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REPORT TO CONGRESS

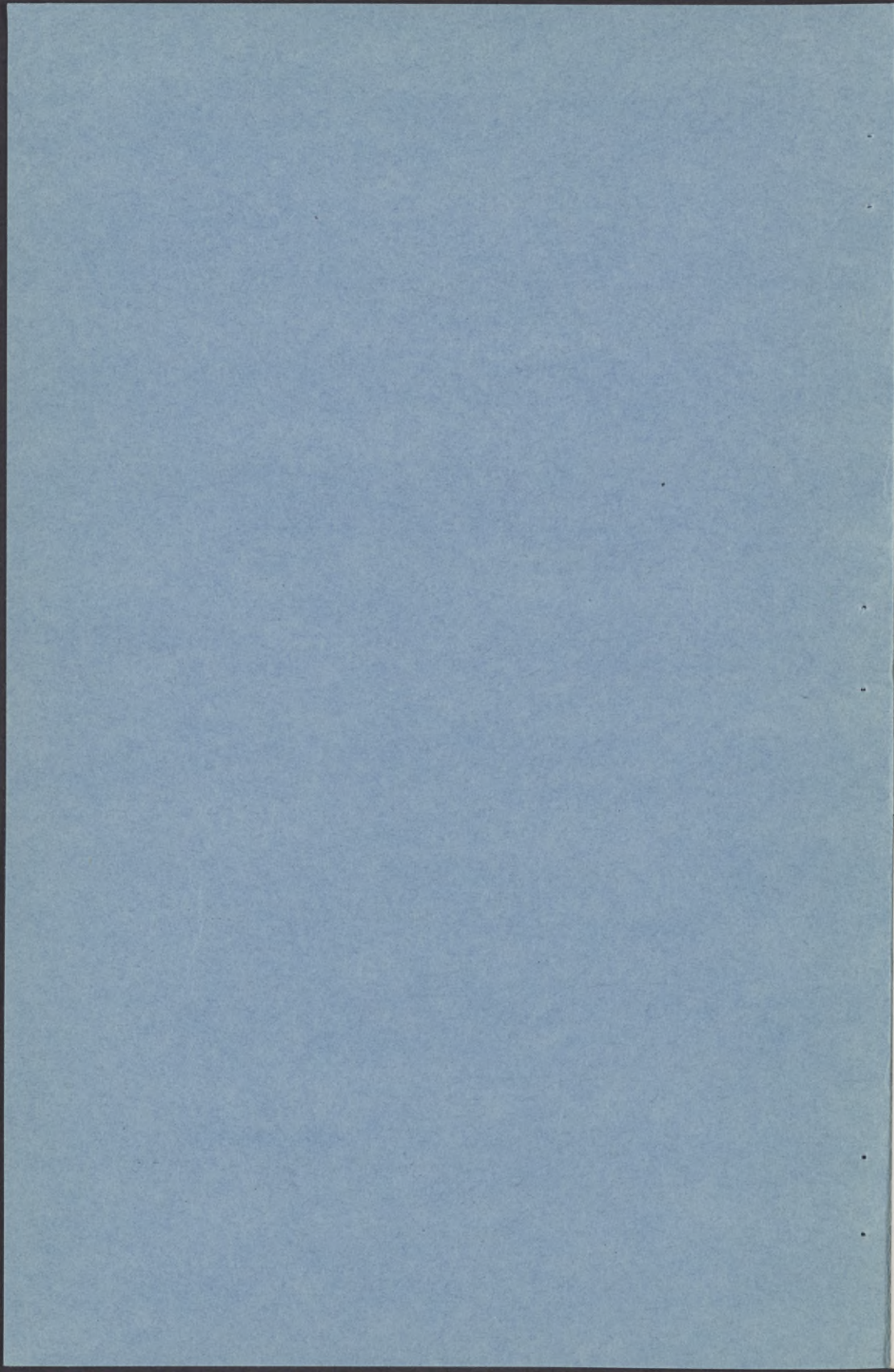
FROM SMALLER WAR PLANTS CORPORATION

IN THIS REPORT:

- Enormous Drop in Military Contracts
- The Problem of Materials
- Surplus Property
- Small Business and Veterans
- Monopoly and Concentration of Resources



*THIS IS the Nineteenth Bimonthly
Report to Congress of the Smaller
War Plants Corporation Covering
June and July 1945*



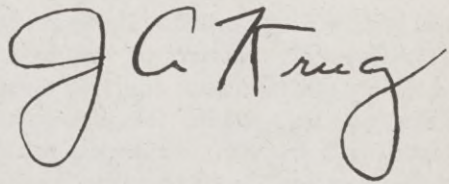
LETTER OF SUBMITTAL

OFFICE OF THE CHAIRMAN,
WAR PRODUCTION BOARD,
Washington, D. C., August 17, 1945.

SIR:

Pursuant to Section 5 of the act approved June 11, 1942 (Public Law 603, 77th Cong.), I submit herewith the Nineteenth 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 June 1 through July 31, 1945.

Respectfully,

A handwritten signature in cursive script, reading "J C Krug". The signature is written in dark ink and is positioned to the right of the word "Respectfully,".

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

LETTER OF SUBMITTAL

I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the above named matter. I am sorry that I cannot give you a more definite answer at this time, but I am sure that you will understand the necessity of this delay. I am sure that you will be satisfied with the result of my efforts.

Very truly,
Yours,
J. B. [Signature]

Enclosed for you are the papers referred to in my letter of the 10th inst.

LETTER OF TRANSMITTAL

AUGUST 11, 1945.

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

DEAR MR. KRUG:

This 19th Bimonthly Report of the Smaller War Plants Corporation emphasizes the problems of small business in the difficult effort to get materials with which to reconvert.

This report shows that war contracts placed with small plants through the aid of the SWPC dropped 40 percent during June and July from the previous 2-month period. This drop means that the need for reconversion is definitely here. The time for action is now. These small plants must get materials so they can get into civilian production or they'll have to close up. The Smaller War Plants Corporation has a legal responsibility to see that small plants get a fair and equitable share of materials. It is our duty to fulfill that responsibility.

We hope to avoid a situation where small business again will be last to start in reconversion as it was in war production. We feel very strongly that unless special reserves of tight materials are set aside for the use of small business, there is a real danger that thousands of small businesses will be frozen out altogether. This, in turn, could mean widespread unemployment and could have a disastrous effect on our whole business structure, big and little.

The announced policy of the War Production Board of seeing that little business has an opportunity to reconvert first is its greatest protection. This wise policy can be best enforced through controls on scarce and hard-to-get materials.

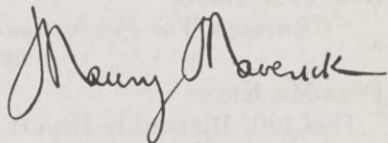
Feeling that it is just as urgent that we mobilize *all* of our available resources for peace as it was for war, we are again urging that, in lifting controls, little business be given the special consideration and protection it deserves. The chapter on materials elaborates on this subject and is called to your special attention.

Also there are a number of stories which tell something of what our field offices are doing to aid small business. These stories, scattered throughout the report, give a good cross-section of the work of our 114 Regional and District offices. They feature the problems of small businessmen all over the country.

The chapters on veterans, surpluses, monopoly, and concentration of resources all emphasize the need for an orderly and gradual conversion to peacetime production as opposed to a too-sudden lifting of controls.

We have tried in this report to show some of the present and future problems of reconversion as applied to small business. We wish to assure you of our continued cooperation in helping to meet these problems in order that the strongest possible national economy may be achieved.

Sincerely yours,

A handwritten signature in dark ink, reading "Maury Maverick". The signature is fluid and cursive, with the first name "Maury" and last name "Maverick" clearly distinguishable.

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

WITH SWPC IN THE FIELD

Scattered throughout this report are stories of what is happening in SWPC field offices. The stories reflect the day-by-day operations of SWPC's men in the field—the men who are closest to the small businessmen of specific communities.

District offices handle a bewildering variety of queries. One man wants to convert his shop from shells to bedsteads, and asks how to do it. A veteran wants a truck or machine tools to set up his own shop.

They ask for help in filling out applications and for interpretations of Government regulations. They want materials and equipment; quick loans to tide them over an emergency, and long loans for a new ambitious undertaking. Thousands of human problems of all kinds also fall into the district managers' hopper.

Time was when district offices were swamped with requests for war contracts. The record speaks for the job SWPC did on war contracts and, more important, for the job that small plants have done. Times have changed. Reconversion is here, with the accent on problems of discharged veterans, surplus property, retooling, new markets, new products, and processes.

With the experience gained in war years, the field offices of the SWPC are doing a human, intelligent, and effective job in converting small industry for peace.

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NINETEENTH BIMONTHLY REPORT OF THE SMALLER WAR PLANTS CORPORATION

June 1 through July 31, 1945

I

1. ENORMOUS DROP IN MILITARY CONTRACTS FOR SMALL PLANTS SHOWS VITAL URGENCY OF RECONVERSION ACTION

Military contracts for small plants in the June-July bimonthly period dropped by 40 percent, which is enormous.¹

Although these figures may be variously interpreted, there can be no doubt the drop in procurements for small plants is significant inasmuch as, the reduction in military production since March—the last month of the full Two-Front War Production Effort is only about 13 percent.

The inevitable conclusion is of immediate emergency importance:

RECONVERSION AND DEFINITE PLANS FOR RECONVERSION CANNOT BE EVADED FOR ANOTHER SINGLE MOMENT.

These figures are harsh.² But everyone has a right to know them, and should know them.

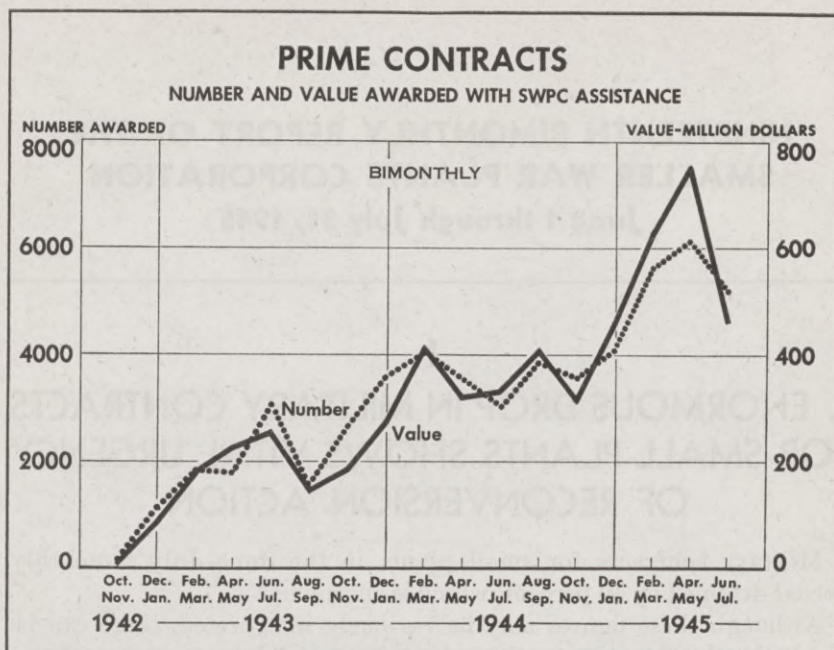
During June and July, a total of 5,206 prime contracts, amounting to \$463,522,342, was obtained by small plants with the assistance of Smaller War Plants Corporation. Prime contracts for the previous 2-month period (April and May) reached an all-time peak of \$754,522,481. This is a 40 percent drop.

