

**CREDITORS OF**

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at 10:20 this morning the sign, "This bank is in the hands of the State Superintendent of Banks," was posted on the door, the curtains drawn and the doors locked.

**No Disturbance to Result**

That there will be no serious business disturbance in the community is certain, for the effects of the closing had been discounted for sometime. It has been known that the bank was having a hard struggle and this brought about many readjustments so that aside from the inconvenience to those who had money on deposit, the closing will pass almost unnoticed.

The most reassuring thing about the closing is the appointment of C. E. Wallis as receiver. He was appointed this morning by Superintendent of Banks, Irawell, when he announced to that official that he was unable to longer keep the institution open. Mr. Wallis never gave up hope until closing time yesterday. When he opened the bank this morning it was with the expectation that financial assistance that had been arranged for would come in time to keep things going, but he was disappointed, although shortly after the doors were closed the anticipated help came, but too late to enable a resumption of business.

That there will be no effort made to reopen the institution and that it will be liquidated was the statement made by Mr. Wallis this morning. This carries with it the assurance that the liquidation will be carried through in a manner that will not disturb business conditions, which in a literal sense means that he does not intend to force the collection of notes, to a point where it will distress the borrower. Yet, at the same time, sufficient expedition will be used to insure the payment to the depositors of their money within a reasonable time.

**Other Banks are Strong**

Another cheering feature of the affair is the difference existing in the city now, as compared with last year. Then the closing came as something of a surprise and the banks barely had time to prepare for it. Now they are ready with the largest reserves in their history. Both the First National and the American National are in position to pay every depositor on demand, since back of them stands the Federal Reserve, the strongest institution in the world. Aside from this they have cash on hand and in approved depositories three times larger than ever before. However, there will be no occasion to call on it, for it is generally understood throughout the community that both banks are ready to meet any contingency.

The same is true of the other banks in the county. The First National at Merrill, the Bank of Bonanza and the Main State Bank are all in splendid condition, all due to anti-trust conservative policy controlling their affairs during the past year. There is no connection between the Main State bank and the First State and Savings bank, that bond having been severed when the bank closed the first time.

As a whole the situation is far bet-

ter than that which existed a year ago. In addition there is the prospect for the greatest year of activity in the county's history. Every mill will be in operation, all box factories running, business blocks and homes going up, stock values increasing and new mills and railroads in prospect, so that no matter what the pessimistic view may be today, it will be forgotten within sixty days, when every agency identified with the development of the county's resources will be under way and business will begin to hum.

**COUNTY VALUATIONS ARE UP BEFORE COMMISSION**

PORTLAND, Jan. 26.—A discussion of the valuations placed by county boards of equalization occupied the state tax commission this morning.

I. N. Day, chairman, presented figures showing that valuations of taxable land ranged from \$9.42 an acre in Curry county to \$162.57 in Multnomah county.

Six counties listed taxable and non-taxable together, a wide range of valuations in timber lands and livestock also is shown.

Pierce, of La Grande, acted as chairman. The state commission believes that all necessary state revenues cannot be derived from income tax.

**NEW CROP**  
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reported by the department of agriculture to have been \$45.50 per month with board, as compared with \$73.21 with board in 1920.

**Flour Mills Increase**

"The industries of the district directly allied with agriculture are in appreciably better condition than they were at the beginning of 1921. Sixty-one flour mills are operating at 56 per cent capacity, compared with 26.7 per cent a year ago. The canned fruit and vegetable industry, which early last year was seriously embarrassed with an abnormally heavy carry-over of goods produced at high costs, has been able thus far to dispose of this carry-over and most of the 1921 pack, which is reported to have been 70 per cent of that of 1920. Market demand at the end of 1921 was reported good, and present estimates are that the fruit and vegetable pack in the district during the coming year will be a large one.

