

# Fair Break Asked for Auto Dealers in War Emergency

*(Editor's Note—Klamath's automobile dealers have long played an important part in the civic and economic life of the community. Large numbers of families are supported through the work provided by the automobile establishments here. Like dealers everywhere in the U. S., the local automobile men are confronted with a critical situation in the war emergency. The following is a statement of L. Clare Cargile, president of the National Automobile Dealers Association, before the senate small business committee. It discusses the dealer's problems and offers suggestions as to its solution. It is carried in full here because of the large number of our readers vitally interested in the automobile industry.)*

The automobile dealers of America are typical small business men. They number 44,000. They have a half-million employees with many, many more dependent upon them. They are located in every city and town of this country. They are a part of the very warp and woof of the nation. Ever since the bombing of Pearl Harbor, they too have known that this country now stands united as never before, and they have upon every occasion pledged their support to the prosecution of this war to a glorious victory and they shall continue to do so regardless of the hearing that is accorded this plea.

It should be emphasized that the automotive industry consists of two distinct units of outstanding importance. One is the manufacturing plant which has produced cars and without which this nation never could carry out its vast war program. The other and equally important unit is that of the dealer. He not only distributes cars and provides service to keep the major transportation system of the country running, but he also has made the very existence of the manufacturing plant possible. The dealer has been necessary in the past to build up these plants; he will be necessary during the war to keep cars running, and after the war he will be necessary to help restore the nation's transportation to its peace-time efficiency and the nation to prosperity.

**Manufacturers Get Work**  
Yet although these two units are of equal importance, only one of them is receiving any consideration at the hands of the government in the present war emergency. Motor car manufacturing plants are obtaining enormous contracts. Their total is unknown, for the government, under an order dated December 26, 1941, refuses to make the total of these contracts public. One official figure shows, however, that during a moderately active production period, from June 1 to October 15, last, automobile manufacturers of the United States were awarded war orders totaling \$2,759,400,000. An unofficial report says that to date the war department alone has given these same factories a total of more than \$4,250,000,000 worth of business. Recently, according to the newspapers, these same manufacturers were promised an additional \$5,000,000,000 in war contracts.

These figures are not quoted with the intention of reflecting in the slightest on the nature of these awards or the group to whom they were given. They are pointed out to make clear that while one part of the motor car industry is being provided for by the government with cost-plus contracts, another and vital part is being swept, virtually without notice or consideration, into bankruptcy.

Surely there is reason to save the dealer. He has been rendering a necessary service to the nation's 33,000,000 motor car and truck owners. We should at least stop and inquire if he goes, who is to serve in his stead, and if no substitute service is provided, just what are his present customers going to do to keep their cars running.

**Prepared**  
For many months, the automobile dealers of America have sought to place themselves in such a financial position that they could continue to render the necessary service to the motor vehicles upon which our war effort is dependent. They were fearful that the time might come when there would be no cars to sell and that they would be able to do their duty only if they had prepared for it in advance.

The dealers of America have, therefore, sought to prepare themselves, and following the advice of a member of the agency which has been designated to administer the rationing of cars and their products which have been frozen by the recent order, have attempted to build up a stock which might be properly rationed out to the best welfare of the country.

Late in the afternoon of New Year's day it was announced that the freezing of all new cars and trucks had been ordered by one of the defense agencies. This found the dealers of this country with 450,000 units which they could not sell until a rationing order could be issued. Some of these cars had already been sold but not delivered to people who are now sorely in need of them and who had paid part or all of the purchase price for them.

A few days later it was announced that 200,000 more cars would be made in January, but this announcement was accompanied by the implication that

only a part of them would be available to dealers for resale. It was also announced, upon high authority, that there was a possibility that private cars might be requisitioned, effectively shutting off the used car market which was the last hope of the dealer to secure cash which is necessary for the operation of his business.

It has been hoped that the parts and service business might furnish some small income to prolong the survival of dealers, but now we know that this source of income will not be sufficient to enable the dealer to long remain solvent because if the freezing of tires continues, the subsequent use of cars decreases the income from the sale of parts and service will become negligible. In this connection, we also hear rumors of an impending freezing of parts.

**Support War Effort**  
We yield to no group in our patriotism and devotion to the country or our determination to support the entire war effort. We submit that the cost of this war should be so far as possible spread over all the people, and that it is unfair for this single business group to bear so large a part of the burden.

Nothing we have said, nothing we shall propose will affect the prosecution of the war, nor will it take so much as an ounce of any critical material away from the armament program.

