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BANK NOTE EXPANSION.

MANY NATIONAL BANKS ESTABLISHED SINCE REDUCTION OF REQUIRED CAPITAL.

Unprecedented Increase of Institutions and Consequent Expansion of Bank Note Circulation May Cause Depression.

There is a boom in the organization of national banks. It has been in progress for five years, or ever since the passage by Congress of the act permitting national banks to be organized with a capital of \$25,000 instead of the minimum of \$100,000 capital, as the law stood prior to March, 1900.

Though the multiplication of small national banks has been going forward at a startling pace it is only recently that the great increase in the number of new banks has begun to impress itself on far-seeing financiers as excessive. It is felt that the unprecedented increase in banks and the consequent expansion of national bank note circulation has either gone so far, or soon may go so far, as to constitute a national menace.

There are many financiers who, though they look with apprehension on a boom in national banks, yet feel that we have not reached the danger line and that the country is able to absorb all the national bank note circulation that is likely to be issued on the present bonded debt of the United States.

It is proposed that at the next session of Congress the bonds to be sold for the construction of the Panama canal shall also be made a basis for bank note circulation and this expansion it is thought may prove ex-

cessive. The danger line will be reached when the bank note circulation comes to bear an undue relation to the gold reserve of the United States treasury. The growth in national bank notes in five years has increased their amount from \$216,000,000 to \$478,000,000, based on government bonds, or about \$50,000,000 per annum. It is calculated that the gold stock of the country increases annually in about the proportion that population increases.

During the last fiscal year the basis money of the nation was increased by the addition of \$23,000,000 in gold certificates. It is urged that as the bank note circulation increases faster than the growth of the money of redemption, the process tends toward inflation. It adds to the burden of money which the gold reserve must maintain at parity.

No remedy for this situation is in sight, and it is stated that it may be that an unhappy financial depression will be needed to call the attention of the whole country to the necessity for caution in loading up trade with too great an issue of bank notes. At present there is no limitation on the organization of national banks except that they cannot go beyond the bonded debt. The bonded debt is now \$895,000,000, of which \$482,000,000 is used as security for note issues and \$55,000,000 as security for government deposits. An issue of \$130,000,000 of canal bonds has been authorized, and the whole world knows that other issues of canal bonds must be made. If the canal is to be constructed on the lock principle, this bond issue will necessarily be doubled and probably trebled. When the canal is cut down to sea level the cost of construction will very nearly be doubled and the bond issue accordingly increased.

LARGEST OF SHIP DOCKS.

THE "DEWEY" NOW PLOWING THE ATLANTIC AND BOUND FOR THE PHILIPPINES.

Will Require Four Months to Make Trip.—Capable of Lifting Biggest War Ship.—Superior to Stationary Docks.

The huge storm waves of the Atlantic in midwinter seem to roll onward in a resistless torrent of destruction to all in their pathway. But this year they are beating against an indomitable structure, for the United States Government is shipping to its far-off naval station at Cavite something that floats but is yet not a war vessel, a fortress or a merchant ship. Capable of use in either peace or war, it is a very necessary adjunct to Uncle Sam's Navy. This structure which has been breasting the waves of the Atlantic is the gigantic new floating dry dock, "Dewey," recently built by the Maryland Steel Company of Sparrows Point, near Baltimore.

While there are numerous dry docks in the far East which are available for Uncle Sam's Navy in times of peace, the gates of these would be barred to his fighting ships were he to get into an embroglio with any foreign power. This fact determined the Navy Department to build a great dry dock which could be towed from one port to another, or used in the open sea. The recent success attained by the Government floating dry dock at New Orleans, induced the naval officials to decide that this new factor in ship-repair should not be stationary, but rather one of the floating variety. In order that it might be capable of docking the largest battle ships, not only of the present day, but of such possible expansion as the future might bring forth, the Government specifications required that the "Dewey" should be able to dock a 16,000 ton ship in four hours from the time the warrior entered the trough to the moment the keel was out of water.

The Largest in the World.

Such specifications meant that upon completion of the "Dewey" the Government would possess the largest floating dry dock in the world. The contractors went further than the Government specifications and gave the new dock a capacity of 20,000 tons.

