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PANIC INSURANCE CARNEGIE ADVISES

SOUND BANK SYSTEM

IRON MASTER SAYS WORKMEN, NOT RICH, BEAR BRUNT OF MONKEY COLLAPSE — PLEADS FOR CENTRAL RESERVE

NEW YORK, Nov. 18.—"Money panics don't hurt the rich," said Andrew Carnegie today, when asked why he thought the United States had "the worst banking system in the world."

"Panics hurt the working man. The rich can manage to get through a panic like that of 1907 without suffering; it is the people who depend upon daily earnings for their daily bread who feel the cruel burdens of panics."

"I don't think it is a humiliating thing," he said, "that this great, rich country of ours is the only civilized country in which money panics occur? We don't need to have panics any more than we need to have the plague. We suffer from them because we have a banking and currency system that breeds panics."

"Before I came home from abroad this fall, Germany was just giving an illuminating lesson of how a sound banking system prevents panics. The same conditions in New York that existed in Berlin a few weeks ago would have precipitated a panic like that of 1907."

"England, France and Germany are safely secured against panics. When a crisis comes it is promptly controlled and made comparatively harmless. How? By using the reserve banking power. Central banking institutions always stand ready to re-discount good business paper, and give legal tender notes in exchange, thus enabling the banks to loan the business community all the funds it needs. In one week in September the Reichsbank stopped the impending Berlin war panic by increasing its loans \$145,000,000, and increasing its bank note issue by \$154,000,000."

"In this country, in such a crisis, the whole machinery of credit stops and ruin runs riot throughout the business world."

"I am impatient at the folly, yes, the crime, of allowing our whole credit structure to be exposed to disaster, as it now is, simply because we have neglected to follow the example of other nations, by adding to our banking system what other civilized nations have, viz.: a means of calling upon the reserves of banks by allowing a co-operative association of the banks to issue legal tender currency in times of stress. I believe there is not another duty so imperatively demanded as the prompt creation of this reserve power. It can only be done by the demand of the people expressed through legislation in congress."

"We spend our time discussing trifling political issues, leaving the entire structure of credit open to disastrous panics, which could easily be obviated were our banking system provided with reserve banking power always ready for action."

"We sacrificed sound banking in the Civil War to sustain the public credit when we began issuing currency based on government bonds. But today our public credit certainly needs no such support. It is time we corrected the evil of half a century ago. Other countries have an enormous advantage over us, because their bank currency is based on commercial paper arising out of day-to-day business transactions. When business expands there is more commercial paper created; and when the currency automatically expands; when business contracts, commercial paper is retired, and the currency contracts. The business community always has the currency it needs and no more."

"Every working man and woman in America should have the equivalent of an insurance policy against dire disaster from financial panics. A co-operative banking reserve will give this insurance."

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FIVE THOUSAND DEBT IS TOTAL OF LAKEVIEW

Seven Thousand Approximate Cost of Running Town for Year—Tax Rate May Increase With Expansion of Improvements

Special to The Herald LAKEVIEW, Nov. 18.—The town of Lakeview had 12.87 in the treasury on November 7, 1911. The outstanding debt is \$5,287. During the past year the total receipts from all sources were \$7,989.39, which, with \$68.58 on hand November 1, 1910, made a grand total of \$7,157.97. The amount expended in the year by warrants on the treasury came to \$7,145.50. The rate of taxation was five mills, which, with the amount collected from liquor licenses and the amount paid in as fines in the recorder's court represented the sources of income which the city had during the year will show a slight increase of the tax rate on account of many improvements contemplated. Perhaps there is no town in the United States that can build its street pavements for less than Lakeview, as the material costs little more than the hauling. The distance that the material is conveyed is less than half a mile from the business center, and the labor required to handle and haul it by team represents the entire cost.

LAKEVIEW, Nov. 18.—Attorney W. Lair Thompson has returned from a business trip to Alturas regarding the sale of its holdings by the Lakeview Irrigation and Power company to the Goose Lake Irrigation company. Mr. Thompson says that heretofore there were two companies concerned in the project, comprising two separate irrigation systems under way and to raise money to handle the deal so that both projects could be completed the coming year, the transfers were made. Mr. Thompson was unable to state the names of the officers of the new corporation, and believes that they have not as yet filed articles of incorporation in this state. Attorney James H. Forshing of Denver, Colo., who looked the project over some time ago, sent the papers for forwarding to Mr. Thompson, who states that there is no doubt of the project being carried through. When the work, which is about two-thirds completed, is finished it will water 50,000 acres of excellent land. The Lakeview Irrigation and Power company has already expended over \$1,000,000 on the work. When finished it will be the greatest private irrigation enterprise in Oregon.

