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REPORT TO CONGRESS

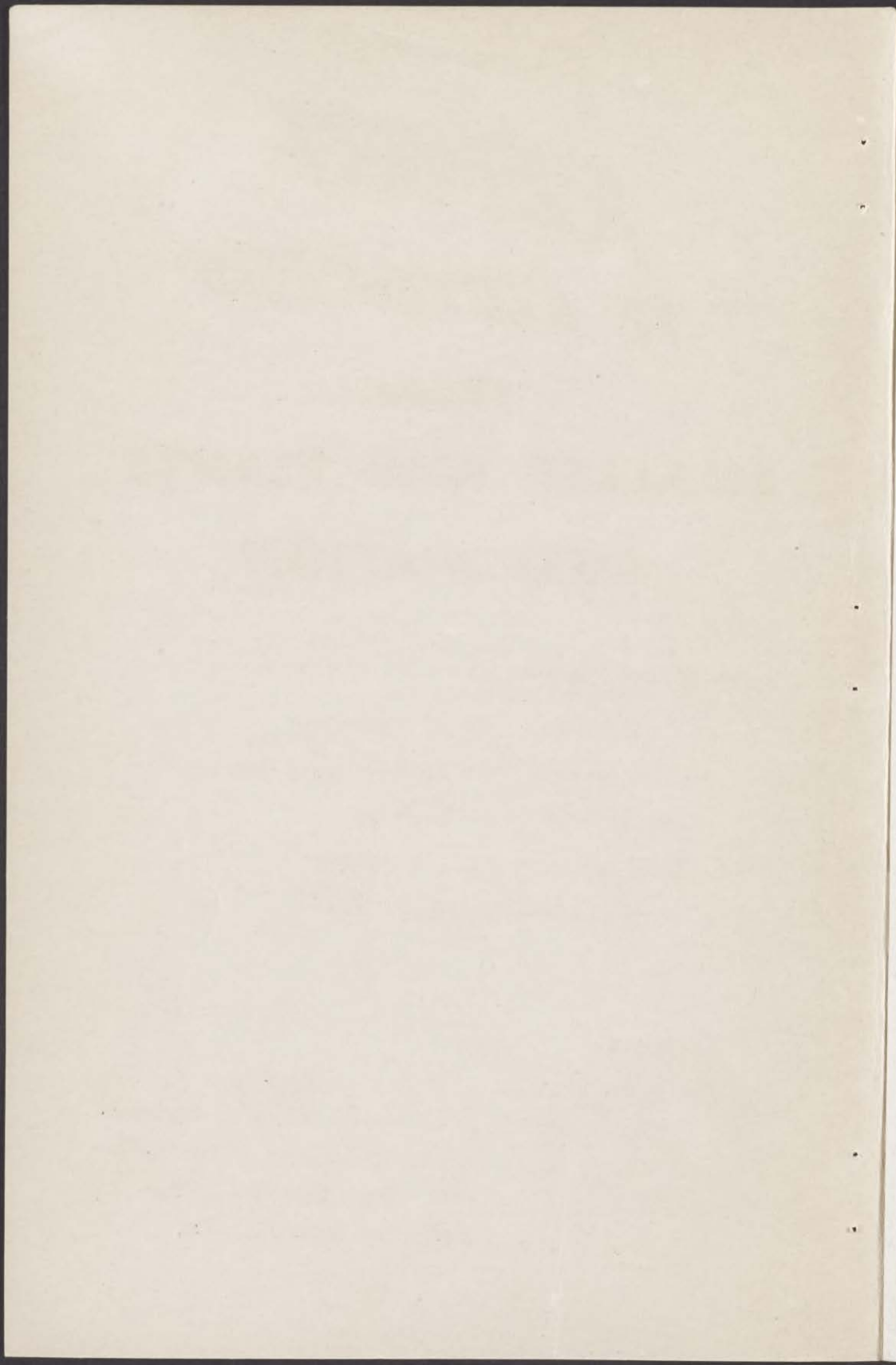
FROM SMALLER WAR PLANTS CORPORATION

IN THIS REPORT:

- Small Business and Unemployment
- Technological War and Technical Service
- Small Plants Need Orders
- Surplus Property and Veterans
- Small Business Speaks for Itself



THIS IS the **20**th Bimonthly
Report to Congress of the Smaller
War Plants Corporation Covering
August and September 1945

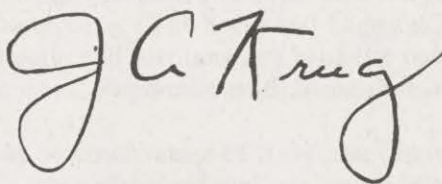


LETTER OF SUBMITTAL

OFFICE OF THE CHAIRMAN,
WAR PRODUCTION BOARD,
Washington, D. C., October 15, 1945.

SIR:

Pursuant to Section 5 of the act approved June 11, 1942 (Public Law 603, 77th Cong.), I submit herewith the Twentieth Bimonthly Report of the Smaller War Plants Corporation, prepared by Mr. Maury Maverick, Chairman of the Board of Directors. This report covers the period from August 1 through September 30, 1945.

A handwritten signature in dark ink, appearing to read "J A Krug". The signature is written in a cursive, flowing style with large, connected letters.

THE PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

LETTER OF SUBMITTAL

James H. Thompson
War Production Administration
Washington, D. C.

I am pleased to submit to you the report of the
War Production Administration, which I submit herewith.
I am sure that it will be found of interest to you.
I am sure that it will be found of interest to you.
I am sure that it will be found of interest to you.
I am sure that it will be found of interest to you.

J. H. Thompson

James H. Thompson
War Production Administration
Washington, D. C.

LETTER OF TRANSMITTAL

OCTOBER 15, 1945.

HON. J. A. KRUG,
Chairman, War Production Board,
Washington, D. C.

DEAR MR. KRUG:

In the past few weeks, from the east coast to the west coast, I have been talking to businessmen, workers, Government officials, and veterans. One thing is sure: It is more difficult and confusing returning to peace than going to and waging war.

Industry and commerce are burdened with problems of financing, obtaining materials, creating new distribution organizations, pricing products, adjusting wage levels, need for new machinery, the impact of new processes and raw materials, and how to get the veteran back to changed conditions.

Each is a problem big enough to tackle separately. But now everything has to be done at once. The planes of reconversion are flying off in a dozen directions at the same time. The horse and buggy is a prehistoric legend. The automobile and airplane age is of the past; the atomic bomb, the rocket plane, real Superman stuff, incomprehensible, mysterious are here.

All we know is that the vast destructiveness of these new discoveries is here. Miraculous speed is our watchword and our magic yardstick is the explosive violence of atomic fission; prestidigitators of science lurk in shadows; we fear that they will press buttons to wipe out society—the society which includes us.

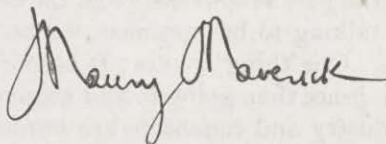
It is not surprising, then, that there is world confusion. The break out of peace and the “now it can be told” secrets of war have shaken the world to its very foundation. American industry is struggling in a whirlpool of reconversion problems.

Probably no other segment of the population has been more affected by this sudden transition of an all-out war effort to the problems of peacetime reconversion than small business. The little businessman is right in the middle of this maelstrom of confusion and readjustment. His problems are quadruple those of larger concerns. His resources and reserves are limited. His problems of distribution and marketing are many, and hard.

Yet he is the backbone of our American system. The free enterprise system can flourish only in an expanding economy. If expansion stalls, continuing technological advances inevitably will bring labor troubles, business declines, lower living standards and plenty of other troubles. With science racing ahead, the business structure must keep pace, or full employment is impossible.

For that reason, in the following chapters of this bimonthly report we have outlined the problems the small businessman faces and we have suggested ways and means in which the Government can help. I would like to call your particular attention to the part small business must play in full employment and to the concluding chapter which summarizes the recommendations of more than 200 small businessmen from all parts of the country. I know you will find them of great interest.

Sincerely yours,

A handwritten signature in dark ink, reading "Maury Maverick". The signature is fluid and cursive, with the first name "Maury" being more prominent than the last name "Maverick".

MAURY MAVERICK,
Chairman and General Manager.

SMALLER WAR PLANTS CORPORATION
Washington, D. C.

BOARD OF DIRECTORS

MAURY MAVERICK
Chairman

James T. Howington
Vice Chairman

Patrick W. McDonough
Laurence F. Arnold
C. Edward Rowe

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TWENTIETH BIMONTHLY REPORT OF THE SMALLER WAR PLANTS CORPORATION

August 1 through September 30, 1945

ECONOMIC CONDITIONS MAKE EXPANSION OF SMALL BUSINESS NECESSARY TO MEET IMPENDING UNEMPLOYMENT

From 6 to 8 million workers will be unemployed next Spring according to predictions of industry and labor leaders. The predictions are based upon the discharge of 8 to 9 million servicemen and enforced idleness of several million industrial war workers.

This prospective unemployment is the most important immediate domestic problem now facing the United States. If allowed to persist, it can grow from 6 or 8 million to perhaps double that figure. The widely publicized pent-up demand of American consumers would disappear overnight. People do not buy radios, automobiles, washing machines, or new suits and dresses when they are jobless. Declining demand is cumulative.

Where can these 6 to 8 million unemployed find jobs quickly?

Our huge factories, which expanded so greatly to produce aircraft, ships, ordnance and all types of munitions, naturally must contract. Many already have. Their future labor demands to make automobiles, commercial planes, radios, farm machinery, washing machines and other consumer goods will not employ the armies of workers they had in war production.

Small Business Must Take Up Slack

Small businesses, many of which show an increased labor demand, will have a large part to play in taking up this slack.

Chart I, which follows, illustrates that fact. It shows that if full employment is achieved in 1947, it can only be achieved by the expansion of small business industries far above present levels.

Industries in which small firms provide from 70 to 100 percent of their total employment will need 3,500,000 new workers. These

include construction, retail and wholesale trade, and the service trades, all small business fields. An additional rise in employment also will be required in other small business industries—lumber, stone, clay, and glass and other building materials, furniture, food, textiles, apparel, leather, paper, and painting.

