

PROCEEDINGS OF CITATION HEARING

CITY OF PORTLAND
before the
OREGON STATE SANITARY AUTHORITY

720 Oregon Building
Portland, Oregon

October 5, 1943

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PERSONS PRESENT AT HEARING

STATE SANITARY AUTHORITY

Members:

Harold F. Wendel, Chairman
Blaine Hallock
Dr. Frederick D. Stricker
John C. Veatch

Kenneth H. Spies, Acting State
Sanitary Engineer and Secretary

STATE ATTORNEY GENERAL'S OFFICE

Rex Kimmell

CITY OF PORTLAND REPRESENTATIVES

William A. Bowes, acting Mayor and
Commissioner of Public Works
Fred Peterson, Department of Public Affairs
Kenneth C. Cooper, Department of Finance
Dorothy McCullough Lee, Commissioner of Utilities
Lyman Latourette, City Attorney
Ben Morrow, City Engineer
L. G. Apperson, Engineering Bureau Chief

OTHERS PARTICIPATING IN DISCUSSION

J. E. Bennett
Frank A. Hilton, attorney, representing Apartment House Owners' Association
Fred Foss
W. Wm. Puustinen, secretary, Columbia River Fishermen's Protective Union
W. J. Smith, Wildlife Federation
William L. Finley, Vice President, National Wildlife Federation
S. O. Plunkett, secretary, Apartment House Owners' Association.

OREGON STATE SANITARY AUTHORITY
TRANSCRIPT OF
CITY OF PORTLAND "SHOW CAUSE" CITATION HEARING

SUBJECT: PORTLAND SEWAGE DISPOSAL IN THE PUBLIC
WATERS OF THE STATE OF OREGON

Meeting called to order at 10:15 A.M.

Mr. Wendel: The meeting is now called to order. For the record, will those representing the city kindly identify themselves.

William A. Bowes, acting Mayor and Commissioner of Public Works.

Fred Peterson, Department of Public Affairs.

Lyman Latourette, City Attorney.

Kenneth C. Cooper, Department of Finance.

Dorothy McCullough Lee, Commissioner of Utilities.

Ben Morrow, City Engineer.

L. G. Apperson, Engineering Bureau Chief.

Mr. Wendel: Will the secretary kindly read the resolution and citation?

Mr. Spies: (Reads the resolution and citation).

Mr. Wendel: We shall be glad to hear the answer of the City of Portland to this.

Mr. Bowes: I would like to read the prepared answer of the City of Portland to the citation.

Mr. Wendel: We are all familiar with the history involved, and it might save time if we were to dispense with the reading of the statement.

Mr. Bowes: I would like to enter it as part of our answer to the citation.

Mr. Hallock: The matter is pretty well summarized or "boiled down" in the statement on page 9. Greater progress might be made if we were to devote our time to the discussion of the disposition of the charges. It

could be entered as an exhibit.

Mr. Bowes: Perhaps we would save time, but it is my feeling that a complete statement should be made to each and every one here so that there will be no misunderstanding. There are a number of people present who, we feel, should hear this explanation; therefore, I would like to read the prepared statement. I have no objection to entering it as an exhibit. However, I believe for the benefit of those who have come to this public hearing, it should be presented to them.

Mr. Hallock: I have no desire to interfere with your presentation of the report.

Mr. Wendel: Kindly proceed with the statement.

Mr. Bowes: (Reads the answer of the City of Portland to the "Show Cause" Citation Hearing.)

(Mr. Bowes called special attention to Exhibit I, the Wolman Report; to Exhibit II, the Charter Amendment; to Exhibit III, Ordinance No. 71912; Exhibit IV, Resolution No. 21576 of the Council; Exhibit V, Report of the Board of Equalization; Exhibit VI, Report of Commissioner of Public Works; Exhibit VII, Ordinance No. 74011; Exhibit VIII, Statements of Receipts and Disbursements; Exhibit IX, part of the Wolman report; Exhibit X, Summary of the work accomplished by the Council; and, Exhibit XI, Documents filed with the City Council and the disposition of them. Following this, Mr. Bowes made an informal discussion of several of these.)

Mr. Wendel: Apparently, the chief difference that exists between the City Council and the State Sanitary Authority is in the conception of progress of compliance. From the history of the voting, the Authority feels that, if the public is asked to vote a general bond issue for substantially the full amount of the cost, it will not be approved. The Authority, more-

over, feels that federal aid is highly questionable and cannot be counted on, to say nothing of the merit of value. The city does not seem to believe in the present philosophy of planning and saving for the future; the financial program which the city advances is greatly inadequate; and in the minds of the Authority it is considered doubtful that any great progress will be made in the consummation of the plans. It is the opinion of the Authority that the state is entitled to the maximum compliance that can be made, being done lawfully and legally under the circumstances, toward making progress toward compliance. Therein seems to lie the chief difference between us. We feel it is regrettable that the maximum charge has not been levied during this entire period. If it had been we should now have over two millions of dollars in the treasury. A great deal has been said regarding the Board of Equalization and that Board's recommendations and the maximum levy of \$275,000 a year, but the City Council by their schedule produced but \$130,000. The Board of Equalization, by their own recommendation, would have produced more than twice the revenue contemplated by the city. The chief difference, then, lies in what constitutes compliance.

Mr. Hallock: I note that on the top of page 8 the City of Portland is not strongly in favor of sewer user service charges, and then on page 9, it is stated that in the opinion of the city the objective will be achieved more quickly by applying moderate sewer user service charges for the present. The commissioners contend that an application of the maximum amount permissible at this date would result in much popular disfavor and that a bond issue would certainly fail. Ignoring the fate of the bond issue, I personally would like to see a little more proof advanced on the contention that the people of Portland do not favor these levy charges and that any attempt to increase them would result in

substantial popular disfavor. Personally, I haven't learned enough of this to be convinced that that actually would be the case if the charges were levied right up to the maximum authorized by the voters. What has the City to advance? We feel there is a public clamor for the increase in charges to build up the fund.

Mr. Bowes: As far as the bond issues and the matter of financing, the matter of raising money, the Wolman Report gives a brief history of the vote of the people of Portland, and as to the maximum amount of sewer user service charge, we have heard but one side. It is our feeling and finding that the only way to handle this is to submit it to a vote. It is our finding through the collection agencies, the water bureau and various substations, that there is, even to the existing charge a great deal of opposition.

Mr. Hallock: Mr. Commissioner, if I am correctly informed, the charge if increased to the maximum would amount to the ordinary residences in the city to about the cost of two packs of cigarettes per month - - perhaps thirty cents per residence if this thing were carried to the maximum. Surely, that can't be a serious factor.

Mr. Wendel: At the time of the Wolman Report, concerning which a great deal has been said, war was not contemplated. Immediate action was contemplated following this Report, yet the interval between the Report and the present time has already been from four to five years. If this interval has been anticipated, the recommendations regarding financing the project would undoubtedly have been different. I mentioned that the recommendations in the Report of the Board of Equalization would have doubled the amount collected by the City Council. Regarding the public attitude toward the service charge, I took the City Council at its word and attempted to sound out public opinion on this score. Those I have contacted have been unanimously in favor of this program.

