

Charlevoix County Herald
G. A. LISK, Editor and Publisher.
Herald Bldg East Jordan, Phone 32

Entered at the Postoffice at East Jordan, Michigan, as second class mail matter.

TERMS OF SUBSCRIPTION

(Payable in Advance Only)
One Year \$2.00
Six Months 1.25
3 to 5 months — 25c per month
Less than 3 months — 10c per copy
Single copies 5c. By mail 10c

ADVERTISING RATE

Readers in Local Happenings column:
Three lines or less 30c
Over three lines, per line 10c
Display Rates on Request

Member Michigan Press Association
Member National Editorial Ass'n



Lansing — This is "Anti-Inflation Week" in Michigan.

Sellers of merchandise are asked by the state legislature to reduce prices.

Source of the idea: The so-called Newburyport (Mass.) plan whereby merchants agreed to cut prices 10 per cent. An unpublicized "catch": Fair trade law requires retailers to sell a majority of merchandise at prices set by the manufacturer. These prices were exempt from a 10 per cent cut. The Newburyport crusade was a glorified clearance sale, limited to 10 days. Much merchandise sold were surplus goods which had accumulated on shelves and which had to be sold before better-grade merchandise (most of it nationally advertised) could be displayed.

In the opinion of Lew Hahn, president of the National Retail Dry Goods association, a general spread of the Newburyport plan would lead only to "economic disaster."

It would deprive retailers — and especially small retailers, he says — of profit needed if they are to remain in business and pay today's high operating overhead. Like borrowing from Peter to pay Paul, the retail price depends upon the whole.

SOUTH ARM...

(Edited by Mrs. Arnold Smith)

(Delayed)

Miss Mae Moore is home from California visiting her parents, Mr. and Mrs. Fred Moore for a few days. She plans to go to Kalkaska to work Thursday.

Mr. and Mrs. Archie Murphy were Boyne City business callers Monday.

Mrs. Harry Dougherty spent Saturday night at the Aug. Beihling home. Mrs. Beihling has been quite ill with the flu.

Mr. and Mrs. Arnold Smith and daughter Catherine spent Sunday evening with Mr. and Mrs. Walter Moore.

Joe and David Lee Smith spent Sunday night with Johnny Howard.

Mr. and Mrs. John Vincent of Flint and Grandma Moore were Saturday callers at the Walter Moore home.

Mr. and Mrs. Walter Moore and Children had Sunday dinner with Grandma Moore.

Little Sharron Moore is much better now and expects to attend school this week.

The Womens Extension clubs achievement day program has been postponed to a later date which will be announced in this column.

Mr. and Mrs. Jett Smith of Charlevoix spent Saturday evening with Mr. and Mrs. Lyle Smith.

Mr. and Mrs. Basel Crawford moved to the former Bob Evans home.

Mr. and Mrs. Lyle Smith called on Mr. and Mrs. Arnold Smith Monday afternoon.

THRILLING STORY OF "PISTOL PACKING CHAMPIONS"

Read the amazing story of how four prize-winning detectives smashed a ruthless safe-cracking gang. It's just one of many dramatic features you will find in The American Weekly with this Sunday's (May 18 issue of The Detroit Sunday Times.

Smith's legal expense was running high, so when he met his lawyer on the street, he said "Nice day, isn't it? Remember I'm not asking you, I'm telling you."

TRANSPORTATION BARGAINS

- '36 Oldsmobile 2 door.
- '39 Dodge Dump.
- '41 Buick Sedanette.
- '41 Chevrolet Coupe.
- Model A Tudor.
- Model A 1 ton Stake.

Auto Electric Service

Oldsmobile — Cadillac
107 Antrim St, Charlevoix, Mich.

sale price. The wholesale price (when merchandise is bought by the gross or large quantities) is dependent upon the manufacturer's price. The manufacturer's price in turn, is set by production costs plus a mark-up to take care of such things as sales promotion, taxes, and a dividend return to people who have invested money in the business.

Since the retail price cannot be cut unless other prices are lowered wholesaler and manufacturer — the fallacy of the Newburyport plan is quite obvious.

President Truman has asked business and industry to take the leadership in cutting prices.

Simultaneously, while the White House is prodding business men to lower the cost of living, the federal government through its labor conciliation service is prodding business men to grant new wages increases. So labor costs are going up once more. General Motors, for example, settled for 15 cents an hour.