County Home Furniture Coming As soon as the furniture for the county home arrives here from Portland, it now being on the way from that city, it will be installed in the newly constructed infirmary. Then the charges, who have been distributed in various homes since the old county home was abandoned, will be gathered together and placed in their new quarters.

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Madsen Store's Announcement We wish to announce to our patrons and the public that the Klamath Falls music house and art emporium is now located and ready for business in new quarters, two doors east of the post-office.

The music and art department has been enlarged, and many new novelties added. We have some beautiful art work in brass, in fact, everybody is admiring our brass. Our stock of pianos and music is not excelled in any town of this size, besides we carry books, stationery and a fine stock of pictures. We also have the White sewing machine and the Oliver typewriter.

You are invited to call and hear the greatest singers in the world on the Victor talking machine.

E. C. Hopson, supervision engineer for the reclamation service from Portland, was a local visitor yesterday, in consultation with W. W. Patch, engineer of the Klamath project.

DAMP, CHILLY AIR WITH MUCH FROST

FOG DURING EARLY MORNING HOURS WITH A DECLINING TEMPERATURE TENDED TO MAKE PEOPLE SHIVER

It was "some" chilly this morning. The reporter feels somewhat in the mood to use the quoted slang word, having attended the fight pictures last night, and for a time lived in the atmosphere of language which is more effective than bookish.

This morning's coolness was of the kind calculated to penetrate, and otherwise get through the hide, skin, epidermis or cuticle.

It was not that the weather was so cold as that the dampness in the air was unusual, the atmosphere being surcharged with aqueousness. Early this morning a considerable fog developed, which, with the mercury descending as low as 24, which was the low point, at 8 a. m., made considerable frost and covered the ground, fences and roofs with a coating of icy whiteness.

CONSOLIDATION IN ORDER TO FURTHER IRRIGATION

Getting Together of Lakeview Watering Companies is in Order to Raise the Money to Go Ahead With Irrigation Projects

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RANCHERS HAVE A SCHOOL TRAIN

SPECIAL OF SEVEN CARS, WITH EXHIBITS AND LECTURERS ON MODERN FARM METHODS, AT HOBBS TODAY

This is the day that the farmers' demonstration train, traveling over the country under the auspices of the University of California and the Southern Pacific company, is at Dorris. The train, consisting of seven car loads of magnificent exhibits, is demonstrating the value of improved methods, selected for their success in promoting welfare on the farms. A corps of experts accompanies the train, and is delivering practical, pointed lectures on various subjects of vital interest to farmers, fruit growers and stockmen.

The Southern Pacific regretted being unable to send the train to Klamath Falls, but announced that it would be unable to do so on account of the national laws, which leaves the inference that the train is being run and carrying the lecturers without charge, it naturally being to the advantage to the railroad company and the university to do everything possible to promote good farming. Thus it is that the train will not come into the state of Oregon.

Some of the Klamath Falls people interested in farm subjects were today expected to go to Dorris to look over the train and hear the talks.

AMERICANS ORDERED OUT OF SOME CHINESE TOWNS

United Press Service PEKIN, Nov. 18.—American legation has ordered Americans to leave interior treaty ports.

The outlook for an anti-foreign outbreak is more threatening.

White Pelican Men Here Arthur Ariotti, contractor for the new White Pelican Hotel, and Benjamin McDougall, architect, who have been here from San Francisco the past few days to see the progress of the building, will return this evening to the Golden Gate city. The passenger elevator in the building has been accepted and the freight elevator will shortly be ready for use.

Bell Ringers Arrive Tomorrow Secretary E. L. Elliott of the Klamath Lyceum Bureau this afternoon received a telegram sent from San Francisco by R. E. Bolles, manager of the attraction in the lyceum course which is to hold the boards at the Houston opera house Monday night, saying:

"Imperial band will arrive in Klamath Falls Sunday." This does away with any doubts that the organization might fail to arrive in time for the giving of a performance.

BIG BATTLE RAGES AT NANKING, REBELS AHEAD

United Press Service PEKIN, Nov. 18.—A desperate battle is raging at Nanking.

