

MAIL ORDER HOUSE SCARE AGAIN FELT IN NORTHWEST

Adjustment of Prices Vital Factor For Retailer to Learn.

On the preceding installment the conclusions of the factory cost expert were given as the comparative buying power of different classes of merchants.—Ed.

(Publication rights for this series is hereby granted to the La Grande Merchants Association. — David Powell.)

Comparing the advantages of the selling methods employed by catalog houses with those employed by the regular dealer, he says: "The first item of expense the local merchant has to consider in fixing his selling price is freight charge, and the next is his cost of doing business. In freight charges the local dealer has a little, if anything, the best of it. All of his goods are shipped direct from the factory by freight and much of it in car load lots that gives him a still lower rate. Against this the mail-order merchandise must stand the initial freight charges from the factory to either the central or branch house, and a second transportation charge from the distributing house to the consumer. This second charge averages very high, and a large part of it is either express or postage. That the catalog house has no advantages here is quite apparent.

"Upon a merchant's ability to properly regulate his cost of doing business depends his ultimate success or failure. To the consumer not versed in commercial terms, the true meaning of this expression is often not quite clear. It is determined by totalling all items of express connected with the running of a business for a certain period, say a year, and the percentage this month is of the total salaries for the same period is known as the "cost of doing business." This however, is entirely separate and apart from the percentage of profit a merchant adds

to the cost of an article to determine his selling price by better methods and stricter economy one may do business at a less expense than his competitor, and still make exactly the same percentage of profit on it.

"It is plainly evident that if the large city stores and catalog houses have no advantage over the small dealer in buying an article it is manifestly impossible for them to sell it for less than the small dealer, unless their cost of doing business is less than the local merchant's. From many sources it has been learned that different merchants figure their cost of doing business and it very readily exceeds 20 per cent. It would simplify matters very much if a few of the big catalog houses would publish the same information. As of course they won't, in order to make a comparison, it will be necessary to estimate it. For example, take one of the large mail order houses situated in Chicago.

"Such a concern has an immense overhead expense entailed in maintaining a large office force as well as a corps of high salaries advertisement writers. These are the men who paint in such attractive word pictures the virtues of the goods sold by the house. For this work they secure the best men they can get, paying salaries ranging from \$5,000.00 to \$50,000.00 per year. Did it ever occur to you what it cost to put in your hands one of these beautifully illustrated catalogs? In their literature you are informed that they are generously giving you something free, postage prepaid, hope you will appreciate their efforts to aid the oppressed and downtrodden in reducing the high cost of living etc., etc. Now each of their books each year costs them far more than twenty-five cents.

"Taking a catalog issue for this season by one of two largest mail-

order houses of the country as a sample, and, the same number of copies the same house sent out last year, a careful estimate shows that just for printing and mailing the cost would exceed sixty cents. Add to that pro-rata the enormous sum it costs them for their staff of "AD" writers and illustrators and the total would very probably exceed a dollar. Many people receive a catalog who do not buy a cent's worth throughout the whole year, so it is very apparent that the statement given out recently by a former employee of the house in mind was very near the truth when he said the expense of publishing their catalog for the 1912 amounted to 8 2-3 per cent of their total sales for the year, with their immense office force, high real estate values, general advertising, etc., it is reasonable to suppose that their cost of doing business could not by any possibility be less than 20 per cent—probably more.

"If it costs the the catalog and large city houses as much to do business, and they can buy their goods no cheaper, there is only one way left in which you can sell under the local merchant, and that is by being satisfied with a smaller rate of income on income on the capital invested in the business. How many of your merchants make more than 10 per cent on their invested capital? Not very many. Yet the mail-order house referred to above declared a dividend last year of a trifle more than 22 per cent."

