

AGREEMENT ON WARRANT TANGLE MADE AT LAST

Weyerhaeuser Attorneys Assure the County Court That Restraining Against Payment of County Claims Will Be Dismissed at Once

The final agreement that means the dismissal of the injunction against the payment of Klamath county warrants was consummated last evening, when J. T. B. Lyle, attorney for the Weyerhaeuser Timber & Land company, stipulated with the county court of Klamath county that the restraining order would be dismissed and all unpaid warrants may in the future be redeemed by the county treasurer as they fall due.

This action comes as the result of months of negotiations between owners of the timber lands in this county and friends who have been anxious to see this great stigma removed from the credit of Klamath county. The prime mover in the whole affair, and the man to whom the real credit for the final consummation of the plan should go, is R. A. Long, Pacific Coast manager of the Weyerhaeuser company. From the beginning he was against taking the drastic step of repudiation and since the injunction was issued he has been waiting for a favorable opportunity when he might move to bring about its dismissal.

This opportunity presented itself last spring, when the budget system was put into force in this county. This law brought to an end any chance of unreasonable profligacy in the expenditure of county funds, and it was then that Mr. Long took up with the others the question of dismissal. After extended correspondence and several conferences, the last of which took place about two weeks ago in Tacoma, an agreement was reached providing for the dismissal.

Some plan will be worked out whereby refunds will be made to those whose warrants have been discounted, so that they will be paid the full face value.

On March 4, 1914, the Weyerhaeuser Land & Timber company, the Western Pacific Land & Timber company and the Oshkosh Land & Timber company appeared before the federal court in Portland and asked for an injunction restraining the county treasurer of Klamath county from paying warrants to the amount of \$365,000, that had been issued in excess of the \$5000 limitation set by the state constitution. A temporary injunction was issued, and this was made permanent on January 25, 1915. Since that date about half of these warrants have been paid under a stipulated agreement, but in connection with their payment, the holders were obliged to accept a discount, amounting in some cases as high as 25 per cent. This discounting has been bitterly opposed by many who never had any warrants, the contention being that the county was in honor bound to pay every warrant at face value. To remove this blot on the good faith of Klamath county, some plan will be worked out to refund these discounts and restore its credit to its rightful place.

Attorney Lyle left for Portland this morning, where he will appear before the federal court tomorrow and ask for a dismissal of the injunction. In connection with the final disposition of the question, Mr. Lyle last evening submitted to the county court the following statement, which is a quite complete history of the entire case:

November 7, 1919.
To the Honorable County Court of Klamath County, Klamath Falls, Oregon.
Gentlemen:—For some time we have been gathering data upon which to base a conclusion as to the final disposition of the suit which was started on March 4, 1914, in the United States district court at Portland, covering Klamath county general warrants to the amount of \$365,000, and the preliminary injunction entered January 25, 1915, restraining the payment of the warrants except on order of the court. The gathering of this data has in-

cluded correspondence with E. L. Elliott of Klamath Falls, as attorney for the present county court; R. N. Day, the plaintiff in the original suits covering the same warrants filed in the circuit court of Klamath county, and a conference with Messrs. Elliott, Charles J. Ferguson, attorney of record for R. N. Day, and John L. Winters of Portland, representing some of the warrant holders.

The correspondence and conference revealed the fact that the coming of new county officers who were not in possession of all the facts relative to the basis of the suit, and the agreement which was worked out with reference thereto, has been the cause of many natural misunderstandings relative to the whole matter.

Before announcing our conclusions, we deem it advisable to give a very brief synopsis of the basis of the suit and the results which we hope to obtain by the suit.

In January, 1911, a new county court took office with William S. Worden as county judge. This county court immediately embarked on a very elaborate program of public expense. In fact, it might be said that for the next three years there was an orgy of spending public money in Klamath county.

When this county court took office, Klamath county had an outstanding warrant indebtedness of \$91,978.25, and \$74,174 had been levied by the previous county court for the year 1911. The next year the county court levied \$157,596 and the following year \$245,327, making a total of \$515,075 raised in taxes more than would have been required had the levy of \$74,174 fixed by the previous county court as required for the annual needs of Klamath county.