The question might be asked, what sort of monster is this which floats and yet can bodily lift the huge fighting terrors of the sea? It is nothing more than a large steel floating box, with a bottom and two long sides but with the top and ends missing, the bottom resting upon great square tanks, 18 1/2 feet deep. With an opening of certain valves, enough water is allowed to rush into sink the great trough until the floor is sufficiently below water level for the largest warship to enter between the two protruding sides. After the vessel is within the enclosure, the water is pumped out of the tanks and the great trough rises until the floor is well above the wash of the sea. Any surplus water remaining on the floor of the tank drains off and the ship on becoming dry may be painted, cleaned or repaired. The giant leviathan of war is handled as though it were a toy. The "Dewey" has a total length of about 500 feet, and a height of 64 feet from the bottom, yet in order to dock a vessel demanding a depth of 30 feet in the trough, the bottom of the tank sinks to a depth of 63 feet. Floating by itself, it draws but 6 1/2 feet of water.

The United States Government was very strict in all requirements of its contract with the constructing company and insisted that the dock should be carefully tested before being accepted.

Last spring the battleship Iowa was

last battleships of the Navy, it can lift itself as well. In other words, it raises its own bottom out of the water while floating only upon its great hollow side box, and the bottom in turn lifts up the side box to a sufficient height to permit of its being scraped, cleaned and copper painted.

Notwithstanding the apparently intricate problems confronted in the construction of such a huge engine, the Navy Department had a still greater problem to solve when it considered methods of sending the Dewey to the Philippine Islands. The great size of the machine meant that it could make but slow progress through the water and the Government had had no experience in sending such structures across the uncertain Atlantic. However, the inducement of extra good salaries enabled the officials to obtain a crew of experienced men to handle the dock. The hollow sides of the enormous engine provide abundant living quarters for the crew of thirty, and are as good as the best quarters on any man of war. There is on board a complete distilling apparatus for making fresh water and the ration allowances are double those received by the men of the United States Navy. Since the dock has left the United States, it has been in almost continuous communication with the shore by means of the wireless telegraphy apparatus on board as well as on the three naval vessels towing it. It is supposed by the Government officials that it will take nearly four months for the structure to make the trip to the Philippines.

Games for the Mariners.

The great floor of the Dewey is of sufficient size to allow of a regulation game of base ball, a fact which probably will be taken advantage of when the warmer climates are reached. Should the little fleet meet with a hurricane such as might usually be encountered on the Atlantic in winter, the towing steams could throw off the tow lines and the Dewey could be filled with sufficient water to sink to a depth which would assure its safety until after the storm had passed away, while the towing boats could find safe refuge within the dock.

The route taken by the fleet is as follows: After passing out of Chesapeake Bay, it takes a course due eastward across the Atlantic to the Madeira Islands, from whence it enters the Mediterranean through the Straits of Gibraltar, until the Suez Canal is reached. The traversing of the Suez Canal was another problem which faced the officials of the Navy Department, but after making careful measurements it was found that the dock would easily pass through the Canal. The fee that the United States Government is called upon to pay for the use of the Canal for this purpose is \$30,000.

After passing through the Suez Canal, the squadron of three towing boats and the dock will sail through the Red Sea between Arabia and Africa and thence on to the Indian Ocean. Singapore will probably be a stopping place for the expedition and after going through the straits of Malacca, it will pass up the China Sea and thence to the Cavite naval station reaching there just about in time for the Easter holidays.

Other Dry Docks.

The United States has a couple of other floating dry docks, one at Algiers, La., but recently completed, and another at Pensacola, Fla., formerly stationed at Havana. Before the floating dry dock was considered a success, the stationary dry dock was the only kind available. This was completed upon shore, generally of concrete and granite, with sloping sides and a concave trough for the hulls of vessels to fit into. The Navy has sixteen of these, four being situated at Brooklyn, three at Norfolk, two each at Philadelphia and Mare Island, California, and

NATIONAL IMPROVEMENTS.

GREAT WORK OF THE GOVERNMENT IN THE SUBJUGATION OF THE DESERT.