The town in which this campaign was carried on was situated near a large city that could be reached quite easily many times a day by electric car and the big department stores located there had also been getting a large share of the trade from that community. Referring to this he says:

"A very natural mistake is made by many people in thinking they can buy goods cheaper from stores doing a business in a large city than they can from their own home town merchants. There are many reasons why this belief exists among dwellers in small towns and rural communities, but the main one is because people simply take for granted the statements made by such concerns in their advertisements and in catalogs without taking the time or making the effort of investigation themselves. Many go to the large nearby cities to make their purchases because they think they have a larger and more varied stock of goods to select from. In a measure that is true, but bear in mind the fact while you are considering this question, that the large city stores cater to the extremes of society, the millionaire, as well as to the dweller in the slums. The successful city merchant who owns such a store, you can depend upon it, has made a most exhaustive study of his trade, and knows that he has to gather his stock from the four quarters of the globe to meet the demands made by his wide range of patrons. Just so with the merchant in the smaller towns. He has neither the millionaire nor the slum dweller to consider and naturally does not burden his shelves with goods that he knows there is no demand for but within the range of the demands of his community his stock is just as varied, and just as large, as that of his brother merchant in the large city."

In addition to preparing and attending to the circulation of the literature sent out by the club, this man also put out among the farmers as a "Home trade" missionary. Though he was strong for home sentiment he always went straight to the point of the farmer's pocketbook, and stood ready to show the customer of the mail-order house that, month in and month out, he was actually losing money by not trading with the home merchants.

In his figures he left nothing out of his calculations—not a postage stamp of an express toll escape his eye. He was up on brands and qualities in every line of merchandise. He took samples of food-stuffs from the local store and made side-by-side comparisons of them in the farm kitchen with the foods bought from the mail-order concern.

When he found that a housewife had bought a large quantity of semi-perishable goods from the mail-order house in order to secure a low price, he asked her if part of it did not spoil before she was able to use it. Often she confessed that this had been the case; and then he figured out for her

just how much cheaper the transaction would have been for her had she bought the goods, in convenient quantities, from her local merchant.

The club was made a social center for the entire community, especially for the farmers and their families. Gradually a testing laboratory of a crude sort was built up in the club, and here many an argument as to quality of goods was settled. The consumer and the storekeeper were both taught to be judges of quality in almost all lines of goods.

Today in mail-order trade in that community is on the decline, the catalog is on the run; business and residence real estate in the city is slowly advancing in price; the old town looks good to some of the high school boys, who are not so eager as were some of their immediate predecessors to shake the dust of the town from their feet; and the social and religious life of the community has experienced a decided revival.

(End of Article II.)

LIFE IS ALWAYS DYING.

And Just as Soon as We Cease Dying We Cease to Live.

Living is a continuous process of dying. When we cease to die we cease to live. One can readily understand this by means of a very concrete example. Suppose you arise some cold morning and find the fire in your furnace has "gone out." It will do no good to utter malicious invectives against the poor furnace. Just philosophize as follows: "My furnace has ceased to die. In other words, it has ceased to consume that very expensive article called coal. The continual consumption of coal is fire or life in the furnace. When the consumption or dying ceased the fire or life ceased." Accordingly you proceed to make the furnace "die" some more.

What is true of the furnace is true of ourselves. All organic life exists in a state of continuous decomposition and rebuilding or a continuous state of dying and living. As soon as decomposition ceases reconstruction ceases, or, in common terms, as soon as we cease dying we cease living. Certain poisons, if swallowed by a human being, destroy life by annihilating the decomposing or dying process which is necessary for life. When they enter the system a chemical compound is formed which resists decomposition. Upon examination of the dead body it will be found that putrefaction does not take place. With these poisons in the body there is no process of dying; hence there is no life.

The same truth holds in regard to our mental and moral existence. If we cease to struggle or think and are content to live a purely animal life the activity of our brain powers quickly ceases and we are mentally dead. Struggle, action, aspiration, is dying, but it means living. Introduce the poison of vice and there is a cessation of mental life as fatal as that caused to the body by arsenic.—New York American.

ONE OF OUR LITTLE GUNS.

It is in the War Department and Has an Interesting History.

Visitors to the war department in Washington may see a little old fashioned cannon occupying a position at the right of the god of war standing near the main entrance of the department.

The chances are, however, that the majority of visitors will pass it by with only a superficial glance, for it is a mere pygmy in comparison with some of the modern guns, being a bronze six pounder, a little less than six feet in length and with only a three and a half inch caliber. But if visitors suspected even part of the gun's interesting history they would not pass by it without pausing to pay it more respect. The little gun was built in Holland in 1741 for King George of England. It was brought to America to be used in quelling the rebellion of the king's subjects here and from that time has been closely connected with our national history.

Tradition tells us that Benedict Arnold led a band of American riflemen up Lake Champlain, invaded Canada and captured the British post of St. Johns.