Mr. Bowes: What program?

Mr. Wendel: The one being discussed here, increasing the service charge to the legal maximum. We hope to have a resolution from the Chamber of Commerce on Friday endorsing it. This took five weeks because it was reported to the several sub-committees. However, each has approved and notified the board accordingly, and I am informed that the board will report immediately. We have heard favorably from the Central Labor Council, the Federation of Women's Clubs; Mr. Morton, president of 59 community clubs, states approval would be unquestioned. You, yourself, expressed to me how surprised you were at the complete reversal of public opinion. I believe you stated that the Post-War Planning Committee had approved this service charge unanimously.

Mr. Bowes: No, not the executive committee, just the sub-committee.

Mr. Wendel: In taking the City Council's word in good faith, we have attempted to sound out public sentiment. We definitely feel that there is practically unanimous approval. I can truthfully say the only objection has come from the members of the City Council. I don't remember of any other opposing voice. The Authority feels that this would constitute progress toward compliance, and for that reason is insisting that the City Council proceed with the program.

Mr. Bowes: Are you contending that we have made no progress?

Mr. Wendel: No. Just a minimum of progress.

Mr. Veatch: Opposition has been by people who apparently are very large industrial users, and there has been in the past also the Apartment House Owners' Association, but under the present tax rate, there will never be a time when it would hit them more lightly. Because

of the high rate of federal tax paid by most industries and businesses, the majority of the sewer user charge would be deductible from such taxes. From 70 to 80% of this increased charge is deductible from taxes as an expense of business. The actual increase would be only 15 to 20%. Now, if you go to put through a bond issue after the war, you have to have some "cushion" behind the bond issue. Every cent accumulated now is going to help that bond issue along. I can't see that this is going to be bettered by waiting until after the war. It isn't likely we can expect in the next few years a great deal of help from the government. You can work on the theory of getting a government loan, but the chances for federal grants are questionable. You can't pay that off by adding more to a debt. It has to come out of taxes. Taxes are still going to be levied and paid. There are going to be no gifts from the government. The present tax rate is making people realize that we have to pay our own bills. Now is the time to begin to lay by a little "nest egg" to do this. Regardless of how it is financed, Portland is going to have to clean up the river, to take care of the sewage condition from a purely practical standpoint, because other parts of the state are progressing along these lines. There has been a lot of criticism, especially in the Willamette Valley because no apparent progress has been made in Portland.

Mr. Bowes: Don't you think we have made progress?

Mr. Wendel: We don't say you haven't made progress. We do ask that you try to enforce our proposal. We wish to make ^{the} sewage situation as easy as possible. It seems to me that if we have got to incur a debt and put through a disposal program, which we undoubtedly have to do, the more funds we have on hand the easier it will be to raise the balance. This is a fund that can now be collected, a very substantial fund with as little injury as possible. I don't think the average householder would

raise serious objection. The average citizen is a fairly reasonable and reliable person and realizes that such a situation exists and must be taken care of. Neither individual users nor industrial users can ever pay this money as easily as at the present time.

Mr. Hallock: How about the post-war program under the direction of Mr. Moses? It will need a back-log of cash reserve. This is one project for which a cash reserve can be obtained easily. Don't we all agree that it was wise and proper to impose these charges? Although there was a delay, we have collected some money. Wouldn't we be in a far better condition if we had two million dollars instead of one-half million? (Which was collected under pressure.)

Mr. Bowes: Under pressure? I don't think pressure was ever necessary.

Mr. Hallock: Perhaps not, but it seemed so to the Authority. Now, we have the advantage of that little cash reserve, and everyone seemingly agrees that it is an advantage. Wouldn't it be a greater advantage if we had a larger cash back-log and our plans carried through to a further degree of completion. I can't see much merit in agreeing that we were fortunate that we accumulated this back-log of cash reserve unless we carry it further. I certainly don't believe we can finance it when the time comes with less difficulty. The service charge is a trivial burden, and when that burden is seemingly almost

Mr. Bowes: It is a matter of judgment as to whether it is trivial or not.

Mr. Latourette: I would like to make a brief statement, expressing more fully the views of the City Commissioners on the proposition. The sum of two million dollars as a back-log for the ultimate completion of the program is, as we view it, hardly a "Drop in the water pail."

These maps attached to the report by the City show the enormous amount of work it is going to require. Intercepting sewers will have to be built on both sides of the Willamette River, and river crossings will also be required. Their design will be difficult. Only the design and construction of the treatment plant will be fairly simple and easy; no great difficulty to finance. The great expense is in connection with intercepting sewers. The cost isn't known within several million dollars. Engineers estimate ten million dollars. They didn't have any data; borings had not been completed. Don't know whether there is rock or quicksand. As an example, when the City widened Front Avenue for just a short distance, quicksand was encountered. The contractors lost thousands of dollars on a 200-foot project. Not only did the contractors lose, but property owners had their buildings wrecked because of caving and the inability to shore up a trench. With these intercepting sewers to be constructed along the river, there may be hundreds of quicksand pockets, the whole project may have to be abandoned as it is planned. We will need millions of dollars more than the engineers estimated.

Mr. Veatch: Assuming that ten million dollars is correct as to what it is going to cost, two million dollars is 20%. Don't you think that is a mighty substantial step to accomplish? If you are going to finance a bond issue and are able to state "we have 20% on hand," it is much easier to finance than otherwise.

Mr. Latourette: My theory is that it is going to cost perhaps double that amount after the borings and estimates are made; also consideration of the cost will have to be based on post-war prices.

Mr. Veatch: Is it your idea that we should go ahead?

Mr. Latourette: That is the theory of myself and the members of the City Council.

Mr. Veatch: It must be done. We are faced with the proposition that we have got to do it sometime.

Mr. Latourette: We are aiming to get that result.

Mr. Veatch: Here's the place we have to go; wouldn't it be best to do everything possible now?

Mr. Latourette: If we take the step now to levy the maximum amount it will surely kill the project. It will alienate the voters. After the war had begun, a proposal was made to cut out the sewer users charge entirely. There was a strenuous campaign made; many people were there objecting to the sewer users charge, even to the small amount that is being imposed now. The City Commissioners voted down the proposal. But they got the idea that it wasn't very popular and they have to work with the view of carrying the voters along with them. If the service charge is increased, it is possible that an initiative measure or action would be taken to refund the sewer users charge.

Mr. Hallock: Do you mean at the City Council meetings?

Mr. Latourette: At the council meetings, various people appeared at that time to enter their objections to the sewer users charge. They were primarily residential owners who were against it. The list of the names of various people fills two pages on the large record, each page about one foot or more long, of names of those submitted at that time. It is referred to as Exhibit XII. If you wish, we will have copies made of the council records for the Sanitary Authority. There were some persons who were not opposed; but there were a great many more who were.

Mr. Wendel: That proposal was brought about at that time by the Board of Equalization. Since that time conditions have changed greatly. One of the organizations that was most active, the Apartment House Owners' Association, I am informed, is now viewing it favorably.