"In industrial activity the most notable contrast with conditions prevailing a year ago appears in the lumber industry. December, 1921, was more active than customary. Production of four associations of this district was 36 per cent greater than it was in December, 1920; orders received were 179 per cent greater, and shipments, 55 per cent greater in amount; unfilled orders reported by two associations were 190 per cent greater at the end of 1921 than they were at the end of 1920. Exports of lumber to Japan during the first nine months of 1921 were 174 per cent greater than during the first nine months of 1920, and recently a slight revival in Australian demand has appeared.

"Building activity throughout the

district continues at record figures, December returns being only second to those of last October. The year 1921 shows an increase of 31.5 per cent in number and 17.9 per cent in value of permits compared with 1920.

"Business failures continue to be heavy, those for December being the largest reported during the past three years. They were greater by 41.5 per cent in number and 13 per cent in total liability than failures in December, 1920.

"Bank clearings of the 20 principal cities during December of \$1,627,956,000 were only 4.1 per cent less than the clearings of December, 1920. This is the smallest percentage of decrease for any month of 1921, when compared with the corresponding month of 1920, and a considerably smaller percentage of decrease than occurred in wholesale and retail prices during the period. It would appear that the physical volume of business is now greater than it was a year ago.

**Savings Improve**

"Notwithstanding exceptions in Seattle and Spokane, savings deposits generally throughout the district do not show the decline which might have been anticipated, but, instead, an increase of 4.5 per cent in amount during the year ending December 15th.

"December sales of 28 reporting retail stores were 2.4 per cent less in dollar value than they were in December, 1920. Sales in San Francisco and Los Angeles were larger in dollar value than in December, 1920. It is apparent that the holiday trade this year was appreciably larger in physical volume than it was last year.

"Figures are now available covering sales during the years 1920 and 1921 of the reporting firms in ten lines of wholesale trade. These figures are based upon a comparison of dollar value of net sales and show a decrease in all reporting lines, varying from 11.7 per cent for drugs, to 52.6 for agricultural implements. Excluding the latter, the average discount for all lines would not be far from 20 per cent. If corrections of dollar values were made to compensate for the price declines which have occurred in all lines during the past two years, it is probable that the physical volume of merchandise moved at wholesale would show approximately the same as that moved in 1920.

In November three wholesale lines, dry goods, furniture and automobile tires, reported larger dollar values of sales than in November, 1920, and in December two more lines, drugs and shoes, were added to the list.

**WOULD EXTEND**

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vide the finances.

**Need East-bound Freight**

The Western Pacific's freight movement is growing enormously, but the big volume of traffic is west-bound. The road must maintain rolling stock to haul coal, livestock, ore, grain and the many diversified products of the Mountain states west to tidewater, and the volume of the west-bound business

is growing with the development of the West.

Seventy-five per cent of the road's business is said to be west-bound. The problem of its executives is to secure east-bound freight that will equalize the freight movement in that direction, and send the cars, emptied at the western terminals, eastward loaded with freight.

**Lumber Holds Solution**

The most available compensating traffic is in lumber, and with the lumber market starting upward, the southern pine supply diminishing, and the forests of Oregon looked upon to supply a large part of the eastern lumber trade in the next few years, the logical extension of the road is into the timbered regions of Southern Oregon.

While a recent statement of Moran Brothers to the Interstate Commerce commission sets up the claim that the N.-C.-O. under the more economical management that the Western Pacific can exercise, should show a net earning of \$200,000 a year from the start, this revenue from the existing branch is not held sufficient to justify the Western Pacific in taking it over, and a more ambitious construction program is foreseen.

Negotiations for the transfer of the N.-C.-O. to the Western Pacific have been under way for two years, and the bigger road has shown no desire until the present time to acquire the smaller.

The explanation of those in touch with the situation is that the general return of prosperity has placed the Western Pacific in a position where it has an opportunity to use the N.-C.-O., which can be standardized with comparative economy, as the beginning of a feeder system, pushing gradually into the fertile areas of Southeastern Oregon, which, though largely undeveloped, possesses a nucleus of business that will increase by leaps and bounds when adequate transportation is provided.

