

GAIN FOR OREGON

Indian School Trade to Be Divided.

BLOW TO SAN FRANCISCO

It Kills the Goose That Laid the Golden Egg.

JONES' SIDE OF THE CASE

Commissioner Jones Hereafter Make Economy His Watchword and Portland Will Get a Good Share of the Business.

Miffed because Commissioner Jones turned down an offer to let the Indian Department contract, San Francisco set up the wall of discrimination, noneconomy, etc., when, as a matter of fact, it had enjoyed a monopoly of the business for years, and it is alleged exacted prices far above those prevailing in other markets. Investigation since has shown that Portland and Los Angeles are in a position to handle the trade, the former of the Northwest, and the latter of the Southwest, and other points south. Especially is this true by reason of location. Political influence largely has heretofore given this trade to San Francisco, but in the future awards are to be on merit only, which features a general distribution of the Government patronage.

OREGONIAN NEWS BUREAU, Washington, Aug. 9.—San Francisco, whose merchants for years have enjoyed practically a monopoly in furnishing goods and supplies for the Indian schools and agencies of the Pacific Coast States, will, in all probability, have to divide this trade hereafter with Portland and Los Angeles. Not content with getting the entire business, as it were, San Francisco merchants have gradually increased their rates, and lately have been exacting prices far in excess of terms quoted in other markets.

When the Indian Office in the interest of economy, made this clear to the San Francisco dealers, and told them their monopoly must cease, a great hue and cry went up, and, through the newspapers of that city, vicious attacks were made upon the Indian Office and the administration of Commissioner Jones. This sort of business has done San Francisco no good, and probably will result in driving it out of the markets of Portland and Los Angeles, a great portion of the trade heretofore transacted solely at the Golden Gate.

Following precedents established years ago, the Indian Office has purchased all goods and supplies for the Indian schools of California, Oregon, Washington and adjoining states, in the San Francisco market, under contracts entered into at the beginning of each fiscal year. While Portland, merchants have been allowed to compete, they have been handicapped in being required to quote prices on delivery at San Francisco, which up to this time has been the distributing point for the entire Pacific Coast. Even the supplies for the northernmost schools in Washington and the southernmost in Arizona have been shipped from that point.

Good Share for Portland.

The light that is now being shed by San Francisco on the Indian Office will more than likely result in a change of the system of supplying the schools of the Pacific Coast, more businesslike methods being substituted for those now followed. If present ideas are adhered to, supplies for the schools of Oregon, Washington, Idaho and Northern Nevada will unquestionably be largely purchased in Portland and be distributed from that center, and supplies for the schools of Southern California, Nevada, Arizona and the Southwest will be distributed from Los Angeles.

It is recognized by the department that the schools of the Northwest can be more readily reached from Portland, with its numerous lines of communication, than from San Francisco, for shipments to those schools are even now made from the latter point, through Portland. Likewise Los Angeles is centrally located with regard to the schools of the Southwest.

There seems to be little question that purchases made in these two cities will result in a great saving to the Indian service each year. It must be remembered, however, that purchases in San Francisco will never be entirely abandoned, for that city can supply certain articles at prices below those obtainable in either Portland or Los Angeles. In the main the interests of the service would best be served by dividing the business and maintaining three distributing points instead of one, as heretofore. It may be necessary, eventually, to establish three Government warehouses on the Pacific Coast, but it is believed that the saving in prices resulting from a distribution of the business will more than compensate for the cost of maintaining three separate, but small, depots.

Nature of the Supplies.

The supplies annually purchased under contract include various articles of subsistence, groceries, crockery, wooden ware, leather and harness findings, agricultural implements, paints, oils, stoves, tinware, hardware, etc. When the bids were opened on June 16 last the Commissioner of Indian Affairs, after careful comparison, found that the San Francisco bidders were asking prices much higher, and in some instances almost double, those quoted in the East.

Taking the most important items where the amount involved seemed to justify such action, the Commissioner promptly disapproved the awards, and at once San Francisco complained. The papers took it up, and devoted columns to misrepresentation and imputation of unworthy motives. An association said to represent the bidders was very active in protesting, and insisted that the Commissioner suspend operations until it could investigate and promulgate its findings.

As San Francisco has heretofore supplied the Indian service for the Pacific Coast, annual contracts for the purchase of the service have been let at Chicago. The main complaint of San Francisco at this time arises, not so much on account of the rejection of certain San Francisco bids in June, as from the purchase of sugar, authorized at the Chicago opening in April. At that time, in response to advertisements for 50,000 pounds of granulated sugar, bids were submitted to deliver it in San Francisco at \$1.25, in New York at \$1.05, and in Omaha at \$1.05. Pleading out of the cost of distribution to the various schools, on the basis of freight rates as understood at the Indian Office, it was concluded to buy 25,000 pounds in New York and 25,000 pounds in Omaha.

