

County Court Answers Charges

As stated in my first or introductory reply to the recent charge of the grand jury, I am endeavoring, as rapidly as I can gather the material together, to prepare a specific reply to every specific charge or reflection made in the said report.

Until our accountant assures us that all items to which we might refer in discussing the financial condition of the county's affairs are dependable and a correct part of a true trial balance, we must content ourselves with a discussion of those other phases or items of the said report which may be answered intelligently at this time.

Such an item is the question of culverts. Believing that with only so much material in our possession as we have we can quite thoroughly convince all honest minds seeking facts and free from prejudice, that out course in a business like sense has been above criticism regarding the very serious charge made against us in connection with this item, we will confine this second reply to that subject.

The grand jury in its report on this subject had the following to say: We are using the exact language:

Metal Culverts

"The county has purchased metal culverts that cost the sum of \$31,323.19 within the last year, and they are scattered under and over the ground from one end of the county to the other. The sum of \$18,720.69 has been expended for new road machinery, and this was all bought from one firm. All of the culverts excepting one order, \$3,759.20, have been purchased from the same firm as the road machinery.

"We also have a shrewd suspicion that the Coast Bridge Company, from which has been bought several thousand dollars worth of bridges, and also the Northwest Steel company, from whom the court house steel was bought, belong to the same bunch of associated companies which enjoy to so great an extent the patronage of our county court.

"Whether these large purchases have resulted in personal profit to any of our local people we are not in position as yet to prove, but we do know that Lake county bought culverts of the same kind at the same time from the same company, shipped from the same warehouse in Portland at from 25 to 50 per cent less than the price that our county court paid. For example, 18-inch nestable culverts were bought as follows:

County	Date	per foot
Lake	August 9, 1911	\$9.896
Klamath	December 28, 1911	1.485
Lake	October 11, 1912	9.993
Klamath	May 23, 1912	1.485

"On February 29, 1912, the same company offered to sell these culverts to Lake county for \$9.72 per foot.

"These prices are all f. o. b. Klamath Falls for Klamath county and f. o. b. at Alturas, California, for Lake county, which was their nearest railroad station.

"The two cars bought by Klamath county December 28, 1911, and January 4, 1912, cost us \$12,618.90, delivered at Klamath Falls. These same culverts would have cost Lake county \$6,154.65 delivered at Alturas, the nearest railroad station, which is twice as far from Portland as is Klamath Falls, all shipped and sold by the same firm from the same stock."

Before going into the full discussion of this culvert question, I would like to emphasize right here what I feel is the unconscious and entirely innocent error into which the grand jury has fallen, a simple explanation of which should wipe away all reasonable doubt in their minds or in the minds of other equally fair minded men.

In the above table of prices at which Lake and Klamath counties bought their culverts, the grand jury gives the prices of "18 nestable culverts." It is in that word "nestable," I believe, that the simple secret of the error lies. The grand jury has evidently taken it for granted that this was all one kind of culvert material. Now, "nestable" means nothing more or less than "knocked down," a term so simple as to need no further explanation to any man. "Nestable" culvert does not say that Lake county bought "nestable steel" culverts, or "knocked down steel" culverts, and that Klamath county bought "knocked down American Ingot Iron" culverts. Yet that is the true explanation of the above table of prices.

The grand jury evidently felt in good faith that "nestable" told the entire story of the quality of the culvert material, hence they said we bought the same kind as Lake county. As a matter of fact, "nestable" tells nothing. I explain this whole question later herein.

When the present county court

commenced its road work during the year 1911, it sought to replace the many wooden culverts throughout the county which had proven of such great annoyance and expense as to be no longer permissible. Anyone who traveled the roads prior to the beginning of our road work remembers well the multiplicity of these culverts throughout the irrigation district and other parts as well, remembers the rotten wooden bridges with planks broken or breaking and the damage and inconvenience to vehicles of all description.

The court ascertained that there were many kinds of culverts on the market, and sought to secure one which was dependable, of long life, and sold by some reliable concern on the coast who could be gotten at in case of misrepresentation. It finally decided to buy the American Ingot Iron corrugated culvert pipe made by the Security Vault and Metal works, now the Coast Culvert and Flume company of Portland, Oregon, a reliable concern, whose guarantee is sound and who would be liable in case of misrepresentation. This concern handled at one time several kinds of culvert, but only stood back of the American Ingot with a guarantee. They advertise as follows:

Please read the following statement with care, and compare the prices given in the tables below and note what the company has to say relative to the quality of the said culvert.