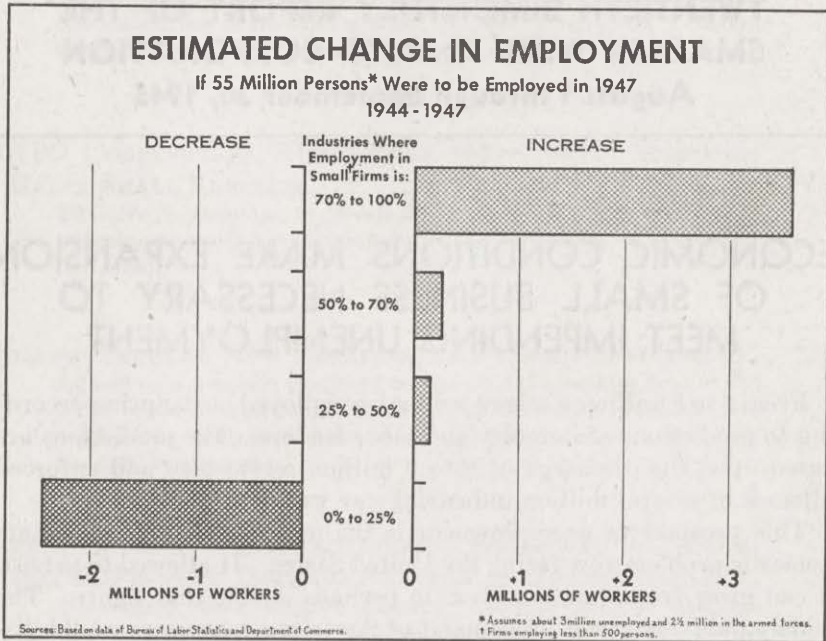


CHART 1.

The reverse is true for big industries. Even if high-level employment is achieved in 1947, these industries will not reach their enormously expanded wartime levels. For industries in which small firms provide from only 25 percent to none of the employment (for example, shipbuilding and aircraft), the prospective loss in employment is estimated at 2,500,000.

A Million New Small Businesses Needed

Again, this goal of nearly 4 million new jobs in small businesses can be achieved only if the number of small firms increases greatly. From the pattern of employment distribution under high-level employment and from past trends in the business population, it has been possible to estimate the number of new small businesses which will be needed in our economy if high-level employment is achieved. Conservatively, nearly a million new small businesses will be needed over and above the number in existence in 1944. The number of these new firms required in each of the major fields of the economy is shown in chart 2.

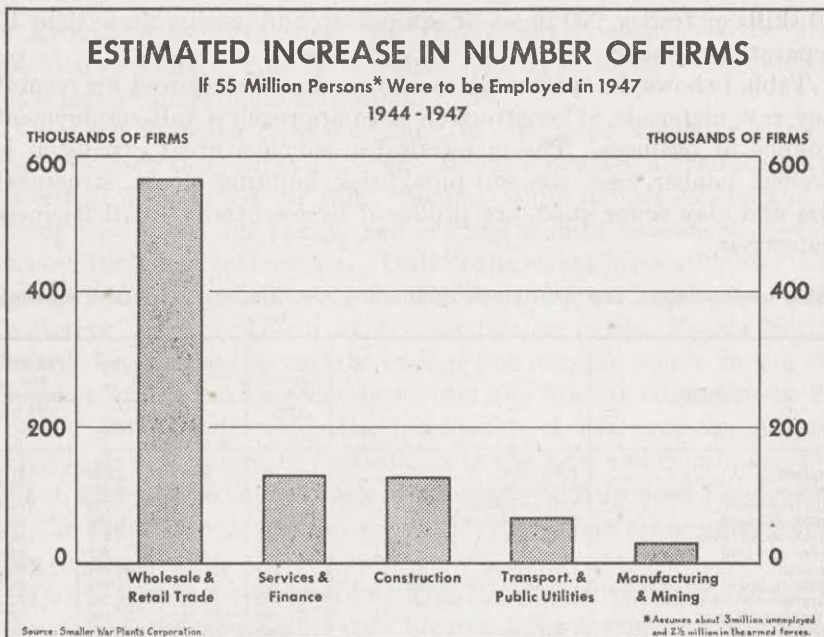


CHART 2.

Not only will the half million firms that disappeared between 1941 and 1943 have to be replaced, but also another half million will have to be added if we are to have full employment. There will need to be more than 500,000 additional firms in wholesale and retail, about 125,000 in the service trades and finance, another 125,000 in construction, and about 30,000 in manufacturing.

Construction Industry Chief Hope for Added Jobs

The construction industry offers a good illustration of the way in which achievement of high-level employment depends on the expansion of small business. The Nation's hopes for full employment rest more on construction than on any other single industry. Normally, it accounts for almost 14 percent of total nonagricultural employment. For full employment in 1947, the industry will have to provide jobs for nearly 2,500,000 persons—or 3 times its 1944 level.

Construction is distinctly "small business." About half the construction businesses have less than 3 employees, and over 80 percent of all employees in the industry work for firms having fewer than 500 employees. Serving construction contractors are a large number of other small businesses—plumbing contractors, electrical contractors, sheet metal firms, and similar kindred suppliers. It has been estimated that the building of a house involves about 500 operations, about

40 skills or trades, 200 items of equipment, and usually more than 15 separate contracts.

Table I shows the substantial rise in production required for several key raw materials, if construction is to approach a full employment volume of business. The materials for which a great expansion is needed, lumber, cast iron soil pipe, brick, building blocks, structural tile and clay sewer pipe, are produced by essentially small business industries.

Table I.—Production and anticipated construction requirements for selected materials

Material	Unit	Production in 1944	Anticipated production		Percent-age increase, 1944 to 1947
			1946	1947	
Asphalt	1,000 tons	¹ 1, 379	2, 201	3, 048	121. 0
Brick	Million brick	1, 876	2, 975	4, 119	119. 6
Building block	Million blocks	276	556	770	179. 0
Building board	Million square feet	² 1, 088	1, 488	2, 060	89. 3
Cast-iron soil pipe	1,000 tons	176	326	451	156. 3
Other cast iron	do	215	301	417	94. 0
Cement	1,000 barrels	90, 805	130, 553	180, 764	99. 1
Gypsum board and lath	Million square feet	² 2, 107	2, 270	3, 143	49. 2
Lumber—Construction	Million board feet	² 14, 900	19, 300	25, 700	772. 5
Lumber—All uses	do	32, 600	30, 000	35, 100	7. 7
Roofing—Asphalt	1,000 squares	65, 205	69, 750	96, 576	48. 1
Sewer pipe—Clay	1,000 tons	742	1, 100	1, 523	105. 3
Structural tile	do	702	970	1, 343	91. 3

¹ Consumption for new construction only.

² Consumption for construction, maintenance, and repair.

Source: Estimates for lumber are prepared by Forest Service. Estimates of other materials for 1944 and 1943 by WPB Construction Research Branch.

LUMBER: Primary among building materials production of which will have to be increased sharply is lumber.

Estimated production and consumption of lumber in the last several years and estimated future requirements to support anticipated construction activity are as follows:

	Production	Consumption	Requirements
	Billions of Board Feet		
1939	28. 6	18. 5	
1940	31. 2	31. 5	
1941	36. 5	37. 0	
1942	36. 3	43. 4	
1943	34. 6	38. 9	
1944	32. 6	34. 2	
1945	28. 0	29. 7	
1946			30. 0
1947			35. 0
1948			38. 0
1949			40. 0

Lumber Inventories at Low Level

During the war, lumber inventories of mills distributors and lumber yards dropped from 14 billion to about 6 billion board feet and will shrink further.

Requirements in the next few years make it clear that the production of lumber must be increased quickly if the expected volume of construction is to be carried out.

Several obstacles, however, stand in the way. Inventories must be built back to a workable level. About a quarter a year's production will be required for this. Second, while lumber can be and is being used green for boxing and crating, it must be seasoned before it is suitable for construction. Half of the recent production has been going into boxing and crating. Production for construction needs will take longer. Third, winter production in the Pacific Northwest is limited by the amount of logs put into the ponds during the summer and fall. Log inventories on the first of August were reported at about three-fourths inventories at the previous August. Hundreds of small mills, particularly in the East and South, are dormant, and will be needed back in operation to help meet the demand of the expected construction activity. This offers a big opportunity for employment.

OTHER BUILDING MATERIALS: The huge construction program of the war years was possible only because large inventories of cement, brick, and many other building materials could be drawn upon. These inventories largely have disappeared. Future production must be high enough to replace them as well as to meet current consumption requirements.

Half of Brick Plants Closed

BRICK: Scarcity of brick is probably the number one bottleneck in the construction fields. Brick was not suited to wartime shipping requirements and not usable in temporary wartime structures such as army cantonments. The industry was severely depressed. This year it is expected to produce about 1.9 billion brick, whereas 3 billion will be needed for next year's construction program. The construction program for 1947 would require from 4 to 5 billion brick. *Yet, about half of the firms manufacturing brick when the war started are now out of business or idle.* These are all small firms.

CLAY SEWER PIPE: Manufacturers of clay pipe usually are the same firms which make brick, and face the same obstacles to expansion. Many are currently not operating. Construction this year will need about 818,000 tons, next year about 1,100,000 tons.

CAST IRON SOIL PIPE: Cast iron soil pipe vies with brick for the place of No. 1 bottleneck to construction. Approximately 163,000 tons of soil pipe will be produced this year; about 326,000 tons will be needed next year. This material is produced by small foundries.

Thus do the needs of the construction industry point a way for us

to meet the unemployment problem. The same is true of other "small business industries," which must provide the bulk of the new postwar jobs.

Bottlenecks Must Be Removed To Make Essential Expansion Possible

The essential expansion of these small businesses never will take place unless the bottlenecks which now confront them are removed. These bottlenecks include lack of capital, difficulty in obtaining materials, need for new and modernized equipment and need for technical and scientific information.

How the Smaller War Plants Corporation is trying to eliminate these bottlenecks is discussed in chapters following in this report.

II

SWPC HAS LEGAL RESPONSIBILITY TO HELP SMALL BUSINESS IN RECONVERSION

The purpose of Public Law 603, under which Smaller War Plants Corporation was created, was that, in winning the war, the United States should not lose its small business economy. Total war does not favor small business.

