

SPECIAL

After Inventory Sale

APPLES

FANCY ROME BEAUTIES
Now \$1.25

COFFEE

SEE WINDOW FOR PRICES

It will pay you to lay in a supply for the next few months.

Phelps Grocery Co.

TO BUILD SHIPS AT COST PRICE

Bethlehem Steel Will Make Offer to Uncle Sam.

BIDS ON 16 INCH NAVY SHELLS

No Chance For Profit In Them Under Present Tests, Grace Says—Possible Explanation of the Prices Made by an English Firm Which Bids Under All American Manufacturers.

Speaking recently before the Terrapin Club of Philadelphia, Eugene G. Grace, President of the Bethlehem Steel Company, said in part:

In a peculiar sense Bethlehem Steel serves the American people.

For example, though we have been able to obtain in Europe almost any price, we have adhered, in our charges to the United States Government, to the basis of prices established before the war began.

We agreed—if the Government would abandon its plans for a Federal plant—to make armor for our Navy at any price the Government itself might consider fair.

Our ordnance plants are at the disposal of the nation at a fair operating cost, plus a small margin, thus saving the Government investment and depreciation.

One of the special needs of the new navy is sixteen-inch guns—guns sixty feet long and capable of hurling a 2000 pound shell with such power and accuracy as to hit a 50 foot square target fifteen miles away.

We have undertaken voluntarily to construct, at a cost of \$1,500,000, a plant fitted to build sixteen-inch guns.

Under no conceivable circumstances can orders which we may receive for this plant pay even a fair return on the investment.

Considerable comment has been made upon the fact that a British manufacturer recently bid less than American manufacturers for sixteen and fourteen-inch shells for the navy.

I am unable to state the basis upon which the English bid was made. It should be remembered, however, that this bid was for a specific shell, samples of which are being sent over for test—a test not yet made.

Two years ago we took an order for 2400 fourteen-inch armor-piercing shells at a contract price of \$768,000, to be delivered within a certain time or we had to pay a large penalty.

The only specifications for making these shells are that they shall be of a certain size and must pierce armor-plate at a certain velocity on impact. It is impossible to foretell the exact conditions of the tests.

We had made large quantities of shells in the past which had been accepted. But in placing this particular order the Department altered the angle at which the tested shells must pierce armor-plate. The result, however, has been absolute inability on our part to produce in any quantity, shells which will meet these novel tests. In fact, we know of no process of projectile-making through which it is possible to produce in quantities shells which will conform to the requirements.

The result is that up to now on that contract of \$768,000, we have put into actual operating expense \$417,881, and have been penalized for non-delivery \$350,744, a total of \$768,625, with no receipts whatever.

Such was the experience in the light of which we were called upon recently to bid for sixteen-inch shells.

We bid on these shells at approximately the same rate per pound as that of a fourteen-inch shell contract of one year ago upon which the Government awarded contracts.

We have not the slightest idea what profit there will be in the making of these shells. We do not know that there will be any. There is no certainty that it would be possible for us to deliver a shell to meet the test.

For officers in the Navy to assume that any bid made under such conditions is "exorbitant" is utterly unfair.

We bid on the new battle-cruisers guns which Navy department experts, after examination of our books, found would yield a profit of less than ten per cent. We agreed to assume risks for increased costs of materials and labor, that made it possible that these contracts might yield no profit whatever.

The costs run beyond the amount appropriated by Congress on the basis of the cost estimates made a year ago.

And because shipbuilders could not alter the insurmountable cost facts and reduce bids to early estimates of the Navy Department, the prices are called "exorbitant."

It would be a real advantage to be relieved of this usual construction. The profit from it cannot possibly amount to much, and the responsibility is enormous.

We have determined to make this offer to the American Government.

"If you will build two of the battle-cruisers in Government navy yards, we will build the other two at the ascertained cost of building the ships in the Government yards, without additional expense or commissions of any kind. We will also contract to have our ships ready for service ahead of the Government ships."

AT MINOR & COMPANY FOR YOUR MID-WINTER NECESSITIES NOW

SOME SUGGESTIONS

FURS We have an excellent display of furs, Muffs etc. In the varieties of Squirrel, Coney, Fox. A supply of furs from which all can make satisfactory selections.

