

## MRS. ROOSEVELT MEETS THE PUBLIC

March 11<sup>th</sup> 1951

Description: In this episode, ER discusses inflation and the importance of controlling price levels. She has the director of price stabilization Mr. Michael B. DeSalle and Mr. James B. Carey who is secretary treasurer of the CIO to discuss the advantages and disadvantages to price control.

Participants: ER, Michael B. Desalle, James B. Carey, and Robert Harkenson

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(0:30)

[ER:] That's so useful

[Unknown Announcer:] Yes a big bargain a Risley special at sale prices today at a store near you.

[NBC Announcer:] Now discussion time as Mrs. Roosevelt meets the public this is WNBT New York channel 4

[Theme Music: 0:46-1:05]

[Unknown Announcer:] The dispute between labor and the administration over price control and our general economic mobilization plans is a vital and immediate concern to each and every one of us, thus NBC television invites you to join Mrs. Eleanor Roosevelt at the Park Sheraton hotel in New York City for a discussion of this problem to answer some of the many questions which have been raised by this dispute Mrs. Roosevelt has invited two distinguished guests representing both sides of the controversy, and now here to introduce the program and her guests here is Mrs. Roosevelt. (1:40)

[Unknown speaker:] [Whispers] Test-Test-Testing

[ER:] I'm s- Good afternoon everybody and I'm very happy to have two guests with me today to discuss and to answer questions uh on the most important domestic question before us, I think, the control of inflation. There is a great confusion in the public at the present time in the public mind because great many people feel that some obvious things have not been done and that we've completely failed in keeping prices down so far and that I think uh everybody who uh runs a house is very conscious of [ER laughs] runs a home. Now organized labor has been accused of walking out on the government in order to gain power and for selfish reasons, and yet organized labor certainly would find it very difficult to agree to any wage formula as long as there was no real price stabilization. So I'm glad to be able to introduce to you today, eh, the director of price stabilization Mr. Michael B. DeSalle, who is the official who's been trying very hard to develop a price control policy and an old friend of mine Mr. James B. Carey who is secretary treasurer of the CIO and who's been a leader in labor's fight to do the right thing as they see it. Now we have today with us representatives of the public as usual to ask questions but just before those questions begin I want to point out that the real control of inflation means that we have to have a rounded control, that everybody eh um every instrument to control inflation has to be considered, it's not just wages and prices will do it, it has to be a control, a direction of priority, it has to be the control of money and credit because if all these things do not work simultaneously, control of inflation is not possible. Now I'm very glad to ask our first gentleman who is to ask the first question for the public, Professor Robert Harkenson instructor in speech at Temple University. Will you ask the first question?

[Prof. Robert Harkenson:] Yes Mrs. Roosevelt, uh when the prices were frozen it seemed to me that they were already pretty high for a university instructor and I'm wondering if and when prices are frozen solidly if they will be frozen at a level which uh is less than that at which they were frozen.

[ER:] Now that I'll uh ask Mr. DeSalle now.

[Michael B. DeSalle:] Well Mrs. Roosevelt, there's no doubt that prices had reached a high level at the time we issued our general ceiling price regulation however if we'd waited a week or two weeks it would have even still been higher, the level would have been still higher than it was on January the twenty fifth. Now as we approached the program, and we do have a very definite program to affect readjustments industry by industry and business by business we will attempt to take out the water that got into our economy from Korea until the present date. But in fighting a program of this kind we have the same problem a factory might have in attempting to tool say if you were building automobiles today and you were asked to build tanks tomorrow you wouldn't be ready to build tanks, because you'd have to have some machinery and some tools with which to build tanks and so we have to have tools in an effort to uh approach our problem. Our tools are the specific type regulations, we have to have those regulations drafted, we didn't have them on the shelf and as those regulations are drafted we attempt to make the adjustments uh point by point to effectuate the real relationship that existed between prices and purchasing power before Korea.