Under Public Law 603, small business was to be aggressively mobilized, and effectively utilized for BOTH war and essential civilian purposes. There was no general limitation to war purposes.

Except for section 12, a purely war section, Public Law 603 does not expire at the termination date of the war, as do other war acts. The life of the Smaller War Plants Corporation, created by the act, is limited by a definite date, December 31, 1946. This represents a recent extension from the original date of July 1, 1945, and an indication by Congress of its continuing reliance on the Corporation, in matters affecting small business.

Small Concerns Not Eligible in War May Be Eligible for SWPC Aid Now

The war is not officially at an end. The close of fighting simply broadens the category of "essential civilian," as used in the act. The "nonessential" of wartime may be the "essential" of the period of transition from war to peace. The Corporation now may assist small business concerns, by loans or otherwise, which may have been ineligible during warfare.

In the Contract Settlement Act, Congress continued its view that the Smaller War Plants Corporation was other than simply a war agency for purely war purposes, and the Corporation expressly was directed by the Contract Settlement Act to make interim loans and guarantees, and to assist small business concerns generally in connection with contract settlement matters. Among other things, SWPC was directed to help disseminate information among small business concerns on interim financing, termination settlements, removal and storage of termination inventories.

Congress reiterated the same dominant purpose, of regarding SWPC as other than a purely war agency, in the Surplus Property Act, which contains an entire "Small Business" section under the general admin-

istration of Smaller War Plants Corporation. The Corporation is given the right to purchase surplus property for resale to small business. It also is given the right to make or guarantee loans to small business for the acquisition, conversion, and operation of surplus plants and facilities.

Moreover, under authority of the Surplus Property Act, the Surplus Property Board has given SWPC substantial new activities to assist war veterans in obtaining surplus property, for use in their own small business, agricultural, and professional enterprises. It is an assignment related to reconversion, not only of industry but also of the young men and women who served in our Armed Services.

Under the G. I. Bill of Rights, authority has been delegated by the Veterans Administration to Smaller War Plants Corporation to assist in the processing of applications for guarantees, by the Veterans Administration, of loans made to veterans in setting up their own small businesses.

War Mobilization and Reconversion Act Assigns Definite Duties to SWPC

Finally, under the War Mobilization and Reconversion Act, Smaller War Plants Corporation was given the power to assist small business concerns to obtain a fair share of materials released to civilian production. This act expressly refers to the "transition from war to peace," and links the problems of the period with the war powers of the President.

From this review, it is clear that Smaller War Plants Corporation has its full responsibilities to small business in the period of "transition from war to peace."

(1) The Corporation may make loans to small manufacturers for an increasing number of essential civilian purposes;

(2) It may take prime contracts on Government procurements, for distribution to small subcontractors;

(3) It may give related procurement assistance to small business concerns;

(4) It may provide technical advisory service to small business concerns;

(5) It may make contract settlement loans to small business concerns, and give them other contract settlement assistance;

(6) It may purchase surplus property for resale to small business, on credit, if necessary;

(7) It also may make loans to small business concerns for the acquisition, conversion, and operation of plants and facilities;

(8) It may assist veterans in the acquisition of surplus property.

These Are Positive Duties Under Existing Legislation

These responsibilities SWPC must discharge as positive duties imposed by existing legislation. Some amendment of existing law may be desirable, such as the removal of restriction of Corporation loans to manufacturing purposes only. It also may be desirable to have a clarification of the Corporation's right to participate, on behalf of small subcontractors, in foreign procurements placed through United States procurement agencies, including corporations.

However, the law as it now reads and without undergoing any change, is a substantial charter for the useful activity by the Corporation in assisting small business concerns in the "transition from war to peace."

III

HISTORY'S GREATEST TECHNOLOGICAL WORLD WAR IS ON TO THE FINISH

History's greatest technological world war is here! It affects all nations, all businesses large and small, and every human being on earth.

Already rumblings of the postwar political world point a desperate need for continuous big-scale research and experiment. Behind great laboratory walls the future of the world is NOW being resolved.

Read the headlines:

**MEN POWERED WITH ATOM-AGE ARMS BEST UNITED
STATES DEFENSE, MARSHALL SAYS**

**MARSHALL URGES CONCENTRATED CONTINUOUS
RESEARCH**

**WE MUST DEVELOP OUR WEAPONS FOR ATTACK—HAP
ARNOLD**

**EMINENT SCIENTISTS SAY STRIDES IN TECHNICAL
DEVELOPMENT ARE VITAL TO UNITED STATES**

They are shrill—these headlines. But when you dig down into the text you find them masterpieces of understatement. General Marshall, in his famous biennial report, talks about "the terrible potentialities of the future." Other reports reflect the same trend of thought. All stress the life-saving need for scientific research and development.

It was concentrated research that produced the awful atomic bomb. That bomb has rocked the world out of its complacency. It has revolutionized the world, whether we know it or not.

Auto and Aviation Ages Have Passed Into History

Our glib talk about how we have advanced from the horse-and-buggy days to the automotive age is ancient history now. So is all the prewar talk about aviation accomplishments.

There is no use talking about these things now, because they are like water over the dam. The strides of science in war years which challenge the wildest imagination have made them obsolete.

AMERICA MUST PREPARE AGAINST "TERRIBLE POSSIBILITY" OF TOTAL DESTRUCTION

From the report of George C. Marshall, Chief of Staff of the United States Army.

"On August 6 the entire world learned from President Truman's announcement that man had entered a new era—that atomic power had been harnessed.

"This discovery of American scientists can be man's greatest benefit. And it can destroy him. It is against the latter terrible possibility that this Nation must prepare, or perish. Atomic power will affect the peaceful life of every individual on earth. And it will at the same time affect every instrument and technique of destruction.

"But the atomic bomb is not alone among the scientific advances that make the possibilities of the future so terrifying. The development of aircraft and rockets and electronics has become equally incredible. . . .

"This Nation's destiny clearly lies in a sound permanent security policy. In the War Department's proposals there are two essentials: (1) Intense scientific research and development; (2) a permanent peacetime citizen army. The importance of scientific research is the most obvious to the civilian, but the importance of a peacetime citizen army based on universal military training is of greater importance, in my opinion."

Our minds and brains have not yet been able to grasp the significance of the breath-taking transition to the atomic age. Political science is still pitifully in the ox-cart era. The world's mass thinking goes on as though nothing had happened since the war started. Peace negotiations have the same old familiar ring. The struggle for industrial power follows the pattern of Theodore Roosevelt's days. We retain our old prejudices and our set ideas to face a glittering and bewildering new world.

Physical science has left our political science and our mass thinking trailing in the dust. It is time we caught up.

Race for Technical Supremacy Has Vital Bearing on Small Business

All of this has a very direct bearing on small businesses in the United States.

The race for technological supremacy ranges all the way from atomic power to the tiniest gadget on a vacuum cleaner—all the way from war to peace.

Technical discoveries made under war's compulsion are right now being adapted to civilian production.

Production short-cuts, use of new materials, adaptation of new formulas, and all war-born manufacturing techniques—their use now will mean profit or loss, survival or death to millions of businesses throughout the world.

Big Business certainly has its eye on world-wide developments—and is using its vast research facilities to capitalize on this new technical age. In many respects Big Business is wise. It knows the ins and outs of competitive trade. It has the resources and a great network of trained personnel to find the answers to changed production problems. Big Business can adapt new materials to new products—because for many years it has trained its technical workers to do just that job.

A Scientist Speaks:

"WE HAVE A LEAD OF ONLY A FEW YEARS"

Dr. Irving Langmuir, associate director of the General Electric Laboratories, before a joint subcommittee of the Senate Military Affairs and Commerce Committees:

"We have a lead of only a few years, 3 to 5 years in the matter of the atomic bomb, and at best not more than 10 years in which to keep from being overtaken and surpassed in scientific discovery and achievement by others, specifically by Russia, which at this moment is planning a far more extensive research program in science than we are."

But what about the small producer who has little or no funds for research? Is he to be penalized competitively because of the simple fact that he is small? **HE MUST NOT BE PENALIZED, FOR OUR NATIONAL ECONOMY AND OUR VAUNTED FREE ENTERPRISE SYSTEM HANGS IN THE BALANCE.**

TAS Is Buffer Between Large and Small Business in Technological War

We believe that SWPC's Technical Advisory Service (TAS), which is a going concern now, with healthy expansion, can be the vital buffer needed between big and little business in this technological conflict.

The situation is critical. Let's face the truth: Right now a great number of small plants are floundering around trying to develop new products to keep their businesses alive. They are desperate. The queries they send in to SWPC reflect a groping for information strange to them. They show a feeling of insecurity in their present operations and a natural, strong desire to get their feet on the ground in peace production.

TAS is helping them now and will help them in the future.

Reconversion and New Techniques Have Brought Increased Demands on Technical Advisory Service

Wartime experience has given TAS a strategic advantage for helping small industries in reconversion. The number of technical queries sent in by small concerns is mounting monthly. Many veterans are turning to TAS for help. There is an urgency in the current requests even more noticeable than during the war.

Born under wartime conditions, TAS has developed month by month as the technical needs of small industries have become apparent. At first it was viewed skeptically by realistic businessmen. There were cries of "Government interference" and even "Socialism" over the establishment of so simple and rudimentary a method of assistance.

But not now. TAS's backlog of experience and accumulated information is not only of inestimable value to thousands of small businesses but essential to society.

TAS Is Intensely Practical

TAS is intensely practical. When it receives a production problem, its trained personnel knows the most important technological sources available, where and to whom to go to find the answer to the problem. TAS then gives the inquiring concern not just the findings of one source, but of several. This gives inquirers a selection of solutions; also different approaches to handling of the problem. Results have been eminently successful.

Business Is Alert to Need for More Industrial Research

Recently, at the request of Congress, SWPC talked about all these things to some 200 manufacturers throughout the country, most of them small producers.

There was a general agreement among them that Government-supported scientific and general industrial research are urgently needed, not only for industry in particular, but for the Nation in general, if employment and standards are to be maintained and improved.