**Bly Extension Held Likely**

An immediate extension that is counted upon is the pushing of the road north from Lakeview into the timber on the Upper Sprague river, some 65 miles. This will bring the road near Bly, and two extensions are possible to connect with the Strahorn line, either 45 miles west on Sprague river, or about the same distance west by a southerly route, through Barnes and Langell valleys, to connect with the Strahorn line at Bonanza. The former route is said to offer the advantage of greater timber supply, but the latter offers a much simpler construction problem.

**Means Much to Klamath**

In any event the acquisition of the N.-C.-O. by the Western Pacific would bring a transcontinental line within reaching distance of the Klamath country, and put Klamath county, with its immense amount of freight traffic in a strategic position that would, under proper direction, quickly overcome a handicap that prevents the rapid development of its resources.

Not in years has there been an announcement of rail development so closely affecting the interests of the Klamath basin, and with such seeming promise of definite results.

**BIG ATTRACTION AT**

**THE STRAND SUNDAY**

These modern days of modern thinking, real, up-to-the-minute-people want modern stories presented in a thoroughly up-to-date manner. And "The Dwelling Place of Light" fills all of these requirements. It tells of a modern American business girl working in a modern factory. There is a modern villain, and a handsome, well-groomed modern hero. There are romance and intrigue, high ideals fighting with gross sensualism in this splendid story which gives you an incentive for living, which gives you back your faith in the good in men and women, which makes you glad to have met the intrepid Janet Butler and the clean-minded Brooks Inshall, portrayed by Claire Adams and King Bagot.

In addition to this feature a Charlie Chaplin comedy will be shown and the fourth of the series depicting the life of Al Jennings, the reformed bandit.

A rare treat is in store for next Sunday when Thomas Jefferson, the son of the late lamented Joseph Jefferson, will be seen in Rip Van Winkle, the character created by his famous father.

**SUMMONS**

Equity 1501  
IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY.  
Rosy Volitch, Plaintiff, vs. Andy Volitch, Defendant.  
TO ANDY VOLITCH, Defendant: In the Name of the State of Oregon: You are hereby required to appear and answer the complaint filed against you in the above entitled court and suit on or before Monday the 12th day of March, 1922, and if you fail so to answer, for want thereof, the plaintiff will apply to the court for the relief prayed for in her verified complaint on file in the above entitled court and suit, to-wit: that the marriage between yourself and plaintiff be annulled and set aside; that plaintiff be permitted to use and resume her maiden name, Rosy Vitousek, and that plaintiff have such further relief as to equity and good conscience may appertain.

This summons is served on you by publication thereof for six successive weeks (7 insertions), by order of Hon. D. V. Kuykendall, judge of the above entitled court, which said order is dated January 27, 1922, the first publication hereof being dated January 28, 1922.

RENNER, MANNING & GANONG, Attorneys for Plaintiff, whose business and postoffice address is American National Bank Bldg., Klamath Falls, Oregon.  
25-4-11-18-25-4-11

**NOTICE TO CREDITORS**

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY.  
In the Matter of the Estate of Dewey Obenchain, Deceased.  
NOTICE IS HEREBY GIVEN that I have been appointed administrator with the will annexed of the above entitled estate and all persons having claims against the estate are required to present them, with the proper vouchers, within six months from the date of this notice, to me, at the offices of Renner, Manning & Ganong, American National Bank Bldg., Klamath Falls, Oregon.  
Dated January 28, 1922.  
PAUL PARAZOO, Administrator with the will annexed of the estate of Dewey Obenchain, Deceased.  
25-4-11-18-25

Looks as if the dogs of war were going to have their puppies drowned.—Chicago Journal of Commerce.