[ER:] Now you said something very interesting, you didn't have them on the shelf. Now I wonder if one of the things that now is important isn't to make our all-out plans as quickly as possible. (6:46)

[Michael B. DeSalle:] We're making them every day uh we're not delaying any time but it takes people who have the know-how you need technicians and although we were able to get some of the people from OPA that did have the technical background a good many of our people are new and we have to educate them into the problem. You take a man who may-might be an outstanding businessman or an outstanding economist but you give them a specific problem and say "we want this type of a regulation" they certainly differ in their approach they all have different ideas and those ideas have to be reconciled before we can put them on paper and say "this is the regulation".

[ER:] I see, well now we'll come to our second question Mrs. Anna Weincrau, who is housewife and community leader in the Bronx, Mrs. Weincrau.

[Mrs. Anna Weincrau:] Very glad to answer the second question Mrs. Roosevelt; does labor or any other group have the right to walk out on government when it may result in a dangerous crippling of our entire defense effort.

[ER:] Well that I think quite obviously is addressed to you Mr. Carey, will you answer that?

[James B. Carey:] Well it would be dishonest for labor to remain in government and give the appearance to the public that labor's voice is being listened to and uh its recommendations are being considered. Labor walking out of government is not a strike against the government, the workers in this country are willing and anxious to produce, they'd like to be able to buy back some of the things they produce at reasonable prices. Now Mr. DeSalle talked about taking businessmen and making these businessmen administrators in our government. Now, quite frequently a head of a large corporation whose experience runs against price control, their whole interest and their background has been directed against having any price control whatsoever now brought in the government in very large numbers to give sympathetic administration to a stabilization program. Their primary interest has been to make profit and one way to make a profit is to charge the public as large a price as they possibly can, in order to enhance their profit

opportunities and one reason labor walked out is that these administrators called in from business are not setting up a program that's workable.

In fact Mrs. Roosevelt, you have on your program today Mr. DeSalle, I think the only recent appointment by our government who was not heading a corporation, and Mr. DeSalle has uh a great deal of difficulty confronting him. Mr. Wilson, while his cooperation is very profitable, it's receiving the highest profits in its history and they're charging the highest prices they ever charged for the products that are produced, and you take the president of the national telephone and telegraph company, or you take uh Eric Johnson the former president of the chamber of commerce, or you take any others in this new government of ours and you find that these people just do not understand the problems that you people face up in the Bronx. The income of the average workers perhaps sixty dollars a week is an experience far removed from a Mr. Charles Wilson who makes five thousand dollars a week so these people not listening to the advice of others refuse to take in to their groups some housewives, or representatives of women's organizations or agricultural groups or labor groups. They set their organization up to confine it merely to these monopolists who profit by the high prices, therefore labor thought it wise to call this the attention of the public, to show the public that the price control program and the labor stabilization program by and large is a fraud.

[ER:] That's very uh forthright [ER laughs] answer, do you want to quarrel with that Mr. DeSalle?

[Michael B. DeSalle:] I was wondering whether the rules permitted it.

[ER:] Of course the rules permit answering of course, of course they do. (11:05)

[Michael B. DeSalle:] I think some of the things that Jim says would make sense if you just didn't think it through. If you have a production job to do you just don't go and get a shoe-maker to handle a large production job you get the best people with the best-best technical knowledge that you have and uh I understand that Mr. Wilson has just w-has withdrawn completely from General Electric, I'm not here to defend him.

[James B. Carey:] Mike, may I interrupt to say that Mr. Wilson withdrew completely from General Electric in the last war but was back at the same old post shortly thereafter.

[Michael B. DeSalle:] Because you-you interrupted I was going to say that I'm not here to defend Mr. Wilson I suppose he's capable of doing that himself, or to defend Mr. Eric Johnson because I know he's capable of doing that himself but I want to say on behalf of most people that come down to Washington and take part in government that they're faced with a great many difficulties, they have difficult problems as you know Mrs. Roosevelt a good many people do not have the patience or tolerance to uh give them the time to work out these problems and I think that the possibly labor would have been uh able to work into the program and they should direct their attack at exactly what they had in mind participation in defense program that's where they should have directed their attack rather than going off on tangents. It wasn't just too long ago when I had a meeting with the subcommittee of the United Labor Policy committee on prices, they were very fine three or four of the members were formerly in OPA they knew the problems we faced, I explained to them the problems we were facing today. And they asked whether they could have representation on our staff and I said very definitely that they could, there wasn't any question about it. They left my office with a unanimous recommendation to the central, to their central body of uh their meeting with me and the approval of the price program as it was established at the time and also with the fact that I was willing to give them representation at staff policy level in determining our program.