I have been told by one of their members that their ideas have changed; they have "flopped over" to this side because they realize it will be much more burdensome later on.

Mr. Bowes: The secretary of the Apartment House Owners' Association is here. We think they have taken action.

Mr. Plunkett: I might clarify this situation right now. I know there has been no change in the stand taken by our organization. A statement was prepared at a recent meeting. We went on record as opposing this charge and we still oppose it. Mr. Hilton is prepared to make that statement.

Mr. Wendel: I don't mind telling you who it was who made the statement I referred to. It was Mr. Middleman, one of the two biggest apartment house owners in the city, and he told me that. I haven't gotten around to your organization.

Mr. Plunkett: Apartment House owners are faced with a rental situation. On March, 1942, incomes were frozen and our costs are going up.

Mr. Wendel: I don't think that opposition will stand.

Mr. Plunkett: Not only apartment house owners, but laundry people are objecting as well, and all others who are high water users.

Mr. Wendel: We will be glad to bring them in line.

Mr. Latourette: There are one or two more points I would like to make as to whether or not it is fair to finance the major portion of the project with sewer users service charges. The engineers who made the study and the water report thought it would not be a fair basis of procedure because the project is so great and the construction will last through so many years that a large portion of the burden should be passed on to another generation. It is too heavy a burden at this time to pay within a few years if this project is to be constructed

now or within any reasonable time in the future. In the first place, the sewer users charge, if applied to the maximum would not provide for construction unless it was backed up by the city floating a bond issue and possibly with government aid. I don't bank on that. We tried in the past on this project but failed to get it. Possibly the government will see a greater need after the war. Along this line, the City Commissioners feel it is one of paramount concern that after the war, in order to give the boys coming home more opportunity for work, the government should participate in the project, not only because the effort is meritorious but because this sewer project is meritorious. Another thing in the matter of the construction is the necessity of keeping the people with us, because if we don't have public support it is going to fail. Our experience with the vote of the people and the appearance of the people before the City Council gave the Commissioners the feeling that it is best to proceed on a moderate charge, gathering data of what we are up against and laying plans definitely for financing. The City Commissioners are criticized because they have this money lying idle. If we had more money - - -

Mr. Wendel: Do you call money invested in war bonds "idle"?

Mr. Latourette: "Idle" was not an apt word; it was using a wrong choice of word. Our rate of interest here is very low. People may be better able to stand sewer users service charges later, but the people who have to stand them now are all the time hit with the matter of buying bonds, contributing to various different enterprises. Although they have more money, they would have to cut down on other meritorious purchases. It is our feeling that the people are not inclined to go with a heavier sewer users charge at this time.

Mr. Hallock: You suggest that we do not know yet the ultimate cost of this. You feel that putting a "drop in a bucket" isn't worthy

of favorable comment. Using that same phrase, isn't it better to put in three drops than one if the people want that thing done?

Mr. Latourette: I would say "no". The three drops very likely would kill the project because of the unfavorable sentiment.

Mr. Hallock: If the people do want the three drops, would it be objectionable?

Mr. Latourette: If they were to work out a plan.

Mr. Hallock: There seems to be a difference of opinion as to what the people do want.

Mr. Latourette: That is what it boils down to.

Mr. Wendel: Let me call to your attention a few things. It is said they object when they pay the water bill. The only information they have is the statement accompanying the water bill, which is not to the effect that this is a post-war accumulation of a "nest egg". I don't blame them for complaining after reading the statement on the water bill. That statement is not an explanation but an alibi for the water department. I should also like to call your attention to the annual expense which Commissioner Bowes pointed out from the Wolman Report will be necessary to operate and maintain this disposal project. It should be noted that the estimated annual expense consists of a minimum of 50% up to a maximum of 87% for fixed charges; that is, principal and interest. Every dollar that is collected now reduces the fixed charge that must be borne later on. I want to appeal to you gentlemen of the Council, so you not feel that if we let this period pass when people can pay this trivial amount and we reach the time when the City will be forced to do this and the people perhaps won't be able to do it so easily, don't you think there will be a great deal of criticism, whether or not the Commission remains the same?

Mr. Latourette: I would answer that along this line: the City

Commissioners are doing the best of their ability, following their best judgment on this subject, making headway according to the best method and what is going to happen in the future no one of us knows, but the City Commissioners are doing the best possible to achieve construction at the earliest time. Adopting another problem, unless they can get an assurance beforehand that they will receive public support, would seem to be killing the project rather than aiding it.

Mr. Hilton: Can a mere citizen speak his mind?

Mr. Wendel: If he deals with the facts, it is agreeable with the Authority.

Mr. Hilton: I shall try to deal with the facts, but I wish to differ very radically with the position as to the feeling of the people as to the propriety of levying of the 33-1/3% tax. I think the matter has got down to the point where the state feels that the public is unani-
mously anxious that this increase be made, but Mr. Bowes has explained that the public doesn't feel that way. It has been expressed that by collecting 33-1/3% all along there would be two million dollars in the war chest. I think that is assuming that the people would have permitted that tax to continue. I think if they had, the Commissioners would have been recalled or would have been defeated at the election. At the present time, I definitely and positively know that the people feel that rather than an increase in the tax, it should be eliminated entirely until the war is over and comprehensive planning can be done. We admit by the statements of all here that we have not yet a plan that is at all satisfactory. The law permitting the present tax is a law enacted by the people under a positive misapprehension - - money taken under false pretenses. People didn't anticipate that the sewer tax would just be a drop in the bucket, accomplishing nothing; they thought it meant bringing about a self-liquidating sewer system. When they

voted, they voted on the belief that there wasn't to be any additional bond issue over the six million dollars and no general property tax.

The city has spent \$69,000.00 for engineering at the present time - - -

Mr. Bowes: \$17,000.00 - - -

Mr. Wendel: Are you referring to preliminary reports - - -

Mr. Hilton: The City Commissioners have backed up the report that it would cost so much; investigations have shown that if the sewer tax of 33-1/3% had been assessed it would be inadequate for even operating expenses. These will be \$793,000 a year, and 33-1/3% would only bring in \$500,00⁰. This wouldn't take in enough to maintain the operating charges. You have stated what you think the people want; I am confident in my opinion that the people don't want that 33-1/3%. They don't want one-ninth of the tax for many good reasons. I will enumerate them later. Wouldn't it be just and fair to the people to permit them to express their desires? You are confident as to what the people want; Mr. Bowes and the City Council have their idea as to what the people want. Wouldn't it be proper that the City place on the ballot at the next election such a proposition as would permit the people to express themselves on the sewer tax and the continuance of the 33-1/3% levy, or change the entire project? The first duty of this Authority, under the law Section 116-1122, is to encourage voluntary cooperation of the people. Voluntary cooperation of the people is what the people voluntarily wish to do. How can we better get their wish or cooperation than by election. Both sides of the proposition merit discussion on all of these matters. Let the people vote. Then we will have the voluntary cooperation of the people. That Wolman Report is a report made in 1939; it was based on costs in 1939. I think everyone will admit that costs have not become one-half more, but have doubled. It will be more than ten million dollars. That project will not be the project the people voted upon then. They voted for a self-liquidating system,