**NEW TODAY**

**BUSINESS OPPORTUNITIES**  
HIGH CLASS GROCERY—In excellent location, expenses light—making nice returns.  
SMALL DAIRY—Fully equipped, at a sacrifice.  
GROCERY, Confectionery, Feuntain, etc.—Opposite school in good town, living rooms over store.  
BATTERY AND AUTO ELECTRIC BUSINESS—Well located and for quick sale will sacrifice.  
SMALL CARPET CLEANING Works.—If you want to get into a business now established, look over this.  
FURNITURE AND HARDWARE.—handling new and second hand goods,—nice clean stock,—prices right.  
PARTNER WANTED—For small investment we can locate you a half interest in existing business.  
If you are looking for a business, Call or write.  
THE FOUR SITE SALES AGENCY, Modford Bldg.—Modford, Oregon.  
Beaver Bldg.—Ashland, Oregon. 28

WANTED—By Man and wife, Modern furnished house. References given.—Call 512 Oak St. 28-29\*

Steam Heat at Colonial Rooms. 28

FOR RENT—6 room furnished house.—Garage—walking distance. Phone 240M and 173J. 28-31

FURNISHED—Bunch of keys—owner may have same by calling at Herald office and paying for ad. 28

Steam Heat at Colonial Rooms. 28

Floral designs our specialty.  
KLAMATH FLOWER SHOP  
Phone 583 834 Main St. 28

FOR RENT—3 room apt. furnished for light housekeeping. Oregon House, 527 Klamath Ave. 28\*

LOST—Between Viking grocery on Oregon Ave. and town, lap robe, black on one side, black and tan on the other. Finder please leave at Herald office or phone 549J. 28-30

FOR SALE—The following rare books—43 vol. Works of Voltaire, Edition de la Pacification, 16 vol. The Novels of Balzac, 20 vol. The Library of Ancient and Modern Literature, 20 Vol. The Library of Oratory, by Dupuy Phone 563J. 28

Furnished one room cabin, Colonial Rooms, 11th near Main. 28\*

FOR SALE OR TRADE—2 reel Charley Chaplin comedy—also your choice of hundreds of films, for sale, from \$10 to \$10,000.00. See operator, Strand Theatre. 27-28\*

**SPECIAL SALE**  
ON  
**Vacuum Cleaners**

We have a limited number of Vacuum Cleaners which we will sell at

**\$31.50**

There are only a few of these, so Get Yours Early

ASK ABOUT OUR EASY PAYMENT PLAN

**COMET ELECTRIC CO.**

**REDUCTIONS**  
IN  
**SHOE REPAIRING**  
Beginning Monday Jan. 30

THE FOLLOWING PRICES WILL BE IN EFFECT

MEN'S HALF SOLES ..... **\$1.50**  
LADIES' HALF SOLES ..... **\$1.25**  
BOYS' HALF SOLES ..... **\$1.25**  
RUBBER HEELS ..... **.50**

The same standard of Workmanship and Quality of Materials will be continued as before.

YOURS FOR SHOE REPAIRING

**EVANS SHOE CO.** 727 MAIN ST.  
**LARSON SHOE SHOP** 609 MAIN

**SUNDAY AT THE STRAND**

HOME OF HODKINSON FEATURES  
CONTINUOUS SHOW STARTS AT 1, 3, 5, 7, 9 P. M.  
A Benjamin B. Hampton Production

**"The Dwelling Place of Light"**

From the Great Novel by Winston Churchill. Directed by Jack Conway. With an All-Star Cast, including—  
**ROBERT MCKIM—CLAIRE ADAMS—KING BAGOT**

Every character in this big, gripping story is real—so real that you will find yourself comparing them with the people about you, for they are drawn with all the great skill of Winston Churchill, and delineated by a superb cast of artists. Your interest will be held throughout, as incident follows incident, each more thrilling than the one that went before.

**CHARLIE CHAPLIN IN A KNOCK-OUT COMEDY**  
Fourth in the Series in the Life of  
**AL JENNINGS, THE REFORMED BANDIT**

**10c Admission 20c**  
Coming Next Sunday—"RIP VAN WINKLE"