

# Lake County Examiner

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## CONDITION OF THE WOOL MARKET.

Prices are Higher Than for Many Years--The Dingley Tariff.

JUSTICE BATEMAN CO. REPORT.

Belief that Prices Have Reached The Limit the Demand Will Justify.

### TONE OF THE MARKET

Wool is dull, but prices are steady at the recent decline. The consumption of wool for the last twelve months has undoubtedly exceeded all previous records, yet owing to the heavy imports which are keeping close up to those of the same period last year, there is no acute scarcity. Manufacturers still find an ample assortment at a time when the new domestic clip is beginning to arrive in the market, and hopes of the rising prices predicted by some as a result of a hoarding of supplies, have now faded out of sight.

Leading grades of domestic wool reached record prices in the summer of 1905, and a decline has prevailed since then. Believing that wool had reached the top manufacturers had no motive for buying ahead of their wants and they have been either holding out of the market, or supplying themselves with foreign, which even with the high Dingley duties added, has proved to be relatively cheaper than domestic.

Confirmation of this is shown in the large imports of wool in the calendar year 1905, which, even during the free wool period, has never before exceeded but once. The imports last year were 38 per cent greater than the average of the previous three years.

Some manufacturers who are very large consumers, and who heretofore have used domestic wools now import not having a single fleece of domestic wool in their mills. This is because of the very high cost of domestic in places of production in 1905, where, as to-day, prices were relatively higher than the duty paid cost of foreign.

When prices were rising previous to midsummer of last year, and it looked as though they might be still higher, manufacturers bought freely and in many cases ahead of their wants. Then they fell back upon their supplies, and stayed out of the market altogether until they ran low on some grades, when they took only the least quantity they could get along with.

Under these circumstances sellers pressed their wool for sale upon unwilling buyers, and the greater the pressure the more timid buyers became. Even when in pressing need of supplies, detecting the weakness in the market and fearing a further fall, manufacturers resorted to all sorts of shifts to postpone purchases, arguing often and with good reason, that if they did not gain anything in price reduction by delay, they at least saved in insurance and in interest, which, owing to dearer money and high wool prices, was a greater item than ever before, for it takes much more money to handle the same quantity of wool than it did two years ago.

These and other conditions prevailing since August, 1905, caused falling prices, and the cost of carrying wool, added to the shrinkage in price, caused most dealers to lose money on the wool bought during the excitement prevailing in all wool growing sections at the close of last season.

Owing to these losses and to the inability of manufacturers to advance the prices of their textiles sufficiently to cover the increased cost of raw material, conservative views now prevail, which seem likely to result in many owners having to carry their wool themselves, until it is actually needed for consumption.

Instead of buying up the whole clip as soon as shorn the East may take only moderate quantities this year, leaving the bulk of it to be held in the interior, or consigned to seaboard markets by the owners to be held there by them until needed for consumption.

The failure of the flocks to increase seems to have been caused by the fact

that too many growers sell their young ewes to butchers, whereas they should be retained for purposes of increase.

In sections East of the Mississippi the dairy industry and the plough have displaced many flocks in places that in 1892 were among the greatest wool growing sections. Sheep have disappeared so rapidly before more profitable forms of agriculture, especially in the sections East of the Mississippi River, that now 45 per cent of all our sheep are located in a group of only five, so-called territorial states.

It will not do for wool growers to ignore this growing dissatisfaction of manufacturers with the wool tariff, for it is leading to a demand for tariff revision in favor of free raw material. Resolutions should be passed by wool growing Associations and sent to their Congressmen, protesting against the disturbance to business by the agitation of this subject of tariff revision.

Growers are only now getting the full benefit of the Dingley tariff, for owing to the great surplus of foreign wool imported during the free wool period, the price for domestic wool was depressed for years below the importing point. It has only been within a year that the full price lifting effect of the present tariff upon wool has been enjoyed by our growers.

Manufacturers think that the increase in wool production in Australia and New Zealand may bring prices down. This increase is shown in the greater offerings in London up to September 31st, 1905, which was over 27 per cent greater, although the actual sales for the year ending December 31st, 1905, were only 24 per cent greater than in the previous year.

This indicates that a surplus is being accumulated, which is not favorable to permanently higher prices. London circulars show that the increase yield of clean scoured wool in the production of Buenos Ayres and the British Colonies, during the year ending 1905, is so great that the production of 1875, the largest on record and more than could then be consumed, is now again nearly equalled. Taking these matters into consideration, we can see no reason to justify expectations of increased prices over current Eastern rates for the 1906 clip, which is being prepared for market in many sections.

Up to the time of the appalling calamity in San Francisco, general business conditions in the United States were most promising. According to Bradstreet's figures Railroad earnings (an unflinching barometer of business conditions) for February show a gain of 27 per cent over the earnings of February, 1905--an unprecedented showing, but the great catastrophe in San Francisco will cause disturbance in the money market which must affect wool prices.

The sudden draft on the resources of Fire Insurance companies, both foreign and domestic, occurring contemporaneously with the heavy borrowing of Russia, will be sure to create world financial disturbances and possibly stringency, which may curtail the ability of dealers to conveniently handle the usual amount of wool.