BLANKETS Our assortment of wool and cotton blankets cannot be excelled, plain and fancy, Prices from \$1.00 to \$12.50

SWEATERS A real showing of real sweaters. Reds, greens, greys, browns, in fancy stripes, novelty belts and plain designs.

WE SOLICIT YOUR PATRONAGE

MINOR & COMPANY
GOOD GOODS

LOCAL

Business was up from Lexington Wednesday, transacting business.

Engaged in the business with Ralph Heppner, brother Joe, and friends in Heppner.

Bethlehem's Bid on Shells for the United States Navy

The Secretary of the Navy has awarded contracts amounting to over \$1,000,000 to a British bidder for 14 and 16-inch projectiles for the Navy because of very much lower prices offered by the English bidders.

We know nothing of the basis upon which the British bids were made, but the public is entitled to know the facts upon which we ourselves bid for this work.

Two years ago we took contracts to make 4,200 14-inch shells at a price of \$1,515,000. Up to now not a single shell has been accepted by the Government, although we have expended, in wages, materials, etc., on these orders \$522,001, and we have not received a SINGLE DOLLAR on these contracts.

In addition, a literal interpretation of the contract might make us liable for a penalty amounting to \$678,015.

In the light of our experience, and having no other basis, we bid for 16-inch shells approximately the same rate per pound as that which the Navy Department actually awarded a 14-inch shell contract one year ago.

Bethlehem Steel Company

CHAS. M. SCHWARZ, Chairman
EUGENE G. GRACE, President

for several days last week.

J. W. Stevenson was a passenger Saturday morning for Pilot Rock.

Prof. and Mrs. Wm. Livingston are the parents of a daughter born on Jan. 29, in Portland. The parents spent last summer in Heppner.

Contractor Johnson has just finished a number of repairs in the County Court house. The work was mostly in the School Superintendents and Sheriffs' offices.

Lon Wattenberger, who farms a large ranch on upper Butler Creek, opened an artesian well on his place Saturday. The well is deep and runs about 50 gallons per minute. It is located right near the house and will be very convenient, as well as adding greatly to the value of the property.

J. Orve Rasmus has taken over Heppner agency of the Walter-Williams Hardware Company of The Dalles, and has opened sales rooms in connection with the Heppner Garage and Accessory Department in the Yeager Bldg. Mr. Rasmus will sell Ford and Dodge cars and accessories, advising the Heppner public of a full line of parts in stock at all times.

S. METZ & SONS

IMPORTED AND HOME BRED
PERCHERONS, BELGIANS, SHIRE STALLIONS
AND JACKS

Come to Pendleton, Oregon, and we will show you 40 head of stallions that you will say are real drafters. Best of bone, cleanest lot of stallions you ever saw under one roof. Our stallions won first and Grand Championship at the leading State Fairs this fall, which shows you the kind you will expect to see when you visit our barns. If you want the best and the most for your money be sure and visit our stables where you can see more stallions than at any other place in the Northwest. We know we can please you, prices right, terms to suit. Every horse guaranteed to pass State Inspection. Reliable guarantee. Write us for information, or better still, come and see us.

We have 80 head of registered Hereford and Shorthorn Bulls all of servicable age for sale. 80

S. METZ & SONS Commercial Barns,
PENDLETON, OREGON.

LOST, FOUND, ETC.

Watch the shows at the Star Theatre this week.

Baled Hay and Grain for sale at White Front Barn.

W. T. McRoberts.

Remember your light and water bill is due the tenth.

Heppner Light and Water Co.

WANTED

To trade residence property in Salem for Heppner property.

See Glenn Y. W. lls.

RUGS

Varied and Universal. Ranging from a Crex grass to a Persian Silk are now on display at The Case Furniture Co. Store.

First class furnished house-keeping rooms. Mrs. G. W. Swaggert.

Quality, Service & Sanitation

Our Fresh Meats are the best in the City. Our Extension Cooling Plant assures Fresh Sweet Meat at all times.

If you are eating our Hams and Bacon you know how good they are. If you are not we are both losing. Phone us your orders, we guarantee entire satisfaction.

City Meat & Cold Storage Co.

Johnson Bros., Props.

FOR SALE

GOOD YOUNG WORK MULES

GUY BOYER