activated sludge and various other things. Representations were made that the entire cost was not to exceed nine million dollars, (reported from six to nine million). The Wolman Report states it will be from ten to eleven million and is an entirely different project, one in which they don't activate the sludge, but will put it in the Columbia River. Since 1939, costs have doubled; the sewer project would cost twenty million dollars. Isn't that obtaining money under false pretenses, to continue collection without the people having an opportunity to speak, when it is collected for an entirely different project? If you have confidence in what the public thinks, let's let them express themselves. People were very much opposed to the employing of engineers at that time. Under the Wolman Report, thirty-four engineers were to be employed. It will be necessary to have that many more today. I wonder if you gentlemen aren't losing sight of the fact that we are still in war? We have a back-log of \$400,000. That is ample money for a back-log and let everything be held until you have a sensible project; when you know what you are going to do, start the project so the boys who come back from the war will have a job instead of giving work to the people who are here. You speak of public opinion. The radio is a good indication. Early in the morning, at the worst possible time, I spoke over the radio on this subject; I got twenty-five calls. All of the people were up in arms that there was to be an increase on this tax. When you get that many people calling at such an unfavorable time you can be certain they represent the public's attitude. The Apartment House Owners' Association went on record against this proposal the other night. I could point out that those resolutions of the various organizations were brought about by solicitation and mean nothing. When the people vote, they vote the other way. I am satisfied those resolutions referred to were brought about largely by solicitation, but we doubt that they express the wishes of the people. I am willing to

take a chance on an election. Stop this petty larceny, paying money under pressure. Old persons of incomes from \$40.00 - \$60.00 - \$70.00, those are the people contributing to this annual fund. The dollar that comes out of them means less food. They are bitterly opposed to that additional tax - - - It taxes only a small part of Portland and leaves the rest go "Scott free".

Mr. J. E. Bennett: I am not here for the purpose of defending our present City Council. Fact of the matter is, I think they are deserving of condemnation. They promised the people one thing and turned around and taxed them for something entirely different, and that is exactly what is being done today. The Sanitary Board is responsible just as much as the City Council. I was a member of the City Council that hastily considered the project to produce jobs. It was left pretty much up to Commissioner Bean to prepare a program that was workable. We put this up as a proposition that was to be "pay-as-you-go". No bond issue, no additional taxes. There wasn't going to be anything except this charge on the water bill. In return, the people of Portland were to secure a Willamette River in which they could take a bath and also drink the water if they saw fit. Those statements were all untrue. We discovered that the scheme the council used in order to push the issue was a mistake. We are now also presenting a program that is not workable. The Sanitary Authority is equally responsible. It was my position and is now that the minute we discovered that we had presented a scheme that was unworkable, we should have stopped collection of money. Fact of the matter is, I believe every nickle collected could be seriously questioned if anybody took the trouble to do it. It seems to me it is about time that the city council and Sanitary Authority quit playing politics.

Mr. Hallock: What is this about politics? I would like to have you explain that.

Mr. Bennett: If a man told you he was going to sell you a horse for \$50.00, you would expect to get it for \$50.00.

Mr. Hallock: That is your explanation?

Mr. Bennett: (Did not answer the question regarding politics).

It is high time to quite be-fuddling the issue. Now, the City Council in connection with the Sanitary Authority can do two things; first, discontinue the collection of the charge - we have \$500,000. If they can't gather together enough plans to present a program for \$500,000, it is my estimation the City Council can't do it with five million dollars. This board should put up a program that would be workable, tell them the truth about what it is going to cost and that the Willamette River is not going to be clean. Tell the people what they are going to have. I am not in favor of dumping sewage into the river. It is not civilized to dump it into the river. Remedy is to present a plan and ask them by their vote to approve or disapprove. The Sanitary Board tries to browbeat this City Council into further committing a bigger crime under the present program under which they don't have a moral right to collect a single cent.

Mr. Smith: The simplest test would be to collect the maximum contemplated and see whether or not it meets with the approval of the citizens, and if it should meet with their disapproval, then, if they recalled the Council, it would save the cost of an election. I have during the past three to five years had quite a bit to do with this. I have shown the picture "Pollution in the Willamette", and as yet, there has not been a single group who have not offered their support to a program to clean up this river.

Mr. Bowes: Speaking for myself and not for the Council - Mr. Smith has shown the picture; I have seen the picture and it is a good picture, but there is no place that shows the fish dying below the falls.

- - - I am not condoning the dumping of sewage into the river. How do the

fish get to the falls, I don't know.

(There followed an explanation regarding fish life in the Willamette River by Mr. Smith, et al.)

Mr. Bowes: Mr. Smith appeared at a meeting and said we should have the engineering data. It was the intention and will of the Council and is yet the will of the Council to develop an adequate system based on engineering data. With the war, every competent engineer was taken in either one branch of the service or another. We have not been able to find anyone competent to do the work. Mr. Bennett spoke of lying to the people. Mr. Bennett didn't help me any when I took office. Mr. Bennett was a member of the Council when these matters were submitted to the people, and if Mr. Bennett were the competent man he claims to be, he would have known what the plans were. Now he comes back before this Sanitary Authority regarding deals while he was in the Council, and he was the one that voted for them. As far as I know, and so far as my department is concerned, we are honestly trying to develop a sewer system that will satisfactorily clean up the Willamette River. It is not the intention that sewage from the City of Portland should be dumped into the river. It will be intercepted and carried to a central point for treatment before being discharged into the Columbia River.

Mr. Hallock: If you do find that the people of the city want it, you will be the first to - - -

Mr. Bowes: We will not try to obstruct the collection, but in our best judgment, and we can be wrong (maybe we have been wrong and maybe we will be wrong again), we will not submit anything to the people of Portland until we definitely know what type is needed for a treatment plant that we know will do the job. We are going to have competent, able men tell us. Then we will work out a financial program.

Mr. Hallock: If in view of the fact that the plans are not complete, the people expressed themselves in favor of our proposal, would you view it favorably?

Mr. Bowes: If the people want it. We are committed to 33-1/3% and the Board of Equalization recommended one thing and the Council adopted another.

Mr. Hallock: If the people express themselves, you are not disposed to then conclude, because the plans are incomplete, that you will still oppose it?

Mr. Bowes: I didn't get the question.

Mr. Hallock: If we assume that some adequate method can be worked out to satisfy you that they want this charge increased and the money collected, the fact that the type of project has not been worked out wouldn't be permitted as a factor in the Council's viewing this unfavorably?

Mr. Bowes: I don't think it fair to the people of Portland that we levy the charge. We have been working on this sewage disposal thing under a handicap. First, the people voted on a pay-as-you-go plan, then they were asked to approve a general obligation bond issue. The original revenue bonds could not be sold. Other pay-as-you-go plans were submitted. The people are confused. I don't think it is fair to tell them we are going to give them another increase.