Among the spoils he took was this cannon, upon whose barrel Arnold had cut the story of its capture, which may be read to this day. Because of the scarcity of guns of this kind among our fighting equipment in the Revolutionary war it is very probable that this, the first gun captured from the British, was used by our army in fighting against its former owners all through the war. Thus the gun which was made by the Dutch for the king of England to be used in fighting against the French and Americans, then captured and turned against its former owners, has come to occupy a place of honor and respect at the very throne of war in our national capital.—Wisconsin State Journal.

CLASSIFIED DIRECTORY

FRATERNAL ORDERS.

A. F. & A. M.—La Grande Lodge No. 41, A. F. & A. M. holds regular meetings first and third Saturdays at 7:30 p. m. Cordial welcome to all Masons.

C. W. NOYES, W. M.
A. C. WILLIAMS, Sec.

B. P. O. E.—La Grande Lodge No. 433 Meets each Thursday evening at 8 o'clock in Elk's club, corner of Depot street and Washington avenues. Visiting brothers cordially invited to attend.

M. B. DONOHUE, E. R.
ADNA B. ROGERS, Sec.

WOODMEN OF THE WORLD—La Grande Lodge No. 169 W. O. W. Meets every first and third Fridays at I. O. O. F. hall. All visiting members welcome.

T. J. ORMOND, C. C.
J. H. KEENEY, Clerk.

MODERN WOODMEN OF AMERICA—La Grande Camp No. 7703 meets on the first and third Thursday evenings of each month in the K. of P. hall. Visiting neighbors welcome.

H. C. BALL, V. C.
W. F. LANDRUM, Clerk.

ROYAL NEIGHBORS—Meets every second and fourth Fridays every month. All visiting members cordially invited.

NELLIE CHARBONEAU, Oracle.
LILLY C. KIMMIE, Rector.

REBEKAHS—Crystal Lodge No. 50 meets every Tuesday evening in the I. O. O. F. hall. All visiting members are invited to attend.

MARY SIMMONS, N. G.
EVA MONROE, Sec.

L. O. O. M.—La Grande Lodge No. 850, Loyal Order of Moose holds regular meetings, each and every Tuesday night in Moose Home on Adams street. Visitors always welcome.

P. A. FOLEY, D.
E. J. MORRIS, Sec.

KNIGHTS OF PYTHIAS—Red Cross Lodge No. 27 meets every Monday night in Castle hall, (Old Elks' hall) A Pythian welcome to all visiting Knights.

H. E. DIXON, C. C.
R. L. LINCOLN, K. of R. & S.

O. E. S.—Hope Chapter No. 13, O. E. S., holds stated communications the second and fourth Wednesdays of each month. Visiting members cordially invited.

MRS. A. C. WILLIAMS, W. M.
MARY A. WARNICK, Sec.

F. O. E.—La Grande Aerie No. 259 on each and every Friday evening at 8 o'clock in top floor of Foley building. Visiting members cordially welcomed.

W. C. HANSEN, W. P.
L. F. BELLINGER, Sec.

WOMEN OF WOODCRAFT CIRCLE No. 47—Meet second and fourth Tuesday nights of each month at K. of P. hall. All visiting neighbors welcome.

LOUISE HILARY, G. N.
LILLIE ALLSTOTT, Clerk.

UNDERTAKERS.

W. H. BOHNENKAMP CO., Undertaking and Embalming. Strictly modern. Day phone, Black 241. Night phone Red 3971 or Red 3412

HENRY & CARR, Undertakers and Embalmers; 20 years in business; day phones, Main 62; and Main 95; night phones, Main 707 and Red 3131.

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A. L. RICHARDSON, M. D.—Physician and Surgeon; over Hill's drug store. Phones: office, Blk. 1362; residence, Main 730.

DR. R. E. L. HOLT—Physician and surgeon; successor to Dr. N. Moller; corner Adams avenue and Depot St. Phones—Office Main 68; Residence, Main 730.

DR. M. K. HALL—Physician and surgeon. Office West-Jacobson Bldg. Phone Main 53. Rooms 11-12-13.

DR. H. L. UNDERWOOD—Physician and surgeon. Diseases of the eye a specialty.

