

STORY 2

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by Reverend John Speed of the Baptist church. Promptly at 8 o'clock a unit of the Madrigal Singers entered the attractive patio in the center of the main administration building. This group entered singing and each member bore a staff. They were followed by the graduates, entering the patio from one of the stairways leading out of the main building. The central fountain was banked in flowers and the graduates were arranged about this fountain during the invocation. They later took their places on the balcony behind the arches where they were addressed and from which place they advanced to receive their diplomas from Mr. Allan E. Sedgwick.

This graduation class numbered more honor students than any other graduation class ever to leave Torrance high school. Life memberships in the Scholarship Society were bestowed upon Alice Burger, Joy Phall Fossum, Cleo Rice Long and Vera Mae Long; Dorothy McMillan, Dorothy Jensen, Kenneth Fess and James Miller were honored as Torch Bearers and the honor of Ephebian membership was bestowed upon Alice Burger, Joy Phall Fossum and Kenneth Haslam.

The principal spoke of the splendid course of this group of students during the years of adversity and during their years of high school experience. They were complimented highly for their cooperation and their ability to work together for the common good.

In addition to those who received diplomas, two students, Perry Mendenhall, Jr., and Edwin Wood, excused the week before last to take jobs in the central part of the state, were listed among the graduates. Their diplomas were made available to the

parents of these boys following the graduation exercises. The program included several musical numbers by the Madrigal Singers and one number by the graduating senior class. With the close of the exercises, friends of the graduates offered their congratulations to the respective members of the class on the lower balcony of the patio.

Contractors Are Warned To Renew State Licenses

Contractors and builders are warned to apply for their 1934-35 state contractors' licenses before June 30 to avoid endangering their right to bid on new construction work. Frank Cordano, regional inspector for the state contractors' license bureau in this district, so advised local builders here this week. All existing licenses expire June 30.

Under the state law, Inspector Cordano asserted, all building and construction contractors must be registered. Renewal applications filed before June 30 require a \$5.00 renewal fee. All delinquent renewals filed later require a \$10.00 fee. Renewal application and license fees should be mailed to the Contractors' License Bureau at Los Angeles or Sacramento.

STORY 3

therein, so no allowance should be made on that account. It is another quotation from our Engineers' estimate of what the system is worth. Imagine the company asking that we consider something that doesn't belong to them, they did not pay anything for, and which may be disconnected upon order from the C. C. M. O. at will.

Irrigation Lines (c) Irrigation lines, are covered in the engineer's report as follows: In considering the value of small galvanized pipe and riveted steel pipe, we are governed by the probable future use for these lines. There is No Possible Excuse for the placing of such pipes in any city water distribution system. It is only an admission that the water company is unable to raise the money to install proper pipe. It is Not Customary in Business to give a business concern full business credit for the Various Uncommercial Subterfuges that poverty may force them into. (Please read that sentence again) So the credit for these pipe lines will be only what it is worth to be used until they can be replaced. In so far as the two-inch galvanized and smaller pipes are concerned we allow two years further use to give time to replace them. This is shown on the valuation sheets on the basis of two (2) years' future use. The Riveted Steel Irrigation Lines Are So Old that they are about All Depreciated Out and are of Little Future Value. The city, however, can probably use them to advantage to serve irrigation water for two (2) years, and they are given a two-year, or 10% value based on this assumption. We understand that our own city engineer places a 38% efficiency ratio on the system or a 62% loss in efficiency in serving the lines. Again we would be called upon to be the goat and buy new pipe, which, of course, any business man would do immediately instead of letting profits leak out of such an inefficient section of the system.

equipment, new pipe installed, or a new truck this would have to be investigated and a fair value set on these items, which we will investigate at once through our engineer's office. However, from information at hand such valuation does not run that high. There is value here, see our statements at the end of this letter, when we take this and several other items into consideration.

People Own Business

"3. Business Development: Is again covered very explicitly and definitely in the Engineers' report: 'The item of business development is ignored entirely, for although the water company owns the physical property They Do Not Own the Business. That belongs to the people who buy their product, water. And they have the right to take it away from the water company and serve themselves if they want to do so. If the people should install a water plant and prepare to serve themselves, they would immediately acquire almost all the domestic load and nearly all the industrial load where the industrial plants own their property, because by so doing the owners, who are taxpayers, would cut down their tax load; for if the city plant did not do enough business to pay expenses, these expenses would have to be made up by taxation, so the customers would use the city water to save on their own tax burdens.' Handbook, put out by Ronald and edited by E. A. Sakers, the statement is made: 'Going value represents a large number of important relationships which, doubtless, have a bearing on the success or failure of the business, but the value of these Elements' not 'profits foregone' constitute Legitimate Additions to Value of Property.' Keep in mind that the water company does not possess a franchise from this city, only a perpetual easement for the water company.

"4. We are paying the water company for 'Organization', Engineering, Legal Expense, Interest During Construction and several other inevitable expenses that must be incurred to start and prosecute the business of building such a plant. The interest on the bonds issued, and would vary according to the amount of bonds issued, but in any event the entire new plant could be completed in eight months and revenue from the new efficient plant would start. So the entire year's interest would not accrue without there being income from the new water plant. However, there is a value to the city here, and we are not ignoring that factor. See our statements at the end of this letter.