The general condition of trade and industry is now on a footing too solid and secure for there to be any reasonable apprehension of a panic, but in order to prevent insurance companies from throwing their securities upon the market to raise millions of dollars to liquidate their indebtedness in San Francisco, the banks are offering to advance money on, and to carry these securities until such times as they can be marketed without needless sacrifice.

This broad and liberal policy of the banks will of course employ many millions of dollars that otherwise would have been available for investment in wool, and at a time when the high price of wool requires more capital to handle it than ever before, so that the determination of wool dealers and manufacturers to act conservatively and to buy wool only as it is required, and at prices which will show a margin on current rates in the East, is a measure of necessity as well as of expediency.

It is quite probable that Eastern dealers will be inclined to touch the coming clip lightly at first, and the service of commission houses may again come to be as great and as necessary factors to the western wool growers as in former years.

During the past two seasons buyers were often found standing in crowds at the shearing camps to buy the wool

## STOCKMEN'S PROTECTIVE ASSOCIATION.

Three Counties Join Together to Put Stop to Wholesale Stealing From the Ranges

The leading citizens of Crook, Harney and Lake County, in Oregon and Modoc county in California, have organized a Live Stock Protective Association, with headquarters at Lakeview, for the purpose of preventing the killing of cattle and the stealing of horses, cattle and mules.

It has been ascertained that there is a well organized band of horse and cattle thieves operating in Lake, Crook and Harney county, in Oregon, and Modoc county, in California, who have been stealing stock in wholesale numbers during the last year. It is known that these thieves have parties stationed in California and Nevada

as soon as it was shorn, or even contracting for it on the sheep's back before shearing.

Under these conditions the services of a commission house were not needed, but changed conditions in this respect appear to be imminent, owing to this unfortunate calamity in San Francisco, which comes at a time when growers of domestic wool expected to get for it at least the closing prices of last summer. Now, however, these prices are so far above the parity of foreign wool with duty added, and also above the parity of present Eastern prices, that, until they understand the situation, growers are sure to feel disappointment.

Under these circumstances, wool growers may find the services of commission houses very acceptable, not only to make liberal cash advances, but to carry their wool until a more satisfactorily range of prices is established.

These wool growers who contracted their wool on the sheep's back early in the season last year felt chagrined that they should have received so much less than was obtained by the growers who sold their wool in the excitement of the summer. In a broad way it may be stated as a fact, that with very few exceptions the profits of the Eastern operators on wool bought early in the season, were swept away by the losses sustained on the high priced wools bought late.

Notwithstanding the nearly 7 per cent decline that has taken place in domestic merino wool since last August, this grade is still more than 7 per cent higher than the highest point reached during the boom of 1900. In strong contrast to this, foreign fine wool is 16 per cent below the highest price of 1900.

The boom of 1900 and its subsequent collapse, which caused a loss of more than one-half the capital of many of the leading wool operators throughout the world, in some instances sweeping away in one year the accumulations of a life time, constituted an experience which is ever present in the memories of the wool trade, who view with much dread and apprehension, even the approach of prices to the 1900 level.

It is true that the relations of supply and demand have changed somewhat since then. The expansion in population has been greater than the increase in wool production throughout the world, and no one now believes that the low price reached in the reaction from that boom, indicate the real and true value of wool today, but all agree that present rates on fine wool are on a perilously high level, and that further advance is much less likely than a decline.

Medium wool ( $\frac{1}{4}$  and  $\frac{3}{8}$  blood) although 3 per cent below the price of last August is still 13 per cent above the highest price reached in the disastrous boom of 1900.

Improvements in wool working machinery have enabled manufacturers to make goods of medium wool, which when finished have the appearance of goods made of finer wool, and owing to its greater cheapness medium wool is being largely used as a substitute for fine.

While owing to its lighter shrinkage the grease price of medium wool is higher than fine it yields scoured wool at a much lower cost. As an illustration--Michigan  $\frac{1}{4}$  and  $\frac{3}{8}$  wool, at 32 cents in the grease, shrink

to receive and dispose of the stock stolen from the Oregon ranges. So incensed are the stock owners of these counties that every one is willing to not only become a member of the Live Stock Protective Association, but have indicated their willingness to do everything possible to enforce the law against these robbers.

It is to be hoped that in the interest of not only the livestock industry but this gang of lawbreakers be put out of business, but for the sake of law and order and civic righteousness every one of those engaged in this nefarious business should be landed in the penitentiary.

### The Grand Jury.

A grand jury was called at the convening of the present session of circuit court to inquire into the various charges against parties who have been detained in the county jail and any other matter that might be brought before the body.

The personell of the jury is as follows: W. A. Massingill, foreman; A. Storkman, D. C. Schminck, C. S. Dixon, E. B. Brewer, Ed. Wood, Robt. Nelson.

The first day's work resulted in an indictment against E. E. Wert, charged with the larceny of a suit of clothes, and most of the evidence was taken in the Lee case.

