

SOME ASPECTS OF PRICE-CUTTING EVIL

Weak during the past two years, and price recessions have for the most part reflected economic necessity. In days such as we have gone through, however, the evils of price-cutting are more apparent than ever, and afford the best of opportunities for a much needed lesson. Most industries have been forced to work along on a lower price level, profits have become impaired and competition more difficult to meet. Individual companies frequently have not understood the actual causes and have been hopelessly struggling for a solution and relief from the perplexing difficulties with which business has become infested.

It is not the lawful reduction of prices that I condemn. We must recognize the ethical difference between necessary price reductions and price-cutting inspired by a selfish desire to obtain more than a reasonable proportion of business. Prices that are reduced to dispose of excess inventories or to meet emergency conditions would not, and should not be, classified as illegal price-cutting.

On the other hand, cutting prices for the purpose of taking business away from others who may be entitled to it is objectionable. Under the spirit of the Clayton Act such practices, I firmly believe, are illegal. Cutting prices to obtain more than one's share of business, it is to obtain business on a price basis alone is also reprehensible. To submit one price, only to return and submit three or four additional and lower prices, thereby starting a price-cutting orgy, is vicious.

The Clayton Act plainly condemns price discriminations designed to lessen competition. The idea behind the federal law is in line with what we all believe, and I feel confident that we could cure the evils of price-cutting today were we not likely to lose our way in the morass of legal technicality that so often follows when we depend entirely on the courts to correct economic evils.

Reforms are difficult to realize when left to the compulsion of law and administration. Reforms must exist in the hearts of men before it is really accomplished. Therefore, no statute will ever cure price-cutting until business men cure themselves individually of all desire to indulge in evil practices. We must convince ourselves of the desirability of the right before we can attain it. It is difficult for some to accept the idea that operating policies in the factory must be based upon conditions of sale. Too frequently policies are formulated or disregarding those conditions.

Industry must understand and accept the theory of stabilizing production. It must recognize the spirit of live and let live. It must adopt the formula of total cost plus profit in fixing selling prices. Capacity production at net less than 60 or 80 per cent output at profit? If one competitor wastes his capital assets, must every other seller in competition match his destructive, ignorant policies?

Business exists for making profits. When profits disappear, business likewise disappears. An adequate wage for labor; an adequate supply of goods at reasonable prices for the consuming public; a fair return on his money for the investor; an unimpaired source of tax returns for the Government all depend on the profitable operation of business. This problem of earning a profit, however, is properly left to the discretion of business management. Consequently, management is in duty bound to apply scientific thinking and planning in effecting better methods for stabilizing business prosperity.

Consumers will never complain of prices that include fair profits for the producers. What they want is prices that can be relied upon, that are the same to all users, and that are stabilized. They object to fluctuating prices and concessions enjoyed by a few, or prices that may be cut tomorrow.

No credit accrues to anyone when an order is taken at a cut price. The buyer may gain a temporary benefit, and the seller has the order, but in the end both buyer and seller lose far more than they gain. The buyer encourages price demoralization and he can never tell whether his price is right on his future purchases. The seller reduces his profit and in the end he may find himself giving away a part of his capital assets.

Every business enterprise is fundamentally a public service undertaking. It can make good and should be allowed to exist only in proportion as it recognizes the public character of the function it is performing. One of these functions is to treat its customers alike, relieving them of the necessity of bargaining, and thus allowing them to exert their full economical strength. Uniformity of prices and of treatment until the time comes when there is reason for a uniform change, with full publicity for the facts, is the course upon which the interests of all can be reconciled—and the only one.

The market value of any business depends upon the amount and regularity of its profits. Real estate and inventories do not add much to market value. The real market value is determined by the efficiency of the whole organization and its profit making ability. Bankers are searching day and night for the profit-makers and they run away very fast when the profit account is missing.

Every factor in the industry—the manufacturer, the wholesaler and the retailer—should cooperate to this end. Their interests are basic and, to succeed, all must do so on a reasonable, profitable basis. The big problem is for the manufacturer to recognize his rightful position of leadership. If conditions among jobbers and retailers are un-

satisfactory, then the manufacturer has shirked his duty.

