

WHAT PRICE PRIORITIES?

Barbara Giles tells what Mr. Stettinius' division of OPM means to the average American. Why Mrs. Roosevelt suggested you might "learn to do without." The "cannon not butter" days start.

A CLOSE-UP view of the war program in Washington involves the risk of distortion. The scene is a little cluttered with glossy gentlemen and marble halls. Phrases like "another billion" and "1,000 more planes" are thrown around as casually as if they referred to items in a household budget. Apparently the men who utter them feel that it's all settled, there's to be no more discussion about it—we are on the way to war and the hell with the cost. It surprised me to hear occasionally in the "defense" offices that "We need a war psychology." One man said it impatiently, another wistfully. The latter explained: "When France fell, everything was fine. The people were scared then and Congress rushed the appropriations through without so much debate. Of course you have to have some debate in a democracy, but it just isn't possible to get things done that way in wartime. If we had a war psychology—"

Perhaps "we" are not so wistful now, with the billions zipping through Congress seven at a time and more promised. "We" may not even know that the people are still short on war psychology. The shortage was far greater then, and still is, than the men who dwell in marble halls could possibly realize. In Washington itself, away from the dollar-a-year headquarters, people jibed about Knudsen's Office of Production Management: "Know what OPM stands for? Other People's Money." Among the floating, uprooted population of the capital, drawn from all over the country, there is a good two-fisted band of progressives whom J. Edgar Hoover and his spy-men cannot frighten. They haven't let up, rather they have intensified their battle against the local Jim Crow, against Martin Dies, and for peace. They, and for that matter thousands of others not so alert politically but fully aware of what OPM "stands for," like sharper the arrogance of the dollar-a-year pooh-bahs.

Of course these gentlemen realize that there do exist masses of people who must be "handled" properly. In every war setup, no matter how bristling, there have to be divisions marked Labor and The Consumer. A tremendous lot of citizens come in those two categories. They must be made to feel that they have representatives in "the defense"—well, one or two representatives, any-

THE ROLE of "labor's representative," Sidney Hillman, has been analyzed before in these pages and we won't go over it again here. I think it's fairly plain by now that Mr. Hillman's main duty was to sell the war to labor, which his task of shoving the workers would be relatively simple. At this difficult job he hasn't earned his dollar

a year but no one can say that he hasn't tried. As for representing labor, Mr. Hillman couldn't even put up a decent pretense. Covering up this little second-rate Bevin has been the mean chore of the cellophane-makers on once-liberal weeklies.

However, even if Hillman had ever wanted to protect labor's rights, he wouldn't have had a chance. Not in that setup. A dollar-a-year regime outfitted with some thirty billion dollars and driving toward war can't afford representatives of the people. If they tried to function efficiently, they would either be deprived of their powers or politely turned out of the joint. Miss Harriet Elliott, who heads the Consumers Division, is an illustration. When Miss Elliott left her post as dean of women at the University of North Carolina and came to Washington, it was with the earnest idea of holding down prices and preventing shortages. She was also, it seems, under the impression that there was a New Deal still in existence which would back her in waging the good fight. One of the first things Miss Elliott did, in line with what she supposed to be her duty, was to call the public's attention to the fact that millions of American consumers were already in extremely poor condition: "Forty-five million of us are living below the safety line right now because we are not getting the kinds and amounts of food necessary for strength and health."

It was evident that Miss Elliott herself was in need of some discreet "handling." How this was done I don't profess to know, but it seems to have been effective. Miss Elliott has made no more public statements about the deplorable effect of "democracy" on the majority of citizens. She still tries to do her job, in a way. There's probably more surveying, warning, urging, and advising from the Consumers Division than any other office in the Defense Commission. Meanwhile the prices go up and the shortages can't be hidden. (Since this was written Miss Elliott's office has been merged into the newly created office of Price Administration and Civilian Supply, headed by Leon Henderson.)

The more ominous power so far as consumers are concerned lies in the Priorities Division of OPM, headed by Edward R. Stettinius, Jr. To this division has been given the authority to declare that a material or product needed for war shall be used first for war, with the consumer getting the leavings. This is a great deal of authority. Until recently the public did not pay much attention to Stettinius' division. There seemed to be no prospect of shortages—weren't we the world's richest nation in resources? The first shock came when aluminum was placed under an industry-wide priority system. The meaning of the word "priority" was brought home,

straight into the kitchen, with housewives recalling Mrs. Roosevelt's arch suggestion of a few days previous that they might "learn to do without" things like aluminum pots and pans.