The following is their own advertisement for American Ingot Iron:

American Ingot Iron Pipe Corrugated Culvert Pipe

Diameter	Gauge	Price per foot
8 inches	16	\$9.64
10 inches	16	9.77
12 inches	16	9.77
12 inches	16	9.90
15 inches	16	1.08
18 inches	16	1.29
21 inches	16	1.50
24 inches	16	1.69
27 inches	16	1.92
30 inches	14	2.46
36 inches	14	2.95
42 inches	14	3.47
48 inches	14	4.20
60 inches	14	5.22
72 inches	14	6.21
84 inches	14	7.50

American Ingot Iron culverts are the best it is possible to buy. They cost a little more, but they are more than worth the difference in price. American Ingot Iron is pure iron, 99.84 per cent pure. No other metal was ever guaranteed to test up to this standard.

The process of manufacturing it is costly, consequently American Ingot Iron costs more than steel, and therefore we have to charge a little more for the culverts.

The big railroad companies pay the difference in price, for they know that they cannot afford to use anything but the best.

Ninety per cent of the culverts being sold in the Northwest are American Ingot Iron.

Now notice their own advertising about steel corrugated culvert pipe. Below we give out prices on galvanized corrugated steel pipe.

This culvert is made of full gauge plate and constructed in a thorough and workmanlike manner. It is not to be confused with the inferior scant gauge pipe being offered by some manufacturers.

Now note the prices:

Diameter	Gauge	Price per foot
8 inches	16	\$9.43
10 inches	16	9.53
12 inches	16	9.60
15 inches	16	9.72
18 inches	16	9.86
21 inches	16	1.00
24 inches	16	1.13
27 inches	16	1.28
30 inches	14	1.54
36 inches	14	1.97
42 inches	14	2.32
48 inches	14	2.80
60 inches	14	2.80
72 inches	14	4.14
84 inches	14	5.00

Note—No manufacturer can conscientiously recommend steel pipe to a customer. The first cost is a little lower, but it is the most expensive investment that can be made in the end. However, we carry a stock of steel pipe on hand, and are prepared to make prompt shipments to those who care to use it. Our steel is the best open hearth variety, and is thoroughly galvanized.

Don't expect a steel culvert to last. IT WON'T.

We have given you directly above the exact way in which these people advertise their own goods. Your own choice can be taken. The county court decided that the American Ingot Iron was the cheapest in the end, since it would last for a lifetime,

while the steel culvert pipe is good for a period of from five to eight years only.

After reading the said report the court wrote to Beall & Co., of Portland, Oregon, for an explanation as to whether it had been fooled or been misrepresented by that firm, and as to whether it were true that Lake county has been getting better prices than Klamath county for the same kind of goods. Under date of December 31st, the county court received the following letter from Beall & Co., addressed to the county judge, and reading as follows:

"Dear Sir—Replying to your inquiry for explanation relative to the difference in price of culvert purchased by your county and of that purchased by Lake county, we are enclosing herewith our regular printed price sheet, showing the price at which we furnish American Ingot Iron and Steel culvert.

"You will notice that in all cases we have charged you the regular price on American Ingot Iron culvert, the same price we charge in all cases on this culvert, and furthermore, all the culverts purchased by your county was of heavy standard gauge and carries our absolute guarantee as the best culvert on the market today at any price.

"If you will compare the prices charged Lake county with our printed price list, you will find that we charged them our regular price for the Doped Steel culvert, less the regular discount on same, for Lake county did not buy American Ingot Iron culvert till recently, and only then because on the larger sizes of culvert ordered by them we were afraid to make it out of doped steel, as we were fearful of the usual result in steel culvert of that size, namely, rust, which would affect the steel in a year or so, causing it to crush in, resulting in much dissatisfaction and possibly actions for damage that might arise, and on this small lot of large size culvert made out of American Ingot Iron we made Lake county a concession of ten per cent from our regular price, and believe it was wise for our firm to do so under the circumstances; in addition Lake county paid us spot cash for this culvert, not even waiting for the audit of the regular board, and issued us check for same.