Can such a 1947 wage increase be absorbed out of profits without another rise in the retail price? Economists doubt that it can be done. For example, let us assume that 1,155 large corporations (whose profits were listed in the April letter of the National City Bank (New York City) would grant a 15-cents hourly wage increase. Assuming that 1947 production was at 1946 level, the corporation profits (after taxes) would

drop from 6 per cent of sales to 2.9 per cent.

The round-the-circle illusion of inflation can be illustrated in the case of the CIO vs. Motor Companies. The CIO made much capital of the fact that the 1940 dollar had shrunk to 63 cents as of last December. Today's dollar is 59 or 60 cents. The CIO appeal was for a 23 1/2 cent wage increase per hour — and, of course, to be paid out of profits.

But how about the same dollar in the hands of an investor — the widow who puts a life savings into ownership of corporation stock?

The Chrysler Corporation's "high" profits during the first quarter of 1947 become "low" profits when the CIO yardstick is applied. The 1947 first quarter profits of \$21,502,407 shrink to \$12,901,484 in terms of 1940 dollars. What was the Chrysler profit for the first quarter of 1940? Answer: \$15,742,387.

About 90 per cent of the troubles of the state legislature at Lansing are due to inflation. It costs more to operate government, home and elsewhere than it did before the war. The 1947 dollar is only worth 60 cents, remember.

State payroll cost is higher today than at any time in history — and that goes for the the governor's executive office down the line. At Washington the cost of running the White House — the President's com-

bination residence and office will be \$501,000 for the coming year. What was it before the war? Only \$160,000.

It cost \$22,000,000 to operate the U.S. Congress before the war; next year \$52,000,000 — more than double!

Yes, it's the same dollar at Lansing or at Washington or right at home.

As we see the picture from all evidence in sight, inflation will continue to be the major problem until economic laws bring a better balance between supply and demand. The 1947 recession, now under way, will continue until the transition is completed between the current boom in consumer goods and tomorrow's boom in producer goods.

There is every reason to believe that the 1947 "recession" may prove to be only a "transition" to continued good times.

This transition will not take place peacefully if one group or class seeks to make another group the "scapegoat". The retailer cannot blame the manufacturer, the manufacturer cannot blame labor, labor cannot blame "big business" and its "high" profits.

Until everyone realizes that inflation affects all in the same way, our American way of life will be in constant danger. We find a solution to our problems only in mutual cooperation and teamwork. Let's get to work America!

Under New Management
HAVING TAKEN OVER THE
Cities Service Station
formerly operated by Clifford Ayres, we are ready to supply all former, as well as new, customers with a complete line of —

GASOLINE — OILS — ACCESSORIES
TIRES — BATTERIES

★ ★ ★

ROY BUSSLER
Manager

TRY HERALD WANT ADS FOR RESULTS!

Let's Talk Sense About Food Prices

In all the talk about lower prices, don't forget this:

Day in and day out, no retailer does a better job of keeping prices down than your food merchant. No food merchant does a better job than A&P.

We would like you to understand two important things about A&P's price situation:

Our net profit during the past five years has averaged only about 1 cent on each dollar of sales. If we were to operate our business without any profit at all, this 1 cent would amount to a saving of less than 4 cents a day on the entire food bill of the average American family.

We sincerely believe that A&P has the lowest cost of distribution of any retail business in the world. When you spend \$1.00 in an A&P store, you get 86 cents worth of food and only about 14 cents goes to meet all expenses — wages, taxes, rent, light, heat and the hundreds of other expenses incidental to the stocking and operating of a modern food store — including our very small profit.

Obviously there is little "fat" in such a price structure. Our operating costs and profits are already cut close to the bone.

Merchants generally have reduced prices on many items on which they were overstocked. In recent weeks we have reduced prices on hundreds of such items. That is common merchandising practice and has no relation to a general or permanent price reduction.

While many food prices have already been lowered we must recognize that no substantial general reduction in retail food prices is possible until the cost of food to the retailer is reduced.

As any housewife knows, A&P's business has been built on the policy of selling quality food at the lowest practical price every day.

We pledge to our customers strict adherence to that policy. We will continue to lower our prices as fast as reductions in costs to us and economies in our operations permit.

A&P FOOD STORES