Three or four weeks afterward, when the contracts had been sent out for execution, it developed that there was a

speculative transaction on sugar, which, if used in making the award, would have resulted in giving the contract to San Francisco. The San Francisco association at once appealed, saying that both the interest of economy and the interests of the Government demanded that the contract be given to the San Francisco bidders.

When the attention of Commissioner Jones was brought to the matter he admitted he knew nothing of the cheap transcontinental rate referred to, but, there being such a rate, he advised that the contract be awarded to the lowest bidder, and a contract for 50,000 pounds of sugar was given to the San Francisco bidder.

San Francisco Charges Baseless.
As it has been intimated that Commissioner Jones was discriminating in favor of Eastern bidders, he took the pains to give a San Francisco paper an interview, disclaiming any such intention, and pointing out briefly that many things could be purchased cheaper in the East than in San Francisco. Subsequently he gave this same paper another interview, in which he reviewed the whole San Francisco situation as it relates to furnishing Indian supplies. The first was printed in the second, up to the present time, has never appeared, or at least not to his knowledge, presumably because it shows up the unfair advantage that has been taken by San Francisco merchants. As that interview contains the only authoritative statement that has been made of the attitude of the Indian Office, and as, in justice to all concerned, it should go before the public, Commissioner Jones has furnished a copy to The Oregonian.

The interview, in direct reply to newspaper attacks on the Indian Bureau, follows:

"First—Let me repeat what I have said before, that the award on sugar which gave rise to all of this discussion was made in perfect good faith, and with the idea that it was cheaper in New York and Omaha than in San Francisco. There was no carelessness on the part of anyone in doing the figuring. None of those doing that, and there were some very competent ones among them, knew anything of a transcontinental commodity rate; and the fact that it did not develop that there was such a rate, as far as this office knew, until after the award of goods, and the awards were promulgated, would lead to the conclusion that very few people did either.

"But, be that as it may, I thought the award was right then and after a full review of all the circumstances of the case, I am not prepared to admit differently even now. For, while apparently the award may have saved the Government money by taking the sugar in San Francisco, there are other things to be considered which, in some instances at least, would make economy of secondary importance.

Time an Important Element.

"The element of time cuts an important figure. The year begins on July 1, and if the contract sugar does not reach the nation's granaries in time for the start of that month it has to be purchased in open market at a considerably increased cost over contract rates. If there should be many of these open market purchases, the apparent saving by taking the sugar in San Francisco would soon disappear. So far not a pound of sugar has been shipped and, as the San Francisco contract was just approved, it is not probable that there will be any sugar coming in. The movement of sugar should have begun not later than the middle of June. It has not begun yet from any quarter.

"Besides these, there are other considerations which have an important bearing in the case, and which can not be measured by the arithmetic of gold and silver. The San Francisco bid even had I known at the time that it would have been cheaper to do so. Underneath, this is not meant as a reflection upon the department in any way on account of its action in changing the award, but is simply my own individual opinion. And just here I note that the award was made in April, while in Chicago in April was \$1.25, while in San Francisco two months later it was \$1.25—8 cents higher, although I am not aware that there has been any material increase in the trade.

Favored Not Slighted.

"But to go back and show that San Francisco has not been slighted, but has been signally favored:

"The letters being in that city in the late '70s and were held there, I understand, to give what was called the Pacific Slope a portion of the Indian business. At first, and for a number of years, the territory supplied was limited to Washington, California, and a little corner of Northern Idaho. In 1884 there were 17 agencies and schools in this territory which were increased somewhat in subsequent years by the growth of the school system and by the direct action of this office. In the latter part of 1886, during the administration of my predecessor, the San Francisco merchants sent a representative here praying for an increased share of the Government business. To a certain extent their prayer was granted. Again in January, 1890, during my administration, they sent a representative urging an extension of territory. Again they were favored; so that now, instead of the three states I have named, San Francisco supplies the Indian service in all of Arizona, California, Oregon, Washington and Nevada, and a part of Idaho and New Mexico.

"What has been the increase in business? Compare 1899—I take that year because the record happens to be convenient—with 1902. In 1899, there were shipped from San Francisco to eighteen agencies and schools 62,000 pounds of supplies, costing \$45,000; while last year 36 agencies and schools were supplied with 2,400,000 pounds, costing \$125,000. Does that look as if San Francisco has been slighted?

If Economy Were All.