Mr. Hallock: Even though the people favor this increase?

Mr. Bowes: I don't think the people understand.

Mr. Wendel: There seem to be two issues: (1) engineering, type of plans, and (2) the financial plans. Suppose you are on a cash basis and you know you are going to have to buy a suit. Do you have to wait until you determine whether it will be a blue suit or a brown suit before you save the money to buy it with?

Mr. Bowes: If I have to have a suit, I buy it, sometimes on credit.

Mr. Wendel: Why can't the financial planning be done now?

Mr. Bowes: Because of the confused condition of the peoples' minds on the sewer disposal program. We are trying to keep the confidence of the people. The only way we are going to get it is first to have an adequate plan, a plan that will do the job, backed up by engineering.

Mr. Hilton: Do you think it is fair to the water users when they didn't vote for that kind of tax, when we don't know whether or not it will be ten or twenty million dollars?

Mr. Wendel: We do know that it is the law of the State of Oregon that it must be done.

Mr. Hilton: The law does not say that the pollution must cease?

Mr. Veatch: There is and has been for many years a law prohibiting the dumping of sewage.

Mr. Hilton: Portland is at the end of the Willamette River and above there are many places that are far worse. I know from the engineering reports the mills in Oregon City are far worse than sewage from Portland. Sewage from Portland can be collected to be dumped into the Columbia River. Are they in favor of that? What are the proposed plans?

Mr. Hallock: As mentioned before, it is the first duty to bring about voluntary compliance. It is fair to say that if we fail to get this - -

Mr. Hilton: Force compliance?

Mr. Wendel: We are trying to get the City of Portland to do this. If we fail at this hearing to produce cooperation, there is no further end to attain by such means. There has been the argument that the sewer users charge applies to but a few of the people. This thing spreads the charge, as far as I know, to all the people. Every nickle

raised now will lower the bond issue.

Mr. Veatch: Most everyone in Portland has to use water.

Mr. Hallock: What about Nyssa collecting a \$1.00 charge; Burns, \$0.75; Lakeview, \$0.85; Eugene, \$0.25; Ashland \$0.25, Silverton \$0.50? They are all collecting substantially more per capita than is Portland. They are accumulating funds to help after the war is over.

Mr. Hilton: Have they prepared their plans?

Mr. Hallock: Most of them have no plans, nothing except the impulse and desire to clean up.

Mr. Wendel: For your information, I will tell you this: Following the meeting with the City Council at which we solicited the voluntary compliance, we were told they did not believe this plan had the support of the people. We then said we would try to bring about an expression. We have worked to that end, and we have been very much surprised ourselves at the unanimous success. Due to limitations of ability, we have not been able to contact all organizations. All we have contacted have been favorable.

Mr. Hilton: Have you told them both sides of the question?

Mr. Wendel: Perhaps we can't see the other side. However, we have told them the following. See if you think it has been fairly presented. We want to be honest; we don't want to misrepresent the facts. "There is a law in the State of Oregon that compels pollution to cease; obviously, that law cannot be enforced during wartime when men and materials are not available. However, preparation for compliance can be made, particularly in the finances. There is a city ordinance whereby the City Council can collect an average of $29\frac{1}{2}\%$ per month up to $33\frac{1}{3}\%$ of the water bill. The City Council is collecting approximately one-ninth. This one-ninth brings in from \$17,000 to \$18,000 a month; $33\frac{1}{3}\%$ would amount to nearly \$50,000 a month, or one-half million dollars

a year. Doesn't it strike you as good business to accumulate this fund, this "nest egg", to be invested in war bonds"? That is what we have told the people, and if we have not presented the truth, we desire to be corrected.

Mr. Fred Foss: I would like to speak here as one of the individuals who helped to pay this sewer service charge. I am 46 years old at the present time. You are going to collect approximately \$10,000,000 to \$20,000,000. Do you think that I should pay for something that is going to be completed in twenty-five years? I heard some talk about that picture shown by Mr. Smith. I have here something that was written by Richard Smith. He might be the same Smith who owns Bonney View Park. This article says that on the Clackamas River the fish were so thick in 1940 you could almost walk on them. They must have gone through this polluted area. I am a fisherman, so I know something about the situation; it is not the pollution from the Portland area that is killing the fish. It is the offal from up and down the river which is so bad it tore up the nets. Waste from the paper mills. We haven't cleaned that up yet. I can't go for that increase; I am buying bonds, paying taxes and making contributions. Against the law to dump sewage into the Columbia River? Regarding fish life in the Willamette River, I will defy Mr. Smith or anyone else to go down to the waterfront and show me fish that have died there. You haven't seen it; it hasn't been there. They go back. We have an annual run of salmon. Give the people an honest chance. Mr. Latourette made a good statement on the matter of quicksand. I have worked on the construction of the Kaiser plant and there was very much quicksand. Our lines are breaking. It is a consistent matter of caving. Even the steel pipes are broken. We don't know -- this sewage disposal may cost \$40,000,000. Let them do more engineering; we want to win the war. If we have to, we can take the issue to the next legislature.

Mr. Wendel: Regarding the pollution from the paper mills, please don't think nothing has been done there; but as long as the City of Portland continues its pollution of the river, it will delay any relief we can get from the paper mills. The sooner Portland acts, the sooner these companies will get into line. The paper mills have been making a sincere effort.

Mr. Hilton: Wouldn't, under this plan, it take from 30 to 40 years to build the plant?

Mr. Veatch: I don't think that anyone at any time thought you could build a sewer system in a few years. Might take longer.

Mr. Hilton: Isn't it - - - - -

Mr. Veatch: I think that the purpose of collecting the sewer user charge is for the purpose of eventually applying it on the construction of a sewage disposal plant. Neither the City Council nor the Sanitary Authority can say what the kind of plant will be nor the cost. We are going to be faced with this situation; We are going to have a tremendous unemployment problem after the war. The state is taking steps and the City also to meet that situation. Something serious is going to face us. This is one of the projects that might help solve unemployment. But you can't do that unless you have some funds when the time comes to put it into effect! Now, there was a suggestion made that government aid might be obtained for the purpose of constructing the sewage disposal plant. From information I have gathered, there isn't going to be any more public grants. The future program will be government loans at a low rate of interest on the same general principle as the R.F.C. loans. They all require a certain percentage of the cost to be put up by the City, and I doubt very much if you are going to get a government loan unless the City can say "we have this much we can put into this now." If you sit by and don't have a fund collected, when the time comes to start the project you are not going to

get the financial help necessary.

Mr. Bowes: I believe you are correct; it will be a grant and not a loan. Loans are very much in the background, not very much in evidence. You go to Washington and ask for a loan or a grant. They are going to ask for an adequate plan; they are going to ask for a bond issue. Two or three million dollars isn't going to be what they are going to ask for; it is a bond issue that you have to have.