Many said the Government must sponsor research, particularly basic research, because of the drying up of funds heretofore available from rich people who supported scientific endowments.

A large majority favored establishment of a central scientific Government agency to administer the research project and also favored establishment of a separate agency for dissemination of scientific information.

Here is the manufacturer speaking for himself—aware of industry's needs and seeking a solution. It reflects the responsibilities of TAS and its need for expansion for greater usefulness.

Catching Up on Technical Changes Big Job for Small Plants

During the war, technical advancement has been swift and sure. The development of atomic power is, of course, the most dramatic instance in the history of the world of this change. But while big things were going on, there have been revolutionary changes made all the way down the production line. New methods of manufacture, new combinations of materials, and new processes vitally affect the small producers in reconversion.

Here is an illustration: Before the war a small manufacturer did a lucrative business of making juke boxes. That was out immediately after Pearl Harbor. The manufacturer switched to the making of cartridges, and was up to his ears filling military contracts until VJ-day. His contracts terminated, he naturally wanted to make juke boxes again. In reconverting, however, he ran across many snags, due to production changes in war years. His small company had lost none of its old skill, but was simply behind on technical developments. It came to TAS with this query: "What is the proper convex radius for title strip push buttons?"

Here are some other recent queries received by TAS:

A manufacturer of cast aluminum pistons is endeavoring to bring out cast aluminum shingles and is requesting information on permanent coloring.

A small-town small manufacturer of milling machines requests "the probable trend of design of quick freeze units for farm use."

A drug manufacturer is seeking "available sources of transparent plastic containers," for new products.

A small machine shop which is developing a supersonic device for dispelling fog from lakes, rivers, and airports requests "assistance in obtaining facilities for testing a fog-dispelling siren."

A very small producer of mercury fears a decided increase in postwar competition and wants to know "the most advanced methods of refining virgin and secondary mercury."

A small manufacturer has developed a new cooking utensil and wants to know "the most practical design for an automatic utensil-polishing machine."

A furniture manufacturer is still unable to obtain bleaching materials, and wants to know "in the absence of peroxide, a substitute agent for bleaching walnut wood."

A manufacturer of wire cloth products is unable to resume importation of this material from abroad and wishes to know "the technique used and the equipment required for weaving fine mesh wire cloth."

A little manufacturer of jungle knives, in seeing peace-time possibilities, wants to know "the different types of steel being used in manufacturing cutlery, particularly kitchen and butcher knives."

Time now is so important a factor to the small manufacturer in solving his reconversion problems that some offices of SWPC have started a new rapid TAS service. Heretofore, the practice was to accumulate informative replies over a period of weeks and compile them into a formal report for a client. Now this information material is forwarded piece by piece, as it is obtained.

Who is there, in or out of Government, that would deny a small businessman the right to seek the answer to his production problem by simply writing to the most obvious place—which is TAS?

Turn this small businessman down, and we help make us a backward nation. Our Government would be in the position of forcing ignorance on thousands of small businessmen and placing them at a disastrous competitive disadvantage.

TAS must be expanded.

IV

SMALL PLANTS NEED ORDERS—LOOK TO SWPC FOR HELP

Small manufacturers, who got many billions of dollars' worth of war business through Smaller War Plants Corporation, are looking for peacetime business.

War orders are gone. Most small plants must have new orders or close shop.

A national program to induce large manufacturers and distributors, foreign trade commissions, and others to place contracts for civilian goods with smaller plants is one of the major steps in a successful reconversion plan.

Some small plants can return to prewar business and customers. Many cannot. Those which have expanded to several times their prewar size must continue those enlarged operations if we are to have full production and full employment. Some will be able to continue as suppliers for large firms, with which they established satisfactory associations in war work. Others will succeed in finding new products.

Thousands of small plants (a vast majority) as yet have no definite programs for replacing their war orders of the last 3 and 4 years.

Look to SWPC for Assistance

Obtaining business for small manufacturers has been a major SWPC function. Small plants are looking to us for similar assistance in getting peacetime business. In more than 3 years of operations, Smaller War Plants Corporation has collected complete records and acquired vast knowledge of facilities and production potentialities of some 50,000 small manufacturing establishments. We used this information to gain for these plants vitally needed war production. The same information can be put at the disposal of producers who seek subcontractors for equally needed civilian production. We intend to supply this information.

There is a civilian production job to be done which is almost as unlimited as was the war production job. Small business needs orders for all types of civilian goods and for the bits and pieces which go into their production.

SWPC Can Bring Big Producers and Small Manufacturers Together

There are many smaller plants which cannot make complete end products, but can turn out component parts in vast quantities and with exacting precision. They can speed production in peace, as they did in war.

In these cases the job is to bring the big producers and the small manufacturers together so that they may join forces in an all-out production program. In this, civilian production does not differ from war production.

With its knowledge and records of small plants SWPC is an established clearing house through which these large and small producers can be brought together.

Smaller War Plants Corporation has recognized its obligation to these plants, which gave up their normal business and joined wholeheartedly in war production—and now are seeking a return to peacetime production.

Finding business for them, SWPC has saved the lives of hundreds of small plants which otherwise would have had to close their doors and throw thousands of loyal workers into the ranks of unemployed.

A medium-sized Dakota plant recently took a contract from a Detroit auto manufacturer. It was a larger contract than this operator wanted or could handle in his own shop. It was a question of take it or leave it. He took the contract and asked SWPC for help. The SWPC district manager called together small manufacturers in the area. They went over the plans. The work was divided among them. As a result, 15 small plants are now contributing to a successful performance of a civilian contract.

Keeps Thousands of Workers at Their Machines

Throughout its 114 field offices, SWPC daily is seeking business opportunities for small manufacturers. SWPC representatives are calling on large manufacturers, wholesalers, distributors, mail order houses and others, seeking work which can be done by small plants.

In August, Cleveland SWPC placed approximately \$400,000 worth of civilian business with about 50 small firms. Kansas City has placed 4½ million dollars in civilian business since VJ-day. Philadelphia has referred over 200 small manufacturers to large plants seeking subcontractors. This is a small percentage of war procurements which SWPC was able to place, but it has kept many small plants in operation and many thousands of workers at their machines.

In Baltimore, the SWPC district manager organized 14 very small woodworking concerns into the Baltimore Woodworking Association. Their diversity in woodworking machinery and products has enabled

them to get contracts from local stores that none of them would have been able to handle by itself.

The Detroit SWPC Regional Office has developed an effective aid in its contract placement program with a Classified Production Source Book. This lists all registered small plants of the region of Michigan and northern Ohio. It gives the name and address of each firm, number of employees, number and kind of machines, and nature of products which have been manufactured. The book is divided into eight sections, classifying the plants by types of operations.

Shutdowns Averted as SWPC Finds Work for Small Plants

Over 700 copies of this Production Source Book have been distributed by SWPC to large firms which make a practice of subcontracting. Supplements are issued from time to time. The directory is widely used by the large plants of the Detroit area to find suppliers.

Since VJ-day, through personal calls, the Source Book, and other media, SWPC has been able to provide business for many small plants in the Detroit area, which strictly were up against it.

A Grand Rapids company, operator of 3 plants and employing 150 to 200 workers, faced complete shut-down as its war contracts were terminated. In desperation, an official of the firm called on SWPC for help. A \$200,000 subcontract for civilian business was obtained from a nearby aviation company. Not a man was laid off.

A large manufacturer was ready to place an order for 10,000 ironing boards, if SWPC could find someone to make them. SWPC had on its list a small manufacturer who was facing shut-down. It was suggested that he reconvert to ironing boards, and he was given the order for 10,000 units as a starter. This put 60 men to work for an unlimited time.

Another plant was given a contract through SWPC for \$100,000 worth of stamping for flatirons; another, a \$132,000 subcontract which will provide work for 98 workers for several months.

Without the assistance of SWPC, these small plants would have shut down and their workers would have been forced into idleness. Many more are in the same fix. We must help them find work. It is necessary to full employment. It is essential to a prosperous economy.

V

FINANCIAL PROBLEMS HANDICAP EXPANSION OF SMALL BUSINESS

The major bottleneck to expansion of small business is its inability to obtain adequate finances. Small business never will be able to expand materially and create any great number of jobs unless it can obtain adequate capital and credit. For many years private sources have proved to be inadequate to meet the financial needs of small business.

Obtaining Funds Difficult for Small Business

Surveys have shown that one-third to one-half of small businesses *which are in sound financial condition* experience difficulty in getting funds from private sources.

Small business needs long-term credit. Bank loans to small business generally are on a short-term basis.

Although small business receives only a relatively small share of all commercial and industrial credit, it pays a far higher rate of interest than does big business. According to a study of the Board of Governors of the Federal Reserve System, small borrowers with total assets under \$50,000 paid, on the average, rates about *three times as high* as those paid by borrowers with assets of \$5,000,000 and over (5.5 percent as compared with 1.8 percent).

Issuance of securities generally is limited to large established corporations. Investment bankers usually do not underwrite securities of new small firms, issues of small amounts for established firms, nor securities of any corporation unless it has exceptionally strong backing.

Moreover, a well-established small corporation of high financial quality which does issue securities for public sale faces two serious limitations. First, it finds itself unable to sell but a small proportion—averaging about a fifth—of the securities which it offers, and second, the cost of floating the issues is so high that it is generally prohibitive. These costs, which average nearly \$10 for each \$100 of bonds floated and \$15 to \$20 for each \$100 of preferred and common stock floated, are too high. They are a burden which small corporations cannot be expected to assume.

Traditionally, small businesses have secured capital from individ-

uals, but for several reasons, not the least of which is taxation, this source has dwindled.

As a result of difficulties encountered in obtaining capital, smaller firms generally are forced to operate with low current ratios, to depend largely upon borrowed capital rather than invested capital, and to rely unduly on high-cost short-term loans. Their ability to withstand hard times is thus greatly weakened and their instability and mortality increased.

SWPC Expends Civilian Loan Program to Help Meet These Recognized Needs

Smaller War Plants Corporation now is directing its energies in helping to meet these recognized financial needs of small business by expanding its loans for essential civilian production. During the war, the great bulk of SWPC loans were made, of course, on war contracts. With VJ-day came an almost complete end to these war loans. In these circumstances, it was inevitable that during this particular bimonthly period, in which came final military victory, the Corporation's loans on the whole would decline. It will take a little time before essential civilian loans will reach the volume of war contract loans. This is especially true since it requires more analysis and investigation to make a loan for expected civilian production than to make one based on a firm war contract.