In addition to these huge levies, and in defiance of the constitution of the State of Oregon which limits the debts of counties to \$5000, the county court as then constituted, issued warrants by the wholesale, so that on January 1, 1914, Klamath county had outstanding general fund warrants to the amount of \$514,352, which, with accrued interest, brought the debt of Klamath county up to approximately \$600,000, so that the county court had in three years expended \$855,000 more than any previous county court in any three-year period.

In this connection, it should be remembered also that Klamath county, during this period, felt the general slump in business conditions which prevailed all over the Pacific Northwest, so that the ability to pay on the part of the taxpayers of Klamath county was less than it had been for a number of years.

The result of this reckless plan of expenditure of public funds was that the point had been reached where anyone doing business with general fund county warrants of Klamath county, would have to wait between six and seven years before his warrant could be reached for payment. It was inevitable, therefore, that Klamath county warrants should be sold at a discount as low as 50 cents on the dollar.

This meant that when a warrant was finally paid the taxpayers of Klamath county would have to pay \$1.40 for every dollar's worth of supplies bought by Klamath county. It did not take much of an examination of the situation to convince anyone that a continuation of the reckless plan of expenditures spelled financial ruin for Klamath county.

Needless to say, all these things did not take place without protest from many of the taxpayers of the county. Finally, in the fall of 1913, R. N. Day, in behalf of himself and other taxpayers of Klamath county, started a suit in the circuit court of Klamath county in seeking to enjoin the payment of the warrants issued for purposes which did not relate directly to the conduct of the ordinary affairs of the county.

While these suits were pending, the Weyerhaeuser Land company, Western Pacific Land & Timber company and Oshkosh Land & Timber company made an independent investigation and came to conclusions of their own on the subject. These companies were reluctant to take any step and took the position that if they could be assured that the orgy of expenditures would cease that they would be willing to put up their share of the amount of money required to redeem the warrants then outstanding and let the matter drop. However, when Judge Worden and his associates announced their determination to continue on the same program and to issue more warrants, these companies came to the conclusion that nothing remained but to take a definite step to the end that Klamath county could be brought back on a sound financial basis.

As a result of their decision, an independent suit was started in the United States district court at Portland on March 4, 1914, with these three companies as plaintiffs. This suit involved warrants to the amount of \$365,000, issued by Judge Worden and his associates on the general fund of Klamath county. The suit did not cover warrants to the amount of \$155,000, issued for the necessary running expenses of the county itself.

When the application for the preliminary injunction came on for hearing, Klamath county, Judge Worden, C. G. Merrill and John Hagelstein, the two county commissioners, were represented by Judge Lionel B. Webster of Portland. C. R. DeLap, county clerk, C. C. Low, county sheriff, and J. W. Siemens, county treasurer, were represented by Messrs. Kuykendall & Ferguson, and a large number of the warrant

CENSUS TAKERS EXAMINATION

An examination for census enumerators will be conducted tomorrow by Postmaster W. A. Dezell, who stated this morning that he would try and make arrangements today to secure the council chamber of the city hall for the purpose as there are not sufficient facilities at the postoffice to handle the applications.

Candidates are required to have a card of admission from District Supervisor Terrell, of Wasco, to whom they are required to have submitted an application for the enumerator's position. There has been considerable inquiry regarding the work for several weeks past, said Mr. Dezell and he expects quite a class of applicants.

The test consists in filling out a sample census blank and the accuracy, rapidity, spelling, English and penmanship qualifications displayed in the task will constitute the primary tests of fitness. Character endorsement of two business men of the community is necessary.

The work of taking the 1920 census will start January 2. It is expected that municipalities will complete the work in two weeks and in order to make this possible a large number of enumerators are needed. The agricultural districts will take longer because more data will be required, such as livestock, agricultural and horticultural figures and a mass of detail that the city dweller escapes. Besides the remoteness of many communities will make it a hard task for the enumerator to reach them, especially over winter roads.

The examination will start at 9 o'clock.