General Decline for All Plants Expected

In recent Smaller War Plants Corporation reports to Congress, we have pointed out that a general decline in war contracts to both large and small plants naturally would occur in the transition from a two-front war to a one-front war.

¹ Since this was written, the Japanese have surrendered. Tomorrow the contracts of small plants may drop to zero. The reconversion problems of small plants intensify as their war contracts drop off.

² The war's end will bring much higher figures.



This statement was elementary. But even after VE-DAY, some Government agencies continued to insist there either would be no decline in military contracts or that the decline would be slight.

The decline now is plain as day and is especially noticeable to small business. A 40-percent drop can't be tossed aside with a shake of the head, or a quotation of plans for some future date. It demands action now; action that should have taken place months ago.

As the total war contracts continue to decline, it is becoming, and will become, increasingly difficult to obtain military contracts for small plants. This is a fact—not an opinion.

With SWPC in the Field

EXPEDITES BIG BRICK CONTRACT

JACKSONVILLE, FLA.: A big building project in Daytona Beach brought a local brick manufacturer to the SWPC office. SWPC located a building that could be moved to the brick manufacturing site, assisted him through WPB in obtaining needed materials, and arranged for a test of his samples. The brick met all specifications requirements. He will be in full production soon.

HELPS PLANT RECONVERT

TRENTON, N. J. : A small plant which had completed its war contract, wanted to locate small plywood or solid wood scraps for reversion to the manufacture of small trays and drawers, similar to the products it had made before the war. SWPC surveyed the country and located a source in Philadelphia. A satisfactory deal was made.

Military services tend to concentrate their reduced war orders in a small number of big, specialized plants. To induce these military services to spread their contracts over a large number of small plants is extremely difficult. High military officials say it is only natural to seek needed production from 1 or 2 plants, rather than to split this business among 15 or 20 plants.

Possibly, this is only to be expected, since it may result in less paper work, and more centralized responsibility which, it is claimed, speeds war production. Also, it is pointed out that there are many big plants, which were built only for war production and cannot be adapted to civilian production.

Aggressive and Tangible Action Necessary Now

If we recognize these facts, then it is extremely important for every Government agency to understand and acknowledge the existing situation regarding war production. Further, it must be generally known and acknowledged that this situation is a menace to labor and business—unless we can meet the situation with aggressive and tangible action.

With immediate and proper action, we can take this situation and turn it to the advantage of our entire economy; because:

- (1) With proper controls, materials can be so allocated that little plants can get into civilian production; and
- (2) Small plants are highly flexible and readily can shift back to civilian work.

SWPC Has Legal Responsibility To Help Small Business Get Materials

The Smaller War Plants Corporation is, by its own intention and by the law, directly and deeply interested in reversion. The War Mobilization and Reversion Act (Public Law 458) specifically provides that Smaller War Plants Corporation shall protect the interests

of small business in obtaining its share of materials for reconversion purposes.

Therefore, this Government agency will continue to do its utmost to help small plants to continue in war production—or, if not needed any longer in war production, to revert to civilian production.

Above everything else, it is now plain—and we should have recognized it long before the atomic bomb wrought destruction on Hiroshima—that among the most urgent problems of America today is reconversion, and that the A-1 problem is to give small business every chance to revert rapidly and on terms of fair competition with the larger enterprises.

2. REMOVAL OF CONTROLS FROM SCARCE MATERIALS TOO QUICKLY WILL CLOSE MANY SMALL BUSINESSES: UNEMPLOYMENT AND INFLATION WILL FOLLOW

With small plants bearing the brunt of military cut-backs (discussed in previous chapter), they are finding it extremely difficult to get materials needed for civilian production.

Shortages of key materials and industrial products are the plague of reconversion.

Big prime contractors, upon getting cut-backs, generally pull into their own plants work which they had been subcontracting out to small businesses. Naturally, such a small plant can only turn to civilian production for survival.

With SWPC in the Field

FIGHTS SMALL BUSINESS BATTLE

PHILADELPHIA, PA.: SWPC was fighting a battle for a small battery company. Two or three large battery firms around were trying, in the opinion of some, to freeze out this small concern, which had obtained part of an order placed by the Signal Corps. A large manufacturer, who had obtained the bulk of the contract, insisted that he had to have all of the business or none. Arguments went on all day. At the end of the day, the Signal Corps not only had sided with SWPC, but in place of a \$20,000 order, the small battery company had an order exceeding \$300,000.

ACTION SAVES VETERAN'S INVESTMENT

CLEVELAND, OHIO: A veteran invested his limited savings in a patented tire preservative in the expectation of starting his own business. But he needed 50 pounds of glucose to every 500 pounds of preservative. Glucose is hard to get now. SWPC's district offices in Cleveland and New York worked together and got him an ample supply. The pay-off—the veteran got an order for 125,000 pounds of his product from a big trucking company.

Little Business Up Against a Steel Wall

Right there, small business runs up against a steel wall. Why? Because too often it just can't get materials and industrial products necessary for reconversion. When materials are scarce and hard to get, big buyers get the breaks—and the materials. This puts small business in a most unfavorable competitive position.

What are these small producers going to do now that they are out of war work and can't get materials for civilian production? Perhaps tight controls on scarce materials isn't the whole answer, but it will help. In any event this is a question which is of the greatest importance to a prosperous economy.

Not just the SWPC, but the people of the United States and every single agency of Government must put their shoulders to this great complicated wheel of reconversion.

No individual in or out of Government, and especially no person or agency of Government, can wash his hands of the responsibility of reconversion.

Reconversion is everyone's business.

Steel, Motors, Lumber—Tight Items!

Toward the end of July, Smaller War Plants Corporation made a survey of the delivery situation for the types of steel most acutely needed by small business for civilian production. We found that, in general, small business could not hope to get needed steel until the end of the year, at the earliest.

The same situation exists for many strategic components and industrial products which are often essential in civilian production. According to a report of the War Production Board of August 2, 1945,

OLD TRUCK FILLS THE BILL

SAN FRANCISCO, CALIF.: A negro veteran asked us to buy, from surplus, a truck to carry him and his equipment around the vicinity. He wanted to establish his own business of refinishing hardwood floors, cleaning interiors of dwellings, floor laundering of rugs, etc. He had much experience in this type of work before joining the Navy. This office finally came up with a 1942 model one-half ton Dodge panel truck. Its only draw-back was that this particular car had a right-hand drive. The veteran, however, was elated. He considered the righthand drive an advertising asset as the car would attract attention as he drove from place to place.

there is little chance that small business will be able to get deliveries until the end of the year—if then—on key items. These include electrical motor and control equipment, refrigeration and air-conditioning equipment, electroplating and anodizing equipment, high-pressure fans and blowers, electric-resistance welding machines, food-processing machinery, woodworking machinery, industrial trucks, industrial pumps, and many others.

Take lumber. It is short NOW and will continue to be short for some time to come. If it is not distributed carefully, the widely anticipated postwar building boom will be delayed. Hundreds of thousands of construction workers and those in allied activities such as electrical equipment, furniture, and plumbing production will be kept from getting jobs, and reconversion will receive a severe set-back in numerous lines of industry and business.

Steel and lumber are only two of many items, essential to production, that have been hard to get.

Congress foresaw the difficulties which small business would encounter in seeking materials for production. In the War Mobilization and Reconversion Act (Public Law 458), Congress specifically charged the Smaller War Plants Corporation with the responsibility of seeing that small business gets a fair share of materials for reconversion.

The Smaller War Plants Corporation intends to fulfill this legal obligation and insist that small business get a "fair and equitable" share of materials.

It is folly to remove controls in the presence of shortages. Everyone agrees that controls should be removed as soon as it is reasonably possible, but if controls are removed when substantial shortages exist, there cannot be an orderly reconversion.

Big Business Must Not Get Head Start on Little Business

Disorder would be created by the following factors:

(1) If controls are suddenly removed from items which are in short supply, big business will get what is available and thus have a head start in reconversion. Material producers naturally favor big purchases over small ones. This, of course, will accentuate the trend toward economic concentration and monopoly.

(2) As a natural consequence of the "biggs" gobbling up scarce materials, many little businesses will have to clamp shut their doors, perhaps never to reopen.

(3) Widespread unemployment is sure to follow. This will be bad indeed, with 11 million military veterans coming back, and possibly 7 million war worker veterans also searching for jobs.

Such threatened unemployment gives labor a definite stake in this home-front battle for orderly reconversion and survival of small business. Industry also is acutely involved because of the industrial strife which would result.

Big business elements and the most conservative thinkers, as well as heavy owners of property, should take a look at world history from 1933 up to now—and think of the social, economic, and political consequences of eliminating freedom of opportunity for successful small business.

(4) A scramble for materials with the highest bidder getting them is sure, also, to bring inflation.

In any event, it seems clear that abrupt removal of controls on short items will delay the time when small business can get materials for civilian production. This in turn will delay creation of jobs, since small plants have widespread open capacity *now* which could be used immediately to create employment. In contrast, big business frequently must clear its plants, accumulate huge inventories, retool its production lines, and perform other operations which will require many months before they are able to get into civilian production.

It is essential for small business that selective controls be maintained as long as shortages exist. The alternative inevitably will mean distress among small business, with serious, far-reaching effects on our entire economy.

With SWPC in the Field

RUSH ORDER—TWO PLANTS AIDED

CHICAGO, ILL.: A small company in Libertyville, Ill., badly needed a small oil tank—and in a hurry. Another small plant needed business—quick. SWPC was called on by both. The needs were met. This happened to be an easy one for us, but it meant a lot to two small plants.

BUSY DAY IN UTICA

UTICA, N. Y.: A veteran needed a surplus truck for his cattle business. He asked the SWPC office to get him one. SPB Regulation 7, governing the purchase of surpluses by veterans, was just out. He got the truck.

Seven other veterans on the same day were assisted in the Utica office, six in filing applications for jeeps, trucks, automobiles, and refrigerators, and one in locating surplus building equipment.