We respectfully request that we be permitted to submit the following specific points as being consonant with the remarks which have been stated above:

1. That the government should permit the delivery of all bonafide orders dated prior to January 1, 1942.

Many buyers prefer for purposes of bookkeeping and because of the provision of license laws in some states, to accept delivery on new cars after January 1. The cars affected by this condition are but a small part of the total of 450,000, probably no more than 5 per cent, but much confusion and irritation is being caused by reason of the inability of the dealers to make delivery. It is our belief that delivery should be permitted on which sizeable down payment or trading had been accepted. We know no other way in which the equities of both parties can be protected.

2. That if prices on new cars are frozen, that one of the formulas proposed by OPA at the meeting of the panel, December 1, 1941, or the formula later devised by OPA providing for a four per cent handling charge and sixteen and two thirds per cent of freight mark-up be used. We also submit the special situation of dealers who have large investments in freight.

On December 1, 1941, OPA assembled a panel of 82 dealers of their selection to whom they presented two formulae. They stated that either one of these would successfully control inflation. We are advised that they later devised a compromise formula between the two. Inasmuch as OPA has officially announced that any one of these formulae will successfully attain their objective of controlling inflation, we suggest that one of them be used, if and when prices are frozen, but suggest that full regard should be given to the special situation of those dealers located far from factories who have large investments in freight.

3. That if any ceiling be placed on used cars, full regard may be had for the above statements and that the prices determined upon may enable the dealer to retrieve a fair return for handling.

There is a possibility that some dealers may be able to survive longer and thus render needed service to motor vehicles if the ceilings be placed high enough to encourage some trading in used cars. A liberal ceiling would

# Latest U. S. Ship Torpedoing--They Survived Allan Jackson



Survivors of the third merchant ship torpedoed off the Atlantic Coast, these men survived the sinking of the tanker Allan Jackson off North Carolina. Twenty-three members of the crew of 36 apparently drowned or burned to death in a sea of blazing oil. At Norfolk, Va., are, from left, front row, Teague Burke, Elmo Burden, Aracelio Lopez. Rear, Rolf Clausen, Ross S. Ferrell, Jeremiah O. Donovan and Omis May.

# Carole Lombard's Body Begins Last Homeward Journey



A sad task was that of rescue workers who started the return trek to Las Vegas, Nev., with the charred body of Carole Lombard, who died with 21 others in an airliner crash. Tangled wreckage is in the background.

also enable such dealers as find it necessary to more easily liquidate their present stocks, which in some cases furnish the only source for the steady inflow of cash which is necessary to the maintenance of a business. It is also clear that in the case of many dealers, the liquidation of used cars furnishes the only opportunity for securing cash with which to pay income tax due March 15.

That all automobiles and trucks produced, except those designed especially for military service, be handled through dealers regardless of their ultimate destination.

This paragraph has reference to the inference made by a high governmental official that some vehicles would be handled directly from manufacturer to government. We submit that all motor vehicles should be handled through dealers.

5. That all cars requisitioned or purchased by the government from dealers be purchased at full list price as described in section 2.

6. That the government should pay for cost of financing, insurance and storage on all cars and trucks carried by dealers after January 1, 1942 until liquidated or released.

This request is made because these cars and trucks may be carried in stock by the dealer much longer than is true in the ordinary conduct of business.

7. That the government agree to purchase at retail delivered prices all cars and trucks, frozen or subject to rationing, which may be tendered by dealers on or after July 1, 1942.

This request is made in order that dealers may be encouraged to accept cars as they are shipped to them in January, and to stay in business, in order that they may render service to the public and attempt to earn a living for their employes and themselves.

8. That no restrictions be placed on the sale of low cars, limousines, convertible coupes, or convertible sedans or trucks that are not standard units.

This paragraph refers to cars which it is anticipated might never be purchased by the government and might remain in the hands of dealers indefinitely.

We feel that each of these requests is thoroughly justified in order that the cost of the war may be spread throughout the entire business world and because of the fact that we, the 44,000 dealers of America and our half-million employes, are faced with immediate disaster.

We freely concede to industry the right to function in the managerial sphere in accordance with its best judgment and in accordance with the policies of the government. — William Green, AFL.

# HIGH SCHOOL News Notes and Comment

By MAURICE O'CALLAGHAN  
Tuesday morning Charles F. Walker, president of the Northwest School of Commerce of Portland, gave one of the best talks the students of KUHS have had the pleasure of hearing in many a moon.

Mr. Walker, here on bond day pledge business, spoke to the juniors, seniors and sophomores of the high school on bond pledging.

He stated that the high school students should go to the polling places near their homes and pledge to buy either stamps or bonds. Several, we learned, planned to do just that after school was dismissed Tuesday.

