

NO SETTLEMENT WITH KLAMATH CANAL PEOPLE

PRESIDENT HAWKINS WANTS \$250,000 DOLLARS FOR PLANT

Board of Engineers Has Made Deals With all Other Interests and Say That Government Could Not Use Klamath Canal System if Bought.

The meeting of the board of engineers of the water user's association with the Klamath Canal Company on Friday morning without coming to any agreement.

The purpose of the meeting as stated by engineer W. H. Sanders, who acted as chairman of the meeting, was to have the Canal Company make the government's proposition as to what they would sell out for.

Mr. Sanders on taking the chair stated that the board had been very busy and they had been here and had a great deal of work yet to do, and that it would be necessary to proceed at once to business and that everything that was said would have to be brief and to the point. He then called upon Mr. Hawkins, president of the Klamath Canal Company, for a proposition.

Mr. Hawkins said that he understood that the meeting was to be simply a continuation of the negotiations which had been begun in Washington, and on receipt of dispatches received from the board of engineers had been postponed until the board of engineers had met here and more fully investigated the project. He said that last winter he went to Washington to meet the officers of the Reclamation Service and that finally they got together on the discussion of taking over the Canal Company.

The matter was being considered when a dispatch was received from Klamath Falls to the effect that the land owners would not agree to the terms which were proposed. The government deemed it necessary to put off proceedings until the engineers could look over the project.

The company agreed to suspend operations as far as possible but it was understood that they were to go ahead and demonstrate the success of their sluicing proposition. Before proceeding any further, Mr. Hawkins said, he would like to inquire on two points. He wished to know whether anything had been done to change the status of the situation in the case since the conference in Washington, and in case they got together, how soon the thing could be consummated. His reason for asking this was that his company had contracts which would expire on the 15th of next April and there was a great deal of work to be done in case they did not make any deal.

Mr. Sanders stated that as far as any previous understanding was concerned, he did not know anything about it. The board of engineers was sent here to look over the project and investigate the sluicing canal and to report to the chief engineer. It was their intention to be honest with the company they were dealing with; to be honest with the people and be honest with the government.

Mr. Lippincott, who was present at the conference in Washington, said that they did not know as much about the engineering proposition then as now. He drew Mr. Sanders' attention to a

copy of the proceedings of the conference, which he had given him and which he said, showed what had been done. No agreement had been made and he did not understand that the Klamath Canal Company was to go on with their sluicing proposition. As far as the so-called agreement was concerned, he said that a memorandum was prepared, to be considered as a basis, but no agreement, which could be called a definite agreement was arrived at or signed.

Mr. Sanders then said that the work of the engineers was simply to make a recommendation, and that they were now there to hear any proposition that Mr. Hawkins might have to offer. He referred to their claim that the government was the first in the field in the Klamath country, and that they did not need the Klamath Canal Company's holdings, but were disposed to treat all fairly and honorably as man to man. The only thing that was expected from the Canal Company was that they should make a flat cash proposition, for which they would be willing to retire from the field. The chairman asserted that they believed the Canal Company did not have any rights to sell that were valuable. They did not have a right to take water from the Klamath Lake, but this was a matter that was not to be considered in this meeting, as it was a matter for the court to settle. In effect, it was useless for the Canal Company to take up time arguing on their rights and the value of their system, as they did not have any. If they did not have any proposition to offer it would be well to adjourn the meeting.

Mr. Hawkins then reviewed the organization of the Klamath Canal Company, the securing of the Bronx contracts and the commencement of work by his company. He stated that when he first came here to investigate the project, there was not a mention of government or any other irrigation on a large scale. That they received the encouragement and solicitation of the farmers to take up the work, as they believed that to be their only salvation. He had understood that it was the policy of the government not to interfere where private capital was interested and therefore they had no fear of interference from this point. They had come here, he said, in good faith and he believed that they were able to give the people as good a system as the government, if they were not interfered with, but that if the people wanted government irrigation, they were willing to sell out and withdraw from the field. In fact, he said, they were anxious to make a deal rather than to be tied up with litigation. Never the less, they believed they had vital rights in this country and they were here to protect those rights if necessary. He referred to the fact that the engineers had stated that they believed the Canal Company had no right to take water from the Upper Lake. He in turn as firmly be-

lieved that they did have the right and it was a matter that could only be settled in the courts. The result would be, he said, that if the Canal Company won, the government would lose, and if the government won, of course his company would lose. He then stated that at the time the negotiations were broken off at Washington, it had been practically agreed that the price would be between \$150,000 and \$250,000 and they were to be allowed 800 to 1000 inches of water for developing power and navigation right. The only thing they could not agree on was the price. The agreement, he stated, rested on three conditions. The whole proposition was to be approved by the Water Users' Association, Board of Engineers and the Secretary of the Interior.

