

THE PRICE CUTTER.

A great obstacle to honest constructive effort is the *Price Cutter*. Next in line comes the blackguard who *encourages* the price-cutting and endeavors to force all competitive effort down to the dead level of mediocrity.

We met one of his ilk the other day. "What," says he, "you charge \$2.50 for that job when Faket charges only a dollar! You're a robber!" Yes, Faket does do it for a dollar and it may be as well done as my \$2.50 job. The difference is that Faket is a *one dollar man* while I'm a \$2.50 man. In this free country there is nothing to keep that blackguard from going to Faket, but in trying to bulldoze me down to Faket's level he violates all decency. I have the indisputable right to place my own value upon my own time and services. Why will one perform a laparotomy for \$50 while another asks \$500? It is generally a matter of individual attainment. The \$50 man has only a \$50 reputation at stake, while the \$500 man assumes \$500 worth of responsibility. The \$450 difference can often be accounted for in the cheap man's lack of experience; lack of professional standing and pride; financial stress, or lack of moral stamina to ask an honest price for an honest job.

It is an odd commentary upon human nature that the man who hammers down the price is the first to raise a howl when his own toes are trod upon. He exacts the last farthing, but *you* must always make concessions. Keen competition has fixed a fairly stable price on all forms of human endeavor, as well as on commodities. These prevailing prices take into account a great many economic factors.

In the case of merchandise there must be added to the actual cost of the article, the merchant's overhead expense, which includes rent, salaries, investment, insurance, losses in deterioration and bad accounts, telephone, lighting, freight, advertising, etc., etc. If an article costs the dealer seventy-five cents, he does not "break even" until he has added on twenty-five percent or more of operating cost. This accounts for the difference in the price listed by producers and the *cost* price charged by the dealer.

As a rule staple articles allow a margin just sufficient to cover this "overhead" expense and a small excess as profit. Therefore, the man who "cuts" on such staple articles is bound to be an impostor, for the reason that he is compelled to make the difference good on merchandise, the value of which is unknown to the purchaser.

In the case of skilled labor or professional services, the factors of individual attainment and the law of supply and demand apply. A student out of college will give his services for a fraction of what he will demand later in his experience. He has no moral right to exact a *fancy price* for his services. The apprentice is not entitled to the same emolument as the master workman, although he may perform a given piece of work quite as creditably.

The Price Cutter will continue to have his following, but competition and achievement are entitled to other considerations than arbitrary calculation of dollars and cents. It is some consolation to those who have been imposed upon to know that the "cut-throat" must eventually come to grief.—*California State Journal of Medicine*.