

The Art of Guessing Right Prices: The quoting or bidding of gasoline prices cannot be a science. It has to be a day-to-day art — a matter of trial-and-error dependent basically on judgment. The factors that go into the pricing of gasoline will always be hard to figure. Prices are always experimental.

On the supply side, the seller must figure on costs that are arguable to start with and that may vary inversely with a volume that is unpredictable. And on the demand side, he faces changing weather, business conditions, and

competition. Overall estimates of national consumption can tell him lamentably little about the next few months in City X, County Y, or State Z.

The gasoline marketer has no slide rule to tell him how far, in a good market, he can afford to expand; nor how far, in a poor market, he can figure to keep selling at a loss to avoid a greater loss.

This is what has given the business, through its price system, its remarkable flexibility, pliability, challenge, and life. ♦

IDEAS ON LIBERTY

Borrower

SPEAKING of his early experiences as a borrower, John D. Rockefeller once said: "In the early days there was often much discussion as to what should be paid for the use of money. Many people protested that the rate of 10 per cent was outrageous, and none but a wicked man would exact such a charge. I was accustomed to argue that money was worth what it would bring — no one would pay 10 per cent, or 5 per cent, or 3 per cent, unless the borrower believed that at this rate it was profitable to employ it. As I was always the borrower at that time I certainly did not argue for paying more than was necessary."

Wasn't old John D. about right?

The best and quickest cure for high prices is high prices, and by the same token, the best cure for low prices is low prices.

If there is a shortage of anything, the quickest way to get more of it produced is to let the producers take a good profit. This will encourage competition and the price will soon fall, along with the margin of profit.

From *The William Feather Magazine*, November, 1965

A REVIEWER'S NOTEBOOK

JOHN CHAMBERLAIN

Governmental Grievance Procedures

WHEN Bertrand Russell was a younger and more philosophical philosopher than he has since become, he asked a Chinese peasant woman why she was so careful to avoid state officials. The woman's answer was that "government is more terrible than tigers."

We still can't believe that government might become tigerish in America, where the Madisonian tradition of checks and balances lives on. And so, while governmental behemoths take on more and more responsibilities for the young, the sick, the aged, the slum dwellers, the farmers, the unemployed, the inhabitants of depressed areas, et cetera, et cetera, men hopefully rack their brains in the effort to make all the new interferences bearable by adapting the check-and-balance system to new situations. The idea of "review boards" spreads; a Nassau County executive on Long Island in New York State (Eugene Nickerson) appoints an

Ombudsman (the word is Swedish) to investigate citizens' complaints against public officials; and committees of Congress keep up a steady running fire of investigations. And still the criticism swells; government, if not more terrible than tigers, seems to provoke an adversary for every advocate.

To document the situation, Professor Walter Gellhorn of the Columbia Law School has written a small book called *When Americans Complain: Governmental Grievance Procedures* (Harvard, \$3.95). My trouble with reading the book is that I kept bristling all through its 232 pages at the author's assumption that the march of government to a million-and-one social service goals cannot be halted.

"Organized power," says Gellhorn, "makes the wheels of life go round, makes modernity feasible. Restraint and coercion can destroy citizens' freedoms, but can