The office also processed a \$4,000 loan to a woman jewelry clerk, with proved experience and excellent background, to set up her own manufacturing business; obtained charcoal for use of a precision gage works, which otherwise would have been forced to shut down its hardening room; obtained a contract for a garment manufacturing company to make Army recreational equipment.

3. SURPLUS PROPERTY

The public reads of millions of dollars worth of Government-owned property being sold. This excites them into wondering why they can't acquire some of this property to help them in their business.

Actually, only a trickle of usable surplus has been made available.

The Government owns many billions in various types of property—plants, equipment, machine tools, materials, and consumer items. The big problem is to redistribute these articles in such a way as to aid an orderly reconversion from a wartime to a peace economy.

In this program, Smaller War Plants Corporation has a dual responsibility:

- (1) To see that small business gets a fair share of this surplus property; and
- (2) To help veterans get surplus property to establish or maintain themselves in business.

Materials and Equipment Can Be Used Now by Small Plants

These Government-owned items—plants, machine tools, other equipment, steel, nonferrous metals, and others—could be used *now* to help cushion cut-backs in military output. It could help maintain employment. With these products, numerous small firms that have lost their war orders could swing into peacetime production. Unemployment

has already begun to mount. It will increase sharply in the immediate future unless the withholding or hoarding of surplus property is stopped.

Since before VE-Day military production has declined substantially. Military output in June was 13 percent below March and is now headed downward at an even faster rate. But of the huge amount of Government-owned property estimated at around 150 billion dollars, only 1 percent has yet been declared surplus.

Of critical importance to small manufacturers at the present time are the producers' goods such as machine tools. The Government, as of July 15, 1945, owned some 466,306 machine tools of all kinds and descriptions, excluding those owned by the Services in Army and Navy arsenals, Navy yards, and similar establishments. Up to present only 36,473 have been declared surplus, and of these, only 12,634 have been sold. Similarly, the Government, as of July 30, 1945, owned 1,664 new industrial plants built during the war including their equipment. Of these, only 54 have been declared surplus and only 18 have been sold. The same general situation holds for motortrucks and almost all Government-owned items.

Ready Market Now for All of Surplus Items

We urge the rapid disposal of surpluses not only because small plants need them to reconvert, but because it will help maintain full employment. If we postpone disposing of surpluses, they will overhang the markets for new products, a threat to manufacturers who otherwise would plan and produce energetically.

Now, there is a ready market for all Government-owned items. Private industry has not reconverted on an appreciable scale. Government-owned items can readily be absorbed without interfering with new manufactured goods. But if later a deluge of surplus property hits the market at the very time private industry is starting to sell large quantities of new products, reconversion will receive a disastrous set-back.

With SWPC in the Field

WOODWORKING VETERAN HELPED

KANSAS CITY, Mo.: A veteran wanted to locate scrap ponderosa pine for his woodworking business. SWPC put him in touch with a concern which supplied his wants. A small manufacturer at Maryville, Mo., was keen on an idea of a silent shoteross bow gun which he thought could be used in South Pacific warfare. SWPC arranged for an official demonstration. Results not yet reported.

Surplus Property for Veterans

In addition to the small businessman, the Smaller War Plants Corporation has a definite responsibility to the veteran under Regulation 7 of the Surplus Property Board.

With SWPC in the Field

GASKET MACHINES OBTAINED

CHICAGO, ILL.: A very busy small war plant desperately needed two machines to make gaskets. It couldn't get them from the manufacturer of the machines. SWPC got the Ordnance Department to intercede for the small plant. The machines were delivered within 3 weeks.

7,000 Veterans Seek SWPC Aid in First Month

During July, more than 7,000 veterans came to the 114 regional and district offices of the Smaller War Plants Corporation. They either wanted to apply for surplus property through Regulation 7 of the Surplus Property Board, or asked for information about it. This was our first month of operation under this regulation, which became effective July 1.

Only about 1 out of every 4 or 5 of these 7,000 veterans, however, actually applied for surplus property. Many of them wanted information with a view to future purchases, and others could not qualify under SPB Regulation 7. A total of 1,532 formal applications was reported to the Washington office.

Developed in compliance with section 16 of the Surplus Property Act of 1944, SPB Regulation 7 is the only regulation issued by the Surplus Property Board defining the manner in which surplus property, other than real estate, may be sold to veterans on a preferential basis. It designates the Smaller War Plants Corporation as the one Federal agency authorized to make priority purchases for the benefit of veterans. It strictly limits the conditions under which priorities may be exercised.

Veterans' Priority Based on Surplus Property Act of 1944

The Surplus Property Act of 1944 briefly instructs the Surplus Property Board to prescribe regulations "to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences—in the acquisition of the types of surplus property useful in such enterprises."

The provision that the property must be used exclusively for the establishment or maintenance of small enterprises is preserved, of course, in SPB Regulation 7. In addition, various other restrictions are imposed; more particularly, the following:

The veteran's purchase must not exceed \$2,500.

If the veteran shares the ownership of the business with non-veterans, the latter may not own more than 50 percent of it.

The capital investment in the business or professional enterprise to be served by the purchase must not exceed \$50,000.

For an agricultural enterprise, the capital investment must not exceed \$25,000.

No purchases may be made for resale.

It must be understood that these restrictions apply only to purchases under the priority afforded to veterans in SPB Regulation 7. Any veteran who has established himself as a small businessman may apply to the disposal agencies for more property in addition to what he has purchased as a veteran, and he may purchase it for resale. This property may not be purchased, however, under the priority afforded to veterans.

Restrictions in SPB Regulation 7 Criticized by Veterans

Two provisions of Regulation 7 were chiefly responsible for the large number of veterans who did not apply for property. Many could not meet the requirement that the property must be used to establish or maintain small enterprises. Others were disqualified by the provision that at least 50 percent of the enterprises must be owned by veterans. The restriction against resale also stopped some applications. A common criticism has been that barring resales is a discrimination against the veterans.

These three restrictions have been severely criticized by many veterans who have asked for information from SWPC, and by all the

With SWPC in the Field

LOAN STARTS NEW BUSINESS

TULSA, OKLA.: A businessman of a small farming community decided that income of the farmers could be increased by raising fruit and vegetables for canning. There was no cannery in the section. SWPC leased machinery for him, and loaned him money to purchase additional machinery. The cannery is a going concern now, a new and lucrative community enterprise.

With SWPC in the Field

QUICK LOAN AIDS VETERAN

MEMPHIS, TENN.: A veteran, with a wife and two children, had established a small woodworking plant. Soon he struck a serious snag. He was short of capital; he could not meet his pay roll. SWPC's district loan agent, after investigation, obtained an emergency loan for the discouraged veteran. His business is now over the hump.

veterans' organizations. Also criticized is the provision limiting the purchases that can be made by any one veteran under priority to \$2,500.

By far the largest number of veterans' requests so far received have been for automobiles, trucks, and jeeps. In most instances, trucks have been requested for purposes that satisfied the provisions of SPB Regulation 7, but very few of the requests for automobiles and jeeps could qualify. The veterans wanted them for personal transportation to and from work, for use in serving their employers, and for various other personal uses. Such purposes are all disqualified by SPB Regulation 7, since they do not relate to the establishment or maintenance of businesses owned by the veterans themselves.

Development of Procedures

Negotiations with the Department of Commerce, RFC, and other disposal agencies to develop procedures for handling veterans' requests, ran well into July before they were sufficiently advanced to permit the requests to be formally processed. During the early period before the necessary forms were printed and distributed, most of the field offices recorded veteran's wants as memoranda to be transferred to the forms later. However, a good many veterans chose to wait until forms were ready which resulted in reducing the number that applied.

Many items wanted by the veterans, even when they qualified under SPB Regulation 7, were not at once available owing to freeze orders and delays in declaring certain types of goods to be surplus. We hope and expect that this condition will improve however, as the end of the war approaches. After Japan surrenders, there should be much more surplus property of almost every kind to satisfy most of the wants of veterans.

How Surplus Property Is Acquired for Veterans

Under the procedures now established, the veteran lists the items that he wants to buy on a form provided by SWPC. If he qualifies for a priority purchase under SPB Regulation 7, his request is trans-

mitted at once to agents of the SWPC who operate in the field offices of the Department of Commerce and RFC. These agents undertake to find the surplus property requested by the veteran. In some instances, the property may be found quite promptly; in others, several months may elapse before it becomes available. As soon as it is found, the veteran is notified.

Veterans may buy surplus property either on a cash or credit basis. Those who want to buy on time may make a 15-percent down payment and pay the rest over a period of from 3 to 5 years, depending on the nature of the property purchased.

There is every reason to believe that the number of veterans applying for surplus property will increase tremendously as the war draws to an end. However large the number may become, the SWPC is now prepared to take care of all the veterans who ask for our assistance. There is an urgent need, however, for amendments in the Surplus Property Act and the SPB Regulation 7 which will permit us to serve the veteran without all the restrictions that are now imposed upon us.

4. HELPING VETERANS IN SMALL BUSINESS

Although special provisions have been made to help veterans who want to get into business for themselves, they will have to have a lot more help from the Government than they are now getting. This applies not only to their ability to get surplus property, as discussed in the preceding chapter of this report, but in the fields of finance and technical advice as well.

There are hundreds of thousands who want to go into business and our economy needs them.

Small businesses will have to carry a big load if we are to have full employment.

The GI Bill of Rights was designed to help veterans finance their entry into business. But it hasn't worked. The Surplus Property Act and Surplus Property Board's Regulation 7 will help veterans get Government-owned surplus for use in their businesses, but this isn't enough in itself.

For the benefit of all—veterans and the prosperity of our entire Nation—we should help the veteran *get* into business and help him *stay* in business.

Money will *get* him in business, although a veteran also should be counseled thoroughly about the type of business, location, size, and other important matters.

Technical, scientific, and management advice will greatly improve his chances of success and enable him to *stay* in business.

SWPC Proposes Two-Point Program to Help Veterans

To meet these two needs, the Smaller War Plants Corporation proposes:

(1) A veterans' loan insurance system which would enable veterans to get money needed to start in business; and

(2) Broadening of SWPC's Technical Advisory Service so that all types of assistance can be given the small businessman similar to that now given farmers by the Department of Agriculture.

Army surveys indicate that more than a million servicemen plan, definitely or tentatively, to establish businesses of their own. Another 2 million *hope* to be able to have a business of their own.

Yet, of the thousands of veterans already discharged, only a handful have been able to establish themselves in businesses of their own. Through July 15, only 838 guarantees for business loans had actually been issued under the GI Bill of Rights.

There must be something wrong, when so many want and hope to go into business for themselves and so few are able to do so.