Many instances are on record where manufacturers are selling to the ultimate consumer at prices lower than either the jobber or the retailer could possibly quote. Again, we see many instances of the old vicious system of secret rebating with all of its destructive competition by incompetents. We see manufacturers selling to brokers or those who have no rightful position in the distribution cycle.

If price-cutting is to be eliminated and the business transacted on a basis of profit, the manufacturer must exert his leadership and, in forming his selling policy, he must define fair practices and then vigorously enforce them without partiality or deviation. One of the most constructive influences in the establishment of a one price policy, thereby creating prices and discounts that will be fair to all.

It is obvious that the problem of the distributors becomes the problem of the manufacturers. On the other hand the distributors can not expect to profit unless they, on their part, extend to the manufacturer that degree of efficient distribution which it is reasonable to expect. Only through the recognition of the necessity for group conferences by manufacturers, jobbers and retailers representing an industry can unfair, unethical and unsound trade practices be eliminated. It should be clearly recognized that the manufacturer cannot profit at the expense of the jobber or the retailer, and that the jobber or the retailer cannot profit by pursuing methods contrary to the manufacturer's policy.

There are instances where buyers attempt to make the seller believe that lower prices have been quoted. There are other occasions when the buyer may be sincere in his statement. In the long run, however, it will pay the seller to pursue the one price policy and submit a price based on a cost that he believes to be fair. He may lose some business, but he gains as confidence and self-respect become established. Buyers are always attracted by a strong personality. They shy away from the weak-kneed seller. In the last analysis the courageous seller is the winner.

There should be no doubt, no hesitation, in accepting and applying wholesome cooperative effort among competitors. It offers the only way to a larger business, a better business, and satisfactory profits. There is no other answer. Competition must fall to the level of vicious fighting and trade demoralization or it must adopt a practical plan of cooperation.

Men working together sincerely for a common end and a common purpose can so organize their energies that problems fade before them and limitations recede. It is then that the individual prospers the most.

The industrial and commercial contest of the next 20 years will be cyclonic in its intensity. It will be vast and magnificent. Sales managers are just beginning to realize that business is in its dawn, and that the victories of the past are small in comparison with the victories of the future. Just as the master word of yesterday was "Initiative", so the master word of today is "Cooperation" and the words tomorrow "Cooperative Coordination".

The efficient trade association is one reason for America's famed teamwork in business. It serves as an enlightenment of selfishness, a generosity on the part of the big fellow to help the little fellow. It has already taught us that the main secret of a successful business and a happy life is to climb up from retaliation to reciprocity.

It may be safely said that few phases of a trade association's work are more important than the education of its members to the point where they will realize the value of an established sales price that is fair to both buyer and seller.

The interests of the public are also protected by such a move, for the public suffers a distinct loss when sales are made at cost or less than cost.

—Charles F. Abbott, in "Nation's Business" for June, 1931.

LOCAL NEWS

Milton Boring is home from Monmouth for the summer.

Mr. and Mrs. Archie Masters are spending this week at Rockaway.

Vernon Mapes is working for the S. P. R. Co. at Oak Ridge for the summer.

Mrs. L. L. Myers is seen on the streets of Beaverton with a brand

new Ford.

Mr. T. B. Harris has been ill with influenza but is getting along nicely now.

Mr. Paxton, a son-in-law of W. E. Peck, just returned from a several weeks' visit in California.

Willis Cady has moved back to town and is living in his mother's home. He expects to be here for the summer at least.

Mr. and Mrs. Day Gray attended the meeting of the State Bankers' Association at Seaside, Thursday, returning home Sunday.

W. C. McKell and Joe Wenzell of Cooper Mountain went fishing upon the Deschutes River last week-end. They reported a very wet trip and no fish.

The Misses Eva and Elsie Whitworth, and Lois and Bernice Cox hiked to Swift Creek Falls, Wash., with the Trails Club this past week-end.

The small son of George Smith, living on Allen Ave., cut his foot quite badly by stepping on a can. He was brought to Dr. Mason for treatment.

Mr. and Mrs. E. E. Edwards are the proud parents of a baby boy born the 10th of June. Dr. Mason was in attendance. Mrs. Edwards was formerly Ella Kingston.

Mrs. Robertson, one of our high school teachers, was visiting friends in Beaverton a few days this last week. She is working in the post office at Cannon Beach.

