

FIGHTING CHANCE

John 8: 31-32

Proverbs 22: 3

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AUCTIONING AMERICA

This past month we participated as high-tech scavengers in an auction which provides a typical example of the erosion of American industry and the squandering of the accomplishments of previous generations.

America's largest magnesium plant and its primary source of high-purity pharmaceutical-grade magnesium ceased operation near San Francisco this past February. Although it was still profitable – regardless of the massive burdens of government taxation and regulation – a series of events typical of the destruction of American productivity by unproductive paper-shufflers led to the closing of the plant.

In April, part of the plant equipment was auctioned prior to demolition of the remainder. Many of the men who built and maintained this plant were present to watch the final end of their life's work. The plant included a research and development laboratory and a quality control laboratory, so we attended the auction in the hope of obtaining laboratory equipment that the Oregon Institute of Science and Medicine cannot otherwise afford.

The laboratories were auctioned first. We purchased significant amounts of research equipment at an average price of about 3% of the catalogue prices (3 cents on the dollar). This will markedly enhance our research capabilities. Then I watched the rest of the auction - which was heart-rending. Most of the plant sold for a low fraction of its scrap metal value. Three-phase motors were sold for \$1.50 each, a large ship lathe sold for \$50, and a recently purchased \$500,000 machine sold for \$5,000. The large steel installations did not even sell. They will be given to the demolition crews.

Replacement value of this plant was estimated at about \$50 million, but it will not be replaced. The capital to replace it was squandered long ago in Washington, DC. This magnesium capacity is now being made up by imports from foreign countries. In thousands of such events all across our country the industrial legacy of past generations of Americans is being demolished.