

SELL LANDS AT MARKET VALUE

PRACTICAL PLAN SUGGESTED
BY JUDGE H. L. BENSON

MONEY TO PAY FOR PROJECT

Would Reduce the Cost of the Klamath Project to Merely a Nominal Figure.

Editor of The Herald: An eminent lawyer of California, Mr. N. C. Briggs, in a personal letter to me, has a suggestion which occurs to me to contain so much of practical interest and value to the Water Users' association of the Klamath project that I venture to submit it through the columns of your excellent newspaper.

It will be recalled that in the winter of 1905 the legislatures of California and Oregon each enacted a statute ceding to the national government all their right, title and interest in and to all of the lands covered by the waters of Upper Klamath lake, Lower, or Little Klamath lake, Tule, or Rhett lake and Goose lake in connection with the irrigation and reclamation operations of the reclamation service.

Now it is a well-established doctrine of the law that all of the lands included in the beds of navigable streams and fresh water lakes belong to the state by virtue of her sovereignty, and therefore the action of the State of Oregon in granting the beds of these lakes to the federal government was one of grace and done without any obligation to do so upon the part of the state.

Under these circumstances, why should not the water users under the Klamath project appeal to the senators and members of congress representing Oregon and California to prevail upon the national congress to pass an act providing that when these lakes are drained and their beds reclaimed, that such reclaimed lands shall be sold to settlers at their market value and the funds derived from such sales be applied to the payment of the reclamation work of the Klamath project?

These lands will be among the most valuable agricultural lands on the Pacific Coast. Their sale would raise a fund large enough to give the landowners under the Klamath project their irrigation system at little or no cost. Why isn't this a feasible solution of the many difficult problems which confront the Water Users' association?

Respectfully yours,
HENRY L. BENSON.

The suggestion of Mr. Briggs and Judge Benson offers the first practical, reasonable and intelligent solution to the difficult problems that have surrounded the Klamath project since its inception. There is not an argument that can be advanced against the proposition, and if the congressional delegation from Oregon and California put forth a reasonable and conscientious effort legislation providing for the carrying out of the Briggs-Benson idea can be secured at the approaching session of congress.

During the past the people of the project have never been able to get together on any one proposition for a sufficient length of time to investigate its merits. There is offered in this plan a neutral ground on which everyone in the county can stand. But merely lining up in favor of it is not going to produce the desired result. It will require work—the hardest kind of hard work, and if the people of the Klamath project believe it is worth their while to get in and work for a free irrigation system, then the opportunity to secure it is at hand.

BALLINGER SUBMITS ANNUAL REPORT TO PRESIDENT

To Be Paid Back Out of the Proceeds of the Reclamation Fund—Redeemed in Ten Years.

Washington.—Secretary of the Interior R. A. Ballinger has handed the Interior Ballinger today handed his annual report to President Taft. In it he recommends a retirement fund for government employees, the classification of public lands, the separating the right to mine from the title to the soil, and the repeal of the timber and stone act. That part of the report which deals with the reclamation service follows:

The act approved June 17, 1902, known as the reclamation act, clothes the Secretary of the Interior with a broad discretion in the construction of irrigation works and the disbursement of the reclamation fund, into which fund had been paid, up to and including June 30, 1908, the total sum of \$59,661,549.27, and the net investments from which in reclamation works on June 30, 1909, amounted to the sum of \$45,757,918.94. The cash receipts from water-right charges to June 30, 1909, were: Building charges, \$299,841.22; operation and maintenance charges, \$70,825.88, total \$370,667.10. Because of the magnitude of the work and the desirability of making plans far in advance, it has been found necessary to make estimates of the amounts that will become available before the actual receipts can be known. The estimated total receipts in the fund to June 30, 1909, are \$58,582,140.66. Upon this basis, and estimated receipts which will become available before December 31, 1910, \$5,528,050 have been allotted for reclamation purposes to December 31, 1910.

The discretion imposed by the act also carries with it commensurate responsibilities and obligations, which my predecessors have carried out with the utmost fidelity to the public good.

Some of the most important elements of conservation of the natural resources of the public domain lie within the purview of this statute; the dormant power of stream and flood being conserved for the transformation of the desert into vast tillable areas.