Probably the biggest draw-back to new business is the high mortality rate. Pages of statistics are available to show that the life of most small businesses is extremely short. From 60 to 70 percent of new retail stores don't last 5 years. The percentage is nearly as high for manufacturing and wholesaling.

Death Rate of Small Business Can Be Drastically Reduced

With proper and adequate financing and managerial "know-how" the chances for a veteran succeeding in his own business should be greatly increased, and the death rate for small businesses drastically reduced.

With SWPC in the Field

GETS MOBILE MACHINE SHOP

SAN ANTONIO, TEX. A veteran who left a leg in the South Pacific, wanted to open a small machine shop of his own. The District SWPC Office located what he wanted and the veteran purchased the items.

Then, the veteran's wife requested that he return to his old home in Brooklyn, N. Y. SWPC helped him purchase a one and a half-ton truck from Government surplus. In this he set up a small mobile machine shop. By doing work along the route, he earned his way back to Brooklyn and he now has a profitable little business in his home town.

To get a business loan under the GI Bill, a veteran must find someone who will lend him the money. The Veterans' Administration will guarantee half of the veteran's loan, but in no case will the guarantee exceed \$2,000.

In the first place, \$4,000 is not enough to meet the needs and plans of many business-minded veterans.

To obtain this maximum amount, a veteran runs into difficulties. He asks a bank to lend him \$4,000. The Veterans' Administration may guarantee half of this. But even so, the veteran's security often is not considered adequate by the bank and it declines to make the loan.

According to the Army magazine *Yank*, one New York City bank made loans to only 9 out of 650 veteran applicants and 8 of these would have been made anyway without the GI guarantee provision.

Instead of *guaranteeing* half of each individual loan, SWPC proposes that the Government *insure* half of the aggregate total of veteran loans held by a bank. Even a smaller percentage than half probably would amply protect the banks against any loss.

Removal of all, or nearly all, of the risk will cause banks to seek such loans. Their vaults are bulging with idle cash. Insurance of loans will loosen up this idle money and start it flowing through normal bank channels into productive little businesses.

Insurance of loans by the Government is not new. Federal Housing Administration has been doing it for years, very successfully.

A small premium charged on each loan probably would make a national insurance pool self-sustaining, with little or no loss to the Government.

Help the Veteran Stay in Business, Too

Helping the veteran get into business is only half the job. All the effort and work would be wasted, if the business fails in 2 or 3 years.

If the Government can help keep a small business from failing, every one benefits.

All failures can't be prevented. But many of them can.

Sound, tested advice and assistance with problems of bookkeeping, selling, buying, engineering, and other normal every-day business practices would help many small businessmen avert the pitfalls which bring failure.

For 3 years now, SWPC's Technical Advisory Service has been helping small manufacturers with their production and technical problems.

It is our proposal that this service be extended and broadened, so that the small businessman can get service and assistance with almost any kind of problem from any one of our 114 field offices.

The farmers get all such services from the Department of Agriculture. Advancement made by American farmers is proof of its success which cannot be disputed.

The farmer can get help on a multitude of problems concerning crops, markets, bookkeeping, animal husbandry, and hundreds of other subjects.

No one ever has given a good reason why such service should be denied to the small businessman.

Make Veterans' "Bill of Rights" Mean Something

Possibilities of such a technical, scientific, and management service to small business men are unlimited. They might even go as far as extension courses, training schools, and actual training for the veteran in a business of the type which he wants to start.

For the present war there naturally was training in advance. After the war started there was more training. Indeed, the training job during war was one of the greatest training jobs in the world's history.

In the present case there must be not only training and education for veterans before they go into business but, after they get into business, they must continue to receive services from Government just as farmers now receive them.

Merely to make a veteran a loan will not give him a fair chance of success. In his years in the armed services he might have become a specialist in one or more phases of a business activity, but this would by no means insure his success in that business. It is therefore necessary that the training program be continuous.

Only through a bold, aggressive program will we be able to give the assistance that small business needs to survive and prosper.

As far as the veteran is concerned, we have given him very little but a lot of empty promises. The program we proposed would make his "Bill of Rights" mean something.

With SWPC in the Field

DISABLED VETERAN GETS CAR

BRIDGEPORT, CONN.: His legs permanently injured from wounds suffered in combat in Europe, a Westport, Conn., soldier recently wrote to SWPC asking, "What can SWPC do for me in getting a surplus staff car or similar piece of equipment to permit me to carry on my former sales job? It will be the only way I can get around after discharge." Since the soldier could not leave his hospital bed, SWPC went to him, helped him fill out his application, and found the car for him.

5. SMALL BUSINESS OPPORTUNITIES IN ALASKA

Smaller War Plants Corporation is establishing a district office in Alaska. We know, from our surveys, that existing small business in the Territory is capable of healthy expansion, and that there are many unexploited possibilities for the establishment of new small businesses.

Airplane travel, in effect, makes Alaska a part of continental United States. We propose to give the small Alaskan businessman the same opportunities for expansion and development that the small businessman in Indiana is getting now. Expansion of small business in Alaska, and in other Territories for that matter, is of direct value to the Nation—economically and from a military viewpoint.

We are opening our Alaska office in a small way. We are approaching our new job cautiously. We know the hazards involved, such as climate and transportation. But our studies of the Territory, our on-the-ground surveys, our talks with many Alaskan businessmen, and our accumulated knowledge of the capabilities of small business—all convince us of the Territory's small business potentialities, many of which have not even been explored.

Alaska is one-fifth as large as the United States proper. Its population is 80,000, less than that of St. Joseph, Mo. The Territory can support a much larger population—how large nobody knows right now. President Roosevelt after a trip there dramatically called attention to the opportunities that veterans might find in the Territory. If proper preparation is made, and the conditions of Alaska understood, it will certainly offer a place of new development for veterans, as well as for others.

The complete development of Alaska is a tremendous project. It will require the coordinated efforts of many Government departments, bold long-range planning, and large doses of American imagination and ingenuity. It should be undertaken on a big scale as soon as possible.

Alaska's resources can be harnessed by modern science. Excessive rainfall, and the like, can be used for the making of power—and if there is power, which produces heat, many areas can be made livable the year around. People in Fairbanks, for instance, which is very cold in winter, live in as much comfort as do people in Minnesota, for the simple reason that the city is organized, has heat and light, and is like any other American city. There is no reason, however, why public power could not be greatly expanded.

Notwithstanding the vast waste lands throughout Alaska, there are many habitable sections. These lands now furnish reasonable support—as good or better than in the United States proper—to Americans. The southeastern area, for instance, has a temperate climate

without extremes of either heat or cold, although there is a high rainfall. There are some regions with a greater range of temperature, but they do not even have as cold weather as do some of our Northern States.

As has been done in many sections of the West and Northwest, there should be built, either under public or private auspices, lodges for tourists and other facilities, such as harbors and roads, for the benefit of the people. Likewise, airplane and shipping travel should be expanded. Year-around shipping is possible by such expansion and the use of radar and radio developments of this war.

Alaska must be developed on a substantial scale. Then it can be of great benefit to the United States, both by providing a place for people to settle, and by having native-born Americans there for military and strategic considerations.

Present Concern Is Immediate Prospects for Small Business

But for the present SWPC is particularly interested in the immediate prospects for small enterprise in the Territory. We want to develop small business as much as we can under existing conditions. We hope to see to it that existing small business and new small business keep pace with the inevitable population increase.

Alaska has developed in recent years largely through big businesses, gold, and fishing. Study shows that there are many opportunities for small businesses. Or, stated otherwise, Alaska badly needs the development of little businesses for the benefit of the Territory as a whole and for big business itself. There is an obvious need right now in Alaska for little business loans, technical advice, and other SWPC services.

SWPC has been studying Alaska through its offices and agents for the past year and a half. Lately a working party of officials went there and studied conditions first-hand in most of the larger cities and towns.

The purposes of the SWPC were explained. We had many interviews with small businessmen—interviews of a specific nature concerning loans, technical advice, surplus property, and other subjects which would be of interest to any ordinary American. Some of the conversations involved the expansion of existing businesses and others concerned the development of entirely new businesses. Practically all of the people talked to were long-term residents of the Territory. A few were veterans.

Very small enterprises comprise the bulk of the businesses *by number* in Alaska. However, there are a few specific industries which dominate the Territory's economic life. Practically all of these dominant industries are owned by interests outside of the Territory. Some Alaskans refer to this as "absentee" ownership.

Just as in the United States, there is no doubt but that the business development of Alaska should be along the lines of independent small business enterprises. It should be by people who are Alaskans or who become Alaskans, or people who live in the Territory as they do in any State.

Neither the SWPC nor anybody in Alaska wishes to exclude big business. Nor do they wish to hamper further development of big business.

However, the strengthening of little business and the increasing of little businesses are even more important in Alaska than they are in the United States. Little business, indeed, should form the base of the economy of Alaska. Its expansion not only will stabilize the economy, but it will also help big businesses. Alaskan little businesses are necessary for the proper existence of the big businesses.

Veterans Have Seen Alaska and Are Interested in It

Many thousands of veterans have served in Alaska during the war. Some like the place and may want to go back. What has been disclosed to them and other Americans is that Alaska is not all snow, ice, and waste lands—although there is plenty of that.

The Eskimos and Indians are learning English and are becoming used to American ways. Many have served in the armed forces during the war and have learned about modern housing, sanitation, and are just as "American" as someone living in Topeka, Kans. Our old conceptions of life in Alaska are also changing. Eskimos, for instance haven't lived in igloos for many years—although, of course, one might find an igloo if one looked hard enough, just as, no doubt, "tepees" can be found in the United States.

In other words, we understand Alaskans better, and they understand us better. We should follow up this advantage in the development of the Territory.

This development should be premised on the following:

- (1) The veterans and other newcomers should know the actual weather conditions, opportunities, and the full truth about Alaska.
- (2) At the same time, conditions all over Alaska must be made to conform with the habits of people used to light and electricity and other modern standards.

Specific Examples of Small Business Opportunities in Alaska

In various communities visited, SWPC representatives received applications for assistance to existing small businesses and proposals to aid in establishing new projects. There was merit in many proposals.

For one example—several seacoast towns had applications to aid in expanding or establishing boat building and repair shops. At the present time, local fishermen don't have adequate local facilities. Sometimes they have to send all the way to Seattle or Prince Rupert, B. C., to get their boats fixed. Here is a chance for people to make money *in* Alaska, and also for people in Alaska to get their work done without a great waste of time and money.

Business ingenuity works as well in Alaska as anywhere else. For instance, one man found a way to tan salmon skin. Few people knew it before, but it can be used for shoes, belts, handbags, and other items. Naturally, this man will need certain financial and scientific aid to develop his business.

