jones is the most prominent member of our golf club."
"Why, he can't play golf."
"No, but he always says his dues."—Cleveland Leader.

The Insider

Explains Pacific Mail steamship company's retention of Captain Saunders after his mistake had resulted in a million dollar loss

Wisdom of Skipper Saves His Position

THE fact that Saunders was retained in the face of the company tradition which provides the ax for the captain getting a Pacific Mail ship into trouble has given rise to much speculation as to how it happened.

The matter was being discussed on "change the other day." "Harriman's orders," volunteered one prominent shipping man. "Taft had something to do with it," said another.

"Saunders may thank the insurance people," declared a third. "You're all wrong," said a fourth member of the group, a man who is close enough to the "big chief" to know what he is talking about. "Schwerin did it. Schwerin is waking up to the fact that the policy of firing every man that makes a mistake is wrong. In considering Saunders' case he considered that the captain's mistake had cost a huge fortune. He realized that Saunders would not repeat the error and came to the conclusion that it would be foolish to fire a man after providing him with \$1,000,000 worth of experience. So Saunders stayed, and good luck to him, he's the only million dollar skipper on the Pacific and I'll bet he never scratches the Manchuria's paint."

Enact Laws Which Are Not Ratified

ANent Roop, whom I mentioned as the owner of the Woodward's menagerie, I have discovered some matters of historic interest in connection with him. With some early day pioneers Roop crossed over the mountains from Plumas into Lassen county. It was in the early fifties, when maps were not existent, and the pioneers thought that they were east of the California boundary line. There was no Nevada then, but Utah and New Mexico bordered on California. They also thought that they were the only inhabitants of the territory. In April of 1856 about a score of them met at the first house in the valley, a log cabin built by Roop and still standing near Susanville. They held the meeting for the purpose of formulating new laws for the territory of Natagua, which they had laid out as extending from the southwest corner of Idaho on the north, through what is now the middle of Nevada, to about 50 miles south of Carson City, and then back to the California line. Peter Lassen was chairman and Roop secretary of the convention. They made quite a number of laws before they discovered a year later that they were not a tenth part of the population and that the other inhabitants would not ratify their acts, besides which they themselves were not residents of the new territory; so the project fell through.

Countess Festicos Honors California

ONCE a Californian always a Californian—at least that is so with quite a few of us. The Countess Festicos is one. She always registers in every continental hotel she stops at, "Countess Festicos of California." The countess cannot have very pleasant memories of her own city, either, for she lived a few chapters of her sorry romance in our midst. She was Miss Haggin, young, rich and lovely, and unfortunately Cupid made a false shot when he pointed his arrows at her at the same time he used the Count Festicos de Toina as a target. The marriage seemed to be ideal, and the happy pair chose a trip to the South seas in an odd shaped boat, something on the order of Jack London's Snark, as their honeymoon trip. They made the voyage, which was so amusing in many of its features that the late Dan O'Connell used it for the libretto of a comic opera, to which Emil Bruguiere wrote the music. But the honeymoon had some vinegary aspects which finally led the countess to seek legal separation. The countess, however, is still young. She spends her recovered freedom in touring Europe and other points of interest to travelers.

Personal Mention

W. D. Hofins of Seattle is at the Fairmont.
John E. Lewis of Portland is a guest at the Savoy.
J. O. Vogt of Los Angeles is staying at the St. James.
W. B. de Jarnatt of Colusa is staying at the Fairmont.
Rev. E. R. Gueymard of Salt Lake is a guest at the Savoy.
Charles E. Walker of Tucson is a guest at the Fairmont.
E. Maas, a Goldfield mining man, is a guest at the St. James.
D. E. Savage of Detroit registered at the Fairmont yesterday.
Chester W. Thompson and Mrs. Thompson are at the Majestic.
S. R. Break, a lumberman from Casadero, is a guest at the Imperial.
Frederick B. Lyon of Los Angeles registered at the Savoy yesterday.
John Salisbury registered at the St. Francis yesterday from Tonopah.
John J. Wyatt and L. Rogers of Salinas are guests at the St. Francis.
J. R. Wilson and Weston Wilson, from Los Angeles, are at the Majestic.
A. B. Schoemede and Mrs. Schoemede are registered at the Majestic from Modesto.
George Coleman, Willard Wells and T. P. Water are at the St. Francis from Eureka.
P. S. Castleman, with Mrs. Castleman and one son, is at the Fairmont from Riverdale.
A. R. Feeley and Mrs. Feeley registered at the Imperial yesterday from New York.
J. J. Minor of Eureka and John R. Dunham of Petaluma are registered at the St. James.
T. C. Torrey of Mexico City, who is making a tour of the coast, is staying at the Hamilton.
F. D. Gardiner, a railroad man of Kansas City, is at the Hamilton with Mrs. Gardiner.
C. G. Viott and Mrs. Viott, accompanied by Miss Lillian A. Hite, are at the Jefferson, from Reno.
J. W. Kakernot, Mrs. Kakernot and two daughters are guests at the Fairmont from San Antonio.
H. Beardley, a mining man of Alturas, is at the Hamilton. He is accompanied by Mrs. Beardley.