The receipts from all sources do not give encouragement that the fund will be sufficiently replenished to enable an expeditious completion and extension of existing projects or to take up any new work. I am not in favor of the extension of the time of these payments, as eleven years (which the law practically gives) without interest, in ten annual installments, ought to permit any prudent man to meet his payments, unless the cost of construction is a greater burden than the lands will naturally sustain.

In view of the importance of a speedy completion of existing projects and their proper extension, and of the necessity in 1912 of an adjustment between the states of which the major portion of the funds arising from the sale of public lands within each state and territory shall have been expended so far as practicable within such state or territory, and in view of the importance of making a beneficial use of water already appropriated or capable of appropriation to which rights may be lost for nonuse, I believe an urgent appeal should be made to congress to authorize the issuance of certificates of indebtedness, or of bonds against the reclamation fund, to an aggregate of not exceeding \$30,000,000, or so much thereof as may be needed. These certificates or bonds should be sold by the treasury of the United States from time to time as may be required by the Secretary of the Interior and the proceeds

placed to the credit of the fund. They should be redeemable on call within a period of not exceeding ten years after issuance. The proceeds should be devoted to the completion of feasible existing projects and the construction of any feasible extensions thereof, and so much thereof as may be needed should be devoted to the construction of new projects in the states and territories in which the expenditures have not met the requirements of section 9 of the act of June 17, 1902. This is a reaffirmance of my recommendation to you from the field August 2, 1909.

Among other amendments, an amendment to permit the assignment of homestead entries, within projects, after entrymen have completed five years' residence and cultivation and made proof thereof, is recommended.

PHENOMENAL GROWTH OF THE FIRST TRUST

Gain of Over Four Hundred Per Cent in One Year.

In yesterday's Herald there appeared the report of the First Trust and Savings bank of this city, and it is worthy of perusal inasmuch as it shows a most phenomenal growth of this institution since the issuance of the last official statement. This bank had on November 16, 1908, deposits amounting to \$16,803.80. One year from that date, or November 16, 1909, the deposits had reached the phenomenal figure of \$82,546.11, making it the third banking institution in point of size, notwithstanding that it is the youngest of the financial institutions of the county. This shows a gain of 400 per cent.

At the time of the issuance of the last state bank examiners' report—September 1, 1909—the deposits amounted to \$34,861.28. The last statement, issued November 16, shows that the deposits had increased to \$82,546.11, or an increase during the month of 136 per cent.

Under the provisions of the state banking law, banks doing business in towns and cities having a population of less than 50,000 must have on hand 15 per cent of its demand liabilities and 10 per cent of its time deposits. At least one-third of the reserve percentages required under the act must be actual cash on hand. The First Trust has on hand and in reserve banks approved by the state bank examiner, cash to the amount of \$57,131.48, or 69 per cent of the deposits. The difference between the two amounts—the 69 per cent which is on hand and the 10 and 15 per cent required by law—means that much extra margin of security for the depositors.

In addition to making a statement to the state bank examiner five times a year, the board of directors of this institution examine and audit all of the books and papers and count the cash on hand quarterly.

INCOMPLETE RETURNS INDICATE A SWEEPING VICTORY

Under the California Law Incorporated Towns Have Home Rule on the Liquor Question.

One of the hottest fights ever waged in Northern California between the saloon and the anti-saloon factions came to a close Saturday, with victory perched on the banners of the "dry" advocates. No quarter was asked for nor given, and it was not until the votes were counted that the saloon men admitted that they were defeated.

Under the California law, incorporated towns cannot be voted dry by the outside communities, so that the six cities of Siskiyou county will be unaffected, and Klamath Falls will still be able to get its supply of firewater from Dorris as usual. The chief cause of the trouble has been the saloons located in the vicinity of the large lumber camps of that county.

COMPLETING PLANS FOR ELECTRIFICATION OF CARLINE

City Will Have One of the Best Electric Car Systems on the Coast. Brown Indorses Benson.