An indictment was returned against Bert Lee on Tuesday. Lee's trial is set for today. The case against Wert came up for trial Wednesday, L. F. Conn appearing for defendant. As we go press jury finds verdict of guilty.

Indictments were returned against Wm. Vinyard and John Doe for horse stealing.

### R. B. Hutton Dead.

Reuben B. Hutton, the first clerk of Lake county, died at Klamath Falls, Monday, May 7th.

R. B. Hutton was born in South Carolina, Feb. 22, 1842. He came to Oregon in early day, locating at Ashland. When Lake county was struck off from Jackson county Mr. Hutton claimed his residence in the new county and was elected its first clerk in 1876. He was reelected to the office twice. When Klamath county was formed Mr. Hutton became a resident of that county, where he has resided ever since. Mr. Hutton has the distinction of having resided in three different counties without ever having changed his place of residence.

Many old residents of Lake county knew Mr. Hutton and held him in high esteem. One by one the old hand marks of pioneer days in South-eastern Oregon are passing away, but their memory long lives.

### Creffield Killed.

Creffield, the Holy Roller leader was shot and killed in Seattle on the 8th of the month by George Mitchell. Two of Mitchell's sisters had been led astray by Creffield and to avenge his wrongs young Mitchell followed the self-styled prophet to Seattle and shot him down in the street and then gave himself up to the officers.

As soon as the deed was accomplished, Mitchell wired to Hurt, Creffield's father-in-law, in Corvallis, that "I have got my man, and am in jail here." Mr. Hurt started for Seattle at once to look after his daughter, Mrs. Creffield, who was known to be destitute and in rags, without a home, and Mr. Hurt also announced his purpose of arranging for Mitchell's defense. He said that within 10 minutes after the word reached Corvallis that Mitchell had killed Creffield a movement was started to raise funds for his defense and to raise money for a gold medal as a reward for Mitchell's good work. The news was hailed with delight wherever Creffield had practiced his infamous influence and broken up happy homes. The most prominent men in Corvallis and Albany were first to announce their purpose to go to the extent of their resources to prevent Mitchell from being punished.

Regardless of recommendations from prominent persons and district attorneys from Portland, Corvallis and other Oregon cities, the Washington authorities say they will endeavor to prosecute Mitchell.

## STEAMBOAT FOR GOOSE LAKE.

Operator Burke Planning to Establish Steam-er Service.

REDUCTION IN FREIGHT RATES.

Big Territory Would be Accommodated--Give Outlet to the West Side.

E. Burke, for several years telegraph operator here, has resigned the position and is engaged in interesting local capital in a steamboat for Goose Lake. Mr. Burke has been figuring on the proposition for a year or two, and recently has made investigations of the possibilities of such a scheme with the result that he will endeavor to interest sufficient capital to go with what money he has on hand of his own, to establish a line and put on a boat to operate between here and the lower end of the lake, a distance of about 40 or 50 miles.

He believes that a small boat, say of 15 to 20 tons capacity, could be successfully operated on the lake. He has investigated different landings at this end and will make a survey of the lake shortly to see how far a boat could run and how many good landings can be found. He figures that a trip to the lower end of the lake and back can be made in time to allow a four-horse team to make a trip from there to Alturas and back in one day, which will reduce the time and expense of hauling freight by team more than half.

A boat the size he proposes to put on will be able to run in about 20 inches of water and make landings at most any place along the lake on either side, for loading on wood, lumber, grain or other farm produce and stock of all kinds. Such convenient service would make it possible for the farmers on both sides of the lake to ship their produce to a point so near the railroad that with slight expense shipments could be made to market. Prohibitory shipping expenses has been the only obstacle to vast exports of grain, hay, hogs and various other products of the farm being shipped from this valley to market. Mr. Burke's proposition solves a problem for successful farming in this valley, and if carried out as he contemplates, Goose Lake will soon be a source of supplies not to be disregarded by the big markets of the world.

Mr. Burke does not fear the advent of a railroad, as his proposed system of steamboating will make it possible for him to carry on a shipping business independent of rail traffic sufficient to ensure good returns from the money invested. In fact the building of a railroad into Lakeview from the north or south, or even a through line would only stimulate traffic to such an extent that his business would profit by it rather than be retarded.

The scheme from Mr. Burke's observation is an entirely feasible one, and his ability to operate and manage a steamboat line is not questioned.

There is lots of good timber on the West side of the lake that is so far from a road of any kind and the distance around the lake either way to a market is so great that the timber is likely to stay there for some time to come. With a boat on the lake, mills could make lumber and ship to market at a profit. These possibilities, besides various other sources of revenue presents Mr. Burke's steamboating proposition in a most favorable light.

A boat drawing 20 inches of water could be used as a tug boat for hauling barges, which he figures would be the only practical means of hauling the more bulky freight.

The boat being made to carry 15 or 20 tons is designed to run 12 to 15 miles per hour, when carrying her own burden or tonnage, which would insure fast service for that class of freight when speed and time is considered.

This is absolutely a feasible plan and it would lower freight rates to all this northern country and we think the people of this country will aid in bringing this to a real issue.