At this point Mr. Hawkins was informed that no concessions would be granted and that the only thing that would be considered would be a flat cash proposition.

In that case, Mr. Hawkins said, his company would withdraw from the field, gun, stock and barrel, for \$250,000.

During the meeting, Mr. Jacobs and others of the board stated that they would not be in favor of anything except returning the money actually expended in construction with interest.

Mr. Churchill, president of the Water Users' Association, said he thought it was the sentiment of the people that the government buy the Klamath Canal Company out entirely. He referred to a resolution passed by the Association in the forenoon to the effect that they allow the Canal Company a sum equal to the money they had expended with an additional bonus. As this sum was not stated definitely in figures at the meeting, it is not known how far it is off from the amount asked by Mr. Hawkins.

Mr. Hawkins having submitted his proposition and the objects of the conference being accomplished, the meeting adjourned. At the close of the meeting an itemized statement of the money expended by the Klamath Canal Company was handed to Mr. Lippincott by Mr. Hawkins. It is stated that the amount expended was between \$170,000 and \$200,000.

After the adjournment a private meeting of the Board of Engineers and one of the Directors of the Water Users' Association were held and in the evening the two bodies met together in executive session. It is reported that nothing definite was agreed upon as to a settlement with the Klamath Canal Company.

Mr. Lippincott gave a very interesting talk to the Directors of the Association, in which he congratulated them on the good work they had done and after dwelling on the greatness and vast opportunities of the Klamath Country, he outlined the most important work for the Water Users' Association, for the immediate future. He said that it was necessary for them to exert every effort to get all the land owners to sign up. He considered it necessary to get 98 per cent of the land under the project signed in order to insure immediate work by the government. If the people were unanimous in asking for government irrigation, there was a sure prospect for them to get it at once.

The Board of Engineers with Mr. Humphrey left Saturday morning. They will visit the Yuma project in Nevada and return to Los Angeles for a final meeting on the 29th of this month. At that time the Board will make their recommendations to the Secretary of the Interior and it will probably be about ninety days before their report will be made public and the decision of the Secretary be known in regard to the Klamath project. There is very little doubt expressed here by those connected with the service as to the result. It is almost certain that the government will go ahead with the work this summer.

It is said that satisfactory deals have been made with all the local interests.

TO PROVE VALUE OF SWAMP LANDS EXPERIMENTAL FARM IS NOW BEING ESTABLISHED

All Swamp Land Owners are Interested.-Department Of Agriculture and Reclamation Service May Lend Assistance.

An experimental farm is being undertaken by Frank Adams on swamp land owned by R. S. Moore on the west side of the river near town. There is about 80 acres in the tract and the land is diked and the water within the bank will probably be pumped out, and then planted to grain grasses and possibly vegetables. It is understood that a number of the large swamp land owners will lend their financial assistance in this experiment, so as to demonstrate the value of our swamp lands. Mr. Lipp-

pencott when here stated that it might be possible to get the reclamation service and the agricultural department to assist in this work. If this experiment proves a success it will result in increased sales in swamp lands, as prospective buyers can be taken on the land and can see for themselves what it will grow. Most of the over flowed or swamp lands are owned in large tracts and the small farmer has been backward about investing as he is not sure of the value of the land at this time.

CAPITALISTS INTERESTED

Another Eastern Millionaire Looking Over Our County.

W. A. Bradford Jr., a millionaire capitalist of Cincinnati, Ohio, and W. G. Russell Allen and H. L. Jackson, his private secretary and expert engineer were in Klamath Falls this week, in company with Mr. Hollibird of the Weed Railroad. These gentlemen came here to look over our country. Before leaving for the railroad this morning they expressed themselves much delighted with our town and county.