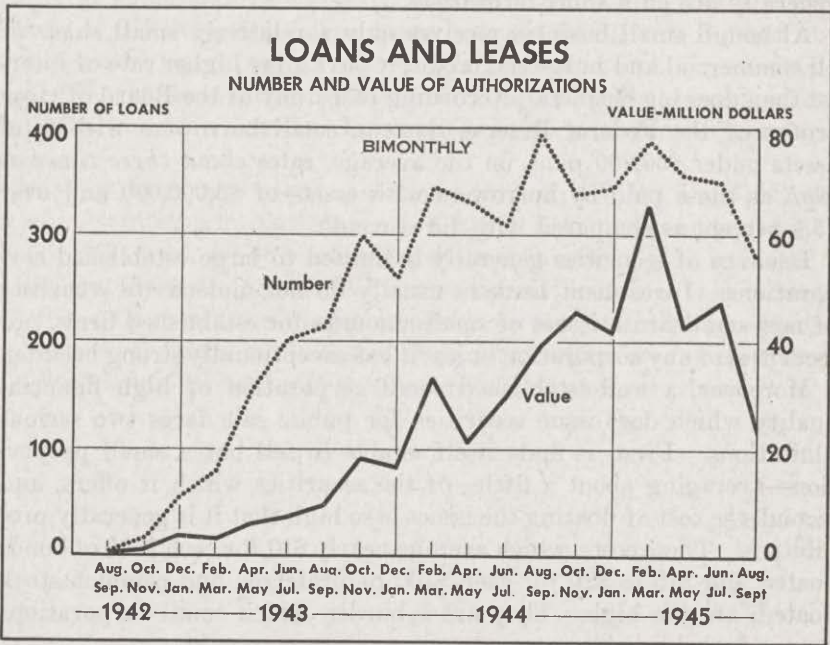


CHART 3.

It was a result of these factors that SWPC loan authorizations in August and September dropped to \$24,208,775, a decline of 48 percent from the total of \$46,948,229, reported for the preceding period of June and July.

The present level of lending, however, still compares favorably with the average bimonthly authorizations for the first half of 1944. Present lending is directed primarily to sustain essential civilian production, to provide interim financing for concerns pending termination settlements and to finance purchases of surplus property.

The number of loans granted has not declined as much as the total dollar value, indicating that the demand for help is continuing even though for smaller sums. This undoubtedly reflects the extent to which war contracts typically exceeded peacetime activity of small plants. During August and September there were 278 loans granted which is only 20 percent below the number granted in the preceding 2-month period.

Further evidence of the sustained demand for financial assistance is indicated in the volume of applications. During August and September 464 applications for a total of \$57,310,332 were received. This is a decline of only 10 percent in number and 18 percent in dollar value of applications received during June and July when 518 applications were received for a total of \$70,060,166.

VI

NEW REGULATIONS TO HELP SMALL BUSINESS AND VETERANS ACQUIRE SURPLUS PROPERTY

Since the passage of the Surplus Property Act, all agencies concerned with disposal of surplus property have been confronted with this problem: How best can surplus property be sold rapidly, while at the same time assuring that preferred groups under the act have their right of first call on the property?

Among these preferred groups is small business, which was granted the right because Congress recognized that some such protection was necessary to give it an even chance against big business and speculators. Congress was aware that without this protection big business would get the bulk of desirable surplus items.

Veterans, also, were given preference in purchasing surplus property for the purpose of helping them establish their own small enterprises.

SWPC Has Assignment to Help Small Business and Veterans Get Preference

It is a responsibility of the Smaller War Plants Corporation, under regulation 2 and regulation 7 of the Surplus Property Board (now the Surplus Property Administration), to look after the preference rights of these two groups.

On September 21, 1945, the Surplus Property Board formally issued a revision of regulation 2. This was followed on October 10 by a revision of regulation 7.

Regulation 2 concerns the disposal of surplus property to Government agencies (including the SWPC for resale to small business) and to State and local governments. Regulation 7 relates to the disposal of surplus property to veterans. The combined effect of these revisions is to change the old regulations in the following ways:

(1) *The former priority period totaling 30 days for the preferred groups has been eliminated.*

Under the old regulations these groups were granted a period of 30 days in which to exercise their right of first call on surplus property.

However, it was said that this priority period seriously delayed actual disposal operations.

Now is the best time to dispose of surplus property. The American economy needs all kinds of goods which are in large part available only from surplus. Furthermore, the speedy distribution of much needed surplus equipment and materials itself will be of great value to American industry in reconverting to peacetime production. It was primarily to meet the objective of achieving speedier sales that this priority period was eliminated.

(2) In place of the priority the rights of the preferred groups to purchase surplus property are to be protected by the establishment of special reserves.

These reserves are to be based upon experience and demonstrated demands. At regular intervals, SWPC is to submit estimates to disposal agencies of the amounts and kinds of surplus property needed in the reserves to meet requirements of small business and veterans. This is an extremely important part of the new regulations, since disposal agencies are to establish reserves sufficient to fill such needs. The reserves also are to include amounts sufficient to cover requirements of the other preferred groups—Government agencies and State and local governments.

Under this reserve program, the surplus item requested will be sought first in the reserves. If it is there, the small businessman or veteran will be notified of its location. If it is not in the reserves, it will be sought in the stocks of surplus property which have not as yet been advertised for sale.

The whole purpose of these reserves is to provide a fairly definite assurance that what is needed by small business, veterans, and Government units will be available to them. In the past, too much of the time of the Corporation has been spent in searching in the surplus supply records for items which often were not there. Furthermore, too much time has been spent in finding items which were listed in the surplus supply records but which actually had already been sold.

It is hoped that, by the establishment of these reserves, much of this fruitless labor of the past will be eliminated.

(3) The right of inspection of surplus property is definitely established for the preferred groups.

A large amount of surplus property, particularly motor vehicles and machine tools, is in poor physical condition. As a result, small businessmen and veterans are particularly anxious to inspect surplus items before making purchases. For the first time, their right to inspect surplus items is definitely established in a Surplus Property Board regulation.

(4) The preferred groups are granted the right to purchase surplus property at the lowest price at which it is offered to any trade level.

In the past many complaints were heard, particularly from veterans, against paying a distributor's mark-up on surplus property. They saw no reason why they should pay these mark-ups, if the distributor did nothing to improve the quality of the goods.

Veterans bought from dealers and paid the mark-ups because the amount of surplus available to them through SWPC was only a small fraction of the amount needed to meet their wants. Under the new regulation, establishment of the reserves should increase the amount of surplus available for direct sale by the Government to the veteran, and on such sales there is, of course, no distributor's mark-up.

(5) *The major changes in regulation 7, as announced by the Surplus Property Administration on October 10, are as follows:*

The \$2,500 limit in purchases was eliminated, though minimum and maximum limits are to be set by the SWPC in collaboration with the disposal agencies and with the approval of the Administrator.

A veteran entering retail business is allowed to buy an initial stock of goods for resale to the public—a right denied to him under the old regulation.

A veteran may deal directly with the disposal agencies, after certification by Smaller War Plants Corporation, at the lowest price at which such property is sold. He may have SWPC act as his agent, but he is not required to do so.

A veteran is permitted to buy automotive or other equipment which is required by his employment. Otherwise it must be used, as provided in the old Regulation, for the maintenance or establishment of his own small business, professional, or agricultural enterprise.

Credit may be extended to the veteran under terms and conditions established by the agency which sells the goods.

Veterans' rights to surplus property are given to ex-service members who have been released from active service though not technically discharged.

(6) *Under the new regulation, the Corporation is to examine the veteran's discharge papers and satisfy itself that he has been discharged under honorable conditions and that the property he is applying for is to be used in compliance with the provisions of SPA regulation 7.*

The Corporation then will certify that the veteran is entitled to the rights granted under regulation 7. A certificate will be prepared by the SWPC which is to be accepted by the disposal agencies. Help in locating and acquiring desired items will be furnished by SWPC, when necessary.

VII

SWPC COOPERATION WITH OTHER GOVERNMENT AGENCIES HELPS SMALL BUSINESS

Small business enterprises need Government representation now more than ever before.

SWPC representation of small businesses served the country, as well as small businesses themselves, in the strenuous war production years. Its tie-in with all procurement agencies—Army, Navy, Maritime Commission, and others—brought billions of dollars worth of war contracts to small plants. Their combined output perhaps turned the production tide that led to victory.

This effective contact with other Government agencies is continuing into reconversion. The going was hard for small plants in war times even when output of weapons and materials was so urgently needed. The going for small plants is doubly hard, indeed perilous, in the change-over to civilian production.

There was a national urgency in the placing of war contracts. There is no such urgency for peace production, because most priorities have gone overboard. The accent now is on competition—between one small producer and another small producer, between big businesses, and between big business and small business.

SWPC representation with other Government agencies is helping small businesses find their way through the Government maze in the current tight situation.

More than that, SWPC is using its great accumulation of experience in subcontracting to help the small producers keep up their successful wartime contacts with prime contractors. Chapter IV of this report tells of the success of this continuing operation.

SWPC representation reaches into every Government agency that affects small business. As the Government picture changes in Washington and throughout the country, SWPC adapts its representation facilities accordingly.

SWPC Is Advocate at Court for All Small Business

Reconversion finds SWPC's most active contacts, in Washington and the field, with the War Production Board, Office of Contract Settlement, Surplus Property Administration, the Department of Commerce, and the Office of Price Administration. Here are some particulars about this representation:

War Production Board: Special consideration for small business in WPB's post-VJ-day priorities was worked out through WPB-SWPC negotiations. WPB adopted the SWPC proposal that small plants should not be restricted to priorities assistance for a few bottleneck items but should be able to obtain priorities assistance on as many items as are needed to allow them to maintain or begin a minimum economic rate of operations.

