

THE AUCTION SALE

Epitome of the Free
Market

VOLLIE TRIPP



I HAVE just had a thrilling experience — watching an old-fashioned auction. What is there so exciting about following a loquacious auctioneer about a hot dusty Kansas farmyard, while stolid farmers bid for cultivators, plows, laying hens, and feather mattresses?

Well, for one thing, it's always interesting to watch an expert; and Walter Hand, son of a famous auctioneer, knows his business. But even more important, the auction, as developed and carried on in Midwest farm areas, has become a symbol of the free market, free enterprise system. It expresses the robust dynamic spirit,

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Illustration: A Devaney, Inc., N. Y.

the good natured give and take of the American business tradition.

And the auction is far from a dying institution. In a day when many of the customs and tokens of the free market are under bitter attack, it is good to know this one neutral meeting place for buyer and seller remains inviolate.

Shall we review briefly the mechanics of the Midwest auction? An older couple, no longer able to farm, are selling out, moving to Wichita. In the course of nearly 40 years, they have accumulated, besides the varied and complicated items required in farming, a large two-story house full of furniture, oddments, and unrelated items — thousands of them. Some are valuable, and will fetch a fair price. Others are of

little account. But, whether they bring much or little they're going under the hammer this sultry Saturday afternoon in late August.

Several factors are necessary for a successful auction. A good crowd is essential. Both the auctioneer and the owners will try to insure a good turnout, by advertising in the two local papers, by radio spot announcements, by handbills distributed in feed stores and other places where farmers may see them. Others are notified by telephone, while the farm "grapevine" further spreads the news.

The weather is important, and Kansas weather is unpredictable. A bad storm not only will discourage people from coming, but may ruin furniture, beds, rugs, and other items piled in the yard. But Kansans are used to risks, and cheerfully take one more.

The auctioneer, the man who kids and cajoles the crowds, keeps them chuckling and in a buying mood, is the heart and soul of the auction sale. For auctioneering is a true art. Not many have the ready wit, the leather lungs, the varied and practical knowledge of merchandise to do it successfully. The work is physically and mentally exhausting, calling for tremendous concentration, an intuitive knowledge of when to con-

clude a sale. And, the auctioneer must be fair to all. The man who has things to sell, as well as those who come to buy, must have complete confidence in his integrity.

The Preliminaries

The crowd begins to assemble long before the hour set for the sale. Farmers want to inspect the machinery, the livestock, the furniture, before they make their bids.

The men come in their work clothing. At least a few of them are worth from \$50,000 to \$200,000. But wealthy or not, all have come to the sale to improve their fortunes in some way. They come in late Buicks, Pontiacs, some pulling trailers. This is good, for we know they mean to buy, if possible. They come in battered pickups, in trucks. But you can't tell a thing about a Kansas farmer's finances by the car he drives, or by the clothes he wears.

The ladies of the Riverside Home Demonstration Unit arrive with cases of pop and sacks of crushed ice. They set up their bar in the garage, serving hot coffee, frankfurters and buns, and homemade pies by the slice. The crowd will clean them out, and provide a neat profit for their Unit.

Now, the auctioneer and his two clerks have arrived, and the sale will begin—a demonstration of

the free market, in its most basic, most elemental form.

Auctioneer Hand mounts a farm wagon piled with unclassifiable farm items. He makes a brief and friendly talk, seizes an ancient mattock, as if it were some rare and interesting object.

"Well, whatdya know? Just the thing for those weeds too big and tough for a hoe! What am I bid? Who'll give a dollar? Who'll give a half?" The sale is on.

In a few moments the tool sells, and in rapid succession other items, a big sledge hammer, a felling saw, a wire stretcher, rolls of wire, boxes of assorted nails, screws, bolts, washers.

The Price Is Right

And the price, whatever it is, is exactly right. It is right because this sale represents the perfect functioning of the free market, without interference from meddlesome government agents bent on "protecting" either those who want to sell, or those who hope to buy, to the annoyance of both.

The seller recognizes the risks inherent in all trade, and assumes those risks. It is conceivable that a nearly new tractor might go to someone for a dollar bill. But the seller knows from past experience that such a disastrous sale is quite improbable, so long as the profit motive exists, and men are

free to compete for such bargains.

Some items may not bring as much as the seller hopes, but others will bring even more. He pre-accepts the price offered, that is, the *best* price, and has faith that it will be the *right* price, in relation to the conditions. The conditions are those of today, on a hot dusty Kansas farm in late August.

Yesterday, or tomorrow, or next month some item, polished and packaged brightly and offered to the right person in New York or California or Chicago, might bring much more. But such selling costs money, and our seller is in no position to search out that right person as his buyer. The quick, final action of an auction sale compensates in part for the lower prices he may have to take for his things.

As for the buyer, he knows better than any other person — certainly better than any agent of government — how much he can afford to pay for a tractor, or disc, a dozen sheep or chickens. He makes his bid, based on what the merchandise is worth to him, now, and to him alone. There is no pressure to buy other than his own self-interest as it operates in this free and open market place.

There is a lot of merchandise to sell. Neighbors ask permission to bring things to be auctioned

off. One man sends two loads of furniture. Another a small garden tractor, another a horse. And one neighbor has a big old tractor to sell, a truck or two.

