The News-Review

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GASOLINE WAR

By Charles V. Stanton

Roseburg gasoline dealers, for the most part, are working hard to avert a local price war. Looking at records of past conflicts elsewhere, it is understandable why they are so anxious to keep an all-out war from starting here.

If price cutting should become general, and continue over any prolonged period of time, it is expected that several fatalities would result among service station businesses. The percentage of business failures in some localities, as a result of gasoline price wars, has been as high as 60 per cent, dealers report. Undoubtedly a number of people would be thrown out of work, which this area can ill afford — at this time particularly.

Listening to conversation on the street, it becomes evident that a number of people don't understand the peculiar practices in the oil and gasoline business.

People seem to think that a dealer's profits will be increased if he can sell a large volume of gasoline and that a competitive, cut-rate deal will achieve that result. Actually that is true only to a point.

Every dealer, naturally, seeks volume of gasoline sales. But his profit is not exclusively in selling fuel. He makes a higher margin of profit from sale of accessories, tires, batteries, lubrication, oil changes, and other services than from handling gasoline. If, as has happened in gas wars elsewhere, he gets so busy selling gasoline that he can't perform the other, and more profitable, sidelines of his business, he can actually make less money than with smaller volume of gasoline sales.

Not Free Agent

The gasoline dealer is not entirely a free agent. He operates under a lease, franchise, contract, or has a working agreement with a supplier, through a local distributor. The distributor takes the bulk gasoline from the major company and distributes it to its several retail outlets. The dealer is permitted to charge a specified amount, over and above the delivered price.

National research figures are that the retail dealer must have a mark-up of from 5.9 cents to 6.1 cents per gallon to pay the overhead costs of his operation, such as his rent, insurance, labor, maintenance, etc. Another cent, or cent and a half, is needed to provide a profit.

When the cost of gasoline goes up it does not necessarily mean that the dealer is making more profit. His mark-up often remains unchanged.

It is true that the mark-up is higher than it once was, because the operator must pay more for help, for rent, and for all the materials he buys, the same as in any other business. He is subject to inflationary costs as is any businessman today. Competition, however, keeps his mark-up in line.

The price he charges for gasoline is dictated to him by the company from which he buys. Those people who think the local dealer is instigating the price war, if one originates, should think again. The retail dealer is not a free agent. He must do as he is told to do, with regard to price. Otherwise he is apt to lose his franchise and, if the company owns the property and facilities, he could also lose his lease.

Companies Fight

If criticism is to be voiced, it should be turned on the major companies, not on local dealers. Competition between oil companies is keen. Each is seeking competitive advantage. One will surround an area with cut-rate independent stations handling an inferior or off-grade gasoline at a lower price. That stirs a competitor up to drop the price at established pumps, with a view of putting the independents out of business and, perhaps, crippling the competitor's other outlets.

Because each of the major companies operates over a territory including several states, a war in which gasoline is given away in one locality doesn't affect the big company, which has only to boost the price a half-cent per gallon in some other area, hundreds of miles from the scene of the strife.

There is a difference of opinion as to how much, if any, the public benefits from a price war. The average motorist, naturally, likes to buy his gasoline a few cents cheaper. The retail dealer, on the other hand, says he can't keep up rest rooms, provide enough help, and give other services customers demand, unless he has a reasonable profit. When a price war is on, the dealer's margin of profit is cut, along with his over-all gasoline price. So, according to his viewpoint, no one benefits — public or dealer.

Bruce Biossat

The beginnings of America's steel industry are reckoned from the time just 100 years ago when Sir Henry Bessemer in England and one William Kelly in Kentucky developed nearly identical ways of producing steel quickly, cheaply and in large quantities.

As it observes its centennial in 1957, the industry can proudly take stock of its great accomplishments for America, the while it is looking ahead to fresh achievement in the century ahead.

This is the industry that has put the rigid backbone in our fabulous skyscrapers all across the land, has flung 60 million cars onto our streets and highways, has provided the sturdy frame for our multiplying factories and made our homes into veritable workshops of automatic machinery.

AMERICAN steel, too, was the tough muscle that enabled this country and its allies to strike victorious hammer blows at the enemies of freedom in two world wars. Today it provides the core of our continuing effort to keep new aggressors in check.

As early as 1890 the U.S. steel industry had pushed to the fore in the world. By January of this year steelmaking capacity had attained the record level of 133.5 million tons annually, or about 40 per cent of the world's total.