"The culvert purchased by Lake county in 1911 was even lower in price than that printed in our list, for in that year there was a great deal of competition, which sprung up from the use of a cheap grade of steel and we, thinking that we might have to furnish that grade of culverts, purchased a stock of steel to meet it. This stock laid dead on our hands, as up to the time we sold this order to Lake county we had never before sold a dollar's worth of it, and our firm issued orders to the salesmen to clean that stock up and get it off our hands at any price.

"These steel metals mentioned here do not conflict with our prices in any way, and we never recognized them as competitive features against American Ingot Iron. At best they are only good for from five to eight years in ordinary soil, while we absolutely stand back of American Ingot Iron as non-rusting, and your county has made no mistake either as to price or the quality of your culvert, as it will last a lifetime.

"More than 90 per cent of the counties in Oregon, Washington and Idaho are using American Ingot Iron culverts and are buying it at the very same price that your county has paid. I may also add that in the more than 75 per cent of the new railroad construction in the Northwest American Ingot Iron has been specified as against any other metal.

"Your county court has used good judgment in the purchase of this culvert, for wherever they are put in it means absolute permanency, and the end of culvert trouble for all time.

"Trusting this letter gives you the information you desire, we beg to remain. Yours very truly,

"BEALL & CO."

The above is what the people who sold the culvert to both Klamath and Lake counties have to say for themselves, and we believe it to be true. We never knew what Lake county had paid until we saw the prices given in the above mentioned report.

We desired to do only permanent work that would outlive us, and in other words, the best of construction so that the county would never again be put to expense for even repairs to this construction within a period of a lifetime. After receiving the above letter from Beall & Co., we wrote to the Honorable Helmus W. Thompson, County Judge of Lane county, asking him what prices Lane county is paying for American Ingot Iron, saying we desired his prices for comparison.

Under date of January 4, 1913, we are in receipt of the following letter,

written to the county judge and reading as follows:

"Dear Sir—I received your letter of recent date, and I am enclosing a copy of the items in our last order for culvert. This price is f. o. b. Portland. The items are as follows:

8 inch nestable culvert	\$9.64
10 inch nestable culvert	9.77
12 inch nestable culvert	9.90
15 inch nestable culvert	1.29
24 inch nestable culvert	1.59

"If I can do anything further for you, please command me. Yours truly,

"HELMUS W. THOMPSON, County Judge, Lane County, Eugene, Oregon."

Under date of January 10, 1913, we are in receipt of the following letter, written to the county judge, and reading as follows:

"Pendleton, Ore., Jan. 10, 1913.

"Dear Sir—In regard to your inquiry as to the price charged Umalla county for culverts, the last invoice which we received for culvert was from the Coast Culvert & Flume company of Portland, Oregon, for Ingot Iron culvert, for which we paid as follows:

12 inch	\$9.90
15 inch	1.08
18 inch	1.29
30 inch	2.46
36 inch	2.95

F. O. B. Portland.

"I hope this gives you the information which you desire, and I assure if there is any further information as to other equipment, that would be of benefit to you, I will be glad to answer any inquiries. Very truly yours,

"H. M. COCKBURN," County Commissioner."

Under date of January 11, 1913, we are in receipt of the following letter, written to the county judge and reading as follows:

"Astoria, Ore., Jan. 11, 1913.

"Dear Sir—Answering your inquiry as to prices Clatsop County has been paying for culvert, will say that we buy our culvert from the Coast Culvert & Flume company of Portland, Oregon, through Beall & Co. of Portland, and our last invoice reads as follows:

12 inch	\$9.90
15 inch	1.08
30 inch	2.46

"If you desire the price of any other sizes, let me know, and I will investigate further, provided we have purchased any larger culvert. Yours truly,

"EDW. J. JUDD, County Judge."

Under date of January 11, 1913, we are in receipt of the following letter, written to the county judge, and reading as follows:

"Baker, Ore., Jan. 11, 1913.