Office of Price Administration: SWPC has been working with the OPA to permit small plants to expand and resume their civilian production at reasonable prices—with the result of obtaining a more simple reconversion pricing procedure for the very small manufacturer. Another result is a pricing regulation for the new small-volume manufacturer which enables him to price his products in line with the most nearly comparable products and merely file his price with the local OPA office.

Our field investigations have shown that small manufacturers are by no means fully aware of their opportunities under the reconversion pricing procedure. Therefore, OPA and SWPC are jointly sponsoring training meetings, at which small plants representatives will receive simple explanations of their opportunities under the new OPA procedures.

Office of Contract Settlement: The success of the contract settlement program is a tribute to the value of close interagency cooperation both in Washington and in the field. SWPC has been a member of the Board of the Office of Contract Settlement and a member of the major working committees. As a result of the close interagency action, over 1,100 contract settlement meetings have been held with manufacturers to make small businessmen, in particular, aware of the procedures and the need for advance planning for contract settlement. These meetings were sponsored jointly by SWPC and by the contracting agencies.

Surplus Property Administration: SWPC cooperation with the Surplus Property Administration in its disposal of material to veterans and other small businessmen is a major project. SPA regulation 7 places responsibilities on SWPC in getting surplus property into the hands of the veterans who need it. In carrying out the provisions of this regulation SWPC officials are in constant touch with surplus property officials in Washington and throughout the country. This work also calls for working cooperation with the Department of Commerce and other disposal agencies.

The work of SWPC's Technical Advisory Service calls for SWPC cooperation with many research and reporting organizations as well as private sources. These contacts have resulted in the solving of thousands of small manufacturers' problems. (See ch. III.)

In addition to these realistic services, SWPC is continually fighting the battle for small businesses in Congressional Committees, Bureaus, Departments of the Government, and elsewhere.

VIII

FOLLOW-THROUGH NOW IMPORTANT IN CONTRACT SETTLEMENT PROGRAM

Military victory has brought the educational phase of SWPC's contract settlement program into its closing days. At the same time, it has opened an important follow-through program of direct assistance to small plants whose war contracts were canceled.

Under the able leadership of Robert H. Hinckley, Director of Contract Settlement, SWPC, along with other Government agencies, has helped advise small war contractors on proper methods of preparing termination claims.

With mass terminations now a reality, our job is to see that the small contractor obtains a fair and speedy settlement. We must make sure, too, that the small manufacturer is not forced to shut down his shop for lack of interim financing.

Under the Contract Settlement Act, SWPC was assigned the specific duties of informing small contractors about settlement procedures and removal and storage of termination inventories, and providing them with needed loans during the reconversion period. Section 5 of the act also gives SWPC the duty of protecting their interests in the establishment of contract settlement procedures.

To carry out its first responsibility, SWPC has conducted a widespread educational campaign. In each of the 14 SWPC regions, a reconversion specialist has devoted full time to the program, working with other Government agencies.

SWPC's responsibility usually has been to sponsor and arrange the meetings and urge small contractors to attend. Explanation of the problems involved has been handled largely by representatives of the Army and Navy.

1,117 Meetings Held in 336 Cities

The outstanding success of the program is indicated in the attendance figures. Through August, 1,117 meetings had been held in 336 cities. Representatives of 23,690 war contractors had attended. Many contractors sent several representatives, including lawyers and auditors. Approximately 80 percent of the contractors represented were in the small business class, employing less than 500 persons.

SWPC's second responsibility, that of insuring just treatment for

the small contractor in settlement policies, is being carried out through membership on committees of the Office of Contract Settlement. By participating in establishment of policies and procedures, SWPC has gained special consideration for the small prime and subcontractor.

Guaranteeing the right of the small businessman to a fair deal was a wartime necessity. **IT IS EVEN MORE IMPORTANT DURING THE RECONVERSION YEARS.** If small business is to survive the turmoil of reconversion, it must continue to have a strong champion.

Since VE- and VJ-days, tens of thousands of cancellation notices have rolled out from Washington to war contractors. Most of these notices have been multiplied many times as the prime contractors canceled subcontracts and so on down the chain.

SWPC has prepared for this contingency by training its field personnel in termination procedures. Small contractors find that SWPC personnel in the 114 field offices are ready to assist them with settlement problems.

Because of the extensive effort to awaken contractors to termination problems, most contractors have been prepared for cancellations. But while mass termination instruction is ending, assistance to individual contractors is increasing. Many have attended contractor meetings, but find themselves enmeshed in new or individual problems they had not anticipated. SWPC interprets regulations for them, helps them prepare necessary forms, and intercedes in their behalf with prime contractors or Government procurement agencies.

SWPC Helps Bridge Financial Gap Between Termination and Settlement

Where a small manufacturer lacks sufficient funds to withstand the lag between termination and settlement, SWPC has the responsibility of helping him over this obstacle. We believe the bulk of interim financing can be arranged by local banks. It is our policy to attempt to place such business with the local banks and to assist small plants in making necessary arrangements. It already is clear, however, that in many cases banks will not be able to supply the necessary financing in time to keep plants going.

If a postwar economy of full production and full employment is to be achieved, the Nation's small plants must be kept on their feet during the reconversion period. Failure to settle their claims promptly and fairly can be disastrous.

War contracts are very complicated. In the case of some, it may be years before all the odds and ends can be written off the books. Contractor training did much to pave the road, but there are still rough spots ahead. Helping the small businessman obtain a speedy and equitable settlement of his termination claim is important work for the immediate future.

IX

NEEDS OF SMALL MANUFACTURERS, EXPRESSED BY THEMSELVES, POINT TO DEFINITE PROGRAM OF GOVERNMENT AID

Many small manufacturers are sure they need Government help to enable them to survive reconversion and prosper in the postwar era. They know what their needs are.

This is not guesswork. Within recent weeks, small manufacturers have met in all parts of the United States and told Smaller War Plants Corporation representatives what help they want and expect from their Government.

Sixteen meetings were held, in Boston, New York, Philadelphia, Charlotte (N. C.), Tampa (Fla.), Cleveland, Chicago, Kansas City, Dallas, Denver, San Francisco, Detroit, Minneapolis, Seattle, Portland (Oreg.), and Los Angeles.

Not only was every geographical section of the country represented at these meetings, but every segment of small manufacturing industry was represented—from all types of metal working to woodworking, textiles, and fishhooks.

These small manufacturers were asked: (1) Do you need any help from the Government? (2) If so, what help do you need?

They were asked to speak frankly and without restraint.

We believe that small manufacturers who attended these meetings represent a cross section of small business of America. Many of them have enjoyed profitable business services from SWPC, but all of them are sound, successful small businessmen. Many of them have been in business 10, 20, and 40 years and have survived a turbulent reconversion from normal peacetime operations to full war production.

A full report of the opinions, suggestions and direct statements of these small manufacturers has been made to the Small Business Committees of the Senate and House of Representatives.

Their views pointed to a definite program of Government assistance needed by small business.

These representative small manufacturers were positive in expressing needs, now or in the future, for:

- (1) Financial assistance. Some need interim loans, pending tax refunds or contract settlements; others need capital for operations, new equipment, materials, or expansion;

- (2) Marketing aid and advice, including surveys; help in getting orders; advice and assistance in how to obtain a share of foreign trade;
- (3) Technical advice. An expanded service, which would include information on auditing, accounting, costs, engineering, substitute materials, new processes, patents;
- (4) Representation in Washington and with other Government agencies;
- (5) Assistance in obtaining Government-owned surplus property, which would help in expansion of small businesses;
- (6) Assistance in quickly obtaining materials needed in production of civilian items;
- (7) Assistance in speedy settlement of Government contracts and plant clearance;
- (8) Help of a sympathetic Government agency in needed tax revisions;
- (9) Wider scope of assistance to veterans in order to promote new small business enterprises;
- (10) Decentralized Government assistance; protection against cartels and monopolies; and miscellaneous services necessary to sound and prosperous operations.

Many proposals as to how these needs can be met were made by the small manufacturers. These proposals call for thorough examination and appraisal. From them must be worked out a national program of Government aid for small business. They must have this help, if we are to eliminate the bottlenecks which hamper and prevent the expansion of small business necessary to high-level employment and a prosperous America.

X

STATISTICAL SUMMARY OF PROCUREMENTS

Distribution of prime contracts awarded with the assistance¹ of Smaller War Plants Corporation, during August-September 1945

DISTRIBUTION BY REGIONS

Regions	Number of contracts	Percent	Dollar value	Percent
	2, 953	100. 0	270, 910, 881	100. 0
Boston.....	308	10. 4	26, 960, 065	10. 0
New York.....	716	24. 2	63, 475, 195	23. 4
Philadelphia.....	313	10. 6	21, 852, 976	8. 1
Atlanta.....	133	4. 5	23, 877, 028	8. 8
Cleveland.....	223	7. 6	25, 154, 248	9. 3
Chicago.....	344	11. 6	40, 733, 516	15. 0
Kansas City.....	219	7. 4	22, 270, 192	8. 2
Dallas.....	56	1. 9	6, 332, 407	2. 3
Denver.....	84	2. 9	1, 373, 899	0. 5
San Francisco.....	268	9. 1	11, 599, 882	4. 3
Detroit.....	142	4. 8	12, 570, 810	4. 6
Minneapolis.....	26	0. 9	2, 668, 427	1. 0
Seattle.....	38	1. 3	3, 156, 938	1. 2
Los Angeles.....	83	2. 8	8, 885, 298	3. 3

DISTRIBUTION BY SIZE OF PLANT

Size of plant	Number of contracts	Percent	Dollar value	Percent
Total all groups.....	2, 953	100. 0	270, 910, 881	100. 0
1-49 wage earners.....	793	26. 9	27, 607, 223	10. 2
50-99 wage earners.....	609	20. 6	37, 584, 056	13. 9
100-249 wage earners.....	825	27. 9	84, 752, 720	31. 3
250-499 wage earners.....	614	20. 8	105, 327, 788	38. 9
500-over wage earners.....	15	0. 5	8, 052, 851	2. 9
Unspecified.....	97	3. 3	7, 586, 243	2. 8

¹ Includes 1,884 prime contracts valued at \$165,200,625, which are awarded with the concurrence of SWPC
Source: SWPC-6B.