Practically every Alaskan town needs cold storage and food processing plants. If fishermen have places of storage, there will be much less waste. Fishermen will also be able to make more money by holding their products—just as the potato growers of Maine do—until a marketable period. Throughout Alaska, too, cold storage is necessary for vegetables and the like. At the present time large quantities of food products are thrown away and wasted because they cannot be preserved.

There is plenty of lumber in Alaska. It is not even produced locally. There is a large demand for repair and maintenance of existing buildings and putting up new ones. All types of lumber—window frames, doors, and other mill products—as well as boat and railroad timbers, are now imported from the United States at extremely high prices. All of this can be done in Alaska with small saw mills.

But Small Loans Will Make No Bonanza

However, we must assert now that any penny-ante idea that a few small business loans in Alaska are going to make it a bonanza for millions—or even hundreds of thousands—is completely mistaken. We intend to do all we can, through SWPC services, to help build up a thriving small business economy in the Territory. But it will take the coordinated efforts of all—on a big scale—to do the job properly.

With SWPC in the Field

CONTRACT KEPT PLANT OPEN

DENVER, COLO.: A Denver soap company, which employs 21 people, needed more work immediately in order to keep its plant open. Through SWPC, a Navy contract for soap was obtained which will enable the company to operate the plant at full capacity for months to come. Assistance was also given in making out its termination claim on the previous contract.

II

1. THE LAW, MONOPOLY, AND VETERANS

Small business is not opposed to big business. But small business cannot exist and thrive unless it is protected against unfair competition of concentration, monopoly, and cartels. These constantly have threatened our free enterprise economy.

The courts recently have laid the groundwork for establishing a firm base on which our American system can grow stronger.

Monopoly won't mix with veterans and surplus property. If monopoly gobbles up our surplus property, small business won't get it, and veterans in small business won't get it.

Congress, in the Surplus Property Act, directed that small business, and in particular war veterans—in their own small business, professional, or agricultural enterprises—shall obtain their fair share of surplus property sold by the Government.

Recently the Federal courts, in the Alcoa case, bracketed together and specifically mentioned the Small Business Mobilization Act, the Surplus Property Act, and the Sherman Anti-Trust Law.

Supreme Court Warns That Surplus Property Must Not Fall Into Hands of Monopoly

The decision was, in effect, a notice by the Supreme Court of the United States that surplus war property must not be allowed to fall into the hands of monopoly.

Thereafter, the Surplus Property Board issued Regulation 7, which designates the Smaller War Plants Corporation as the agency through which war veterans, whether farmers, professional men, or businessmen, will get, under a first priority, their fair share of surplus property.

This battle over surplus property is for the veterans who will want to be engaged in their own small enterprises, and it is for small business in general. It is against monopoly. It is for American free enterprise, and plenty of free, independent enterprises. The Smaller War Plants Corporation is in this battle because Congress wishes this and because the Federal courts also have recognized the problem.

The disposal of surplus war property to veterans is no act of charity or of benevolence. It is a sensible effort to save the country for which they fought.

Right to Start Own Business Is Basic to American Democracy

Indeed, the economic pattern of American democracy has been the existence of countless small independent enterprises. Any man has been able to start his own small business—factory, garage, his own small farm, or his own law or doctor's office, or his own drug store, if he has had the necessary finances, training, and experience.

There are now about 500,000 fewer small businesses than existed before the war. Part of this drop is due to the fact that our boys went across the sea to fight. They are now coming back.

What are they coming back to?

Are they coming back to sell apples on the street corner, or to engage in a mad struggle for jobs from a few super-large employers? Are they to stand at the Big Gate, hats in hand? Contrariwise, are they coming back to enter into small concerns?

Veterans Have Big Stake in War on Monopolies

The battle of surplus property is only part of the war against monopoly. War veterans, and small enterprises in general, have an enormous stake in this war against monopoly.

The new Attorney General, Tom C. Clark, has put himself in the vanguard of the war against monopoly. He stated, on July 15, as follows:

The American people and the intelligent leaders of American business want to preserve in our country not only the principle, but the fact of free competition and this means an end to selfish protection of the entrenched, an end to domination and extermination of the small to protect the advantages of the large. * * * I state categorically that there will be no relaxation of our efforts to accomplish it. * * * The spirit of the antitrust laws is intimately linked with the values which the free peoples of the world are fighting to maintain.

This clear statement was a fitting follow-up on the *Alcoa* case, which makes clear the menacing extent of monopoly in American life. The recent *National Lead and duPont* decision by Federal Judge Rifkind, in New York, further emphasizes it.

For a long time the courts were slow indeed to realize the full implications of monopolistic tendencies upon our American institutions. The courts are now becoming increasingly aware of these implications.

The courts have enunciated the basis upon which a sound economic system can be built. However, the courts alone can not accomplish this. It is up to us.

FAMILY BUSINESS SAVED

PITTSBURGH, PA. : Two brothers were in the plumbing business in Jeannette, Pa., before going in the armed services. They left the business in the hands of their aged father. The business went on the down-grade. One of the brothers returned and attempted to rebuild the business. He needed a lot of help and wasn't getting it, so he came to SWPC. We found him the necessary tools and a much needed new truck. The other brother will return to a thriving business.

In spite of the very monopoly spoken about in these decisions and of the concentrated control by forces which may become sinister, and in spite of the precipitate growth of monopoly during the exigencies of war, the American people, if they really want it, can have a true free enterprise system and an antimonopoly system. They can have the American system.

Notes on Recent Monopoly Decisions

Whether the combination in restraint of trade be in aluminum, oil, or any other commodity, it affects the daily lives of every business man and consumer. If it suppresses competition and is in restraint of trade, it violates the public interest and is a monopoly.

Mr. Justice Douglas, speaking of the Congressional intention to favor competition as against combination, said in *United States v. Crescent Amusement Company*, Supreme Court of the United States, Advance Opinions, decided December 11, 1944:

It is not for us to pick and choose between competing business and economic theories in applying this law * * * Congress has made that choice. It has declared the rule of trade and commerce should be competition, not combination. *United States v. Tranton Potteries Co.*, 273 U. S. 392; *Fashion Originators Guild v. Federal Trade Commission*, 312 U. S. 457. Since Congress made that choice, we cannot refuse to sustain a decree because by some other measure of public good, the result may seem desirable. *United States v. Socony Vacuum Oil Co.*, 310 U. S. 150 * * * The duty of the Court in these cases is to "frame the decree so as to suppress the unlawful practices and to take such reasonable measures as would preclude their revival." *The Ethyl Gasoline Corp. v. United States*, 309 U. S. 461.

Not only are domestic monopolies constantly reaching out for greater power but the world cartels have invaded our markets. Private treaties between large corporations which set quotas, fix prices, and limit world markets have created international economic governments. This often makes useless or weak their own actual governments. If treaties are to be made with respect to market restrictions and the movement of goods, they should be made by the Congress and not by private combines.

Recent Decisions Give Hope to Small Business Men

What are our courts doing with respect to these problems which mean either life or death for many businesses? There have been a number of recent decisions which give new hope to American businessmen and bode ill to the monopolist.

An outstanding decision was handed down in March 1945 by the United States Circuit Court of Appeals, sitting as a court of last resort, in the case of *United States v. Aluminum Co. of America*, 148 Fed. 2d, 416. The Aluminum Company of America (Alcoa) dominated and controlled the production of virgin aluminum since 1888. At long last, the burden imposed by Alcoa on our domestic economy has been recognized by the high court and this is the initial step toward elimination of this burden. This metal, vital not only for war production, but also for our expanding civilian economy, is now destined to play a most important part in our postwar planning, free from monopolistic control.

While this decision does not dissolve the monopoly at this time, the final result as to whether the dissolution of Alcoa shall take place awaits the disposition of Government-owned plants and courageous action by Government. The decision gives fair notice that these plants are to be disposed of in a manner that will foster competition in the aluminum industry. In short, dissolution will be the lot of Alcoa if it still retains control after the disposal of Government-owned plants.

Decision Emphasizes Role of Small Business

The Court, in deciding that Alcoa was a monopoly, emphasized the role of small business and the objectives of the Surplus Property Act. The Court stated that the purposes of the act were to discourage monopolistic practices and to preserve the competitive position of small business and to foster the development of new independent enterprise.

In connection with this contention, the Surplus Property Board has promulgated an amendment to one of its regulations with respect to the sale of surplus Government equipment to the Aluminum Company

of America. Amendment No. 2 to Surplus Property Board Regulation No. 6 provides as follows:

In view of the holding of the United States Circuit Court of Appeals for the Second Circuit in the case of *United States v. Aluminum Co. of America*, decided March 12, 1945, as of 1940 the Aluminum Company of America had a monopoly of primary aluminum in violation of law, and in view of the objectives of the Act, no plant equipment shall be disposed of under this power to the Aluminum Company of America or to any of its subsidiaries unless such disposal is first approved in writing by the Board.

This restriction indicates that the force of the decision is beginning to have its effect on this powerful monopoly.

Another important case is *Georgia v. The Pennsylvania Railroad Co.*, Supreme Court of the United States, Advanced Opinions decided March 26, 1945, which involved a fight led by Governor Arnall of Georgia to defeat rate-making combines, whose rates, it was charged, were such as to deny to many of Georgia's products equal access with those of other States to the national market, and "to curtail opportunity in manufacturing, shipping, and commerce and to prevent the full and complete utilization of the national wealth of the State," and further that it held "the Georgia economy in a state of arrested development." The Court said:

* * * that these carriers are subject to the antitrust laws. *United States v. Southern P. Co.*, 259 U. S. 214. Conspiracies among carriers to fix rates were included in the broad sweep of the Sherman Act. *United States v. Trans-Missouri Freight Assn.*, 166 U. S. 290 * * * *United States v. Joint Traffic Assn.*, 171 U. S. 505 * * * and that * * * "Regulated industries are not per se exempt from the Sherman Act. *United States v. Borden Co.*, 308 U. S. 188 * * *

The Court went on to say:

It is sufficient here to note that we find no warrant in the Interstate Commerce Act and the Sherman Act for saying that the authority to fix joint-through rates clothes with legality a conspiracy to discriminate against a state or a region to use coercion in the fixing of rates or to put in the hands of a combination of carriers a veto power over rates proposed by a single carrier. The type of regulation which Congress chose did not eliminate the emphasis on competition and individual freedom of action in rate making.