W. K. Brown arrived in the city Tuesday night from Hollister. He is here for the purpose of consulting with President Reames about plans under way for the conversion of the street car line into an electric system. Mr. Brown stated Wednesday:

"My visit at this time has no special significance. I come only for the purpose of further consultation with our local associates. We are going to begin the work of electrifying our carline just as early next spring as it is possible for us to begin work. There are many details that must necessarily be arranged in advance, and that is why I am here now.

"It has been a greater disappointment to us than to the people of this city that the change in motive power has not been made before, but such matters take a great deal of time. When we get through with our work Klamath Falls will be well repaid for its patience. We appreciate the good will manifested in the premises, and we intend to reciprocate by installing a system that will be second to none on the Coast.

"Business conditions are improving all along the line, and I look for great prosperity in this city during the coming year. Large capitalists will come here and make investments of such a nature as will make the city an important factor in the affairs of Southern Oregon. Some have already been here and are well satisfied with what they have found. Everything points to Klamath Falls being a large city and it is this fact that is going to bring money here.

"I am greatly interested in the proposition advanced by Judge Benson relative to the sale of the lake beds when they are reclaimed by the government. This, to my mind, is the most sensible idea that has been advanced since the government entered this field. I would like to see the people of this county get the water at a low figure, and if the plan suggested by Judge Benson can be carried into effect, it will accomplish the object aimed at. It will be necessary, however, for the people to get together on this question. If they split on this as they have on so many other propositions, they will lose everything and in the end have to pay the actual cost of the project, no matter what that cost may be."

REAL ESTATE TRANSFERS

- Wm. Burzoff to J. J. Cole, NW 1/4 Sec 31, Tp. 28 S., R. 12 E.; \$10.
- J. H. Wheeler et ux to Belle Skeen, 200x125 feet in NE cor Sec. 21, Tp. 33S., R. 7 1/2 E.; \$150.
- Hazel Rolfe to Martin B. Rolfe, S 1/2 of NW 1/4, NE 1/4 of NW 1/4 Sec. 9, SE 1/4 of SW 1/4 Sec 4, Tp. 38 S., R. 15 E.; \$10.
- Wm. S. Worden et ux to Charlis E. Worden, Fred Melhase and Gus Melhase, undivided one-half interest in SW 1/4 and NW 1/4 and NW 1/4 of SW 1/4 Sec. 20, Tp. 39 S., R. 9 E.; \$10.
- F. J. Booray to J. L. Cunningham, lots 8 and 9, block 42, First add. to Klamath Falls; \$10.
- C. E. Hoyt et ux to Geo. C. Hill, lot 6, Sec. 16, Tp. 33 S., R. 7 1/2 E. and the N fraction of said Sec. 16; total acreage, 48.25; \$2,412.50.
- Chas. S. Moore et ux to Chas. E. Meldrum, lot 2 block 18, Riverside add. to Klamath Falls; \$100.
- Oklahoma and Oregon Townsite Co. to Hattie B. Pattie, lot 9 block 63, White Lake City; \$1.
- Thomas Hampton et ux to J. S. Pierce, one-half interest in block 18, Hot Hill add. Klamath Falls; \$10.

SECRETARY BALLINGER IN INTERVIEW AT WASHINGTON

Knew the Law and Must Pay the Actual Construction Cost of the Project.

WASHINGTON, Nov. 27 (Oregonian News Bureau)—If there have been graft and corruption in connection with the Klamath irrigation project, and if exorbitant prices have been paid for canals and lands acquired by the reclamation service, the directors of the Klamath Water Users' association either were parties to the graft or were guilty of gross neglect in handling the affairs of their organization. That there has been graft and extravagance is seriously questioned in government circles, and the first proof of maladministration has yet to be laid before the Secretary of the Interior.

No Charges Made

Secretary Ballinger, when shown a dispatch from Klamath Falls, published in a Chicago paper of November 16th, said that no charges of corruption or extravagance had been laid before him, and no such charges were of record in his department. This project, unfortunately, is one of few that he did not visit on his trip last summer, therefore he has no personal knowledge of conditions there or of sentiment prevailing among the settlers. There was only one phase of the complaint which he could not discuss, and that was the cost to be paid by the settlers.