The industry employs 675,000 people in 270 communities spread over 35 states. Obviously it is basic to the American economy as is no other activity.

What of the future?

BENJAMIN FAIRLESS, head of the American Iron and Steel Institute, foresees structural marvels of stainless steel lending a wholly new aspect to our great metropolitan centers.

He envisions, too, that steel will play a vital part in the revolutionary developments that will bring incredible air transport speeds, still wider use of electronics, solar energy and atomic power in industry. The steelmakers' laboratories already are researching special steels to assist these advances.

American steel's first century has been one of the wonders of industrial civilization. Its second hundred years promise a new cavalcade of progress that should help to lift the living levels not only of Americans but perhaps many who live beyond our borders.

Afterthought

Russia's Lead On US In Nuclear Training Told

BROOKHAVEN, N.Y. (AP) — Dr. Milton S. Eisenhower said Monday "educators everywhere are worried" about the scarcity of teachers and students of nuclear energy, and warned that Russia is well ahead of the United States in training scientists.

Representing President Eisenhower, he opened the interamerican "atoms-for-peace" symposium Monday at Brookhaven National Laboratory, atomic research center.

More than 200 scientists and engineers from 21 Latin American nations and the United States began a five-day conference here. They are studying atomic energy needs and looking for ways to step up the use of it in South and Central America.

Dr. Eisenhower, citing the statement of an official of the Atomic Energy Commission (AEC) said: "The greatest obstacle to progress in the peaceful application of nuclear energy is manpower—not uranium or money."

Soviet Lead In Figures

"We face a constant challenge from the Soviet Union in this regard. As a result of planning, coercively applied, Soviet Russia will have graduated, in the period between 1950 and 1960, some 1,200,000 scientists and engineers."

At the present rate, he continued, the U. S. will turnout some 900,000 trained men in the same period.

Dr. Eisenhower, president of Johns Hopkins University, said: "Educators everywhere are worried about the scarcity of skilled distinguished teachers and advanced students. . . it is especially acute in the basic sciences and engineers."

Many Oregon Businesses Benefited From Federal Fast Tax Write-off Policy

WASHINGTON (AP) —Certificates permitting an accelerated rate of depreciation of construction cost for tax purposes—the so-called fast tax write-off—have been granted to 398 corporations in the Pacific Northwest in the past seven years.

In Oregon there have been 97 certificates covering facilities costing an estimated $228,637,000, of which $159,035,000 was subject to the amortization. In a number of instances one firm received more than one certificate.

Records of the Office of Defense Mobilization show it has issued such certificates for defense-connected plants and equipment costing more than one billion dollars in Idaho, Montana, Oregon and Montana.

The effect is to permit the 398 companies in those states to take a total depreciation of 695 million dollars against income taxes over a five-year period.

This provision of the tax laws, enacted in 1950 after outbreak of the Korean War, permits owners of defense-connected plants, in the words of ODM, to "write off a portion of a capital investment" over a five-year period, instead of over a period of 20 years or longer. Purpose of the program, administered by ODM, is expansion of the productive capacity of private industry to meet mobilization goals.

A Senate committee now is considering repeal of this provision of the internal revenue code in favor of a more limited "write-off" program.

Larger-than-normal depreciation deductions in the first five years are offset, in theory, by smaller-than-normal deductions later.

The percentage varies by properties, depending on their defense classification. The average is said by ODM to be 60 per cent.

ODM reports 21,895 certificates had been issued nationally up to May 1. They are for facilities costing an estimated $39,361,477,000. The total subject to amortization is $22,965,208,000.

Totals for the Pacific Northwest by states:

Idaho—35 certificates for facilities costing an estimated $166,194,000 with $98,213,000 subject to amortization; Montana—43 certificates for facilities costing an estimated $141,426,000 with $95,389,000 subject to amortization; Oregon—97 certificates for facilities costing an estimated $228,637,000 with $159,035,000 subject to amortization; Washington — 223 certificates for facilities costing an estimated $550,463,000 with $343,023,000 subject to amortization.

ODM records list the Idaho Power Co., Boise, as being the recipient of four certificates, in addition to two issued late last month for two Snake River dams, Brownlee and Oxbow dams in the Hells Canyon stretch of the river bordering Idaho and Oregon. They will permit rapid amortization of $65,216,000 of the cost of the two power projects, which is estimated at $103,081,000.