"Dear Sir—Relative to your inquiry of the price Baker county paid for culvert, will say our last invoice is dated December 9th, from the Coast Culvert & Flume company, Portland, Oregon, and the prices charged us are as follows:

12 inch	\$9.90
18 inch	1.29
24 inch	1.69
30 inch	2.46
36 inch	2.95

"If you have purchased at a different price I will be glad to have you return this favor by notifying me, as we desire to get as good prices as anybody else on our purchases for the county. Yours very truly,

"W. J. WELCH, County Commissioner."

If you will refer back to the first price list of American Ingot Iron you will find that these prices agree exactly with the list given there, and the prices are f. o. b. Portland, the same as Klamath county has paid in every particular, where purchases were made from this firm. Lane county is one of the most progressive counties in the state in road work, and has accomplished a great deal in that capacity during the last year. Like Klamath county, it has sought to do only permanent work, and has therefore confined itself, we are advised, to the use of American Ingot Iron. We have not taken the trouble to write other counties, thinking, perhaps, this comparison would be of equally as much force as that made with Lake county.

The report mentions that in one particular we purchased an order from some other firm which was doing business in Portland, amounting to \$3,759.20. The firm has since discontinued doing business.

An agent with a catalog came to our office and offered us something just as good as American Ingot Iron, with a discount of 10 per cent to the county if we would give him an order. We foolishly made a contract with him for the same, and the county received the benefit of the deal and the 10 per cent which he agreed to give. We were over two months receiving the order, and sent letter after letter and telegram after tele-

gram urging the shipment to be hastened, since our road work was progressing and we needed the culvert very badly. It turned out that the firm in Portland did not have the stock on hand, had to send East for the same, and when it arrived we found it to be inferior to the American Ingot Iron. It was difficult to put together, and every road man in our employ requested that we purchase no more of the stuff, but to confine ourselves to the purchase of the former kind of culvert. We admit, unblushingly, that we erred in this deal, that we were victims of misrepresentation, and merely answer that we wish that there had not been this one exception.

Our experience in endeavoring to take advantage of a better price offered us for this one order of culvert was very costly, and proved to us conclusively that there is a wide chasm of difference between doing business with reliable concerns whose business statements are always backed up by dependable goods, and unreliable concerns who make any kind of a business statement to get an order, and who never deliver you goods true to name or specification because they know they cannot expect a second order. We, therefore, admit that after this one effort to secure better prices for culverts, we went back to the concern whose promises or business statements we have never found to vary in one single instance. We would do this in our individual business, and we did it as we believed then and feel now in the interest of and for the best good of Klamath county. It came to a decision with us merely of whether we would experiment with unreliable concerns at proven loss to the county because of inferior quality of material, even though at a lesser price, or hold to a course in our purchasing where we could find no mistakes.

Regarding the suspicion that the Coast Bridge company and the Northwest steel company belong to the same bunch of associated companies which enjoyed to so great an extent the patronage of the county court, we would not consider it strange if this were so, although we have never had occasion to have our suspicions aroused by anything that looked like a community of interests between these two concerns, and so far as our knowledge goes, there is none. It is so well known a fact, however, that the ramifications of the entire steel industry, starting from the United States Steel trust itself, spread out into so many unseen combinations of trade, manufacture and transportation, that it would be almost an impossibility for any one doing a large business, whether a corporation, individual or a county, to get to the best markets and to the best manufactured articles without patronizing the same common owners doing business under different business names.

We can hardly see why the county court should become an object of suspicion or even of criticism in its transactions, even with a monopoly—if such should prove to be the case—when the whole world realizes that the day of monopoly is here to stay, and that no business concern can do business without patronizing it.

Members of the grand jury, if they happen to be engaged as individuals, for instance in a farming industry, would have a very serious time indeed to escape patronizing a monopoly, try hard as they might. They might even be given to understand that they were patronizing an independent competitor, and yet, in actual fact, be patronizing the most influential concern of a group of monopoly owned enterprises. For instance, in the purchase of reapers, binders, plows, and other farm machinery. So unless we had been charged with the improper use of the county's funds in patronizing any of these concerns, or all of them, we must confess that we fail to see how any criticism can lie against us on this score. The Klamath county court has the right to purchase in open market quantities of merchandise, at whatever favorable prices it is pleased to accept, and it is not compelled by law to accept bids therefor, and may, in its judgment the quality of material, the time of the delivery and the reliability of the person of firm who sells the goods enter into consideration, accept such price as it sees fit.