Competition Suppressed by Exclusive Patents

There are also important cases involving patents and their relation to the monopoly problem. In *Hartford Empire Co. v. United States*,

Supreme Court of the United States Advance Opinions, decided January 8, 1945, and an additional decision handed down on a petition for clarification on April 2, 1945, the Court said :

The Corporations are the leaders in automatic glass-making machinery and in the glassware industry. The charge is that all the defendants agreed, conspired, and combined to monopolize, and did monopolize and restrain interstate and foreign commerce by acquiring patents covering the manufacture of glass-making machinery, and by excluding others from a fair opportunity freely to engage in commerce in such machinery and in the manufacture and distribution of glass products * * *

The Court went on to say :

The district court found that invention of glass-making machinery had been discouraged, the competition in the manufacture and sale or licensing of such machinery had been suppressed, and that the system of restricted licensing had been employed to suppress competition in the manufacture of unpatented glassware and to maintain prices of the manufactured product. The findings are full and adequate and are supported by evidence, much of it contemporary writings of corporate defendants or their officers and agents * * *

We affirm the District Court's findings and conclusions that the corporate appellants combined in violation of the Sherman Act, that Hartford and Lynch contracted in violation of the Clayton Act, and that the individual appellants with exceptions to be noted participated in the violations in their capacities as officers and directors of the corporations.

The Court further stated that the explanation offered by the defendants was not convincing and did not account for "stifling of initiative, invention, and competition." The decree provided that the companies were required to lease or license to all applicants at uniform reasonable royalties without discrimination and restriction.

Public Interest Dominant in Patent System

Another important case involving patent monopoly is *Mercoid v. Mid-Continent Investment Co.*, 320 U. S. 661-680. Mr. Justice Douglas said in this case at page 381 :

The grant of the patent is the grant of a special privilege "to promote the Progress of Science and the useful Arts," Constitution, Article 1, Section 8. It carries, of course, a right to be free from competition in the practice of the invention but the limits of the patent are narrowly and strictly confined to the precise terms of the grant. *Ethyl Gasoline Corp. v. United States*, 309

U. S. 436; *United States v. Univis Lens Co.*, 316 U. S. 241. It is public interest which is dominant in the patent system, *Pennock v. Dialogue*, 2 Pet. U. S. 1; *Kendall v. Winsor* 21 How U. S. 322, 329; *Adams v. Burke*, 17 Wall U. S. 453 —; *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, *supra* 243 U. S. pp. 510, 511, —; *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U. S. 488; *United States v. Masonite Corp.*, 316 U. S. 265, 278. * * * The necessities or conveniences of the patentee do not justify any use of the monopoly of the patent to create another monopoly. The fact that the patentee has the power to refuse a license does not enable him to enlarge the monopoly of the patent by the expedient of attaching conditions to its use. *United States v. Masonite Corp.*, 316 U. S. 277.

The question of the basing point delivered pricing system came up for consideration by the Supreme Court in *Corn Products Refining Co. v. Federal Trade Commission*, Supreme Court of the United States, Advance Opinions, decided April 23, 1945, and *Federal Trade Commission v. A. E. Staley Manufacturing Co.*, Supreme Court of the United States, Advance Opinions, decided April 23, 1945.

Under the basing point pricing system, these glucose manufacturers based the delivered price of their product, not from the actual place of shipment, but from a point other than where the goods were shipped. In the case of *Corn Products Refining Co.*, where shipments were made from its Kansas City plant, the delivered price was computed by adding to the base price the freight rate from Chicago to the point of delivery. The *Staley Co.*, where shipments were made from its Decatur, Ill., plant followed a similar practice.

Decision Hits "Phantom Freight"

Mr. Justice Stone held that the payment of "phantom freight" under the basing point price is,

* * * the creation of a favored price zone for the purchase of glucose in Chicago and vicinity, which does not extend to other points of manufacture and shipment of glucose.

Since the cost of glucose, a principal ingredient of low-price candy, is less at Chicago, candy manufacturers there are in a better position to compete for the business.

The payment of this "phantom freight" from Chicago by manufacturers, who were located in cities other than Chicago, resulted in a higher cost for their raw material. This increased cost diminished the manufacturers' ability to compete with those purchasers who only paid the actual freight. This resulted in actual harm and discrimination among purchasers of glucose.

There are other industries using the basing point system and it will

be interesting to watch the development, as the result of these important decisions.

Another decision of importance on the question of monopoly practices is *United States v. Frankfort Distilleries, Inc.*, Supreme Court of the United States, Advance Opinions, decided March 5, 1945.

There is also a recent decision handed down in the United States District Court of Southern District of New York by Judge Rifkind on July 5, 1945. This case was that of the *United States v. National Lead Co., Titan Company, and E. I. du Pont de Nemours Co.* The action was brought under the Sherman Act to restrain violation of the statute involving the monopoly of titanium pigments used in the manufacture of paints, rubber, glass, paper, and other materials. The defendants, the Court found, were members of a world-wide combine, along the all too familiar pattern of the cartel.

Foreign Agreements Eliminate Competition

In a vigorous opinion, the Court analyzes in great detail these foreign agreements which sought to eliminate competition in this vital chemical. The Court said on page 19:

When the story is seen as a whole, there is no blinking the fact that there is no free commerce in titanium. Every pound of it is trammelled by privately imposed regulation. The channels of this commerce have not been formed by the winds and currents of competition. They are, in large measure, artificial canals privately constructed. The borders of the private domain in titanium are guarded by hundreds of patents, procured without opposition, and maintained without litigation. The accumulated power of this private empire, at the outbreak of World War II, was tremendous. It was more difficult for the independent outside to enter this business than for the camel to make its proverbial passage through the eye of a needle.

The Court further stated on page 45:

I need not consider whether an exchange of patents, present and future, between competitors, is violative of the Sherman Act. I assume that such an exchange standing alone is innocent. But in the context of the present case, *Associated Press v. U. S.*, June 18, 1945, this exchange between two corporations, who between them controlled the entire market, becomes an instrument of restraint, available for use and used, to continue the mastery of the market which NL and DP achieved by means of the illegal international agreements.

In order to give effect to the Sherman Act, plaintiff is entitled to a decree which will restore titanium to the system of free com-

petition; the means of preventing such a development must be destroyed and the power to prevent it must be shorn from those who, by combination, have acquired it.

These decisions point the way to a healthier economy and give promise on the part of the courts to save free competition.

Small Business of America Must Be Revitalized

New and expanding enterprises should be given every opportunity to obtain surplus plants and facilities denied them by reason of the war activities in order that they may establish themselves to successfully compete, fairly, with benefit to the consumer and a general enhancement of the national welfare. In an article in *The George Washington Law Review*, June 1944, at page 410, entitled "War and Postwar Anti-Trust Enforcement," Wendell Berge, Head of the Anti-Trust Division of Department of Justice, said:

An affirmative program to revitalize small business and to repair the ravages of the war procurement program on this segment of our economy is essential. *The Smaller War Plants Corporation provides a vehicle for assisting small business which should be utilized in the demobilization period.* The Anti-Trust Division will continue to recognize that it has a special interest in the problem of small business and that whether the forum be the courts or the agencies administering the war or demobilization programs, constant vigilance is essential to the preservation and reestablishment of small business.

2. CONCENTRATION OF RESOURCES AND PROFITS IN MANUFACTURING

Economic concentration is one of the most important problems facing our American system. If it continues, it will blot out small business. Therefore, SWPC has been turning a spotlight on different aspects of concentration.

In its 16th Bimonthly Report, SWPC described the recent sharp increase in the gobble-up movement—buying up and the absorption of the littles by the bigs. In the 18th Bimonthly Report, we showed how the 250 largest manufacturing corporations now control approximately three-fifths of the Nation's manufacturing capacity, including Government-financed plants, and will probably control about the same proportion of usable capacity after the war.

Bureau of Internal Revenue Statistics of Income for 1942 show the tremendous speed-up which has occurred during the war in the concentration movement. The proportion of total manufacturing assets

held by small business has actually declined during the war. The big gain in ownership of assets in the manufacturing field occurred in the very largest corporations.

Big Business is Overwhelming Little Business

If this trend continues at anything like the wartime rate, small businesses will practically disappear from the manufacturing field. In the face of such gigantic concentration of power, what chance has little business to compete and to grow? Even today, with the general recognition that almost any little business can be smothered out of existence at will by the big dominant concerns in the trade, individuals hesitate a great deal before taking their chances in the American tradition of enterprise. If they do want to take such a chance, they often find it difficult to get banking or commercial support because of the same threat.

Comparative Studies Show Ground Lost by Little Business

The accompanying chart presents a picture of what has been happening over the past decade and the tremendous impetus the war has given to concentration.

It compares the total assets of small, medium, large, and giant corporations, annually, in the period 1931-42.

In this study small businesses are those with assets of less than \$1,000,000. Corporations with from \$1,000,000 up to \$10,000,000 are considered "medium-sized;" those with from \$10,000,000 to \$50,000,000 as "large;" and those with \$50,000,000 or more as "giant" or "super-large."

The upper half of the chart shows the dollar value of assets. The lower half shows the percentage distribution.

The chart shows that the bulk of the increase in asset strength *during the war* took place in the giant corporations. From 1939 to 1942 total assets of all manufacturing corporations rose by \$28.4 billion. Of this increase \$18.1 billion took place in the giant corporations. Nearly all of the remainder of the increase—\$9.6 billion—occurred in the large and the medium-sized corporations, with the assets of small corporations rising by only \$700 million.

This enormous expansion in the assets of the giant corporations partly reflects the fact that most of the *private* war facilities financed under Certificates of Necessity (with their favorable tax provisions) was concentrated in a few large companies. (See 18th Bimonthly Report.)