LAND LAWS MUST BE CHANGED TO STOP FRAUDS

The biggest of the land frauds, involving the highest public officials in some of the western states, and untold acreages of land would form after all but a passing nine days' wonder with the busy populace were it not for the fact that their ramifications are so extensive that as fast as one set of men is indicted the investigations of the government bring forth another brood of frauds.

The government land frauds of the west is a question, however, of far deeper significance than the mere matter of the illegal acquisition, during the past few years, of some public lands or timber by private individuals, corporations or government officials. The question is, will the present prosecutions affect the system? Not one iota. The cases being pushed are those in which the government sleuths think there is a possibility of obtaining conviction. The great mass and majority of equally

great frauds will never be heard from outside of their immediate localities. The reason for this is that such frauds have been legal—frauds committed entirely within the law.

But how can a land fraud be legal? An instance: The legislature of Georgia granted some three million acres of land to certain syndicates. The grant became a law. Subsequently it was discovered that all the members of the legislature who voted for the grant were members of the various syndicates which secured the land; but the title never-the-less was declared good. This was legalized fraud. So in the west, the timber and stone law, the desert land law and the commutation clause of the homestead law, are in themselves and the regulations under which they are administered, fraud laws and while their letter may be observed their spirit can be violated and the men who receive government patents under them, in the majority of cases, have no right in equity

to the land. It is a question whether taken as a whole five per cent of the timber and stone entries are actual bona-fide claims in which the entryman carries out his part of the contract in strict compliance with the spirit of the timber and stone act. The desert land act and the commutation clause are not so universally fraudulent in their operation but the vast preponderance of claims under them are to a more or less extent frauds and do not in any fit sense comply with the spirit of these laws which requires settlement and homesteading.

So that even should the government be able to make out its cases, and fine and imprison every man indicted for land frauds, the great bulk of fraudulent land dealings would continue exactly the same. The activities of the Department will simply make land and timber men careful to evade the laws and not criminally violate them. The laws themselves must be revised if honesty is to be expected in land matters.

MOUNT SHASTA IN ERUPTION.

Sisson, Calif.—Torn open by some powerful internal disturbance is the condition of a variant lot adjoining A. Koleska's livery stable here. Great jagged cracks have opened, from which constant streams of dark colored, oily mud are flowing in great quantities. At about the same time the upper side of a big fill across Big canyon sank 40 feet.

This phenomenon occurred at 10:30 o'clock Thursday morning. The fill across Big canyon was built about six years ago by the McCloud Railway company, and was considered one of the safest fills on the entire road. The sinking of the fill and the upheaval at the same time gives ground to much speculation as to the probable cause.

Many of the older citizens are inclined to favor the theory that Mt. Shasta is on the verge of upheaval. When the mud first began flowing from the lot above the livery stable Mrs. Koleska was at the barn alone. She saw that the mud would flood the town if left to its own course, so gave the alarm and soon had men at work digging trenches from the barn to the main sewer ditch. The trenches, however, cannot carry the volume of flowing mud and the streets below are gradually filling.

Some of the mud was thrown into clear water, and an oily substance soon covered the top of the water, which indicates the presence of much oil. It is reported here that the mesa above town is gradually sinking in several places.

GATES BROTHERS IDENTIFIED.

Both the men who held up the Gem saloon in Lonsburg and were later killed in bed at Sear, N. M., while resisting arrest, have been positively identified as the notorious Gates brothers, George and Edward Vernon, known throughout the west and particularly in California.

The identification was made by Detective Thacker of the Wells Fargo Express company. When the bodies were exhumed George Gates' left side and forearm were covered with marks of bird shot. He got this charge on his first holdup in California, where he held up a store.

On the night of March 31, 1904, they held up a Southern Pacific train at Copley, Shasta County, Cal., robbed the express car and killed William O'Neil, the messenger. The state of California, the express company and the railroad company offered rewards aggregating \$800 apiece for the arrest and conviction of these men.

FIRE AT ALTURAS.

The Alturas, California, New Era gives an account of the disastrous fire which occurred at that place last week. The carriage factory of Negley & Anble and the Alturas Plaidealer were totally destroyed and the Grand Central hotel was damaged. The loss is estimated at nearly \$15,000. The Plaidealer had recently moved into new quarters and had been equipped with a new power press and other new machinery. Some of the types was saved but the press was ruined. It is believed that the fire was of incendiary origin as a big water tank which had been left filled the previous night was found empty when needed. The fire started Monday morning at about 3 o'clock.

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