Imperialists there are outnumbered. A report that rebels have captured Admiral Sah is unconfirmed, but is credited.

Rebel gunboats continue the embargo on shipping along the Yangtze. London reports that rebels plan to secure the services of General Homer Lee, an American, to maintain a military government for three years while administrative reforms are being effected.

Bruce-Goodrich Suit Dismissed In the case of B. K. Bruce et al, an action for \$125 involving a mechanic's lien, the matter has been dismissed in circuit court on motion of Attorney J. C. Rutledge for the plaintiff. Costs are on the defendant.

Be sure and plan to attend the M. W. A. dance on Friday evening, November 24th, at Houston opera house.

ARMY POSTS GET READY FOR MEXICAN TROUBLE

United Press Service WASHINGTON, Nov. 18.—General Wood telegraphed commanders of all army posts on the Southern border states to hold themselves in readiness to dispatch troops immediately to the Mexican border.

The war department is officially informed that Reystas are preparing for a new revolution. Every effort will be made to enforce neutrality.

NEW BASEBALL LEAGUE IS TO BE ORGANIZED

United Press Service SAN ANTONIO, Tex., Nov. 18.—A motion to form a new class AA baseball association, including American, Pacific and Eastern territory, was passed by a vote of 25 to 3.

The St. Louis Browns have purchased Tennant, the San Francisco first baseman.

BELL MUSIC WILL BE DELIGHTFUL

THE ENGLISH ORGANIZATION OF RINGERS AND SINGERS WILL APPEAR AT OPERA HOUSE ON MONDAY EVENING

Tickets are now on sale at the Star Drug store for the English hand bell ringers, the first attraction in the Klamath Lyceum bureau, which comes to Houston's opera house on Monday evening. The committee reports that there are plenty of choice sets left, both in the wings and body of the house. Season tickets, good for the five attractions, sell for \$2, and single admission tickets for 75 cents.

The bell ringers and singers, beyond doubt, the best attraction that has ever been secured for Klamath Falls. They are now on a world tour covering a period of three years.

Frank T. Farmer, soloist, of Denver, accompanies the organization.

A meeting of the Central Fremont Horse and Cattle Association is scheduled for Monday at Paisley.

MCCORMICK JUMPS TAFT; ALSO KICKS LA FOLLETTE

United Press Service WASHINGTON, D. C., Nov. 18.—Medill McCormick has issued a statement severely criticizing President Taft and opening an attack on La Follette. He says Taft's strongest supporters in 1908 are now opposing the president for another term.

ROYAL YACHT, WITH KING AND QUEEN PASSES MALTA

United Press Service MALTA, Nov. 18.—The Medina, carrying the King and Queen of England, on route to India, passed Malta today without stopping.

PACKERS' CORPUS WRIT DISMISSED BY KOHLISAAAT CHICAGO, Nov. 18.—The packers' trial begins Monday. Federal Judge Kohlisaaat granted the packers' appeal from his decision quashing the habeas corpus writ, simultaneously refusing to take the defendants out of the custody of the district court.

This required their surrender back to their bondsmen.

Drake is Hopkins' Administrator Attorney Thomas Drake has been appointed by the county court as administrator, with the will annexed, of the estate of the late ex-Congressman Albert Hopkins of Pennsylvania.

Will of Mrs. Biehn Filed The will of the late Mrs. Ludwig Biehn has been filed for probate with County Clerk Charles E. De Lap. The will leaves \$50 each to the three children, Mrs. George Humphrey, George Biehn and Fred Biehn, deceased, while the balance of the property is left to the husband during his life, after which it is to be equally divided among the children. S. T. Summers, county commissioner, is executor under the will.

SECOND BIG RAFT WILL COME TO MILL

IN MEMORIAM

To the Worthy Matron, Worthy Patron, Sisters and Brothers of Aloha Chapter, No. 61, O. E. S. Whereas, Once again the Angel of Death has entered our chapter room, and another link has fallen from our golden chain, this time removing from our midst our brother, John R. Biltz, therefore be it

Resolved, That we bow in submission to the will of our Heavenly Father, and though we deeply deplore our loss, we must remember that He doeth all things well. We shall miss his cheerful presence and look in vain for his return.

Resolved, That we sincerely sympathize with the bereaved relatives of our departed brother, and ask our Heavenly Father to give them the strength to bear their great loss.

Resolved, That these resolutions be entered upon the minutes of our Chapter and a copy be sent to his relatives.