JEALOUSY CAUSES WAR OF AMAZONS

The female of the species is deadlier than the male" said Kipling and reports from Chilquin of a free for all fracas between women of the Shasta tribe and residents of the reservation would seem to bear the poet out.

Apparently the casus belli, as figured out by eye witnesses, was jealousy of the visiting Shastas, which caused a concerted offensive by resident wives of the reservation. Hair flew in handfuls in a melee that lasted three-quarters of an hour, stopping when both sides were exhausted without decisive victory to either.

A report that one of the Shastas had been shot at an aftermath to the fracas, was not confirmable by inquiry among local peace officers, hospitals or physicians today, and is believed to be a rumor, as the Chilquin resident who told of the riot said the most serious casualties were a couple of bad scalp lachair were violently removed and hair were violently removed and sundry bites and scratches.

CLEANUP SHOWS GOOD RESULTS

Despite the bad weather this morning, Fire Chief Miller reported this afternoon that the Clean-up and Fire Prevention Day campaign was working and that good results would be attained.

Brighter weather this afternoon encouraged the youngsters to gather salable stuff and a few were beginning to show up at 2 o'clock with collections.

SIXTY MORE NAMES ENROLLED IN CITY

County Chairman Walton reported 60 additional names in the Red Cross roll call drive at noon today, but stated that the industrial plants and county precincts had not yet been heard from. The 60 members, with the exception of about a dozen from the industrial district, are scattered returns from city precincts.

The musical recital given by the pupils of Mrs. Don J. Zumwalt last night netted \$41.25 for the Red Cross.

BULLETIN

WASHINGTON, D. C., Nov. 7.—The first clause of the treaty reservations drawn by the Foreign Relations committee the preamble requiring three of the other great powers to accept the reservations, was adopted by the Senate late today after many efforts to amend it had failed.

MIDNIGHT FIRE AT WARREN CO. PLANT

Fire at 11:45 last night threatened destruction of the Warren Bros. plant for heating street surface material on Market street. The fire department made a quick run to the plant and quenched the flames that were blazing on the roof before serious damage resulted.

The fire started from the hopper where the crushed rock is mixed with hot asphalt. The mixture attains a heat of 300 degrees and often ignites adjoining beams, but this time the timber broke into a stiff blaze before any of the employees discovered the danger.

SCHOOL BUDGET ELECTION TODAY

In order to increase the school budget of the coming year, a special election is being held this afternoon at the Central school. The polls opened at 2 o'clock. The estimated amount needed to cover all expenses for the year is \$48,000, of which \$23,000 must be raised by district tax. As this is more than the amount raised by district tax last year, plus the 6 per cent limit, the special election is necessary.

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MINISTERS FILL OFFICE VACANCY

The Ministers' association met yesterday and elected officers. The following pastors were chosen to official positions: The Rev. C. F. Trimble, president; the Rev. S. J. Chaney, vice-president, and the Rev. E. P. Lawrence, secretary and treasurer.

The election was made necessary by the departure to Cottage Grove of the Rev. S. Hamrick, Methodist pastor, creating a vacancy in the presiding position. The regular election is held in January.

The session decided to unite all local congregations Sunday night in a welcome service at the Methodist church to the new pastor, the Rev. Mr. Chaney.

A Thanksgiving service in which all congregations will join will be held Thursday evening, November 27, at the Christian church. The Rev. E. P. Lawrence will preach the sermon.

MILLS ADDITION SCHOOL ACCEPTED

The city school board yesterday accepted the Mills Addition school building from the contractor and it will be occupied for school purposes as soon as possible. The new building is a model from an efficiency standpoint and fills a great need in the section of the city served.

EUGENE WANTS NATRON CUT-OFF

The Eugene chamber of commerce is actively calling attention to the desirability of completing the Natron cutoff to link the Klamath and Lake county sections with the Willamette valley, says the Portland Oregonian.

In a report of its committee on extension of roads and travel between Eugene and Klamath Falls, the Eugene organization cites that the shortest operating line of travel between Portland and Klamath Falls is now 509 miles, that the projected route by Bend would be 415 miles and that the completion of the Natron cutoff would make the distance between Portland and Klamath Falls 308 miles.