"Now, we'll sell this bed, springs, mattress, and all. Boys, if you once sleep in a bed, you'll *never* sleep on the floor again," sings out Hand. Everyone chuckles. Soon he gets a bid, not a very large bid. But, big or small, it is the proper one, all things considered. In unbelievably short time, the furniture and odds and ends are sold and the auctioneer moves out to the barnyard, where rows of farm machinery are neatly displayed.

He gives a tractor a resounding whack with his cane. "Ernie, tell us about your tractor." At such affairs, the owner of machinery, livestock, and the like is expected to tell the truth — and does. To claim falsely that the tractor has had a new clutch, a new transmission, battery, or whatever would subject him to a prompt, vigorous, and wrathful accounting.

Hand soon gets spirited bidding for the tractor and tries hard to sell it for \$500. After five minutes he sees this is too much, lets it go for \$465 — a fair and proper price. His job is to sell things at the best figure the free and uncoerced market will permit. He works on a commission basis. Naturally, he

doesn't knock his wares. But neither does he make extravagant and unsupported claims.

Among the diverse items of property are ten bushels of new corn. "Someone give me a buck a bushel. If we had it in the bottle, it'd be worth twice as much." Hand lets the corn go at 95 cents.

Now a saddle horse is brought out of the barn. "Better take the saddle off, Charlie, so we can see him all over." Charlie does, as he cites statistics about his horse, age, disposition, and so on. And we know Charlie is telling the truth, for the eyes of his friends and neighbors are upon him.

At this sale, there was not an instance of knocking of merchandise. Much of it was junk, and brought a junk price. But auction etiquette seems to forbid and discourage any belittling tactics. If a battered chair has no appeal to a bidder, he expresses his views by simple silence. Chances are the chair was worth something to someone. Every transaction was handled with the same quiet, professional dignity.

Never had we seen a better mannered crowd. They were "capitalists" bent on gain, each man for himself in a sense, but faithful to the rules of the game.

The sale was over. Walter Hand, exhausted, went for a cool pop at the ladies' bar. Happy people were

gathering up their bargain treasures, exchanging bits of farm tools, guying and kidding each other for their bizarre purchases. If there was any chagrin, any disappointment, it was not revealed. The owners were satisfied, feeling that their property had received a fair "trial" in the court of public values. Here buyer and seller met freely and of their own accord, matched wits in good-natured banter, compromised, and finally reached a price acceptable to both.

It may be of interest that selling costs, which must be borne by both customer and supplier in all transactions, are amazingly low in these auction sales. Auctioneer Hand received 2 per cent of gross

sales. His two clerks received another 2 per cent of the gross. The cost of advertising, including radio spots and handbills, probably did not exceed 1½ per cent of the total — roughly 5½ per cent in all. By no other method can such immensely diverse and "perverse" merchandise be sold so quickly and cheaply.

Yes, I saw an auction sale, and a very good one — a striking and stirring manifestation of the free market, free enterprise system operating vigorously in an economy that wobbles precariously on the brink of socialism. So long as this peculiarly American institution — the auction sale — remains with us, freedom's cause is far from lost.

IDEAS ON LIBERTY

Everybody Wins in Free Enterprise

NOTE that a private concern in a system of free enterprise is an entity of such characteristics that all people who deal with it, material suppliers, equipment dealers, money lenders, workmen, and customers, contribute what they value less and receive what they value more. There is a net gain for each person. Also, where there are several competing enterprises, each person is free to deal with the organization that returns the *most* for what he contributes. Thus there is a natural selection of those firms who are capable of operating so that each person, whether he be a material supplier, equipment dealer, a workman, a banker, professional man, or customer, receives the *most* for his contributions. Any firm that cannot compete under these conditions fails.

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THE ECONOMICS OF KING DAVID



ORIEN JOHNSON

KING DAVID was one of the most popular and powerful kings of ancient Israel. During his reign of forty years, he brought unity to a divided nation and established Jerusalem as the mightiest capital of the ancient world. He was a soldier king who made his coffers rich by conquest as was the custom of oriental potentates of that day. Yet, we have a hint in his 144th Psalm that he disliked the ways of battle and longed for the sound economy of a healthy agricultural prosperity. "Rescue me from the cruel sword, and deliver me from the hand of aliens, whose mouth speaks lies, and whose right hand is a right hand of falsehood. May our sons in their youth be like plants full grown, our daughters like corner pillars cut for the structure of a palace; may our garner be full, providing all manner of store; may our sheep bring forth thousands and ten thousands in our fields; may our cattle be heavy

with young, suffering no mischance or failure in bearing; may there be no cry of distress in our streets! Happy the people to whom such blessings fall! Happy the people whose God is the Lord!"

In spite of the riches he accumulated, we see a healthy lack of the materialistic philosophy that delights in things that money can buy. Psalm 62:10 gives this advice: "If riches increase, set not your heart on them."

But it is in Psalm 128:2 that we discover a rare gem. I call it a "gem" because, like so many truths in the Bible, you have to pick them up, polish them, and give them a proper setting before they become valuable to you.

Here is the quotation: "You shall eat the fruit of the labor of your hands; you shall be happy and it shall be well with you."

Shall we begin the polishing process?

To labor with "your hands" is a figure of speech, for we know that it is possible to work with our feet, our tongues, our brains, or with

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