Delegates from Beaverton to the State Grange sessions last week were Mrs. Parker Downing, Dr. Mason, Mrs. B. K. Denney, and Mr. and Mrs. A. M. Kennedy.

A baby girl was born Thursday morning to Mr. and Mrs. Volney Mercer. Mrs. Mercer is a daughter of Mr. and Mrs. Salee of Hazeldele. Dr. Mason was in attendance.

Mr. Fred Ruff, a carpenter living on Rt. 3, had the misfortune to fall down in the basement striking scaffold, injuring his hip and back. He was confined to his bed for a week.

TAXPAYERS' MEETING
High School Auditorium
Monday Evening
June 29, 1931, 8:00 p.m.

To consider the advisability of issuing refunding bonds and to consider the advisability of purchasing and (or) acquiring ownership of a source of water supply. This meeting is being called at the direction of the Town Council of the Town of Beaverton.

A. E. Wilson, Mayor
Lela Richey, Acting Recorder

SPLINTERS

Busy Days Ahead
"Brethren, we must do something to remedy the status quo," said a Negro preacher to his congregation.

"Brudder Jones, what am I to do?" asked a member.
"Dat, my brudder," said the preacher, "am Latin for de mess we's in."

Paint is one of the best investments you can make, especially when you buy FULLER paints, for not only cost less than other paints but they give you long, satisfactory service. Come in and see our color cards.

Knight of the Road—"Say, boy, your dog bit me on the ankle."
"Boy—Well, that's as high up as he could reach. You wouldn't expect a little pup like that to bite you on the neck, would you?"

No matter what kind of a building you desire to erect, we can furnish you free plans and free estimate. We will also assist you in every other way open to us.

Those who wish to save money will build now, while prices and labor are at rock bottom.

A lattice work fence makes an attractive addition to your property. Ask us about them.

"We believe he profits most whose every sale creates a friend. We sell so sell again."

BEAVERTON LUMBER CO.
Everything for the Builder
BEAVERTON - OREGON

A Good Meal

Is never complete without tender juicy meat.
We carry a complete assortment of Quality meats

Choice Steaks, lb.	23c
Hamburger, lb.	15c
Pork Roast, lb.	15c
Boiling Beef, lb.	8c
Butter, per lb.	27c
Bread, 1-lb. loaves, per loaf	5c

We Also Carry a Complete Assortment of
Choice Lunch Meats at Right Prices

City Meat Market

Phone Beaverton 0855

MANY ATTEND PARTY AT MRS. WALKER'S

There was a very good attendance at the card party, Wednesday afternoon, at the home of Mrs. Nelson Walker on the Terwilliger road, given by the Beaverton P.T.A. for the benefit of the High School Band. There were fifteen tables in play, nine of five hundred, and 7 of bridge.

The party was scheduled to be held on the lawn, but on account of the rainy weather, they had to play inside. However, there was ample room in Mrs. Walker's beautiful home for all, and a very enjoyable afternoon was spent by everyone.

Mrs. Geo. Thying had high score in 500, Ruth Filley, second, and Mrs. N. P. Johnson, low. In bridge, Mrs. Delashmett had high score, Mrs. Day Gray, second, and Mrs. Otto Erickson, low.

Miss Mary Santoro of Cooper Mt., graduate of Beaverton High, who has been teaching in the Milwaukee High School, is spending a few days at home before leaving for Los Angeles where she will attend summer school.

Josephine Hartley, six-year-old daughter of Mr. and Mrs. Orla Hartley of Vancouver, Wn., was run over by an automobile last Thursday. She died Saturday and funeral services were held on Tuesday. Mr. Hartley formerly resided at Hazeldele.

The Young People's Christian Endeavor Society will hold a cooked food sale in the old bank building on Saturday, beginning about 10:30. The proceeds are to be used to send members to the

COUNTY LEADS IN NO. OF DELEGATES

Washington County holds the distinction of having at the 4-H Club summer school, Corvallis, the largest 4-H club delegation of any county in the state excluding the combined delegation of Portland and Multnomah county, according to word received from W. S. Averill, assistant county agent, who is at Corvallis in charge of the 72 representatives.