CHANGES IN AMOUNTS OF SUBCONTRACTS PREVIOUSLY REPORTED

Name	Address	Amount Previously Reported	Amount Now Stipulated
Furniture:			
Dearborn Co.....	Chicago, Ill.....	\$7, 993. 05	\$7, 762. 95
Eisen Bros.....	Hoboken, N. J.....	47, 580. 00	0
F. S. Harmon Mfg. Co.....	Tacoma, Wash.....	31, 064. 25	0
Phoenix Chair Co.....	Sheboygan, Wis.....	61, 733. 75	17, 898. 75
Total.....			47, 777. 32

Number and dollar value of contracts awarded by Government procurement agencies, shown by months¹

[Value of contracts shown in thousands of dollars]

Procurement agency	Total contracts		Under 100 wage earners		Under 500 wage earners	
	Number	Value	Percent of number	Percent of value	Percent of number	Percent of value
ARMY						
1942: November and December	100 percent	100 percent				
	65,382	\$6,575,890	45.9	5.1	67.9	14.0
1943: January through December	241,531	35,329,396	35.7	3.5	62.8	12.6
1944: January through December	163,114	24,759,882	29.2	5.5	59.6	20.0
1945:						
January	14,778	2,892,563	26.0	6.2	57.2	24.3
February	13,971	2,547,558	27.5	6.2	59.0	25.7
March	14,780	2,566,718	26.5	7.2	58.8	27.4
April	14,697	2,504,039	28.4	8.6	60.9	28.1
May	13,675	2,072,335	30.6	10.3	61.7	27.6
June	11,192	1,500,162	29.9	10.5	60.7	28.5
July	10,250	1,918,042	31.0	8.2	60.8	22.0
August	5,295	701,160	27.5	13.6	60.1	40.2
NAVY						
1943: April through December	131,359	11,281,740	26.6	1.8	48.4	8.5
1944: January through December	241,297	11,121,083	28.2	3.6	57.2	11.6
1945:						
January	16,438	952,518	32.4	8.7	58.9	17.5
February	17,505	1,622,224	34.3	2.1	60.1	5.9
March	17,324	1,138,589	30.9	2.3	57.5	9.7
April	12,610	573,332	29.1	5.3	54.7	16.2
May	22,133	769,142	31.3	4.0	61.4	13.2
June	13,012	341,578	28.6	8.2	55.3	20.1
July	17,569	457,638	33.7	7.1	63.5	24.2
MARITIME COMMISSION						
1943: January through December	5,022	2,790,889	25.5	4.1	49.0	11.1
1944:						
January	473	69,726	22.2	9.8	38.1	19.0
February	282	195,503	25.5	5.2	44.7	11.9
March	421	58,555	26.6	13.6	43.5	26.9
April	457	72,804	30.6	22.5	55.1	40.7
DEPARTMENT OF INTERIOR						
1944: February through December	640	13,748	(2)	(2)	(2)	(2)
1945:						
January	50	630	(2)	(2)	(2)	(2)
February	34	3,854	(2)	(2)	(2)	(2)
March	63	663	(2)	(2)	(2)	(2)
April	25	137	(2)	(2)	(2)	(2)
May	37	115	(2)	(2)	(2)	(2)
June	36	630	(2)	(2)	(2)	(2)
July	28	1,533	(2)	(2)	(2)	(2)
FEDERAL PUBLIC HOUSING AUTHORITY						
1944:						
February-March	36	406	(2)	(2)	(2)	(2)
June-July	16	221	(2)	(2)	(2)	(2)
August-September	32	519	(2)	(2)	(2)	(2)
October-November	58	796	(2)	(2)	(2)	(2)
December-January 1945	85	1,444	(2)	(2)	(2)	(2)
1945:						
February-March	41	1,083	(2)	(2)	(2)	(2)
April-May	91	1,918	(2)	(2)	(2)	(2)
June-July	49	942	(2)	(2)	(2)	(2)

See footnotes at end of table.

Number and dollar value of contracts awarded by Government procurement agencies, shown by months¹—Continued

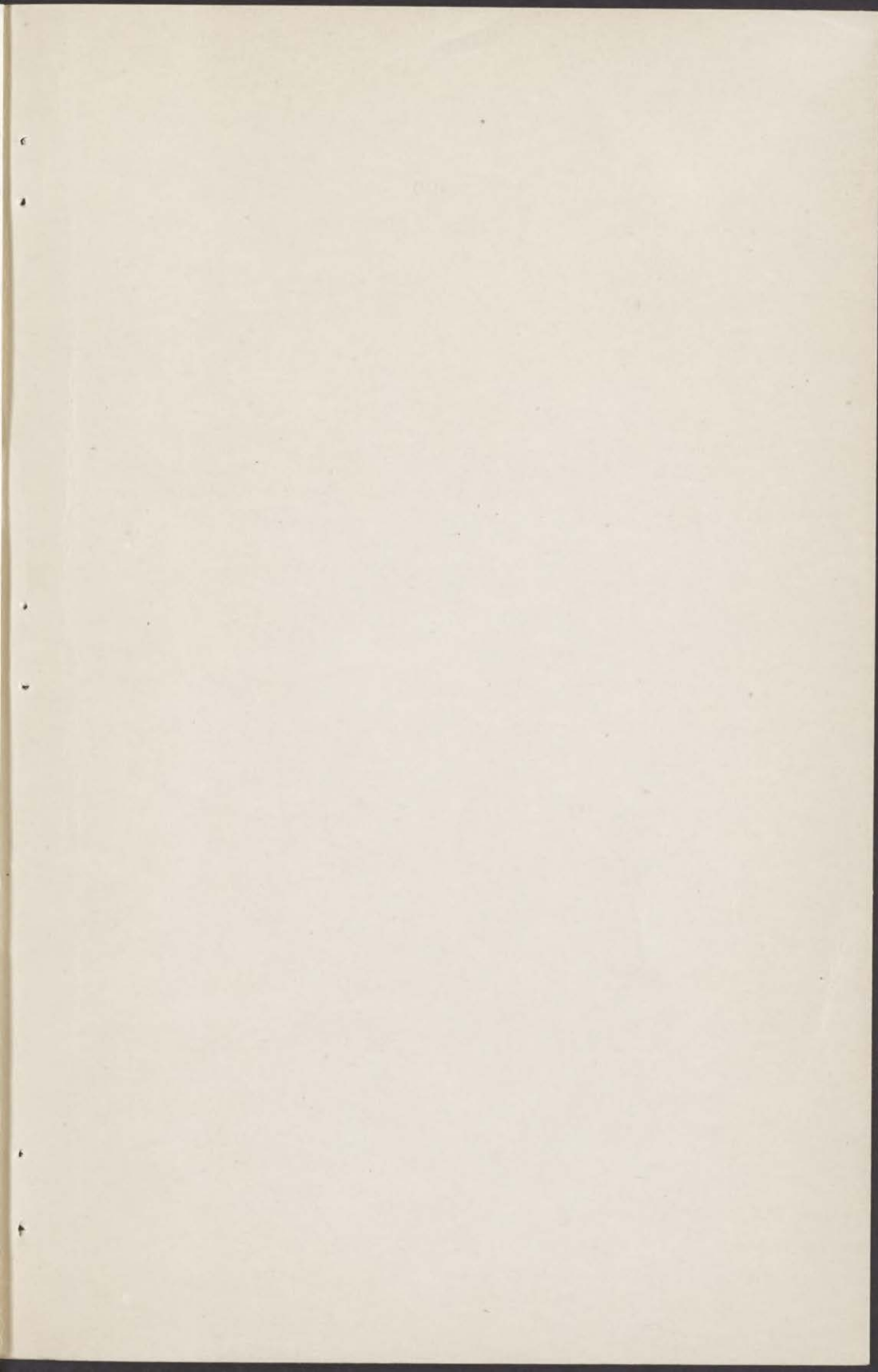
Procurement agency	Total contracts		Under 100 wage earners		Under 500 wage earners	
	Number	Value	Percent of number	Percent of value	Percent of number	Percent of value
CIVIL AERONAUTICS ADMINISTRATION						
1944:	<i>100 Percent</i>	<i>100 Percent</i>				
January-March.....	17	\$2,100	17.6	2.1	64.7	77.6
April-May.....	12	189	16.7	13.8	83.3	79.4
June-July.....	16	564	18.8	8.0	56.3	23.3
August-September.....	10	476	20.0	18.5	60.0	73.1
October-November.....	5	96	40.0	57.7	60.0	69.5
December-January 1945..	7	256	28.6	7.7	71.4	55.4
1945:						
February-March.....	3	28	66.7	63.3	100.0	100.0
April-May.....	5	119			80.0	92.4
June-July.....	15	568	26.7	59.4	53.3	73.4
PANAMA CANAL						
1944:						
February-March.....	20	278	20.0	19.1	25.0	23.1
April-May.....	17	246	23.5	19.1	29.4	23.6
June-July.....	17	199	29.4	26.1	58.8	45.7
August-September.....	21	437	33.3	16.7	38.1	19.0
October-November.....	32	318	37.5	31.1	50.0	40.3
December-January 1945..	41	432	24.4	20.0	39.0	30.2
1945:						
February-March.....	36	591	22.2	15.2	41.6	29.2
April-May.....	34	392	14.7	12.4	38.2	36.9
June-July.....	49	477	24.5	24.6	51.0	52.6
LEND-LEASE						
1944: February through December.....	21,777	1,293,248	19.8	6.3	39.5	20.0
1945:						
January.....	2,276	83,932	23.8	13.8	44.9	33.2
February.....	1,703	58,138	29.3	24.5	54.4	41.5
March.....	1,938	83,039	15.8	4.7	36.3	17.1
April.....	1,687	84,285	21.6	10.8	30.5	16.8
May.....	1,619	61,867	38.9	35.7	40.7	38.3
June.....	1,648	82,021	39.1	27.0	39.8	27.2
July.....	1,858	73,021	41.7	35.2	43.6	36.4
August.....	1,051	31,296	49.3	44.5	50.6	45.7

¹ Data shown for the Army, Navy, and Maritime Commission are limited to contracts of \$10,000 or more and those of the C. A. A. and Panama Canal are limited to contracts of \$5,000 or more.