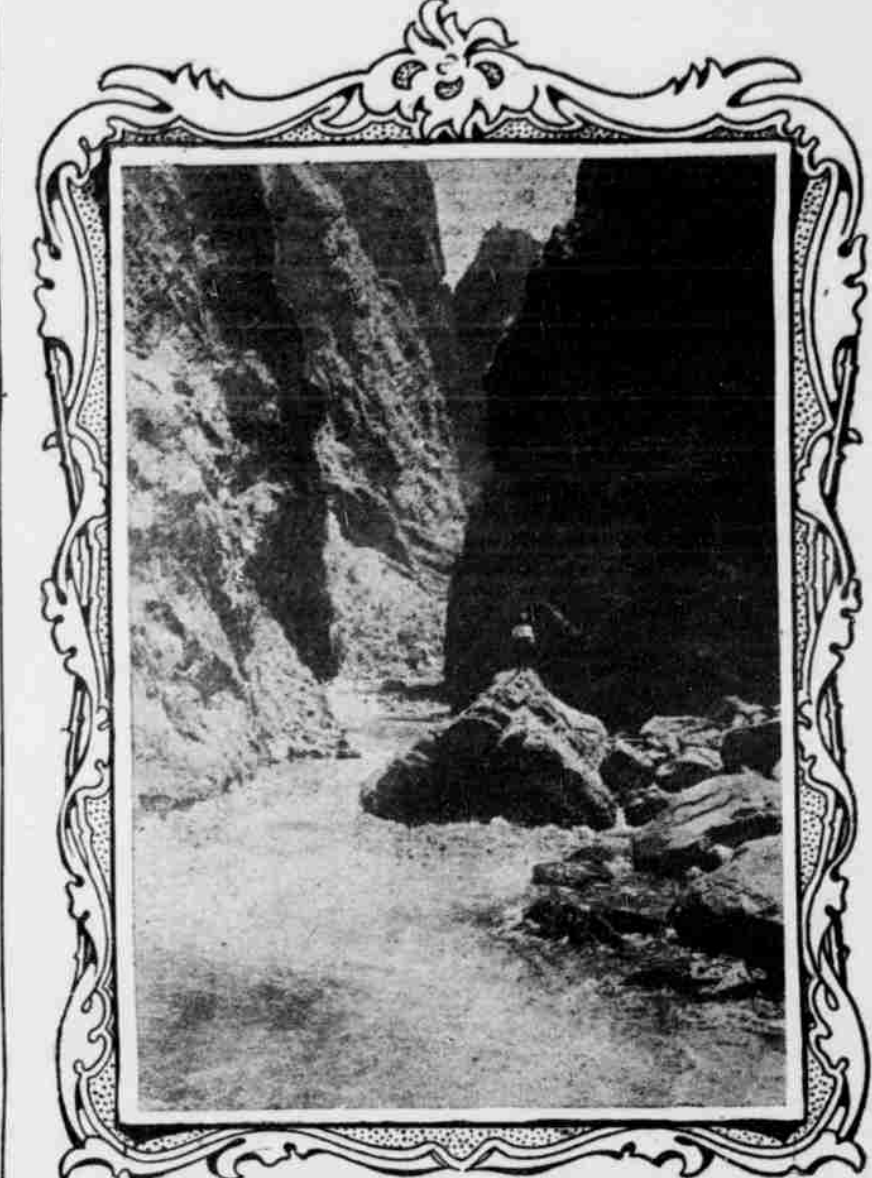
Thirty-seven Million Dollars to Be Used by Uncle Sam in the Construction of Great Works and Creation of Homes.

There is no public work being done by Uncle Sam which has, within a few years, sprung into such prominence and which promises such substantial returns as the reclamation of his desert lands under the National Irrigation Law.

Thirty-seven million dollars for irrigation. This amount, as shown by the following table, is the estimated figure of the appropriation for irrigation

reclamation law was passed setting aside the proceeds from the sales of public lands in certain Western States and territories for the construction of irrigation works within their borders. The law at the same time provided that every dollar so expended should be returned to the Government by the settlers who take up the lands reclaimed. In other words, the nation made an advance of the receipts from the sales of certain public property to make marketable other public property. Out of the many millions expended by the Government in river and harbor improvements, not a cent has ever been returned directly to the Treasury, nor was it expected that any return would be made.