"Whether these large purchases have resulted in personal profit to any of our local people we are not in a position to prove," continues the report. If that refers to local tradesmen through whom we might have purchased our culverts, we have no hesitancy in saying that we purchased them direct for the one good reason that there is no local concern engaged in the wholesaling thereof, and to have purchased through the latter it would merely have meant the payment of a still higher price.

We would have expected to have been criticized for this latter course, but we did not and do not see how we could be censured for buying direct from the most reliable concern we could find, at the best price we could

secured. It should be remembered that in all these purchases our general fund warrants were taken at par, notwithstanding that our home people were insisting on a discount in the purchase of warrants from persons who had received them from the county.

In conclusion, in our decision to purchase American Ingot Iron as against steel culverts, we had this one problem to solve: Should we pay \$1.29 per foot for a culvert material that would last a lifetime, or say fifty years, which not this generation, but the grandchildren of our children would have to replace, or should we pay 86 cents, or a third less, for a culvert material that its sellers admit will begin rusting within a year or two, and that will have to be replaced, not by the grandchildren of our children, but by ourselves, within five to eight years.

That being our problem, we solved it as we have done, by paying the higher price. If we were wrong we must accept and do accept the criticism that has been directed against us. Whether that criticism was justified or not, we as members of the county court cannot escape the belief that we have acted for the best interests of the taxpayers of Klamath county, present and future.

Respectfully submitted,
WM. S. WORDEN,
County Judge.

NO JURY CASES UNTIL MARCH; EQUITY CASES UP

There will be no jury trials in the circuit court until March, Judge Benson announcing that he will devote the intervening month to the hearing of equity cases, demurrers and motions. The jurymen were Saturday evening excused from duty until March.

A calendar of the motions and demurrers to be heard within the next few days follows:

Horsed Irrigation demurrer, January 20th at 1:30.
Peyton vs. Barnum, demurrer, January 21st, at 9 a. m.
Stiles vs. Evans, motion, January 21st, at 10:30 a. m.
Groesbeck vs. Muller, demurrer, January 21st, at 1:30 p. m.
McCormick vs. Bail, motion, January 22d, at 10:00 a. m.
Judge Benson this morning arranged the jury calendar for March, including all the criminal cases that are to be tried this term of court. The calendar as rearranged today, follows:
State vs. John D. Carroll, March 3.
State vs. Hunter Savidge, March 6.
State vs. Herbert Savidge, March 7.
State vs. J. F. Goeller, March 8.
Platt vs. Adams, March 10.
State vs. Davidson, March 11.
State vs. Chenoweth Umpqua, March 13.
State vs. S. L. Courtney, March 14.
Dalton vs. Marcho, March 17.
Donart vs. Hunsaker, March 18.
Star Drug Co. vs. W. H. Mason March 19.

The work of arranging a calendar of the equity cases to be brought up during February will be taken up at 9 o'clock tomorrow morning. All lawyers interested have been notified to be present.

MERCURY FIFTY BELOW; HE SIGHS FOR KLAMATH

Some of these people who have been complaining so bitterly of the little spell of cold weather experienced the past few days may feel like blossoming forth in "BVD" and low shoes if they remember that as yet the zero mark has not been reached, and then read the following extract from a letter.

The letter was just received by Captain O. C. Applegate from Fred Harpold, well known in Klamath county, and especially as an old resident of Bonanza. He thinks it a little frigid in the Saskatchewan, and he writes from Young's in that province, as follows:

"We are having some cold weather here. It has been 50 below, and I understand that it gets as low as 70 below.

"It is a dry cold, but when winter sets in it stays winter until it thaws out in the spring. Winter sets in a little too soon for me. Generally it starts about the middle of October and lasts until the middle of March.

"This is a good country in lots of ways, but I can't enjoy the long cold winters. I have been in several states since leaving Klamath, but have not been able to find any climate to equal Klamath county. California has some good places, but to take it all around, I would prefer old Klamath, where one can get the sunshine to his heart's content."

Dr. Truax reports the birth Sunday of a boy to Mr. and Mrs. Martin Pernell.

Alex Davis, a well known Klamath county cattleman, returned Sunday from a trip of inspection to the outside markets.