Only eight of the delegation are paying their entire expense, which gives an idea of the interest in the work throughout the county. Communities have given plays and entertainments to raise money in order to send representatives from their clubs. Every one of the delegates appreciate the opportunity they have in attending the Summer school this year, says Mr. Averill.

Both boys and girls are divided into groups for class work which occupies the time from 8:30 to 11:40 a.m. each day. The class periods are 40 minutes with ten minutes between classes to allow time to pass from one class to the next.

The annual pioneer school picnic of the old McKay school at Whitford will be held this Saturday. In case of rain the picnic will be indoors. Basket dinner at noon.

The address of welcome will be given by R. B. Denney. Officers are, President, Henry Erickson; Secretary, Cyrus McKay. Cordial invitation is extended to any who may be interested.

Beaverton Market and Grocery

Sat. & Mon. Specials, June 20-22

CUBE STEAKS, EACH	10c
1 Lb. 30c	
3 Lbs. 87c	
NONE BETTER AT ANY PRICE	
BUTTER, OREGON CITY PER POUND	27c
CARLTON OR GOLD MEDAL, LB.	29c
SODA, ARM & HAMMER, 3 PKGS.	25c
CANNING SUPPLIES	
JAR RUBBERS, PKG.	5c
EXTRA HEAVY, 4 PKGS.	25c
CERTO, 2 FOTTLES	49c
BALL MASON CAPS, DOZ.	25c
ECONOMY CAPS, DOZ.	25c
PAROWAX, 2 PKGS.	19c
LAMB ROAST, LEG, PER POUND	23c
SHOULDERS, PER lb.	18c
STEW, 3 POUNDS	25c
COTTAGE CHEESE, RED ROCK, PER lb.	15c
FLOUR, ALBERS, BEST PATENT, 49-lb. SACK	1.10
CORN, Golden Bantam, DEL MONTE, 3 cans	53c
CHEESE, TILLAMOOK, PER POUND	22c
MAYONNAISE, GOLD MEDAL, PINT	29c
CATSUP, DEL MONTE, 2 LARGE BOTTLES	35c
CANNED SWEET POTATOES, 2 No. 2 1/2 cans	35c

Two Deliveries Daily

Phones 3203 and 1702

HAVE YOU MADE YOUR WILL?

The Bank of Beaverton, a member of the Federal Reserve system, is qualified to make wills and shall be glad to assist you in planning yours.

You can find any kind of greeting cards for all occasions, at Brown's Beaverton Pharmacy. adv

CELEBRATE THE 4TH RIGHT!
Kamberger's Confectionery

SAVE with SAFETY
at your local DRUG STORE

SKIN COOL AND SOFT In Hot Weather



Luxurious comfort during hot weather is yours when you use these soothing talcums.

Shari, \$1.00
Cara Nome, \$1.00
Duska, 25c

Sold only at Retail Drug Stores

DEAN'S DRUG STORE
Front St. Beaverton
Phone 0735

The Rexall Store

MAN IS PLEASED WITH SERVICE, PRINTING

The manager of the McPeak Truck Service made the Review office a very pleasant call one day last week.

Some time ago Mr. McPeak called and inquired as to the price of printing several different items. He had shopped around some and wished to secure services at a reasonable rate as possible.

Some days later McPeak brought in copy for a job. This work was delivered and two more jobs were brought in.

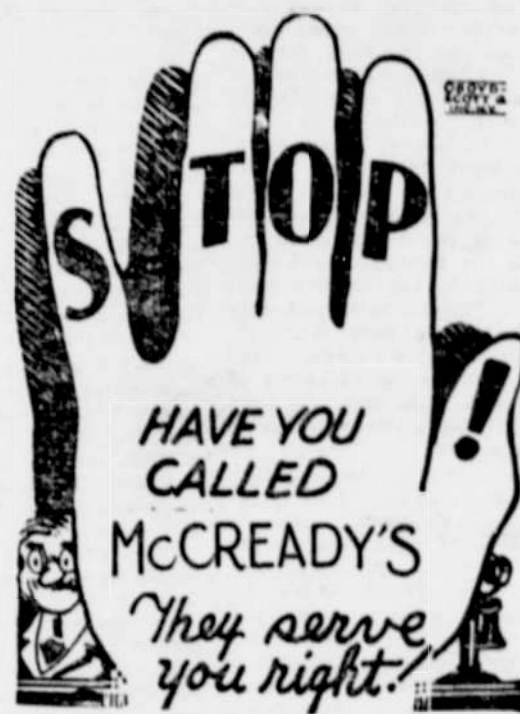
When leaving the office, McPeak assured the manager of "The Review", J. H. Hulet, that he was "very much pleased with the printing, and the service rendered" and that when other jobs were needed they would surely be brought to "The Review". "The work, the price and the service rendered are excellent," he declared.