Departments Wide Authority. The irrigation act gives the Secretary of the Interior a very wide latitude in the investment of this large fund, although he is required to spend



DAM SITE ON THE GUNNISON RIVER.

work which will be available in the fiscal year of 1908, the sum realized from the sale of Western public lands since the year of the passage of the irrigation law:

Year Ending	Amount
June 30, 1901	\$3,144,821.91
" 30, 1902	4,585,520.53
" 30, 1903	8,713,996.60
" 30, 1904	6,826,253.59
" 30, 1905	4,757,978.87
" 30, 1906	3,250,000.00
" 30, 1907	3,000,000.00
" 30, 1908	2,750,000.00
Total	\$37,028,571.50

The estimates for 1906, 1907 and 1908 are made by the General Land Office.

This fund is, according to the law, to be invested by the Secretary of the Interior, in feasible irrigation projects which will repay the amount to the Government, in ten annual installments from the settlers.

The apportionment of the fund by Secretary Hitchcock has been practically completed and the plans matured for expending the entire fund on certain definite projects in the West, which practically brings to an end further surveys and examinations, and permits the concentration of effort of the Reclamation Service on the building of a few important projects.

Irrigation and Rivers and Harbors. There are many people who do not entirely understand the difference between the appropriations made for the reclaiming of arid lands and those for the improvement of rivers and harbors. There is a disposition to criticize Congress for permitting the expenditure of millions in making habitable and productive large areas of the public domain now worthless, and at the same time cutting down the appropriation for work on our national waterways.

Apparently the fact has been overlooked that Congress has never made an appropriation of any specific sum for reclamation. On June 17, 1902, the

major portion of the fund arising from the sale of public lands within each State or territory for the benefit of their lands, so far as practicable.

It is a recognized fact that the contributions to the fund from the various States are in most cases not in proportion to the need of those States for irrigation. Arizona and Nevada, for instance, whose lands have contributed very little to the fund, have probably the greatest need and opportunity for reclamation, while on the other hand, North Dakota and Oklahoma, though large contributors, have perhaps the least actual need for irrigation of any of the Western States. In some cases the chief aim of politicians has been apparently not so much to develop irrigation as to secure the expenditure of Federal funds in the section they represent.

Has the Emnity of Land Grabbers. As displayed by Secretary Hitchcock has of course given rise to more or less adverse criticism and attack, especially from men who have viewed the reclamation act as a great opportunity for either direct or indirect personal advancement. The men by whom the public domain has long been considered a legitimate prey, hailed the passage of the irrigation act as an improved method of converting to their use the nation's resources in the West. Mr. Hitchcock's vigorous measures, however, have seriously interfered with their proceedings and they are correspondingly bitter in their denunciations of his acts.

The States thus far to chiefly benefit through the irrigation law are Arizona, Wyoming, Montana and Nevada, although some of them have themselves made to it considerable contributions. Wyoming, because of its strategic geographical position and the fact that much of the water supply of the West originates in that part of the State, most of necessity have the stor-

(Continued on next page.)



BARONESS VON STERNBURG.

Baroness von Sternburg, the American wife of the German Ambassador and pre-eminently the most sweetly beautiful woman in official life at the national capital, has lately returned to Washington from abroad, a proud and happy woman by reason of the miracle worked by a wonderful surgical operation performed in Germany a few months ago. The Baroness, when a young girl fell from a horse and sustained an injury to one limb, which has ever since necessitated her walking with a cane.

Some time ago an eminent German surgeon performed an operation upon one of the ladies of the royal family who had received an exactly similar injury, and the success which crowned his efforts was such that the beautiful bride of the Kaiser's envoy in America was induced to undergo similar treatment. For weeks her foot was held in the grip of a plaster cast but finally the rigid bandages were removed and she was free to return to her native land with the use of the long inefficient member fully restored.