IF THE STORY of priorities stopped with aluminum, or the story of aluminum with pots and pans, consumers wouldn't need to worry much. But it doesn't. On March 18 Mr. Stettinius announced a list of 200 "critical" items on which the Army and Navy may automatically assign priority ratings. Most of them, it is true, are purely military but they also include such things as cameras, fuel oil, chart paper, motorcycles, electric generators, tin, brass, and bronze. In addition to aluminum, five other materials—machine tools, neoprene (synthetic rubber), nickel, tungsten, and magnesium—have been given a priority status. However, the actual establishing of an industry-wide priority isn't the only symptom of a shortage. There are less spectacular uses of the priority system. Mr. Stettinius, for example, can obtain "cooperation" pledges from manufacturers to put war orders ahead of all other demands—as in the case of steel structural shapes.

If there's one thing the Defense Commission is shy about, it's the subject of shortages, existing or threatened. For one thing, these men don't like to admit that the war program, before it is half accomplished, is beginning to raid everyday, peacetime life. Besides, the obvious solution for shortages is to expand the industries, and this the manufacturers don't want to do. They will build up to a certain point (with the government paying the bills) but they won't run the risk of an "over-expansion" that might mean collapse later. That is why, with the exception of announced priorities, no word comes from Stettinius' office to indicate that stocks are running low in vital materials. Information on this trickles out from other sources. We find out from trade-journal news that the copper and zinc supplies are short. Recently the Maritime Commission quietly put imported hides and tanning materials on the shipping-priority list. They're needed for "defense" shoes: 8,000,000 pairs for the army, 600,000 for the Navy, 150,000 for the Marine Corps, and 3,000,000 for the reserve stockpile. A soldier wears out twice as many shoes as a civilian. The Forest Service is nervously begging the timber owners not to be so reckless about laying waste good woodland. War production has already raised wood demands twenty-five percent and "the situation abroad" has cut American imports of wood and pulp about seventy-five percent.

Don't be surprised to read in the near future that steel, for "non-defense" uses, has been severely rationed. I know—the Defense Commission and the President himself say there's

no reason to expand the steel industry. But just a few months ago, when anyone suggested an aluminum shortage the dollar-a-year men told him not to be silly. At this writing, the steel industry is producing at 99.8 percent capacity. Many weeks back, the question of steel priorities was raised in Washington, but the steel industrialists fought any such idea—for one thing, priorities would show the need for expansion. Naturally they were backed by Stettinius who, as former chairman of US Steel, was not going to put the industry under a priority system if he could help it. When the controversy got too hot, Stettinius suggested that an "impartial study" be made of steel capacity. He knew just the man for the job: Gano Dunn, senior production consultant of OPM. Of course the fact that Mr. Dunn is a director of Guaranty Trust, a Morgan bank, and US Steel is a Morgan corporation, had nothing to do with his selection. But I hardly imagine that Mr. Stettinius was surprised when Mr. Dunn reported to the President—who announced it to the public—that no expansion or priorities were required in steel. Meanwhile dentists, for example, are harried by the difficulty of obtaining certain steel instruments; deliveries are made months after the orders have been put through and the steel itself is of inferior quality.

IT MAY TAKE A WHILE for people to realize what it means for a nation to be short on things like aluminum, steel, nickel, machine tools. The aluminum priority stirred some alarm because there was an immediate, homely association with the metal. More than kitchenware is involved, however. The war drain on aluminum will affect the output of radios, phonograph records, and even the movies, since the metal is necessary for sound-recording. (We can't go back to the old wax-recording because it demands an element that can only be obtained from Germany.) Both aluminum and steel are used in washing machines, vacuum cleaners, and other household appliances. It's impossible even to enumerate the number of articles made wholly or in part of steel. Ask the Iron & Steel Institute for a figure and their publicity man will tell you proudly that "practically every damned thing there is" depends on their metal. In the home alone, it is required for ranges, refrigerators, mattress springs, heating and plumbing, window screens, and other things for which the steel will be more and more difficult to obtain as the industry devotes its energies to supplying the gigantic maw of "defense."

There is a lot of whooping up, both in Washington and the industries, for the use of plastics where aluminum and steel are required. These may stand up or they may turn out to be so much *Ersatz*—they haven't been tested yet. The only sure thing about them is that their use will add another course to the du Pont's war banquet, since du Pont, with Union Carbide & Carbon, holds most of the patents on plastics.