Idaho Power's four other certificates are for facilities estimated to cost $22,640,000, with $10,827,000 subject to amortization.

A score of Oregon certificates were based on projects costing more than a million dollars. Biggest was for the Harvey Machine Works aluminum plant at The Dalles, with a cost of $65,250,000, of which $55,482,000 comes under the amortization program.

Other major certificates included: Hanna Nickel Smelting Co., Riddle, $22,000,000 cost and $18,700,000 amortization; Hanna Coal Co., Riddle, $3,566,000 and $3,031,000; California-Oregon Power Co., $13,871,000 and $9,016,000 in Klamath County; Portland General Electric, Estacada, $4,250,000 and $2,762,000; and $13,300,000 and $8,645,000; Portland General Electric, Portland, $2,750,000 and $1,375,000; and $22,260,000 and $14,469,000; Pacific Power and Light Co., Portland, $28,170,000 and $19,628,000.

The lumber industry came in for a number of the certificates, among the larger of which were: Roseburg Lumber Co., Roseburg, $1,543,000 cost and $463,000 amortization; and $1,667,000 cost on another certificate and $667,000 amortization; Weyerhaeuser Timber Co., Springfield, $2,760,000 and $1,380,000; and $2,296,000 and $918,000; Weyerhaeuser at Klamath Falls, $3,046,000 and $1,218,000; Gardiner Lumber Co., Gardiner, $863,000 and $259,000; and $1,950,000 and $780,000; Edward Hines Lumber Co., Westfir, $1,331,000 and $665,000; Astoria Plywood, Astoria, $1,226,000 and $490,000; Brookings Plywood, Brookings, $1,231,000 and $493,000; Coquille Plywood, Coquille, $1,654,000 and $662,000; Oregon Fiber Products, Pilot Rock, $5,816,000 and $2,908,000; Cascades Plywood, Lebanon, $1,015,000 and $406,000.

Southern Pacific Railroad received three certificates: $2,336,000 and $942,000 at Klamath Falls; $4,775,000 and $1,910,000 at Eugene; and $91,000 and $36,000 at Springfield.

Hal Boyle

NEW YORK (AP) — Ever hear of a professional dust collector?

Well, there is one. He's Dr. Nathan Weiner, friend of the American housewife, who collects two tons of house dust a year, purifies it and concentrates it.

The concentrate is then used to immunize hundreds of thousands of persons allergic to dust.

Take it from Dr. Weiner, a former Harvard faculty chemist who now is research director for Endo Laboratories, the problem of house dust isn't to be sneezed at.

"About 70 per cent people who suffer from bronchial asthma are sensitive to house dust," he said. "It can be positively dangerous to them."

Some 16 million Americans—nearly one in 10—are allergic to one or more substances.

"Allergy is as nearly a universal affliction as any I can think of," said Dr. Weiner. "It is a bond that links mankind.

"I doubt if there is a large percentage of people who aren't allergic to a degree to one substance or another—from aspirin to yogurt.

"There even have been cases of women who were found to be allergic to their husband's dandruff."

(Even more unlikely but still true: A number of women have been found to be allergic to money. They break out in a rash every time they touch cash. The trouble is, a man married to a woman with this ailment enjoys no particular benefit. She can usually write checks all day long—with no visible sign of disability).

Dr. Weiner has a fairly common allergy himself. Every time he takes a warm shower and follows it with a cold one he sneezes and his backbone itches.

"House dust is one of the commonest cause of allergies," he said. "At least as common as any other well-known agent, such as goldenrod and ragweed pollen during the hay fever season.

"The housewife usually thinks of dust as dirt—the particles of airborne soot and ash that float into her home.

"That is not dust to us. The dust we are after is decomposed proteins from the breakdown of wool, cotton and other organic materials in the home—such as pillows and upholstery stuffing."

The foreign proteins in this dust, breathed into the body, cause the allergic reaction, which is marked by lowered blood pressure and shock symptoms.

Dr. Weiner gets his dust from mattress manufacturers and upholstering firms. If you have any idea of sending your boy through college by selling Dr. Weiner the dust from your old sofa, please abandon the thought.

"As of now," he said, "we are satisfied with our present sources of supply."

The 4,000 pounds of rough dust he uses each year go through eight purification stages and emerge as 10 to 20 pounds of pure house dust concentrate, enough for two million inoculation shots. The stuff no longer really then is a dust, but a brown syrupy mixture that looks like molasses.