"The San Francisco people, or rather the association claiming to represent them, put its claim for the sugar award on the ground that it was in the interest of economy, and 'in the interest of the Government.' These are correct principles and are the ones by which this office is governed. But 'the interest of economy' is one thing and 'the interest of the Government' is something quite another. Let us see how San Francisco would have fared if the former only were applied. We will take some things from last year's business and some from this year's, which will indicate fairly what has been going on for the last 25 years.

"Last year we purchased at the San Francisco letting about 18,000 gallons of syrup at a cost of \$6840; it could have been bought in Chicago for \$4914, a saving of \$1926, or 28 per cent. Last year we bought 15 wrought-iron kettles in San Francisco for \$71.25; these could have been bought in Chicago for \$38, a saving of over 46 per cent. Last year we bought 2000 pounds of sugar in San Francisco at a cost of \$228; they could have been delivered in the East for \$165, a saving of \$63, or 27 per cent. These three articles alone furnished a saving of \$2664, or 38 per cent.

"Coming to this year, we have a contract for coffee delivered in New York at a cost of \$6040; it could have been bought in Chicago for \$4914, a saving of \$1126, or 18 per cent. The San Francisco award was \$7.25 per 100 pounds, a difference of \$1.22 per hundred in favor of New York. By actual figuring the \$7.50 pounds awarded for San Francisco can be laid down at its destination from New York for \$20, or 7 per cent less than from San Francisco. Syrup was awarded in San Francisco for 25 cents per gallon; our contract price in Chicago is 21.6 cents—3.4 cents per gallon, or over 12 per cent cheaper.

"It will not do to say that the articles offered in San Francisco are better than

those contracted for in the East. If the latter articles are good enough for the great bulk of the Indian service they are good enough for the remainder. Neither will it do to plead cheaper transportation. It is admitted that there is a difference in favor of San Francisco in this respect, but no such difference as to overcome 10 cents per gallon on syrup or \$1.22 per 100 pounds on coffee for 25 per cent, 46 per cent, 27 per cent or 28 per cent on other articles.

Heads Should Work Both Ways.

"Whether the difference in prices, which I have pointed out, would have been noticed or not if the sugar controversy had not arisen I cannot say. Possibly not, although in the past high prices in San Francisco were observed and certain awards canceled. But now that my attention has been called to it, if the phrase of economy is to be observed in one case, it should be observed in the other. If I cannot see why it should not be observed in it, it is a poor rule that does not work both ways.

"Comparisons, I know, are odious, and it is not my object in making them to reflect in any way upon San Francisco or its merchants, but from them it is my purpose simply to show that if the interest of economy alone was considered, San Francisco in many things, to use the phrase of the street, 'would not be in it.' If asked why these things have been continued all these years I can only say, as I said a little while ago, that there are some things that cannot be well expressed in dollars and cents and probably this is one of them. Sometimes the 'interest of the Government' takes precedence of the 'interest of economy.' It is probable that this was the controlling factor in giving the 'Slope' at that time exceedingly remote as far as communication was concerned, a portion of the trade. Certain it is it has been all these years without competition.

"In the East different cities have to compete for the business. San Francisco alone has enjoyed the exclusive privilege of supplying a large and increasing territory, all by itself, and at its own prices. Whether this state of things should be continued or not is another thing. It has probably gone on undisturbed for many other things because nothing has occurred to bring it prominently into notice. But tempora mutantur, etc., etc. Conditions change also, and now the sugar discussion has brought this matter to the surface it may lead to a rearrangement of the Indian business on more business-like lines in the future.

Real Fight of San Francisco.

"And now I want to notice a radical change of attitude on the part of the Manufacturers and Producers' Association, which is complimented so highly for its action in the sugar matter in the columns of the Chronicle. When the matter was at that association professed to be actuated solely with a desire to conserve the interest of economy and the interest of the Government. Now, it is to make as good a showing as possible in this year's business so that San Francisco can get a permanent warehouse, and to that end it would have all the business for the territory I have named awarded to San Francisco, whether its prices were high or not. Its anxiety for the 'interest of economy' seems to have disappeared altogether.

"It is not only perfectly legitimate and laudable for San Francisco people to look out for their interests, but it is their duty. It is equally the duty of the representatives of the Government to look out for its interests, and in doing so their duty is not local and they must consider the welfare of the whole and not of a part only.

"As I told the Chronicle before, I favored the establishment of a permanent warehouse in its city last Winter and am willing to do so again, although the Indian business, so far as the providing of supplies is concerned, looks like a diminishing return upon the department in any way on account of its action in changing the award, but is simply my own individual opinion. And just here I note that the award was made in April, while in Chicago in April was \$1.25, while in San Francisco two months later it was \$1.25—8 cents higher, although I am not aware that there has been any material increase in the trade.

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FIFTH AND WASHINGTON STS.