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DR. H. W. RILEY—Graduate Veterinarian Hospital, 1409 Madison Ave. State Stallion Inspector. Stock inspector for shipment. Home Independent Phone, Black 41. Farmers Co-Operative Phone, Main 17.

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DR. GEORGE T. DARLAND, DR. MARY V. DARLAND. Calls answered night or day. All diseases. No. 4 Depot St. Phone Red 1751.

ATTORNEYS AT LAW.

COCHRAN & EBERHARD—Geo. T. Cochran and Colon R. Eberhard Attorneys. La Grande National Bank Bldg., La Grande, Oregon.

T. H. CRAWFORD; ROBT. S. EAKIN CRAWFORD & EAKIN—Attorneys at law. Practice in all the courts of the state and United States. Office West-Jacobson building, La Grande, Ore., rooms 9-10.

R. H. GREEN—Attorney-at-Law Rooms 9-10, Sommer Bldg., La Grande, Ore. Practices in all state and federal courts.

ENGINEERS

INTERIOR ENGINEERING COMPANY, Inc.—All branches of Engineering and Surveying. Investigations, Estimates, Reports. L. D. Howland, local representative, La Grande National Bank building.

CARPET AND RUG FACTORY—1802 East Pennsylvania Ave., between Cove and Island City avenues. Rag and Fluff work; scientific cleaning. Phone Red 741.

Notice. My wife Nellie Walls, has left my bed and board. I will not be responsible for any bills contracted by her. LEWIS J. WALLS, 4-15-10tp.

SYNOPSIS OF THE ANNUAL STATEMENT OF THE

German Alliance Insurance Company

of New York, in the State of New York, on the 31st day of December, 1913, made to the Insurance Commissioner of the State of Oregon, pursuant to the law:

Capital.	
Amount of capital stock paid up.....	\$ 400,000.00
Income.	
Net premium received during the year	\$ 628,326.85
Interest, dividends and rents received during the year	81,807.89
Income from other sources received during the year	58.69
Total income	\$ 710,193.43
Disbursements.	
Net losses paid during the year.....	\$ 336,748.22
Dividends paid during the year on capital stock.....	60,000.00
Commissions and salaries paid during the year.....	220,538.96
Taxes, licenses and fees paid during the year	19,425.82
Amount of all other expenditures.....	34,890.01
Total expenditures	\$ 671,603.01
Assets.	
Value of stocks and bonds owned (market value).....	\$1,639,013.00
Loans on mortgages and collateral, etc.....	55,000.00
Cash in banks and on hand.....	33,352.59
Premiums in course of collection written since September 30, 1913	109,501.15
Interest and rents due and accrued.....	9,146.50
Total assets	\$1,846,013.24
Total assets admitted in Oregon.....	\$1,846,013.24
Liabilities.	
Gross claims for losses unpaid.....	\$ 97,872.62
Amount of unearned premiums on all outstanding risks.....	487,667.05
All other liabilities.....	10,000.00
Total liabilities exclusive of capital stock.....	\$ 595,539.67
Total premiums in force December 31, 1913.....	\$ 925,858.42
Business in Oregon for the Year.	
Total risks written under the year.....	\$2,651,217.00
Gross premiums received during the year	39,634.75
Premiums returned during the year.....	7,658.38
Losses paid during the year.....	10,802.42
Losses incurred during the year	10,937.43
Total amount of risk outstanding in Oregon December 31, 1913	334,759.00

GERMAN ALLIANCE INSURANCE COMPANY
By WM. KREMER.

Statutory general agent and attorney for service: Harvey Wells. City Agents—Security Land & Savings Company, Inc. 4-18-14



WE EXPECT A

RUSHING SEASON

in the lumber line. All indications point to brisk building business this Spring, and we take this opportunity to suggest early orders. We know our stock and are sure of it. We want you to know, and so print this short notice.

WENHA LUMBER COMPANY

The Union Nurseries, Union, Ore.

Roses. Order your roses now for spring planting, strong two yr. old plants, will bloom profusely this summer. Hardy, hybrid, perpetual, hybrid tea, \$3.50 per doz. The wonderful new Climbing Mad Caroline Testout, Climbing F. K. Druski, Dorothy Perkins, pink, red and white. Crimson Rambler, Thousands and Beauties. All on their own roots. Also a general line of Nursery Stock. Send for Price List.

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