Mr. Bennett: When I made the remark regarding the unworkable program put through, I thought I confessed my sins in the beginning under the theory that an honest confession was good for the soul. The old City Council, of which both Mr. Bowes and I were members, made the mistake in not putting up a program that was workable. I am willing to take my condemnation. That matter was put to the people hurriedly and without the expenditure of a great amount of money. No excuse - - but if you look at it from the standpoint where I am now, I say Commissioner Bowes has spent \$100,000 of the taxpayers' money, and at this late date confesses he hasn't any program, and he expected me to have it without the expenditure of money. Cold facts are that these sewer user charges are out of proportion. Give employment to engineers; it would have some merit from that point, but usually "foreign" engineers are imported to do the work. I want to say to you Commissioners and the members of the Sanitary Board, if you care to take a look at the minutes, you will find that back in 1940 Commissioner Bean was the Commissioner in charge and I asked Bean this question: "If the Council grants you the authority to levy this tax under the authority of the people, how soon will you be able to work on this system?" He answered: "I have all the plans ready now." If Mr. Bean had them ready then, where are they now?

Mr. Smith: I would like to inject the fish back into the discussion. Mr. Bowes raised the question of the picture showing the fish

released. They didn't last one minute and they were good healthy trout. How did these salmon get up the river? Some of us overlook the fact that there are normally three salmon steelhead runs - spring, summer and fall, and thanks to pollution, you have only one run left in the Willamette. Flushing of the river by the winter floods makes it possible for some of the young fish to get out. During the low river flow in the late summer and early fall no fish can survive. You have been concerned about the Clackamas. There are no fish that will get through to this river at certain stages of the year.

Mr. Wm. Puustinen: I represent a body of people outside the City of Portland, and from the statements and arguments made here, I feel that this is a very selfish attitude for the City of Portland and the State of Oregon to take. It seems to me that you are overlooking the fact that while you have been holding up operations for cleaning up the river, you have been discriminating against the fishermen of the State of Oregon. While you have been considering only the City of Portland you have taken an unfair advantage of the rest of the state, for you are killing off one of the natural resources of the state - - more than that - - it is a national resource. I am speaking only as a commercial fisherman of that natural resource area. We are working on plans for post-war restocking the Willamette system. However, we are stopped from going ahead - - we can't go ahead unless somebody cleans up the Willamette River pollution. It prevents those fish from coming back later in the season - - that is the unfairness I have spoken of. All of your arguments are concerned with the City of Portland; you do not think of the vast amounts of fish that are present early in the season that are killed off because of this pollution. I will admit that the City of Portland have various arguments, but as a citizen of the State of Oregon, interested in conserving the natural resources, I am opposed to the City of Portland taking the attitude that they have a right to

dictate the policy of the fishermen. As to the Clackamas River, you have seen salmon piled up so thick you could walk on them. No salmon would have been there if a natural barrier had not been there. I have fished for 23 years, and I have given some of my time to scientific study. I am seriously and fairly trying to preserve a natural resource so that we may see a building up of a salmon industry of from \$45,000,000 to \$50,000,000 here. We have now remaining only one section of the run. We have steel-head fall runs and spring runs. Nature provides a big flush of water to get the fish over the sludge. Many of those little fish do get back to the sea. Right now the early rainy season will start. The impulse is generated in the fish to start down the river. They may be able to get back down. The warm temperature and lack of oxygen may kill them before they get back out of the Willamette. Even spring runs are going to be killed off. - - - I don't like the picture of the attitude of the City of Portland unless they consider their responsibility to the State of Oregon and the United States as a whole. The pollution in the Willamette is a definite barrier and manace to the fish industry in Oregon. You, as citizens of the City of Portland, I feel are responsible to help. If you will help us by cleaning up the pollution, we will restock the fish at Bonneville.

Mr. Bennett: I think you are not familiar with the plan. All the speakers are agreed on how shall we proceed. The plan as proposed and referred to the people did provide for the cleaning up of the river. You speak of intercepting sewers. The plan is to dump sewage into the Columbia River.

Mr. Pruustinen: I am glad you brought that up. There is a great fish run reaching Rainier and St. Helens. If you take this pollution and pipe it to the Columbia River it will not help at all.

Mr. Wendel: Let me make one statement to clear this up. The

State Sanitary Authority does not design or plan the sewage system for the city of Portland, but naturally, it would never approve plans that would include dumping the sewage into the Columbia.

Mr. Bowes: That is not the plan of the City of Portland.

Mr. Hallock: Aren't we getting far afield from the issue? Shall we continue the charge as it is now or shall be increase it?

Mr. Wendel: The State Sanitary Authority cannot enforce the compliance to the letter of the law, but it can enforce action which will lead to compliance and that is what we are after; that is why we are asking the maximum under the present authority.

Mr. Bennett: Is this commission willing to go on record as endorsing a program whereby people are taxed for something entirely different from that which the tax was authorized for?

Mr. Veatch: This commission is required to enforce the law compelling the cities to adopt some kind of pollution abatement system. The kind of plan is up to the city, and that must be submitted to us for review; then we can approve or disapprove.

Mr. Hilton: Why undertake the taxing of the city? - - -

Mr. Veatch: One of our functions is to make investigations to see that everything possible is being done to carry out the program.

Mr. Bennett: Your plan is that it is to be financed by the city alone, that the cleaning up of the Willamette should be stood by the people alone. The very minute we found we had a program that was not workable we should have stopped the program. It should have been referred back to the people. Now Mr. Bowes has spent \$100,000 - - -

Mr. Wendel: This is not a meeting to air grievances between members of the City Council or any other group. Have the arguments and statements presented thus far had any effect upon your minds, City Com-

missioners? Does it seem to you that such a program is better than a tax burden later on when people won't be able to afford it as well as now? Regardless of the details of the plan, money will be required. Plan No. 2 has been estimated at a total cost of \$10,287,500.

Mr. Bowes: Costs have increased.

Mr. Wendel: They may decrease after the war. The annual cost is estimated at \$793,000, of which \$514,000 was for interest and amortization. If we had two million dollars on hand now, that would reduce the amortization. If the war continues another year, we will have another million dollars. If it takes another two years to get it into operation, your annual cost will be reduced tremendously. That is plan No. 2. Doesn't it seem to you the part of wisdom to act now?

Mr. Hilton: If you are so confident, why not submit it to a vote?

Mr. Wendel: We have already lost four years. The people would be saving this now.

Mr. Bennett: Suppose the City Council should undertake the enforcement. Would that ordinance be subject to the referendum?

Mr. Latourette: That depends upon the emergency clause.

Mr. Bennett: Referendum could be invoked and the entire charge stopped. The State Sanitary Authority is no more at fault than the City Council; both are responsible.

Mr. Hallock: I am weary of these abuses.

Mr. Bennett: Dr. Stricker, I would like to ask you a question regarding health and sanitation.

Dr. Stricker: I won't have time to answer it now; come to my office and I will discuss the matter with you.

Mr. Wendel: As Dr. Stricker does not care to discuss this matter at this meeting, I must declare you out of order, Mr. Bennett.

Can any further facts be developed here that will change the opinion of the City Council? Any government body that is able to lay up money to be spent in the period of famine is contributing to the guarantee of our future. That is the plea I most sincerely make of the City Council.