In his talk he told many experiences he has had as president of the commerce school which were on the funny side. Walker is a friend of Principal Arnold L. Gralapp and has spoken several times at La Grande from where Gralapp came. Gralapp assured the students of an hour of very interesting speaking as was later proved by Mr. Walker.

As bond pledge day was Tuesday the Quill and Scroll will sell them at their room, 316, at all times. Make plans to buy.

The fire warden of KUHS were given added instructions for air raids and air raid drills Tuesday. Members of the group were shown over the building and assigned to posts in and on same. On means the roof.

The school has ordered adequate equipment for the group to use in fighting incendiary

bombs, and it will arrive sometime in the near future.

The band, Pep Peppers, and Girls Glee club made up the better part of a parade held for a bond pledge rally which marched down Main street Tuesday afternoon. The group was led by Charles Stanfield, music instructor.

We didn't get around to it in our last column, but we will take time now to say that pep at basketball games has improved over the weekend. We don't know what happened, but we are pretty sure that it was because the team took the initiative at the start of the game and encouraged the throng to support them from the stand. Undoubtedly the cheering of the crowd aided greatly the continuous sinking of baskets which caused our team to beat Bend.

But, no matter whether our team is out in front or dropping behind we should cheer them on. It's our team; we must and will support it.

A general economic mobilization plan has to take into consideration civilian consumption as well as the armament effort. —Dr. Julius Hirsch, German price-control head in World war.



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# Extension Unit News

**MODOC POINT**  
"Financial Planning" was discussed by Mrs. Winnifred Gillen and unit members at the regular meeting of the Modoc Point home extension group Wednesday, January 14, in the community hall.

It was decided to hold an evening of square dancing Saturday, January 24, in the hall. Arthur Davidson will be in charge of the calling for the dances and music will be furnished by local musicians.

**TIRE CONSERVATION**  
SALEM, Jan. 21 (AP)—Officers of the Salem Milk Producers association last night decided to recommend consolidation of milk routes and that milk be delivered only every other day. The measures were proposed as a means of conserving tires.

Every plane delivered ahead of schedule, every tank added to our output, will save American lives. — Director Floyd B. Odium, contract distribution division, OPM.

We nominate for air raid warden the lady next door who always detects anything unusual in the neighborhood hours before it happens.



These are the forts and training camps of the U. S. at war, where troops are being fitted for battle with the armies of the axis.

This Newspaper is Filled With DYNAMITE!

Dynamite is a useful substance. It blasts out roads and tunnels, clears stumps, defends us against encroaching enemies.

But misuse it at your own peril! It can blow you into kingdom come.

Your newspaper is useful, too. It brings you a daily record of what happens around you and an assortment of OPINIONS—to go with its usually accurate FACTS.

But PLEASE do not MISUSE it. From your newspaper you can learn how to divorce a wife, how to rob a bank.

as you change public officials, laws, customs, habits every day. But don't deny them or hide from them. That is dynamite.

The opinions, right or wrong, are there because every man has opinions. And, in AMERICA, every man has a right to his opinions. But don't accept every opinion blindly. That is dynamite.

Usually you will find OPINIONS on BOTH SIDES. Weigh them, think about them. You MUST. You are a citizen and a voter. What you and a thousand or a million others DECIDE will decide the fate of this nation. There's PLENTY of dynamite if you decide WRONGLY.

And FACT and opinion aren't merely limited to the news and editorial columns. They are both found in the advertisements also. Just the same as you need to know what all candidates for office have to offer so you can choose between them, you need to know what all merchants and manufacturers have to offer so you can decide how to spend your income to the best advantage.

Dictators do not believe the people can be trusted with all the facts and all the opinions and a free right of choice.

And the dictators are RIGHT—if they want to go on being dictators! Any American newspaper worthy of the name is dynamite—dangerous dynamite—for a would-be dictator, mighty useful dynamite for a man who wants to protect his freedom.

In Germany, Italy, Russia, Japan, a government agency decides what the people shall read and hear. Not so in America. Do your part to preserve the American way of life.

You can learn the opinions of every Communist and every brutal Nazi who makes news. You are told how crooked politicians operate and how to wreck yourself in an automobile.

When you come to think of it, you realize that such news is brought you to forearm and forewarn you—so robbers, crooks and dictators CAN'T harm you. And you will admit that such news is absolutely necessary for free men who want to guard their freedom.

Note well that your newspaper contains TWO KINDS of news.

1. FACT 2. OPINION

The facts, good or bad, you cannot dodge. You may change them,

Read, each Tuesday in this space, the message about your liberty and how America's newspapers help you defend it. Your letters of comment will be appreciated by the editor and by this committee—Newspaper Publishers Committee, 420 Lexington Avenue, New York City.