It is also pointed out that with this line 107 miles shorter than any other route to Klamath Falls, the line would also provide rail connection between Portland and San Francisco 30 miles shorter. The resolution adopted is to be transmitted to each of the commercial organizations in Klamath and Lake counties, pledging assistance of Eugene in the movement for completion of the railroad. The conclusions are embodied in the resolution as follows:

Resolved, That our representatives in the state chamber of commerce be requested to present this resolution to the state chamber of commerce at its next meeting, asking their adoption of the same; and with the proper authorities, for the early completion of the railroad known as the Natron cut-off, to the end that this great undeveloped empire consisting of Klamath and Lake counties may be afforded an opportunity for development, and a means of transportation and communication with the capital, the metropolis and the balance of the state.

FOOTBALL TEAM BRAVES STORM-SWEPT HIGHWAYS

The Klamath county high school football squad left this morning by automobile for Ashland, where a game with the Ashland team was scheduled for this afternoon. Despite the stormy weather the boys decided to brave the passage over the Siskiyou rather than take the round-about route by train.

GRAND JURY SESSION POSTPONED FOR WEEK

Because of the continued illness of Jeff Wilson, a member of the county grand jury, the session of the grand jury has been adjourned until next Thursday. The jury was in session one day.

DESTINY OF ELK IS DEPENDENT ON SPORTSMEN

Forty Animals Near Fort Klamath In Danger of Execution Unless Fund Is Raised to Feed Them This Winter—Annoying Ranchers

Unless Klamath county sportsmen take enough interest in the maintenance of the Fort Klamath elk herd to raise a fund to feed the animals through the winter, the whole herd will be shot and the meat distributed by the Red Cross or through some other state or local charity, said C. F. Stone, member of the state fish and game commission, who returned last night from a meeting of the commission in Portland, armed with full authority to decide the fate of the elk.

It will take about \$500, Mr. Stone estimates, to carry the animals through the winter. Hay is obtainable in the Fort Klamath district. There are about 40 elk in the herd, which ranges over the territory drained by Seven-mile creek, west of Fort Klamath.

The elk are the original herd of 13 which was placed in the district three years ago and their increase during three years. Since snow started and natural feed became short the animals are making raids on farmers' haystacks and the neighborhood is wrought at their depredations. It is believed that arrangements can be made with employees of the forestry service to feed them through the winter, if the hay is furnished, and thus prevent annoyance to property owners of the vicinity.

"The commission gave me full power to act in the matter," said Mr. Stone. "There is no fund in the commission's treasury to provide sustenance for the animals, so it is up to local sportsmen. I do not want to have the elk killed and will do all I can to arouse interest and secure contributions to maintain the herd through the winter and free farmers from their annoying depredations."

"If there is not sufficient interest to preserve the elk and a wholesale execution becomes necessary, the individual hunter will not profit by it. The meat, in conformance to the commission's regulations, will be donated to the Red Cross for distribution, or if they cannot handle it some other channel will be selected."

LOCAL WOMAN IS CALLED BY DEATH

Mrs. Winona Saloman, wife of Claude E. Saloman, who lives at the Townsend flats and is a carpenter, died yesterday afternoon at 2 o'clock. She had been ill for some time and an operation was resorted to last Monday in hope of benefitting her, but failed to prolong her life.

Mrs. Saloman was 41 years old. Besides her husband she leaves a son, Weaver, and a daughter, Ione, both students at the Klamath county high school. The funeral arrangements are not completed, but it will probably be held Sunday.

UTAH GRASSHOPPER CAMPAIGN SUCCESS

SALT LAKE CITY, Utah, Nov. 7.—Crop pests were fed thousands of tons of poison in Utah this summer with the result that losses are said to have been unusually small.

Grasshoppers alone, in this state, were fed during the summer 12,000 pounds of arsenic, mixed in a form that made it palatable. County crop pest inspectors prescribed the diet, 463,000 pounds of which was fed to the grasshoppers.

A school for county crop inspectors is being planned for next February, to be held at Logan, Utah, where the state agricultural college is located. Here will be studied plant diseases, ravages of crop pests and methods best adapted for their extermination.