[James B. Carey:] Mike I mentioned you were the exception. That wasn't true with Mr. Wilson, it was not true with his top assistant Sydney Weinberg, it was not true of his other assistant General Clay. Now you

can't have a democratic mobilization effort if the leadership of that effort is confined to an industrialist, to a Wall Street banker and to a general. [Michael B. DeSalle: now that's the difficulty] at that level Mike and that's the level that sets the policy that you're supposed to carry out.

[Michael B. DeSalle:] Jim uh the same time uh Eric Johnson appointed George Harrison directly from labor as his chief deputy but it made no difference, he was caught in the walkout too. (13:54)

[James B. Carey:] And it's correct in fact the whole walkout involves, what, ten people? I happen to be one of them, I was a member of the advisory committee to Charles E. Wilson and a member of the advisory committee to uh William Harrison. William Harrison is the president of the international telephone and telegraph company I referred to. We never had a meeting on that uh production advisory committee, not a single solitary meeting was called so what is lost in the walkout of labor? It was just an explanation to the general public.

[ER:] I-I'm-I'm amused by this discussion because I have had a number of-of uh repercussions and one of them that comes up most often is that uh the general public had a feeling that there was only big business a first you see and uh they got kind of feeling of relief when they saw some labor representatives being called in but then uh they didn't ever get a feeling that uh there was work there you see and I think that's really, eh of course Jim is voicing what he felt but I think that's something the public has worried about too. Now I'd like to ask Mr. Michael Nathan who's a young businessman from New York to ask a question.

[Michael Nathan:] Mrs. Roosevelt, from everything uh we hear the country's food supply is plentiful in fact we have even stored up huge surpluses of food, why then why are food prices so high and why are they continuing to rise?

[ER:] Uh, I-I think I should have the Department of Agriculture here too today [ER laughs] but I think perhaps both of you would like to answer that. How about you Mr. DeSalle, do you want to answer that?

[Michael B. DeSalle:] Well Mrs. Roosevelt of course you're familiar with the Department of Agriculture's support program [pause 15:45-15:54] and that has a tendency to maintain a floor under prices and we have a job of maintaining ceilings over prices but in addition to that the Defense Production Act of 1950 has a provision which says we cannot control the prices of food that uh u-until they have at least reached parity well most of your food commodities in the country today are below parity and some of them substantially below parity and so uh we have to at least under the act as it's written today wait until those items reach parity. However, a very interesting facet of this whole thing is that farmer-farm income for the past three years has gradually gone down and the farmer claims that they are in the only group which shows a decline in national income for the past three years, and whatever statistics can be gathered on that kind of support their position. Now we don't know whether the increase in food prices uh can are there because of uh spread of margins like retail and wholesale levels, those are the things that we're attempting to uh prod right now and in the very near future we're going to issue some regulations on food in which we're going to attempt to freeze margins to some pre-Korea period, that may affect the readjustment of food prices. Now the farmer claims that out of a loaf of bread that you pay sixteen cents for he gets two and a half cents for his wheat and he wants to know where's the difference between the two and a half cents and the sixteen cents. The retailer says "my wages have increased I'm going to have to pay more for my help today" and wholesaler says his costs have gone up so we're involved in that problem attempting to fix the proper relationship between the raw commodity and the commodity that you buy at retail and I don't mind telling you that there are no simple answers to a good many of the questions we have to face.