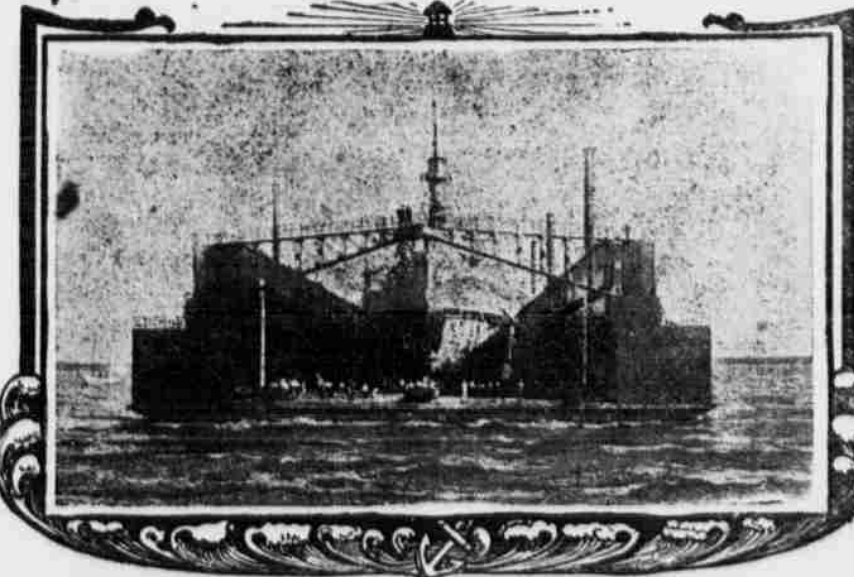
Baroness von Sternburg, who was Miss Tillian Langham, is a Californian girl, and her marriage to Baron Speck von Sternburg came as the culmination of one of the prettiest international romances in which an American girl has figured. The Western beauty and the titled German diplomat first met on shipboard while en route to the Atlantic. It came dangerously near being a case of love at first sight on both sides, but the German government, which takes a fatherly interest in its young officers and statesmen, threatened to undo Omphale's work by insisting, as is customary in

such cases, that the American girl should bring to the man of her choice a fortune of \$20,000.

Now Miss Langham comes of a very old Kentucky family, but none of its members happened to have \$20,000 to bestow as a dowry, and for a time the course of true love appeared to run anything but smoothly; but in the end the Teutonic officials relented, and the couple were married. When Baron von Sternburg took his bride to the Fatherland, she carried everything before her by virtue of her beauty and sweet disposition, and the German Emperor remarked: "If I were an artist, I would wish for nothing better than to paint your portrait."

The Baroness has reddish blonde hair, long, dark lashes, reddish blonde hair, and a marvelous complexion. Although she is a native of the Golden Gate State, her father was an Englishman and her mother a native of Chicago. This mistress of the German Embassy at Washington is almost as much at home in Europe as in America, for she was educated in Paris and Dresden and made her formal entry into society in London.

The Sternburgs are among the closest personal friends of the President and Mrs. Roosevelt. Indeed, the President, then a mere secretary at the German Embassy, was one of Mr. Roosevelt's cronies in the days when the present Chief Magistrate was a Civil Service Commissioner. The two men rode and walked together almost daily, and naturally the President was delighted when his old chum chose an American girl for his bride, and the Baron and his wife spent a portion of their honeymoon at the White House.



BATTLESHIP IOWA IN NEW DOCK "DEWEY."

docked in the "Dewey" and within an hour and a half from the time that she was in position, her keel was out of the water. In the same month, the United States battleship Colorado, with a displacement of nearly 2,000 tons more than the Iowa, was docked in two hours and sixteen minutes.

Will Baffle the Tornado.

One of the most essential needs for a dry dock in the Philippine Islands is caused by the accumulation of a great amount of marine growth upon the hulls of all vessels spending any length of time in tropical waters. Naturally a steel dry dock in such a locality would also become befouled by barnacles, terebrants, etc., and it is at this point that a most peculiar feature of the "Dewey" is brought to light, for in addition to being able to lift the heav-

one each at Portsmouth, N. H., Charleston, S. C., and Puget Sound, Washington.

The nearest rival to the "Dewey" among the floating dry docks of the world is that at Bermuda. While it is 45 feet longer than the "Dewey," its lifting capacity is but 16,500 tons, which is 3,500 tons less than the American structure. In Austria, there is also a floating dry dock of 15,000 capacity, and one in Germany capable of lifting a burden of 11,000 tons.

A Peculiarity of Siberia.

In parts of Siberia corpses that have lain buried for 150 years have been exhumed and found in a state of perfect preservation. The soil freezes many feet deep and does not altogether thaw out in summer.

EVERYTHING for the GARDEN

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