The charge has often been made at Klamath that the government engineers long ago gave assurance that the Klamath project could be built for \$18 an acre, and the assertion has been made that the landowners signed up on the understanding that \$18 would be the maximum price they would be compelled to pay for water. Officials of the reclamation service are positive that no such assurance was given the settlers, but they, like all others, were given to understand that they would be obliged to pay the actual cost of putting water on their land.

Terms of Act Plain

Secretary Ballinger says that the terms of the reclamation act are explicit. That law stipulates that the settlers shall repay into the reclamation fund the exact cost of construction, and it is not given to him or to any other official to waive this requirement. Even if assurance has been given that the project would cost only \$18 an acre, that assurance would not hold if, in the end, it turned out that the cost was greater than that amount.

When the Klamath project is completed and its exact cost determined, the total will be divided by the number of acres to which water is supplied, and the solution of this simple arithmetical problem will determine to a cent how much each settler must pay back to the reclamation fund. That is the rule on all projects; it is the law, and the Secretary says the law will be enforced just as rigidly at Klamath as elsewhere.

Chief Engineer Denies

As to the various charges of corruption and maladministration, Secretary Ballinger stated that those charges could best be answered by A. P. Davis, chief engineer of the reclamation service. Mr. Davis was with the senate committee at Klamath. He heard the charges made, and he heard what the Chicago correspondent apparently failed to hear—the refutation of each and every accusation. Secretary Ballinger instructed Mr. Davis to prepare an answer to the charges, read over that answer after it was prepared, and in authorizing its publication, said: "There are the facts; facts are ample answer to any and all charges."

M. H. Beebe of Merrill is stopping at the American.

ARRESTED FOR SELLING BOOZE

VIOLATORS OF THE LOCAL OPTION LAW SITTING UNEASY

GRAND JURY TO INVESTIGATE

Dick Larsen Is Arrested for Selling Whiskey and Swears Out a Warrant for Fred Paquet.

The unexpected has happened, and as a result every violator of the local option law in the city is filled with fear and trembling—even fuller than many of the individuals who quaffed the vile stuff that some of them have sold under the misnomer of "booze." It is all due to "Dick" Larsen. He is one of the stool pigeons who has been buying the stuff from the joints and re-selling it to the thirsty mortal, making a profit of twenty-five cents a bottle. He has told the whole story of his iniquity, implicating those who furnished the whiskey.

One arrest has already been made on the strength of Larsen's story. Larsen was arrested for selling whiskey, and to save his own skin, swore to a warrant for Fred Paquet, whom he alleges sold him the whiskey. Paquet was arraigned before Justice of the Peace Miller Wednesday afternoon.

As soon as the word passed down the line that Larsen had squealed, everything went dry as a bone. It was unfortunate, said the interested parties, that this had to be sprung so close to the meeting of the grand jury, which will convene in this city one week from Friday. Larsen was waited on by some enthusiasts and told that he would be skinned alive if he did not make himself scarce around these parts. Larsen was pretty badly scared, and for fear that his fear might have some effect on his legs, the Sheriff's office placed him in jail, where he will remain until after he has given his evidence to the grand jury.

And it is that grand jury evidence that is raising all the trouble with a number of gentlemen in the city. Larsen has committed himself sufficiently to insure his telling the entire story when he is called upon to do so. He realizes that if he does not that there would be a charge of perjury, and it is not likely that he would care to stand before Judge Noland for sentence if he should be convicted on such a charge.

If the grand jury takes the matter up and return indictments and those indicted should be convicted, it is certain that the county jail will have some new boarders, for Judge Noland has promised such a present to the next man that comes before him on the charge of violation of the local option law. The manner in which he had handled violations of this law in the past leaves no hopes for those who may come up for sentence.

So it would seem that notwithstanding that no effort has been made to gather evidence by the local option forces, destiny has taken a hand and furnished the weapon with which to smote those who have had the temerity to transgress. And the next term of court may be filled with a greater interest than even the most optimistic local optionist had ever hoped for.

George Porter and George Hughes, who have been driving stage for the past season, have rented part of the building formerly occupied by the Exclusive Shoe store and have begun housekeeping. They will winter in the city. The "boys" say their favorite horses were transferred off their routes.