The most cockeyed aspect of this shortage situation is that it's unnecessary. We are the

richest nation in the world, in both resources and manpower. It's as absurd to talk of shortages in industrial materials as to speak of surpluses in food. The present aluminum "shortage" has been with us for years, ever since Mellon started carrying around the entire industry in his pocket. True, there was enough for peacetime needs—but only for those who could pay the price which the aluminum trust demanded. Steel is another example of an industry that has been taken over by a handful of men who push prices up by holding production down. And with all their dollar-a-year patriots, their backlog of war orders, their denial of shortages, these men hold up the government on the price of steel. According to a TNEC report, the government is charged the "base price," from which the steel industry usually allows deductions as high as fifty percent to other customers.

How can there be a shortage of machine tools when fifty percent of the machine tools in America aren't being used? They're in idle plants, the hundreds of small plants which aren't getting a drop of the war-order champagne. No amount of begging will soften the giant contractors into turning over a real portion of their war business to these smaller firms. There are people in the Defense Commission who preach the necessity for giving contracts to small business or the "farming out" of orders through subcontracts. So far the result of their campaign has been to bring hopeful Little Business men to Washington and send them home with nothing. It's the sentiment of the war industrialists that Little Business, instead of trying to use its idle machine tools, would be more sensible to hand them over to the men with surplus orders.

All of which will give you an idea of what Miss Elliott would be up against if she really tried to represent consumers. Back in January she put forth a sound and essentially simple idea on how to maintain adequate production. She suggested "the most efficient use of existing capacities and the expansion of such capacities as far as our resources will permit." In March the priority order was slapped on aluminum. Miss Elliott's office did not urge that "efficient use of capacities" or "expansion" be tried. Possibly she had heard the aluminum men lay down the conditions under which they would expand: that the government not only pay for the new plants but agree to demolish them (at its own expense) after the war was over—in order to cut down capacity! Miss Elliott fell back on the only procedure left her—she suggested to housewives that there were inferior but usable substitutes for aluminum ware. (A few weeks earlier she had suggested that households which found the prices of meat uncomfortable might try fish.)

I should hate to have to estimate what all this will ultimately cost the consumer. Leon Henderson, as chief of the Price Stabilization Division of the Defense Commission, let out an occasional roar at excessively greedy manufacturers, but no injuries have been recorded

so far. About two months ago Mr. Henderson roared at the lumber industry, and manufacturers confessed that they were so frightened they had asked the administration to permit collusion in low-cost bidding on government orders without interference from the anti-trust laws. Their request was granted. Several days ago President Roosevelt promoted Mr. Henderson by elevating his office to an agency described in the headlines as a "price-fixing setup." Its official title is "Office of Price Administration and Civilian Supply" and Mr. Henderson, as its administrator, is empowered not only to fix prices but to regulate the flow of goods as between military and civilian requirements. How he will use this authority remains to be seen. His past performance as a Price Stabilizer is not likely to keep the monopolists awake nights worrying about the fate of their profits. Indeed, Mr. Henderson's authority, being broader now, can very well be that much more useful to them.

CURIOUSLY, the worst price increases have been in goods that are most plentiful. This is particularly true of food. Every so often Miss Elliott announces that there is "no reason" for the rising prices of sugar, or meat, or other foods. We've been talking about "food surpluses" ever since the last world war. Yet food prices are jumping—five percent during the past year, with sharper rises expected. The packers, canners, and corporations like General Foods have grabbed the chance to run up prices under cover of "war conditions."

In clothing, some manufacturers have been more subtle: instead of raising prices they've thrown in a little more shoddy and "filler" that won't be discovered until your laundry comes back or you get caught in a rain. However, a direct price increase—sometimes in addition to the poorer quality—is beginning to show in many garments as well as in the textile goods. Consumers Union reports, in its weekly *Bread & Butter*, that the working man's overalls, dungarees, and work shirts have gone up on the wholesale market and retail prices will likely rise at least ten percent. Why? Not because of any cotton shortage, certainly. The cotton surplus in this country is the largest ever—export markets have been cut down by the war. But the very circumstance of war is used by the manufacturers as a flame which they can apply to the price thermometer. There are surpluses of wool, too, but the price of raw wool has risen fifty percent since the war and the increase is being reflected in blankets, sweaters, and so on.

And the squeeze has just begun. It will intensify with every additional billion authorized for war. Not half of the \$30,000,000,000 already appropriated has been spent, yet prices are on their way to the fantastic levels of the last world war, when food costs nearly doubled and clothing rose 181 percent. This is part of what the industrialists describe quite accurately as "making the people pay for the war." This is the reality of "sacrifice."

BARBARA GILES.