"5. This lowering of our figure does not necessarily represent depreciation, as the water company has pointed out; this will be pointed out in the final words. 'The water company in their figures has added in twice the depreciation taken by the city, in that they started with \$113,441.00, instead of \$110,000.00, so \$3,441.00 should be deducted from their own figures. The proper figure of appreciated value would be more nearly 7.5% than 10.75%, which would yield a figure of \$7,508.75 instead of \$12,195.00. Adding these two items... \$3,441.00 Difference in percentages... 4,686.93

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Company in Error

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FORD PRICES REDUCED

Effective Friday, June 15, prices on Ford V-8 Passenger Cars, Trucks and Commercial Cars were reduced \$10 to \$20. These reductions represent new low prices on 1934 models, as there have been no Ford price increases this year.

FORD V-8 PASSENGER CARS (112-inch wheelbase)

Table with 3 columns: Model Name, Price with Standard Equipment, Price with De Luxe Equipment. Models include Tudor Sedan, Coupe, Fordor Sedan, Victoria, Cabriolet, Roadster, Phaeton.

*These prices remain unchanged

FORD V-8 TRUCKS AND COMMERCIAL CARS

Table with 2 columns: Vehicle Type, Price. Includes Commercial Car Chassis, Truck Chassis, Stake Truck (Closed Cab).

In addition to above, prices were also reduced on other Commercial Cars and Truck types from \$10 to \$20

ALL PRICES F.O.B. DETROIT

FORD MOTOR COMPANY

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- List of property loans with amounts: \$1250, \$1800, \$1750, \$2250, \$1500. Includes details on terms and interest.

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Torrance Investment Co. Phone 176

This old system, as it now stands, is worth Replacement Value Less Depreciation. There are other considerations. '1st. We cannot ignore obsolete equipment. No business is going to pay another firm for worn-out equipment, or for Obsolete equipment which is not worn out. And the method of treating the water with chemicals would have to be entirely changed to fit modern conditions.

Facts Must Be Considered

"All of these considerations have more than offset the increased values asked by the water company, and which they completely ignore in their statements to us, either by belittling their importance or stating that the system could run as it is without any improvement. We feel that in purchasing the system facts should be looked straight in the eye. 'Coupled with the above facts and the new improvements that have come to our attention only recently, such as lining pipe (either cast iron or steel) with a cement-like substance resembling rock and as smooth as glass, in which algae could be kept down to a minimum, various oxides prevented from forming from contact with metal, pressure would be kept up with minimum of pumping energy, and the pipes would last indefinitely. If steel pipes are used the danger from breakage due to earthquakes would be very slight, whereas cast iron breaks, admittedly. This type of installation is before us, an ideal one; why should we go out of our way to acquire an old system, when the water company refuses to accept two offers which we feel were given to them in good faith, backed up by facts as to value? We have not ignored the old system from the start—an offer of \$110,000.00 for such a system is plenty of cash for the system, such as it is. The water company might be willing to take what it is worth to the city, as though all the transactions we have been able to trace, each business deal, since they purchased the system for around \$170,000.00, has netted them a neat profit, together with the high rates for water now being paid, and for which poor water was delivered.

"2nd. We cannot ignore that pertinent fact that the present system is back end to, and we must go to considerable expense to turn it around by putting in cross-feed pipes, interconnections to bring up the pressure in certain districts, lay big mains where they have small ones, etc. 'If a merchant with a store facing a street, which in other days seemed to be the main street, found himself trying to sell his store to a business man, who discovered that at the present time the main street had shifted and that the back end of the store was now found to face a new main street, the business man would have to consider the expense of reversing the layout, taking out the old show windows, putting in a new entrance, and any expense of such a change would be considered in the price the purchaser would offer to the owner. An allowance would have to be made. '3rd. Cost of cleaning out the old pipes, eliminating the dead ends of the old system that seem to dump all manner of refuse into our water would be absolute expense to the city. '4th. Cost of locating the various leaks and making such repairs to the system. In an area like this one, where water may run continually and not be detected this cost would be considerable. Due to the sandy soil, age of pipe, and certain kinds of pipe, such loss of water, which is estimated between 20 to 30 per cent, is a large item of needless wastage. '5th. Inadequate parts in the system, out-moded fittings, pressure to be built up in areas now receiving poor pressure. The method of treating the water with chemicals would have to be entirely changed to fit modern conditions.

"Thank you for an open mind and I trust that you realize that as a member of the council each one of the men has given utmost thought to this problem. We trust that a settlement can be effected, and that the light of real investigation will disclose the right price for this city to pay for a system such as it appears to be. 'Sincerely, 'SCOTT R. LUDLOW, 'Signing as an individual member of the Council and not in any sense speaking for anyone else.'

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A & P Food Stores advertisement featuring various food items and prices. Includes sections for Fresh Fruits and Vegetables, Specials in Quality Meats, Tomatoes, Apples, Grapes, Nectarines, Watermelons, and Butter. Also features a 'You DATE' coffee promotion.

PRICES EFFECTIVE THURSDAY, FRIDAY, SATURDAY, JUNE 28, 29, 30, 1934

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