Mr. Bowes: We shall be glad to consider it.

Mr. Wendel: Is there any further discussion?

Mr. Peterson: First of all, Mr. Wendel, I would like to clear up a few things regarding this tax. As was stated, it would be an advancement and a help to the war effort if the said sewer users charge could be made and most of it could be charged to taxes. That may sound patriotic; tax money is free money to the government and does not have to be returned with interest. Second, you made a statement to the members of the city council -- you made it in the form of a question: "Is the city council willing to increase the collection charge or does the City Council want to be forced"?

I made a suggestion at that time which did not meet with your favor. It was to include with the water bill a circular asking the people to vote; to send in this vote if they were willing for the charge to be increased. We could get a positive statement from the water users themselves. You were the one who dissented to the suggestion. Then you refer to page 8, that the council is not strongly in favor of sewer users charges.

Mr. Wendel: I did not make that statement.

Mr. Hallock: I made the statement.

Mr. Peterson: Had he read the preceding page he would have found that it was not the City Council but the voters of this city who are not in favor of the bond issue and that they voted down the issue. I don't think there is any member of this Council not in favor of cleaning up the river. I don't think we, as representatives of the people, as the people themselves do not want the increase, have a right to decide since they have extended that privilege to us. I say this advisedly as I have collected

many thousands of water bills and have personally contacted many people and, therefore, have been the recipient of many complaints regarding even this ten-cent charge. They didn't believe it was adequate to pay for this project. You mentioned use of water bills to propagandize the program.

Mr. Wendel: I asked if the water bills could be used to propagandize or educate the public and you said you cannot use the bills.

Mrs. Lee: I have no doubt that the Authority is most sincere in its purpose. Of course, I have only been a member of the City Council for four or five weeks. Even in that time I have become aware of a vital difference of opinion between your Sanitary Authority and the Council. Now, speaking for myself alone, I don't think there is any question about the fact that the City of Portland has to clean up the river. I think every member feels the same way. I have talked with them, and I have tried to read the reports. I haven't read half of them. It is a tremendous job. I think, however, that the members of the Council are agreed that the river has to be cleaned up and in some suitable manner. The difference of opinion between these two bodies seems to be on how to accomplish it. You gentlemen feel that by raising this sewer user charge to the full maximum charge and by accumulating this fund you would be laying up a fund for use at the end of the war. There is no use speaking of what might have been collected in the past - - that is water over the dam. You believe by collecting this charge until the end of and for the duration of the war you could have several million dollars more than otherwise. You gentlemen feel that it is the most advisable way of hastening the day to have the funds available to construct the project after the war. The Council seems to feel that this is only a drop in the bucket. From what investigations I have made I am inclined to agree with the other mem-

bers that it is only a drop in the bucket - I don't think it will do very much good. I don't think there is any possibility to clean up the Willamette River without federal aid. I feel that this will be part of the postwar "must program" and that "Fathers in Washington" will see it that way. They will probably view it from the health and sanitation theory. That is going to be the type of project I believe it is going to be. That is going to be what they will lend a sympathetic ear to. I don't think Portland in and of itself could finance it. From what little I have gathered Portland can't finance its share without a bond issue. We are going to have to deal with large figures. The question is how to get the greatest public reception for a bond issue to reduce the larger portion of its share. But raising the sewer users' charge wouldn't do much good, but would serve as an irritant to the people. You can't travel ahead of the people, and I don't think you should. People, generally speaking, have very good judgment. We don't want to do something that will irritate them so that they will be against the whole picture. That has been the query in my mind. You both have the same objectives. I haven't been convinced when you say public opinion favors the raising of the sewer user charges. The people in the water bureau and the letters I get don't say so. The only person who has been in favor of it has been you, Mr. Wendel. Even some of the people who were in favor of the $33\frac{1}{3}$ are now against it. I wouldn't be willing to raise it. It would just make the people mad and lose the larger issue. I don't think we can raise the tax now, and I don't think we should. There are a lot of "bugs" in this method. If your body is convinced that it is right in that the people favor an increase as authorized by the sewer user service charge law why not submit it to the people and get an expression of their opinion to see who is right, the Sanitary Authority or the City Council. Get the public opinion on this situation. A referendum vote should be taken. If we agreed upon a statement, such a statement could

be issued as agreed upon jointly by this group in order to set the issue before the people. If you are judging the people right and they do want to build up the fund, I would certainly then vote to put on the maximum amount. I can't agree that you are right as I see the picture now, and I don't think the Council should increase the charge.

Mr. Finley: Several years ago that law was passed by the people of this city to make it 33-1/3%. Shouldn't that law be carried out?

Mrs. Lee: Are you questioning me?

Mr. Finley: Yes.

Mrs. Lee: From my investigation I find that in 1936 they put a measure on the ballot for 1/3 of the current water rate and this they revoked by a large vote. In 1938 the law was enacted that the City Council on the advice of the Equalization Board could levy a sewer service charge in an amount not to exceed 33-1/3%. The thing that worries me is that when in 1938 the people voted for that charge they thought it was self-liquidating. Then they got competent engineers on the job and found that it never could be self-liquidating.

Mr. Finley: We have been working for thirty years to clean up the river, and it is the law of the state that they can't pollute the river; yet the city council has for many years refused to clean up the river. In the Oregonian of October 1940, when Bowes and Bennett were in the Council, Bennett wrote an article stating that "Most of the people know, I believe, that should we levy the full 33-1/3% tax on the water user charge that it would be detrimental to the industries, and the industries have told us that in no uncertain terms, notwithstanding Mr. Finley's letter". We cannot understand why with the growing feeling of the city that the river has not been cleaned up. They could have cleaned it up before. I hope that these people will do something so as to help clean

up this river because it is a great detriment, and it is public property.

Mr. Cooper: I think I can clear up and possibly add a little useful information here. I am the author of the statement on page 9. I want to explain that statement further. You mentioned that the R.F.C. might loan us money. I think that is true. However, the interest rate of the City of Portland is low - - we enjoy the lowest interest rate in the United States - - even lower than the U. S. Government. I would like to clear the atmosphere. The full amount of the sewer users' service charge would not suffice. A bond issue would be required to build this. I want to build it now, or just as soon as the war is over. I want to see construction of this project. We have enough money for the engineering now and for the plans and specifications as soon as they are completed. If it isn't enough, we could go out and borrow money unless we saw we had in our hands self-liquidating funds to liquidate the debt. The Chairman did make the statement that we didn't want to mortgage our future. If we are going to borrow money, let us take this thing back to the people. Make the sewer users' service charge large enough and then we can get money within the limitations we have. At the same time, vote a bond issue and get the money.

Mr. Wendel: That kind of a program won't help a bond issue. We must have money accumulated in order to finance a program of this kind. We must have cash on hand.

Mr. Cooper: The City of Portland enjoys a very low rate of interest charge now. It is my personal ambition to get this bond issue on the ballot and get this at the low rate of interest, and after the war we can go before the public for this money. We are now getting money at 1-1/2%.