NEGROES IN WARTIME

Herbert Aptheker tells the story of the cruel and shameful treatment of the Negro people during the Wilson regime. Discrimination, lynching, murder. Lessons to remember.

ATOP the dome of the United States capitol stands an heroic statue of a woman representing the Goddess of Liberty. It was produced in the Washington foundry shop of Clark Mills, and the forging was done by Negro slaves. No wonder, then, the lady's eyes are downcast—for bondsmen's blood is on America's Goddess.

Beneath the statue, men like Glass and Woodrum and Smith, Reynolds and Byrnes and Barkley, Cox and George and Dies, Bilbo and Harrison and Hobbs spout about "democracy," while from eighty to ninety percent of the adults in their states are disfranchised. These men prate about "equality" while from one-third to one-half the population of their region are treated, by law and custom, as outcasts and pariahs. They extol the glories of "freedom" while millions of their own fellow citizens are held in debt slavery.

This consummate hypocrisy, this tragic farce must sound fearfully familiar to the Goddess' ears, for the identical performance was given less than a generation ago. Some of the star performers of that time, like Glass of Virginia and Byrnes of South Carolina, are once more upon the stage.

The identity of the advocates exposes the viciousness of the cause. In this country there is no more certain indicator of the general role of an individual, organization, or party than its attitude toward the Negro people. If it is restrictive, chauvinistic, degrading, one may be certain that the individuals or groups are corrupt and reactionary. This is an un-

failing test. It provides us with an important guide for understanding the past and the present, and charting a plan for the future.

WHAT WAS THE POSITION of the Negro people during the years of Wilson's "New Freedom"? What did the slick salesmen of death promise the 10,000,000 Negro citizens during the first "war for democracy"? How did the reality compare with the promise? What were the Negro's demands and how did he go about trying to achieve them?

The wily Wilson let it be known, during his first presidential campaign, that his high humanitarianism encompassed the Negro people. On Oct. 16, 1912, he pledged: "Should I become President of the United States, they may count on me for absolute fair dealing and for everything by which I could assist in advancing the interests of their race in the United States." On the basis of promises like these and Wilson's alleged liberalism in general, 100,000 Negro voters, counseled by men like Dr. W. E. B. Du Bois, shifted their vote from the Republican to the Democratic Party.

Wilson kept his promise in his inimitable manner. Segregation and Jim Crowism were firmly established in every department of the federal government. Offices hitherto traditionally filled by Negroes—such as Recorder of Deeds in the capitol—were given to deserving white Democrats. Scores of Negro federal employees, particularly those in the Post Office Department, were summarily dismissed.

Disfranchisement, peonage, and lynching (sixty-six instances of this barbarity were reported in 1916 alone) continued unabated, without comment from the White House.

The Negro people, true to their militant traditions, did not take these abominations lying down. Indeed, they fought back, in the years immediately preceding and during the Great Deceiver's first administration. A new exodus from the South beginning about 1903 reached flood proportions in 1915-19—about seven hundred and fifty thousand human beings picked themselves up (notwithstanding attempted legal and terroristic restraints) and sought a better life. This migration, unlike its predecessors, represented a movement from rural to urban areas, leading to the proletarianization of a considerable segment of the Negro population. This in turn produced a more profound and general economic and political development among the Negro people than had hitherto prevailed. There resulted a three-fold increase in the circulation of Negro newspapers and establishment of national Negro organizations such as the National Equal Rights League in 1907, the National Association for the Advancement of Colored People in 1909, the National Race Congress in 1915, and the Association for the Study of Negro Life and History the same year. There developed, too, a growing pressure by Negro workers to force the AFL hierarchy to discard its vicious policy of exclusion.

THE RULING CLASS displayed growing concern. During his second campaign Wilson trotted out the old promises toggled in his lovely verbiage. One of his most ardent bright-young-men, Ray Stannard Baker (since become his official biographer), contributed an article to the June 1916 issue of *World's Work* entitled, "Gathering Clouds Along The Color Line," which concluded, with marked trepidation: "No one who is at all familiar with the conditions which confront the American Negroes at the present time can doubt that discontent and unrest among them have been spreading, particularly within the last two years."

But The Liberal was elected again by a united front that included Henry Ford and the *New Republic*. No sooner had he been safely returned to the White House than the *New Republic* editors made clear that the powers-that-be would take no nonsense from Negroes who found their appointed "place" uncomfortable, particularly in those days of the authoritarian challenge to the American way of liberty and justice. The *New Republic* of Nov. 18, 1916, ran an article by one Harrison Rhodes entitled, with the editors' typical concern for clarity, "Notes from Lao-



Disaster

Sylvia Wald