OLDS, WORTMAN & KING

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Second and Final Week of Our Grand 25th Anniversary Sale

There never has been a sale like it in Portland. Selling opened with a rush last Monday, and there's been no let up since. We've been keeping wise mothers puzzled with the sales of Summer needfuls here lately, and there's going to be more excitement than ever here this week. So, now for the final wind-up and garrison finish we'll show you the starting point of modern retail supremacy in Portland, and when this great sale is over you'll all look forward one year hence and eagerly watch for this wonderful trade event to come again. Your money never had such power as it has today in this masterful store.



Hosiery and Knit Underwear

Section. Opportune values for this week. Splendid variety and prices that will set you wondering how on earth we do business.

Ladies' white cotton lace-trimmed knee pants, regular 25c, special, 18c

Ladies' extra size white hosiery, 50c values, special, 35c

Ladies' long neck, sleeveless, white hosiery, 50c values, special, 35c

Misses' cream cotton union suits, sleeveless, knee length, values from 19c to 25c, special, 15c

Ladies' fancy hose, great assortment of shades and different designs, all good 50c values, special at, 35c

Ladies' extra size white cotton vests, high neck, long sleeves, 50c values, special, 23c

Ladies' fine ribbed black hose, heavy or light weights, fine or double ribbed, 50c values, special, 19c

Children's black cotton hose, heavy or light weights, fine or double ribbed, 50c values, special, 15c

Ladies' all-soft knit supporters, silk elastic attached, the velvet grip kinds, all sizes and shades, 50c values, special, 65c

Children's Dresses for Half

In the busy undermulin section, second floor. The anniversary sale makes shopping a real pleasure here, for what woman doesn't like to get two articles where she'd only planned for one? Wise mothers are laying in a supply for future use of these cool, pretty, durable, stylish dresses at half price. Not a mere sprinkling where you'll find you'll have to take this, but so many beauties you'll wonder just which to take. But remember, the half-price will send them out with a rush, so we can't promise many for late buyers. All kinds. Calico play dresses, percale, madras, seersucker, linen, etc. Price hints:

25c Your choice of values that sold up to \$1.25

59c Your choice of values that sold up to \$1.25

\$1.48 Your choice of values that sold up to \$4.48

\$2.37 Your choice of values that sold up to \$6.00

97c Your choice of values that sold up to \$2.00

Attractions in Linen Section

Fashion changes, and makers oftentimes sell seasonable merchandise for half price, but who cares for fashions in linens and towels? So this chance to buy the best of all linens, "Richmond's," at 25 per cent less will be appreciated. A jumble of prices follows:

NAPKINS

Some specially good things in pure linen napkins, slightly soiled in handling, at special prices, per dozen, \$1.25, \$1.25, \$1.25, \$1.25, \$1.25, \$1.25

TABLE CLOTHS

Some beautiful 84 inch cloths, exceptional values, special, \$1.25

\$1.25 special at, \$1.25

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BLEACHED DAMASK

The Richmond's make, which is a positive guarantee, you're getting the best money can buy. For this week only at these prices:

16 in. wide, per yd., special, 45c

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Take Wash Goods for Half

Today begins the long procession. Exit Summer cottons. Every piece is marked down to half its real value, so as to make quick, sharp work of the whole business. We promise some stirring times when bargains like these are offered:

12 1/2c per yard includes all our 30c and 35c Scotch dimities, batistes, ribbon ties, lace lawns and leno stripes, all the most beautiful colorings, in floral and stripe effects.

12 1/2c a yard, all our regular 30c and 35c crash suitings, in shades, natural ecru, navy, checks and plaids. The most suitable of all dresses for outing dresses and skirts.

20c a yard, a handsome showing of all our most popular 50c, 60c and 75c grenadines and silk and guinea batistes, in satin stripes, hem-stitched and raised-cord effects, all imported and most desirable for thin Summer dresses.

ONE-THIRD REGULAR PRICE—We have placed in all about 500 handsome waist lengths, in any wanted color or design, in mercerized and silk-finished effects, light or medium weights, all marked in plain figures and you simply take one-third off.

First floor.

Folks Come for Costumes

Half price, most of them. Is it any wonder that women who know what our promises mean should come from far and near to buy these beautiful gowns at less than half the real value?

Suits Worth to \$38.50 for \$14.98

Suits Worth to \$18.50 for \$7.98

The offer does not apply to a few slow sellers or sprinkling of such as you'd not be proud to wear. But they're real anniversary sale bargains, that's all.

You should now, if you did or did not. Waists in light, medium or heavy-weight materials, dainty lawns, solid white linens and fancy figured silk-finished fabrics, with trimmings of lace, drawn threads or embroidery. The price hints are:

8c for values to \$1.75