Mr. Wendel: Borrow the money?

Mr. Cooper: At a low rate of interest, yes.

Mr. Bennett: You can sell the bonds now while the interest rate is favorable and invest in Government bonds.

Mr. Hallock: Mr. Cooper, you have handled a lot of securities. Isn't it your recommendation and impression that the prospective borrower who can come before a financier with a program that is economically sound -- with several million dollars clear -- that he can get a better credit?

Mr. Cooper: Portland wouldn't be able to get a better rating.

Mrs. Lee: Does your state commission feel it is going to be advisable to build a plant without a bond issue?

Mr. Wendel: No.

Mrs. Lee: Assuming that we are agreed that the bond issue is going to have to carry the real load - the big end of it - say 5/6, to get the bond issue is to get the vote of the people. If you gentlemen felt that by raising the sewer user charge now it would irritate the people, would you still want it?

Mr. Veatch: No, not if we felt it was going to irritate the people. The average person is reasonable. Collection could be made if presented properly.

Mr. Cooper: Wouldn't it be a lot better to wait until after the coming election? I believe it wrong to deliberately irritate them.

Mr. Veatch: Several other cities beside Portland have not begun this program. Their almost unanimous answer is "What is the City of Portland doing? Why go after us - a little place like us?"

Mr. Cooper: Industry?

Mr. Veatch: We are up against that same thing with industry. Outside of the City of Portland, the cities are adopting definite programs toward putting in a sewage disposal system. What I can't get at here is, if it isn't logical to make this collection of 33-1/3%, why collect 10% - - why collect anything? If you want to collect anything, why not the maximum

amount, because there will never be a time when you have a better chance.

Mrs. Lee: This is debatable. A lot of people are feeling the pinch. Small business with ceilings on their products and inefficient labor. I had clients who were not making any money at all. The ones that own their own property and live in their own homes are paying the sewer users' service charge and if we raise it the property owner cannot pass it on. There is a great deal of inequality.

Mr. Veatch: The water bill is charged up to expense. So much of it will go into taxes. No one will operate at a loss.

Mrs. Lee: Almost.

Mr. Veatch: The increase in the water bill would ordinarily go into taxes to the Federal Government and would not be much of an increase in expense.

Mr. Wendel: If we waited a time when each one of the 400,000 people in the City of Portland was sharing some degree of prosperity, that time would never come to be. The figures show, according to Mr. McNaughton who made the statement, that the income this year was 417% of what it was in 1939. That was for Portland and vicinity, I believe. The County of Lane is accumulating \$5,000,000 for postwar improvements, and among its projects is sewage disposal for the City of Eugene. They are collecting money by means of a sewer charge. If the city took the leadership and explained the situation to the people, I believe they would all be willing to pay the 29¢ now and accumulate a fund to be used when it will be harder to pay. If we don't do this now, we are going to have to resort to compulsory measures when the war is over.

Mrs. Lee: Industrial payrolls are up, but isn't it a fact that the great bulk comes from shipbuilding plants? These people live in housing projects. All the utilities are paid by the Federal Government.

Mr. Morrow: Or by housing authorities.

Mr. Hallock: They are passed on to the renter. The city is paid.

Mrs. Lee: What was your objection to Mr. Peterson's plan of contacting the people through the water bill?

Mr. Wendel: I personally would like to have the city take the leadership.

Mr. Hallock: If we felt that the communication from the city would emanate from the city instead of emanating from the state; couched in a way so that the city would be sponsoring the utterances.

Mr. Peterson: You wouldn't want us to make any statement other than the facts?

Mr. Bennett: I would suggest putting the statements in the form of two questions, "Should the sewer charge be increased" and "Should the sewer charge be removed".

Mr. Peterson: I am sure the Sanitary Authority and the City Council can work out a satisfactory statement.

Mr. Veatch: Follow the procedure of getting the facts in the water bills, giving the facts to the consumers.

Mr. Cooper: What would the attitude of the Sanitary Authority be in putting this on the ballot in May?

Mr. Wendel: You don't think it should be started now?

Mr. Cooper: This isn't the time.

Mr. Finley: The State Sanitary Authority was set up Nov. 8, 1938. People of the state organized this board for the purpose of getting you to clean up the river, to stop the pollution, and you have done it in some certain cities. Have you not some rights? You say that you can't clean it up until after the war; they ought to do some

definite work now so that they can begin after the war is over.

Have you that authority?

Mr. Wendel: We believe we have that authority.

Mr. Finley: The people have the right to speak. It is for the future, and there is an election coming up. Maybe the people can do something then.

Mr. Peterson and Mr. Cooper: That is a threat. Put that in the records.

Mr. Cooper: I want that in the records.

Mr. Wendel: It will appear in the records.

Mr. Smith: I think there is an interesting situation, as expressed by the individual members. There is an agreement in favor of cleaning up the river. I can also see that the question of how is a factor. I am also aware of the constant bickering that has been going on for years. It would seem that the greatest contribution we could make is to evidence some leadership by getting the public in the frame of mind, by preparing plans to get the job done. The Council should assume that leadership. Time and time again Commissioner Bowes has said that he doesn't favor this and apparently he hasn't changed his mind. If you are agreed that the job should be done, it behooves the city to take the leadership.

Mr. Bowes: I don't know how many times the City Council has to say they are in favor of the cleaning up of the River. The people have never approved an obligation bond issue. When you put on an obligation clause they turned it down. Mr. Finley has been loud on what we ought to do. He wouldn't know a sewerage plant if it walked by his door. Every member of the City Council wants to clean up the Willamette River, when we find competent engineers. We are trying to proceed on the basis of the Wolman Report. It is a sound approach to the problem. We have

taken that step by step and are proceeding just as rapidly as we can in getting competent engineers and people to do the work and we should have been a long way on the program if it were not for the war and we could get people.

Mr. Bennett: They have spent \$100,000 already on engineering.

Mr. Bowes: Money has been spent on work in connection with the sewerage project. We also pay the Water Bureau for collecting the charges, actual personal services, materials and supplies needed in carrying out the recommendations of the Wolman Report - approximately \$68,000 up to this date. I hope that it is understood that your present City Council are in favor of cleaning up the river as rapidly as we can finance it and can construct it.

Mr. Hilton: Even if the Sanitary Authority insists that money be collected illegally by means of the service charge?

Mr. Bowes: I think it is only fair that this question be settled when the Sanitary Authority and the City Council sit down and work out a statement. They should see that it is fair and submitted to the people.

Mr. Finley: Don't you think you should immediately do this?

Mr. Bowes: We are suggesting that program now.

Mr. Hilton: I would like to see the people advised of the facts.

Mr. Bowes: You can sit in on the meeting if you want to.

Mr. Veatch: I move that we adjourn, unless you wish to appoint someone now on the committee to meet with the Council.

Mr. Wendel: We will consider that later. Is there a motion to adjourn?

Mr. Veatch: Move we adjourn.

Dr. Stricker: Second the motion.

Mr. Wendel: All signify by saying "aye".

(Meeting adjourned at 1:35 P.M.)