Answers to Queries

MILITARY ACADEMY—C. C. City. Appointments to the United States military academy at West Point are made when there is a vacancy in the number of students, which is limited to 523. Applicants should communicate with the congressman of the district in which they reside, and if there is to be a competitive examination for place the applicants will be notified as to the time and locality. Nominations are sometimes made without examination. Appointments to the military academy must be between 17 and 25 years of age, free from any infirmity which may render them unfit for military service, and able to pass a careful examination in reading, writing, spelling, English grammar, English composition, English literature, arithmetic, algebra through quadratic equations, plane geometry, descriptive geography and the elements of physical geography, especially the geography of the United States; United States history, the outlines of general history, and the general principles of physiology and hygiene; or in lieu thereof to submit a certificate of graduation from a public high school or state normal school, or a certificate that the candidate is a regular student of an incorporated college or university. The course of instruction, which is quite thorough, requires four years, and is largely mathematical and professional. The principal subjects taught are mathematics, English, French, German, drawing, drill regulations of all arms of the service, natural and experimental philosophy, chemistry, chemical physics, mineralogy, geology, electricity, history, international, constitutional and military law, Spanish, civit and military engineering, art and science of war, and ordnance and gunnery. About one-fourth of those appointed usually fail to pass the preliminary examinations, and but little over half the remainder are finally graduated. The discipline is very strict—even more so than in the army—and the enforcement of penalties for offenses is inflexible rather than severe.

RUNNING RECORD—Subscriber, City. The turf record for a mile, running on straight course, is by Salvator, Monmouth park, August 28, 1890, in 1:45 1/4. Klamecha holds the record for the same distance on a circular track, at Belmont park, October 9, 1893, in 1:37 2-5.

FITZSIMMONS-SHARKEY—Subscriber, Reno, Nev. Bob Fitzsimmons met Tom Sharkey in San Francisco December 2, 1896. In the eighth round a certificate that the candidate is a regular student of an incorporated college or university.

OFFICIAL TITLE—E. City. The official title of William II is emperor of Germany and king of Prussia. In signal. The principal subjects taught are mathematics, English, French, the German emperor.

Conditions in California

The California Promotion committee wired the following to its eastern bureau in New York yesterday:
California temperatures for the last 24 hours:
Eureka..... Minimum..... 60 Maximum..... 60
San Francisco..... Minimum..... 58 Maximum..... 66
San Diego..... Minimum..... 62 Maximum..... 70
Bank clearings for the week ending on Thursday, August 29, 1907:
San Francisco..... \$37,705,697.88; 1906, \$36,272,222.22; decrease 1 1/2 per cent
Los Angeles..... 6,028,220.00; 1906, 5,775,974.00; slight increase
Oakland..... 1,953,938.94; 1906, 3,324,301.91; decrease 41 per cent
San Jose..... 652,700.75; 1906, 358,319.75; increase 81 per cent
Stockton..... 675,322.88; 1906, no clearing house
Contracts have been let for a new sawery at Redlands, the colliers of which will have a capacity of 50,000 gallons.
The steel work is finished on the Alaska Commercial company building at California and Sansome streets, San Francisco. This clean & structure is 12 stories in height. The ground site is 42x124, with an ell of 23 feet. The cost will be \$300,000.