SUMMER PRICES

NOW IN EFFECT

This four-piece bedroom suite in decorated ivory will brighten up your spare bedroom. We stock the genuine Langer Innerspring Mattress made by Sealy and guaranteed to give perfect satisfaction. Our enamel ranges have new style doors and pleasing shades of green and cream trim and, remember,

Come in: "Let's Get Acquainted."
Richey Hardware and Furniture Company
BEAVERTON, OREGON PHONE 7751

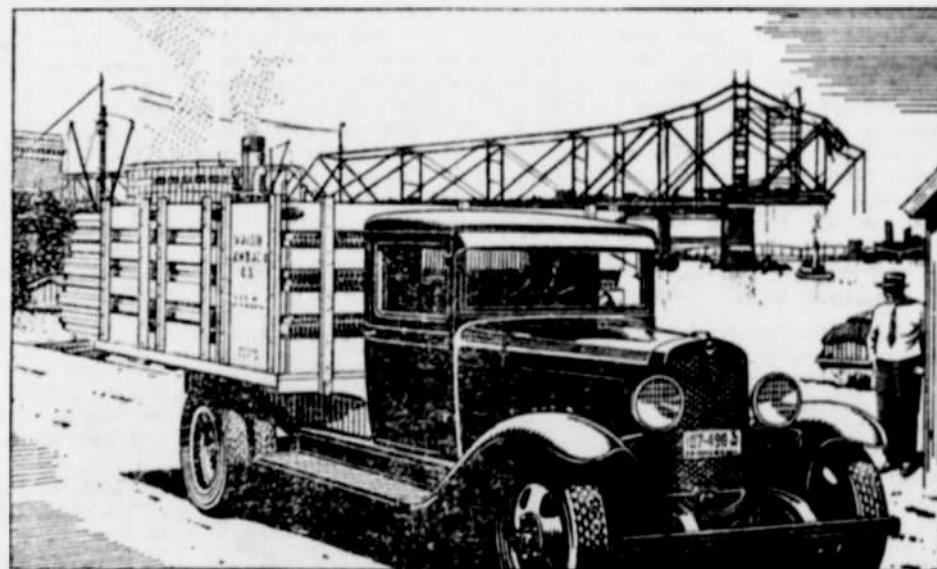


"The man who won't pay attention to good, constructive advice often lands where all of the advice in the world can't do him any earthly good. McCready's red truck will deliver your building materials on time and their prices are right."

—says Pranty Cal

"Our Red Trucks Deliver"

W. J. McCready Lumber Company
F. D. Peck, Sales Agent Phone 4603
BEAVERTON - OREGON



1 1/2-Ton 131-inch Stake Truck—Price, including body \$710. Dual wheels \$25 extra. With 157-inch wheelbase, including body \$810, dual wheels standard.

Ton for ton . . . mile for mile
Chevrolet six-cylinder trucks
cost less to operate

It is a matter of record, among more and more large fleet operators, that Chevrolet six-cylinder trucks give a lower transportation cost than any other truck of equal capacity in the market.

To place your hauling on a minimum-cost basis—and keep it there—put Chevrolet six-cylinder trucks to work. A wide variety of Chevrolet-built bodies is now available. And delivered prices of Chevrolet trucks, complete and ready for work, are based on low chassis-cost and low body-cost, plus only reasonable charges for handling and financing.

Chevrolet 1 1/2-ton chassis with 131" wheelbase \$520
(Dual wheels optional, \$25 extra)
1 1/2-ton chassis with 157" wheelbase, \$590
(Dual wheels standard)
All truck chassis prices f. o. b. Flint, Michigan. All truck body prices f. o. b. Indianapolis, Indiana. Special equipment extra. Low delivered prices and easy terms.

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STIPE'S GARAGE

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Oregon