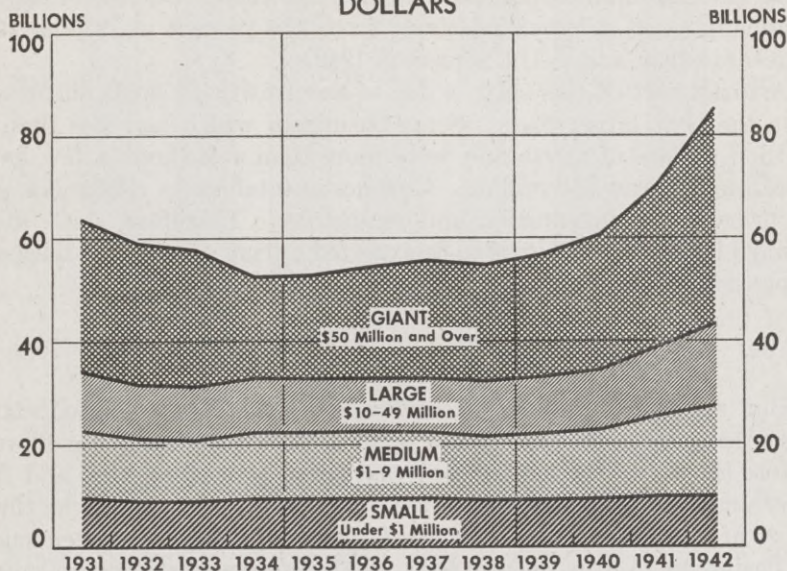
The Advance of the Bigs Has Been Going on a Long Time

The increasing dominance of the giant corporations, while accelerated by the war, extends back for many years. Corporations with

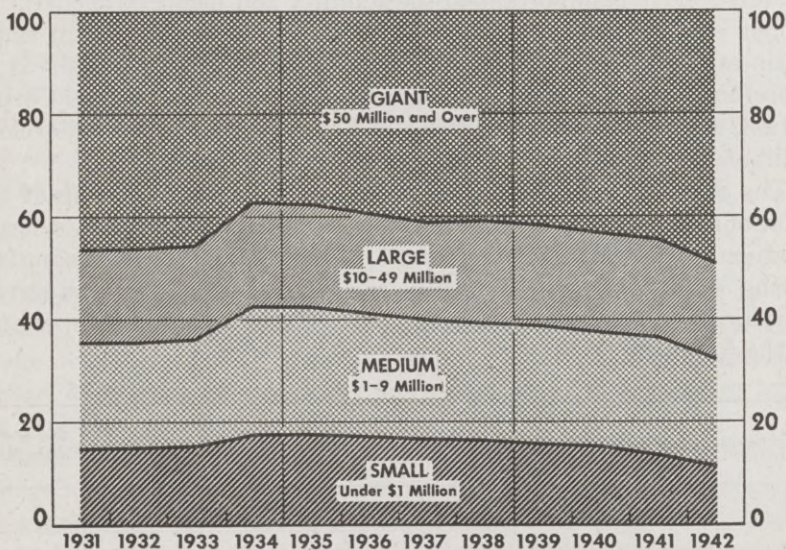
ASSETS OF MANUFACTURING CORPS. BY ASSET SIZE GROUPS

1931-1942

DOLLARS



PERCENTAGE



Source: Bureau of Internal Revenue, "Statistics of Income".

over \$50,000,000 in assets have shown steady advances since the depression—at the expense of all other groups. Their share of total corporate manufacturing assets rose from 38 percent in 1935 to 42 percent in 1939 and 49 percent in 1942.

Meanwhile small corporations holding less than \$1,000,000 of manufacturing assets dropped relatively from 17.5 percent in 1935, to 15.6 percent in 1939, and to 11.3 percent in 1942.

A small part of this shift is due to the growth of small businesses into the next larger class. Some businesses which had less than a million dollars of assets now have more than a million; a few have mushroomed over \$10 million. Changes in total assets reflect changes in price levels, inventories, and receivables. Therefore, some shift toward larger-sized units is to be expected during a period of business expansion and rising prices, and especially during a war.

War Has Accelerated Concentration

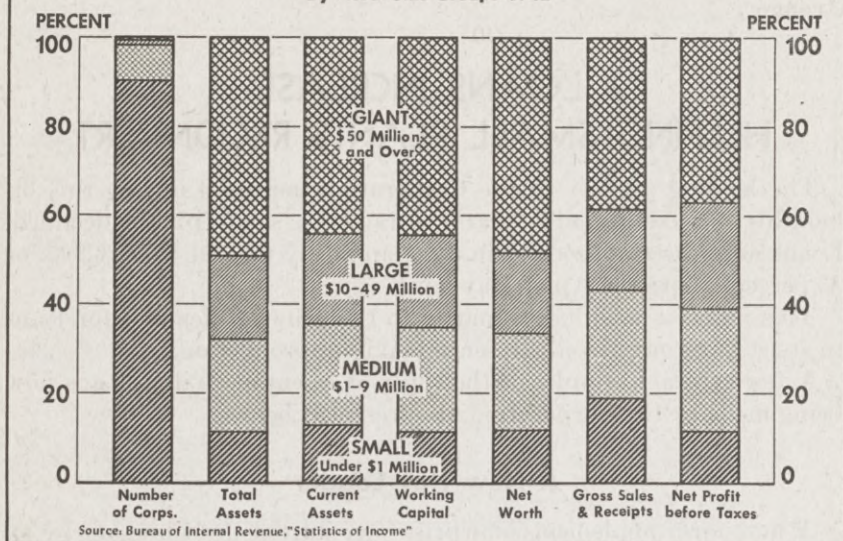
But the trend toward concentration of the Nation's productive resources into the hands of a few giant corporations was going on well before the war. During the war that trend was accelerated and the *number* of giants did not increase as much proportionately as their *share* of total assets. In other words, even adjusting for the tendency of businesses to grow in war time, the big fellows have grown much faster than their smaller competitors.

Moreover, it is important to the stability and democratic character of our economy that there has not been a sufficient infusion of small business to at least maintain the relative position of this group. It is, therefore, the policy and program of the Smaller War Plants Corporation, as it is the declared intent of Congress, to foster the development of new small independent enterprises.

The Statistics of Income also present an interesting picture of the relationship between the numbers of concerns in these groups of large, medium, and small manufacturers and their share of total manufacturing activities in the first full war year 1942. These are shown graphically on the accompanying chart. The data are also presented in the following table:

Corporations with total assets of—	Number	Total assets	Current assets	Gross sales and gross receipts	Net profit before taxes
	Percent of total				
Less than \$1,000,000.....	90.4	11.3	12.6	18.7	11.5
\$1,000,000 to \$9,900,000.....	8.3	21.8	23.1	24.4	27.5
\$10,000,000 to \$49,900,000.....	1.0	18.8	20.2	18.3	23.8
Over \$50,000,000.....	.3	49.1	44.1	38.6	37.2
Total.....	100.0	100.0	100.0	100.0	100.0

RESOURCES AND REVENUES OF MANUFACTURING CORPS. By Asset Size Groups-1942



Ninety percent of all manufacturing corporations owned in 1942 only 11 percent of total assets and took out proportionately the same amount of the net profit before taxes. Their share of manufacturing gross sales was somewhat higher—19 percent. In other words, small businesses make their dollars work harder and go further.

The medium-sized corporations representing in number only 8 percent of all manufacturing firms, and the relatively large corporations representing 1 percent, took a higher share of profits than is accounted for by their assets.

Greatest Expansion in Giant Corporations

The super-large corporations, constituting only 0.3 percent of the number, held almost 50 percent of the total manufacturing assets! There were only 205 of these industrial giants. They account for almost 39 percent of gross sales and receipts and 37 percent of total net profit before taxes.

The SWPC has emphasized in its reports the existence of concentration because it cannot view domination of the total American economy by a relatively few with any complacency. Growing monopolistic control of resources threatens the structure of free democratic government. The recent trend toward concentration must be reversed, and quickly. The condition of concentration now existing must be cured. The only way that these objectives can be reached is by fostering the

creation of new, small businesses and strengthening those already established, so that they can survive in the postwar years of hard competition. Only if small business expands will democracy grow stronger.

3. LOANS INCREASE— HELPING SMALL PLANTS RECONVERT

The lending activity of the Corporation increased during this bi-monthly period although war contracts to small plants declined. Loans and leases authorized in June and July totaled \$47,016,855, or 13 percent above the April-May level.

This increase was due primarily to the growing demand for loans to assist in reconversion to essential civilian production.

A few typical examples of the types of essential civilian loans now being made by the Corporation are presented below:

A New Hay-Loader

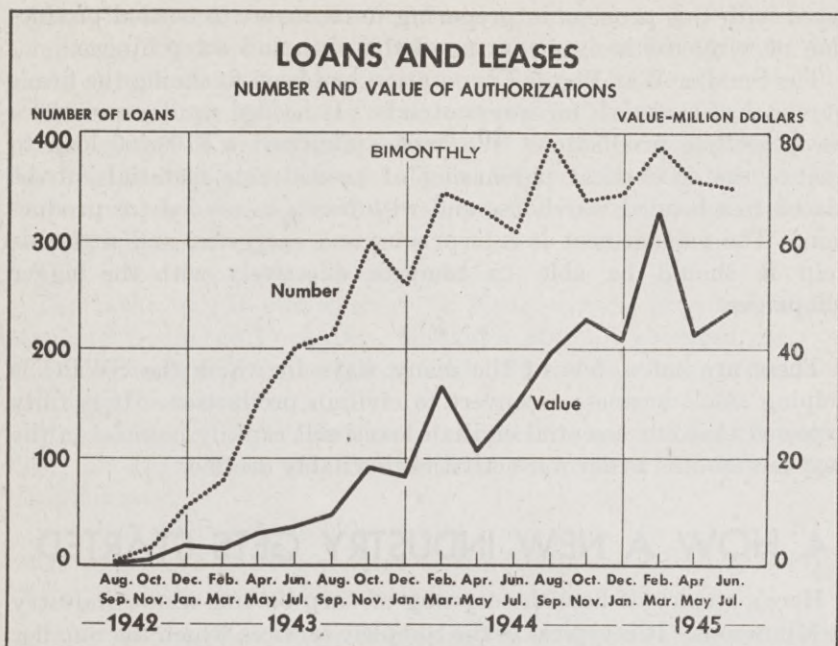
A new farm implement enterprise was started in Minnesota by an experienced farmer who had perfected and developed, with his own limited funds, a unique hay-loader, which proved to be a great harvest-time labor saver, especially in areas where two and three hay crops are cut per year.

To meet the demand which promptly developed after its demonstration, the maker needed more working capital. The Smaller War Plants Corporation loaned this farmer-businessman \$40,000 which, with his own capital, will enable him to meet part of the present demand for this new product, and become established for later, expanded production.

Concrete Building Blocks

In Mississippi an enterprising young veteran came home a few months ago. Wide awake to the immediate and postwar needs for new construction of his area, he established a new business to make concrete building blocks. Investigation by SWPC confirmed a ready market for this product among building supply houses and contractors in his area. The local banks highly commended this young man for his character and ability but could not, themselves, advance the \$30,000 needed to acquire the necessary machinery.

The Smaller War Plants Corporation has arranged a Bank Repurchase Loan for \$25,000, under which the bank makes the loan but the SWPC agrees to repurchase all or any part of it upon demand by the bank. The balance needed for machinery and working capital will be provided by the young southern entrepreneur.



faced with this problem in preparing to reconvert to normal production of wire coat hangers, spring clothespins, and strap hinges.

The Smaller War Plants Corporation had been financing the firm's purchase of materials for war contracts. It needed similar assistance for peacetime production. We have authorized a \$100,000 loan to finance the economical purchasing of needed raw materials, to be placed in a bonded warehouse and withdrawn as needed for production. The management is enterprising and energetic, and with this help it should be able to compete effectively with the bigger companies.

* * *

These are but a few of the many ways in which the SWPC is helping small business reconvert to civilian production. It is fully expected that our essential civilian loans will rapidly increase in the next few months as our war activities inevitably decline.

4. HOW A NEW INDUSTRY GETS STARTED

Here's a story of how the canning of carp became a new industry in Minnesota. It is typical of the complete services which the Smaller War Plants Corporation gives small business under the directive of Congress "to foster the development of new independent enterprise."