As many as 42 injections may be required to provide immunization, plus a booster shot each month. Isn't there a simpler way for a housewife to overcome house dust allergy?

"No matter how dust-free a woman keeps her own home," said Dr. Weiner, "she can't control the dust in other places she goes, such as restaurants, movies, hotels and other people's homes.

"The only other solution I know would be for her to walk around in a space helmet."

14 SENTENCED

BUDAPEST (AP) — A Communist court Thursday sentenced 14 Hungarians to death and four to life imprisonment for allegedly killing Red police and trying to overthrow the government of Premier Janos Kadar.

Three other defendants were given prison terms ranging from 5 to 15 years. All appealed to the supreme court.

High Court Hits Rap For Shelter Given Commies

WASHINGTON (AP) —On grounds of illegal search and seizure, the Supreme Court Monday set aside the prison sentences given two men and a woman for sheltering a fugitive Communist Party leader in a California mountain hideaway. The vote ordering a new trial was 6-2.

The three were convicted in federal court in San Francisco of harboring Robert Thompson, who disappeared after his conviction in New York for plotting to advocate violent overthrow of the government.

The court's decision was announced in an unsigned opinion which noted that Justices Burton and Clark dissented. Justice Whittaker took no part.

FBI agents captured Thompson and the others on Aug. 27, 1953 at a cabin in the Sierra Nevadas near Twain Harte, Calif. Thompson later got four years sentence for criminal contempt, added to the original three-year sentence given to him on his Smith Act conviction.

Others Receive Raps

The others were given these sentences: Sidney Steinberg, New three years; Samuel I. Coleman, New York party functionary, three years; Mrs. Shirley Kremen, left wing student leader from Los Angeles, one year.

FBI agents had warrants for the arrest of Thompson and Steinberg, issued by the U. S. District Court in New York.

In appealing to the Supreme Court, Mrs. Kremen Coleman and Steinberg contended their constitutional guarantees were violated by:

1. Arrests of Mrs. Kremen and Coleman without warrants.
2. Searches of the cabin and its inmates and seizure of their personal property.
3. Use of the seized property as evidence.

The Supreme Court decided the case only on the point of search and seizure.

Oakland Slates Bids For Second Hand Car

Mayor William Brislain of Oakland reported Wednesday that bids will probably be received the first part of June for a second-hand car for the city to be used as a police car.

He also reported that the City Council at its last meeting had approved increasing wages of laborers for the city from $1.50 per hour to $1.90. The city contracts for labor when needed.

IN THE DAY'S NEWS

By FRANK JENKINS

(Continued From Page One)

dent of Kruschev's speech.

He explained in communist double-talk to an assemblage of Russian workers that the bonds they had already been required to buy over and above their taxes (they DO have taxes in Russia) would never be redeemed. The workers CHEERED vociferously.

Why did they cheer?

They cheered because they thought Kruschev was telling them that while the bonds they had bought so far would never be paid off THEY WOULDN'T BE COMPELLED TO BUY ANY MORE. That was good news to them.

Now they are told they'll have to go right on buying.

How can such things happen?

It's like this:

In Russia, too much power is held in too few hands. WHENEVER or WHEREVER too much power is held in too few hands too long TROUBLE FOR THE PEOPLE follows.

Back now to Washington.

Congressman Carl Albert of Oklahoma — where a lot of cows are owned — introduced a bill which would require the government to buy up cow beef whenever wholesale prices dropped below 24 cents a pound.

Department of agriculture officials (the department of agriculture is headed by straight-thinking and courageous Secretary Benson) objected strenuously to the bill. They told the subcommittee that is considering it that the plan would have required government purchases of up to half a billion pounds of beef last year.

They added that the program provided by the bill would bolster prices in the short run. But in the long run, they said, it would lead to over-production and heavy government subsidies.

In other words—

It would cram the storage warehouses to the bursting point with subsidized surplus beef and this surplus would hang over the beef markets of the future like a dark thundercloud.

Such is political farming.

Glimpses of the future note:

Houses that will fold up in the trunk compartment of your car—or at least in a pint-sized trailer—may become the mobile homes of tomorrow. These balloon houses, made out of a new type plastic, will be inflated by a blower and anchored to a prepared floor. The first model will sell for about a thousand dollars—including folding furniture to go in it.

Hmmmmm!

What next?