² Full data not available for these months.

Financial and other data of companies included by Government Securities and Exchange Commission

Company Name	Industry	Assets	Liabilities	Equity	Revenue	Profit	Dividend	Employees	Headquarters	Date of Incorporation	Date of Report	Filing Date	Filing Number	Filing Type	Filing Status
ABC Company	Manufacturing	100,000,000	50,000,000	50,000,000	1,000,000,000	10,000,000	1,000,000	100	New York	1950	1950	1950	100	100	100
DEF Company	Service	200,000,000	100,000,000	100,000,000	2,000,000,000	20,000,000	2,000,000	200	Los Angeles	1951	1951	1951	200	200	200
GHI Company	Technology	50,000,000	25,000,000	25,000,000	500,000,000	5,000,000	500,000	50	San Francisco	1952	1952	1952	50	50	50
JKL Company	Healthcare	300,000,000	150,000,000	150,000,000	3,000,000,000	30,000,000	3,000,000	300	Chicago	1953	1953	1953	300	300	300
MNO Company	Finance	150,000,000	75,000,000	75,000,000	1,500,000,000	15,000,000	1,500,000	150	London	1954	1954	1954	150	150	150
PQR Company	Energy	400,000,000	200,000,000	200,000,000	4,000,000,000	40,000,000	4,000,000	400	Houston	1955	1955	1955	400	400	400
STU Company	Telecommunications	250,000,000	125,000,000	125,000,000	2,500,000,000	25,000,000	2,500,000	250	Atlanta	1956	1956	1956	250	250	250
VWX Company	Transportation	350,000,000	175,000,000	175,000,000	3,500,000,000	35,000,000	3,500,000	350	Seattle	1957	1957	1957	350	350	350
YZA Company	Retail	180,000,000	90,000,000	90,000,000	1,800,000,000	18,000,000	1,800,000	180	Portland	1958	1958	1958	180	180	180
BCD Company	Education	120,000,000	60,000,000	60,000,000	1,200,000,000	12,000,000	1,200,000	120	Philadelphia	1959	1959	1959	120	120	120
EFG Company	Media	90,000,000	45,000,000	45,000,000	900,000,000	9,000,000	900,000	90	San Diego	1960	1960	1960	90	90	90
HIJ Company	Real Estate	220,000,000	110,000,000	110,000,000	2,200,000,000	22,000,000	2,200,000	220	Phoenix	1961	1961	1961	220	220	220
KLM Company	Food	160,000,000	80,000,000	80,000,000	1,600,000,000	16,000,000	1,600,000	160	San Jose	1962	1962	1962	160	160	160
NOP Company	Automotive	280,000,000	140,000,000	140,000,000	2,800,000,000	28,000,000	2,800,000	280	Detroit	1963	1963	1963	280	280	280
QRS Company	Chemicals	320,000,000	160,000,000	160,000,000	3,200,000,000	32,000,000	3,200,000	320	Indianapolis	1964	1964	1964	320	320	320
TUV Company	Construction	260,000,000	130,000,000	130,000,000	2,600,000,000	26,000,000	2,600,000	260	San Antonio	1965	1965	1965	260	260	260
WXY Company	Insurance	190,000,000	95,000,000	95,000,000	1,900,000,000	19,000,000	1,900,000	190	San Jose	1966	1966	1966	190	190	190
ZAB Company	Pharmaceuticals	380,000,000	190,000,000	190,000,000	3,800,000,000	38,000,000	3,800,000	380	San Francisco	1967	1967	1967	380	380	380
ACD Company	Utilities	210,000,000	105,000,000	105,000,000	2,100,000,000	21,000,000	2,100,000	210	San Francisco	1968	1968	1968	210	210	210
DEF Company	Telecommunications	240,000,000	120,000,000	120,000,000	2,400,000,000	24,000,000	2,400,000	240	San Francisco	1969	1969	1969	240	240	240
GHI Company	Transportation	270,000,000	135,000,000	135,000,000	2,700,000,000	27,000,000	2,700,000	270	San Francisco	1970	1970	1970	270	270	270
JKL Company	Retail	170,000,000	85,000,000	85,000,000	1,700,000,000	17,000,000	1,700,000	170	San Francisco	1971	1971	1971	170	170	170
MNO Company	Education	130,000,000	65,000,000	65,000,000	1,300,000,000	13,000,000	1,300,000	130	San Francisco	1972	1972	1972	130	130	130
PQR Company	Media	110,000,000	55,000,000	55,000,000	1,100,000,000	11,000,000	1,100,000	110	San Francisco	1973	1973	1973	110	110	110
STU Company	Real Estate	230,000,000	115,000,000	115,000,000	2,300,000,000	23,000,000	2,300,000	230	San Francisco	1974	1974	1974	230	230	230
VWX Company	Food	150,000,000	75,000,000	75,000,000	1,500,000,000	15,000,000	1,500,000	150	San Francisco	1975	1975	1975	150	150	150
YZA Company	Automotive	290,000,000	145,000,000	145,000,000	2,900,000,000	29,000,000	2,900,000	290	San Francisco	1976	1976	1976	290	290	290
BCD Company	Chemicals	310,000,000	155,000,000	155,000,000	3,100,000,000	31,000,000	3,100,000	310	San Francisco	1977	1977	1977	310	310	310
EFG Company	Construction	250,000,000	125,000,000	125,000,000	2,500,000,000	25,000,000	2,500,000	250	San Francisco	1978	1978	1978	250	250	250
HIJ Company	Insurance	180,000,000	90,000,000	90,000,000	1,800,000,000	18,000,000	1,800,000	180	San Francisco	1979	1979	1979	180	180	180
KLM Company	Pharmaceuticals	390,000,000	195,000,000	195,000,000	3,900,000,000	39,000,000	3,900,000	390	San Francisco	1980	1980	1980	390	390	390
NOP Company	Utilities	200,000,000	100,000,000	100,000,000	2,000,000,000	20,000,000	2,000,000	200	San Francisco	1981	1981	1981	200	200	200
QRS Company	Telecommunications	220,000,000	110,000,000	110,000,000	2,200,000,000	22,000,000	2,200,000	220	San Francisco	1982	1982	1982	220	220	220
TUV Company	Transportation	260,000,000	130,000,000	130,000,000	2,600,000,000	26,000,000	2,600,000	260	San Francisco	1983	1983	1983	260	260	260
WXY Company	Retail	160,000,000	80,000,000	80,000,000	1,600,000,000	16,000,000	1,600,000	160	San Francisco	1984	1984	1984	160	160	160
ZAB Company	Education	140,000,000	70,000,000	70,000,000	1,400,000,000	14,000,000	1,400,000	140	San Francisco	1985	1985	1985	140	140	140
ACD Company	Media	120,000,000	60,000,000	60,000,000	1,200,000,000	12,000,000	1,200,000	120	San Francisco	1986	1986	1986	120	120	120
DEF Company	Real Estate	240,000,000	120,000,000	120,000,000	2,400,000,000	24,000,000	2,400,000	240	San Francisco	1987	1987	1987	240	240	240
GHI Company	Food	170,000,000	85,000,000	85,000,000	1,700,000,000	17,000,000	1,700,000	170	San Francisco	1988	1988	1988	170	170	170
JKL Company	Automotive	300,000,000	150,000,000	150,000,000	3,000,000,000	30,000,000	3,000,000	300	San Francisco	1989	1989	1989	300	300	300
MNO Company	Chemicals	330,000,000	165,000,000	165,000,000	3,300,000,000	33,000,000	3,300,000	330	San Francisco	1990	1990	1990	330	330	330
PQR Company	Construction	270,000,000	135,000,000	135,000,000	2,700,000,000	27,000,000	2,700,000	270	San Francisco	1991	1991	1991	270	270	270
STU Company	Insurance	190,000,000	95,000,000	95,000,000	1,900,000,000	19,000,000	1,900,000	190	San Francisco	1992	1992	1992	190	190	190
VWX Company	Pharmaceuticals	370,000,000	185,000,000	185,000,000	3,700,000,000	37,000,000	3,700,000	370	San Francisco	1993	1993	1993	370	370	370
YZA Company	Utilities	210,000,000	105,000,000	105,000,000	2,100,000,000	21,000,000	2,100,000	210	San Francisco	1994	1994	1994	210	210	210
BCD Company	Telecommunications	230,000,000	115,000,000	115,000,000	2,300,000,000	23,000,000	2,300,000	230	San Francisco	1995	1995	1995	230	230	230
EFG Company	Transportation	250,000,000	125,000,000	125,000,000	2,500,000,000	25,000,000	2,500,000	250	San Francisco	1996	1996	1996	250	250	250
HIJ Company	Retail	160,000,000	80,000,000	80,000,000	1,600,000,000	16,000,000	1,600,000	160	San Francisco	1997	1997	1997	160	160	160
KLM Company	Education	140,000,000	70,000,000	70,000,000	1,400,000,000	14,000,000	1,400,000	140	San Francisco	1998	1998	1998	140	140	140
NOP Company	Media	120,000,000	60,000,000	60,000,000	1,200,000,000	12,000,000	1,200,000	120	San Francisco	1999	1999	1999	120	120	120
QRS Company	Real Estate	240,000,000	120,000,000	120,000,000	2,400,000,000	24,000,000	2,400,000	240	San Francisco	2000	2000	2000	240	240	240
TUV Company	Food	170,000,000	85,000,000	85,000,000	1,700,000,000	17,000,000	1,700,000	170	San Francisco	2001	2001	2001	170	170	170
WXY Company	Automotive	300,000,000	150,000,000	150,000,000	3,000,000,000	30,000,000	3,000,000	300	San Francisco	2002	2002	2002	300	300	300
ZAB Company	Chemicals	330,000,000	165,000,000	165,000,000	3,300,000,000	33,000,000	3,300,000	330	San Francisco	2003	2003	2003	330	330	330
ACD Company	Construction	270,000,000	135,000,000	135,000,000	2,700,000,000	27,000,000	2,700,000	270	San Francisco	2004	2004	2004	270	270	270
DEF Company	Insurance	190,000,000	95,000,000	95,000,000	1,900,000,000	19,000,000	1,900,000	190	San Francisco	2005	2005	200			



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