Carp, waste fish of American rivers and lakes, has become a tasty food under a process developed by a small Minnesota plant—and a new industry is born.

The new food product is being canned and shipped to our Armed Forces and the company looks forward to substantial expansion, when materials and facilities are available, to meet demands of a civilian market.

Smaller War Plants Corporation, through its Technical Advisory Service, played an important role in the origin and development of this new industry.

That's why we tell the story here.

For more than half a century, fishermen in Minnesota and other Midwestern States, have dreamed of utilizing an almost unlimited supply of carp as a cheap source of food.

The carp has always been considered a nuisance.

It hampers the propagation of game fish—in areas where game fishing is a major industry. Carp devours vegetation which supplies game fish with oxygen. The State of Minnesota, for instance, goes to considerable expense to remove carp. Several million pounds yearly are seined from the State's streams by the State Conservation Department or by fishermen licensed by the Department. Only some of the larger carp have been marketable.

State laboratories and those of large canning and food processing companies, have battled with the problem of utilizing carp for years—with little or no success.

There were several obstacles to overcome. This included a persistent muddy taste and the difficulty of canning a soft freshwater fish for sale in distant markets. Moreover, two-thirds of the fish was waste and profitable marketing was not possible unless some of this waste could be salvaged.

That's the way matters stood for years.

That's the way it was when A. R. Kleinschmidt, president of the Mankato Ordnance Pool, Inc., Mankato, Minn., discovered carp on a duck hunting trip in the fall of 1943. He ate baked carp for lunch and liked the taste of it.

Mr. Kleinschmidt decided to investigate its commercial possibilities. He didn't know that similar dreams of others had turned into nightmares.

But their difficulties didn't stop him.

He sent the following inquiry to the Technical Advisory Service of Smaller War Plants Corporation:

We are interested in getting complete information regarding the commercial canning of fish, particularly carp. Is it possible to can baked fish? Will it keep as well as salmon?

Not all of the dozen answers which Technical Advisory Service obtained were encouraging. However, they offered possible processes whereby carp might be prepared and canned as a palatable food product.

Mr. Kleinschmidt and his coworkers experimented with the various proposed processes, made changes and experimented again. A test was conducted at the Chicago Research Laboratories of the Continental Can Co., with Army research officers present. Impressed with the results, they tentatively offered to take a production far beyond the facilities of the small company.

The "muddy" taste had been entirely eliminated. Parts of the carp could be canned successfully—and there was a waiting market for it.

But the battle wasn't won. The project was considered impracticable unless the waste could be utilized.

TAS again turned to its expert sources. Through this research, it was found the waste could be converted to a profitable fish meal, used principally for feeding hogs, poultry, and cattle. There was a further byproduct in making fish oil, used in making paints and vitamin concentrates.

A further factor showed that fish meal on the Pacific coast, chief source of supply, sells for \$74 to \$83 a ton, depending on protein con-

tent. There was a freight charge of \$15 a ton for Pacific coast fish meal shipped to northern Minnesota—and Mankato, Minn., alone (site of the new carp plant) shipped in 5,000 tons of fish meal from the coast last year.

Research also revealed that 2½ million pounds of edible carp a month—that's how much the Army wanted—would produce as by-products, 500 tons of fish meal (\$40,000) and approximately 25,000 gallons of fish oil.

With orders from the Army, Mr. Kleinschmidt was ready to start production—under the name of Lakefish Canning Co., Inc.

He had the financing, but he needed a plant, machinery, and equipment.

A building was provided by the local gas company. Smaller War Plants Corporation again helped in locating and obtaining priorities for materials. Townpeople, 80 percent of them housewives, volunteered for work.

On June 28, 1945, production of canned carp started.

During July, the plant employed an average of 34 workers. Carp was packed in 14-ounce cans for the Army and the daily production was 1,500 cans. On August 1st, production was stepped up to 3,000 cans (14-ounces) daily, with 42 persons employed. By mid-August, the near peak of the temporary plant was expected to be reached, with 60 workers and a daily production of 4,500 cans.

The present experimental plant is now producing fish meal or fish oil. The waste fish, however, is being utilized in a local livestock rendering plant, which produces fertilizer and other salable products. The other uses of the waste will be developed later.

The Conservation Department of the State of Minnesota has entered into a contract to furnish, with assistance of commercial fishermen, 10 million pounds of carp annually. This does not touch the huge supply available in more distant points and in adjoining States.

As soon as war demands relax, the small Minnesota company plans to erect a permanent plant, at a cost of approximately \$100,000 and an employment of 100 persons. Since seining is carried on the year-around, it is contemplated that canning operations also may continue throughout the year.

The estimated production may reach 10,000 to 20,000 cans a day (7-ounce) for civilian production.

That's the story of "How a New Industry Starts." Smaller War Plants Corporation is proud of the part it played.

III

STATISTICAL SUMMARY OF PROCUREMENTS

Distribution of prime contracts awarded with the assistance ¹ of Smaller War Plants Corporation, during June-July 1945

DISTRIBUTION BY REGIONS

Regions	Number of contracts	Percent	Dollar value	Percent
United States.....	5,206	100.0	463,522,342	100.0
Boston.....	641	12.3	51,655,257	11.1
New York.....	1,167	22.4	113,196,956	24.4
Philadelphia.....	669	12.8	62,430,954	11.3
Atlanta.....	258	5.0	22,934,283	5.0
Cleveland.....	431	8.3	45,538,075	9.8
Chicago.....	593	11.4	59,843,464	12.9
Kansas City.....	302	5.8	26,397,161	5.7
Dallas.....	148	2.8	10,406,669	2.2
Denver.....	76	1.5	8,244,869	1.8
San Francisco.....	336	6.5	9,554,105	2.1
Detroit.....	229	4.4	21,181,005	4.6
Minneapolis.....	87	1.7	9,913,439	2.1
Seattle.....	101	1.9	5,453,558	1.2
Los Angeles.....	168	3.2	26,772,547	5.8

DISTRIBUTION BY SIZE OF PLANT

Total, all groups.....	5,206	100.0	463,522,342	100.0
1-49 wage earners.....	1,339	25.7	49,517,140	10.7
50-99 wage earners.....	1,006	19.3	69,703,970	15.0
100-249 wage earners.....	1,432	27.5	157,341,577	33.9
250-499 wage earners.....	988	19.0	150,630,219	32.5
500-Over wage earners.....	60	1.2	11,329,256	2.5
Unspecified.....	381	7.3	25,000,180	5.4

¹ Includes 1,467 prime contracts valued at \$105,911,659 which are awarded with the concurrence of SWPC.
Source: SWPC 6-B and SWPC-8.

Subcontracts Placed by the Smaller Plants Corporation June 1 through July 31, 1945

SUBCONTRACTS FOR THE MANUFACTURE OF FURNITURE FOR THE FEDERAL PUBLIC HOUSING AUTHORITY (PRIME CONTRACT NO. 1)

Name	Address	Amount
Eisen Bros.....	Hoboken, N. J.....	\$20,475.00
Eisen Bros.....	Hoboken, N. J.....	47,580.00
Phoenix Chair Co.....	Sheboygan, Wis.....	61,733.75
Phoenix Chair Co.....	Sheboygan, Wis.....	71,612.50
American Chair Co.....	Sheboygan, Wis.....	18,000.00
F. S. Harmon Mfg. Co.....	Tacoma, Wash.....	31,064.25
B. P. John Furniture Corporation.....	Portland, Oreg.....	31,920.00
Karges Furniture Co.....	Evansville, Ind.....	105,572.25
Total.....		387,957.75

SUBCONTRACTS (UNDER PRIME CONTRACT NO. XV) FOR THE MANUFACTURE OF CONCRETE PRACTICE BOMBS FOR ARMY ORDNANCE

San Angelo Building Material Co.....	San Angelo, Tex.....	\$103,800.00
Nichols Pipe Co.....	El Paso, Tex.....	102,600.00
Thomas Concrete Pipe Co.....	Ada, Okla.....	103,500.00
Pittman Concrete Co.....	Hattiesburg, Miss.....	100,800.00
Jackson Stone Co.....	Jackson, Miss.....	101,400.00
Black-Brollier Co.....	Houston, Tex.....	102,900.00
Mission Concrete Pipe Co.....	San Antonio, Tex.....	124,560.00
New Orleans Cement Products Co.....	New Orleans, La.....	102,900.00
Shearman Concrete Pipe Co.....	Oklahoma City, Okla.....	100,800.00
Total.....		943,260.00

Subcontracts Placed by the Smaller Plants Corporation June 1 through July 31, 1945—Continued

CHANGES IN AMOUNTS OF SUBCONTACTS PREVIOUSLY REPORTED

Name	Address	Amount previously reported	Amount now stipulated
Furniture (Prime Contract No. 1):			
Phoenix Chair Co.....	Sheboygan, Wisc.....	\$66,127.10	\$66,092.28
B. P. John Furniture Co.....	Portland, Oreg.....	25,370.39	25,167.92
Total.....		92,497.49	91,250.20
Concrete Bombs (Prime Contract No. 15):			
Arnold Stone Co.....	Greensboro, N. C.....	80,880.00	180,480.00
Concrete Products Co. of America.....	Philadelphia, Pa.....	185,400.00	390,600.00
Formigli Bros.....	Philadelphia, Pa.....	69,400.00	141,430.00
Great Lakes Concrete Pipe Co.....	Buffalo, N. Y.....	86,400.00	168,480.00
Goodstone Mfg. Co.....	Rochester, N. Y.....	72,160.00	150,160.00
H. & F. H. Hosea Co.....	Cincinnati, Ohio.....	108,000.00	180,450.00
The Neff & Fry Co.....	Camden, Ohio.....	145,200.00	225,360.00
Nelsen Concrete Culvert Co.....	East St. Louis, Ill.....	138,300.00	240,000.00
P. Grassi & Co. and American Terrazzo Co.....	San Francisco, Calif.....	146,400.00	250,200.00
J. C. Boyer Co.....	Greenfield, Ind.....	74,000.00	155,120.00
Otto Buehner Co.....	Salt Lake City, Utah.....	144,000.00	225,600.00
Total.....		1,250,140.00	2,307,880.00

Number and dollar value of contracts awarded by Government procurement agencies shown by months ¹

[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	100 percent	100 percent				
November and December.....	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
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
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

See footnotes at end of table.

Number and dollar value of contracts awarded by Government procurement agencies shown by months ¹—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
DEPT. OF INTERIOR						
1944:	<i>100 percent</i>	<i>100 percent</i>				
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)
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)
CIVIL AERONAUTICS ADMINISTRATION						
1944:						
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
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	37.6	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
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

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.