Respectfully submitted, H. E. MOMYER, F. L. ARMSTRONG, MINNIE E. WARD, Committee.

Suit Henry Request Heard Judge Henry L. Benson, in circuit court, has under advisement a motion for suit money made by Noland & Crane, attorneys for Mrs. L. M. Napier in the divorce action entered by her husband, John H. Napier.

JAPAN WOULD MEDIATE TO KEEP YANKEE HANDS OFF

United Press Service LONDON, Nov. 18.—Japan has asked the powers to allow the mikado to act for them in China.

The Japanese offer is interpreted as a move to prevent America from securing a foothold in a country Japan regards as its special sphere of influence.

IMPERIALISTS CLAIM VICTORY OVER REBELS

United Press Service PEKIN, Nov. 18.—Yuan Shi Kai announces that rebels attacked imperialists at Hankow and were repulsed with heavy loss.

NO HOPE FOR BEATTIE, WHO SMOKES CIGARETTES

United Press Service RICHMOND, Nov. 18.—Governor Mann today reiterated his determination not to interfere with the Beattie case.

The prisoner sits in his cell smoking cigarettes. He is evidently determined to die game.

The regular convocation of Klamath Chapter No. 25, R. A. M., will be held this evening in the Masonic hall in the White-Maddox building.

Would Foreclose Mortgage Suit has been entered in the circuit court by the American Bank and Trust company, through Attorneys Stone and Barrett against Marie L. and Walter S. Gifford, to foreclose a mortgage.

Judge Will Have Many Law Points To Keep Him Busy During Next Week

Owing to the exceedingly difficult legal labyrinths through which Judge Henry L. Benson will have to wade in the Dunlap vs. Lewis and other cases, which will probably take him a number of days, it is quite likely that an arbitrary adjournment of the court will be taken lasting through next week, after which there will be another week to handle court matters before the December term comes on.

Today was law and motion day in court, and attorneys were on hand to notify the court of dismissals, postponements or readiness for setting the cases. There was practically nothing done about fixing dates for cases, as there remains a fortnight between now and the December term, the start of which is to witness commencement on criminal cases, which have the right of way.

As soon as it can be developed in the Martin & Martin vs. Yaden case, arising out of a mail contract, will probably get the first opening. Judge Benson is disinclined to call the old jury in for duty in the short time which will elapse between now and the December term.

IS RECORD BREAKER

PELICAN BAY LUMBER COMPANY EXPECTS TO FLOAT THREE-QUARTERS OF A MILLION FEET IN ONE CONNECTION

H. D. Mortenson of the Pelican Bay Lumber company, sent the steamer Klamath up the lake today to bring down the second big raft of logs for the mill. One raft of 260,000 feet is already in the big canal at the plant, and the second raft will probably be the largest of logs that has ever been towed on the upper Klamath Lake. It will contain about 750,000 feet.

The Pelican Bay Lumber company owns over 100,000,000 feet of timber in the Cascade Forest Reserve on the Upper Lake, and on July 15th of this year they established their first camps near Odessa. They now have a crew of fifty-five men, and in addition to a big cook camp and other buildings, have twenty-five cottages for the men. The logging operations are in charge of James C. Johnston.

The grade and three miles of railroad have been built this summer and a fifty-foot canal connecting the railroad with deep water.

The road is equipped with a 25-ton Shay locomotive and ten Russell 60,000 capacity logging cars. Next season a large number of cars will be added and also a steam log loader. The company will close their logging camps this winter, but will open up next spring with a crew of 150 men, sufficient to log 200,000 feet per day.

The logs are now hauled from the woods to the canal on cars. After being dumped into the canal they are brailled into forty foot rafts with cross wire swifters. The rafts are from 700 to 800 feet long. These are towed outside the canal and doubled.

The company now has a crew at work driving piles for their booms at the mouth of the canal near the mill at Terminal City, and the logs will be held here until mowed. The new mill will begin operations about March 1st, and will have a capacity of 20,000 per ten hour day. About 90 per cent of the logs are being cut into 16-foot lengths, and next year the output of the mill will be shipped to outside markets. It is probable that the company will erect a box factory to handle their lower grades of lumber next fall.

Bishop Robert L. Paddock, who was here to visit the Grace Episcopal parish and help start Rev. Dr. Henry Collins in his new work with the church, has returned to his home at Hood River.

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