[ER:] [ER laughs] I don't mind tell you that I've heard of all of these things discussed ever since my husband was in the New York state legislature back in 1913. He even went down at that time and followed a-a package of spinach [ER laughs] or a basket of spinach all of the way through from the time it arrived to the time it reached the retailers So this is nothing new have you got anything you want to say? (18:19)

[Jim B. Carey:] Well Mrs. Roosevelt I do because I hear from my wife quite frequently about these prices

[Michael B. DeSalles: Well don't think you're the only one who hears from their wife] [All laugh]. I think it's high time that these wives exerted some influence on these policies that are being pursued. You talk Mike about what they're going to do in the future about issuing regulations. Well the question was directed to the fact that we have the greatest production of food in the history of this or any other nation in the world, so if the ordinary laws of supply and demand operated we should have the lowest prices but we don't. My wife takes [Michael B. DeSalle: let-let me interrupt you there just a minute, doesn't labor subscribe uh it's my understanding that labor subscribes to the parity concept]. Labor su-subscribes to the parity concept but we don't think it's the farmer who should be blamed for this present increased, as you stated the farmer incomes aren't going up to the extent prices are going up. And the same argument is used directed against the farmers as used against labor, that labor is responsible through higher wages. Now it's what the farmer gets for the product and the markup that takes place and that's why we're anxious to see that there be some price levels at f-at the-the retail level so the housewives will be able to determine whether they're being rooked or if the housewife is getting the piece of goods or the proper quality at a reasonable price. Now we are inclined to take uh say and advertisement of a chain store of just a year ago, compare the prices the same chain store with the same brand commodities, the same cuts of meat and we find that prices have gone up twenty percent. A cut of roast advertised here uh in comparing in the course of a year it's just twenty-five percent higher, the same thing is true with the other chain stores and we compare these things Mike and the housewife has a real problem. Smoked hams from fifty-three cents a year ago to sixty one, that's fifteen percent increase. Liverwurst fifty-five to sixty-five, eighteen percent, frankfurters forty-five to fifty-five, twenty two percent, and the rib roast I spoke of from sixty-three cents to seventy-nine, twenty five percent and the same thing goes down the line with the other items, coffee and other things.

Now what happened here was not so much the farmer getting the increases that grows out of this, but speculation and racketeering and I think it's high time that the housewives get the answers to some of their questions. As to congress doing something about it I hope that if a committee investigates it is a [unclear term] committee because this is very definitely racketeering. And I think perhaps Mike you might tell the public what your plans are with respect to establishing ceiling prices at retail levels. Are you going to have dollar and cents ceiling prices in these 200,000 stores in the country so we can look up as we did before and to see whether or not these the prices, the highest in history are going to go up, or are they going to be maintained or will they be reduced as they certainly should be? Well you find this that there aren't uh just 200,000 retail outlets, there's almost a million and three quarter retail outlets in the country and there will be definite dollar and cents ceilings but in establishing dollar and cents ceilings we have the problem of establishing coordinated communities there are reasons why prices will vary from community to community and so we'll have to arrive at a program of community pricing and posting of dollar and cents ceilings, uh in uh retail outlets other than food outlets there will be individual price tags on each of these items that are being sold, t-those are coming and uh they're not too far off at this time, but you must also remember that this program I was sworn in on December the twelfth and uh this Monday will be my third birthday, my third monthly birthday and uh I'm kept constantly aware of what the problems are. I told my wife the other night, we got into a discussion about prices over the phone and uh she was complaining about them and I said "the government certainly got a bargain when they hired me, they not only got a director of price stabilization but a chairman of the consumers advisory committee at no extra cost" [all laugh] (22:48)

[ER:] I think that's wonderful, I think it's wonderful, but now what are you doing about priorities?

[Michael B. DeSalles:] Uh priorities we have n-you mean as far as our own regulations are concerned?

[ER:] Well I-I-I meant in general really is there a real uh program of priorities going on?

[Michael B. DeSalles:] The only priorities that exist today are the priorities that are being imposed by the National Production Administration on m on materials. There's no rationing program in the wind at this time, no consumer rationing program because it's been pointed out here supplies seem to be ample.

[ER:] Well now I'd like to ask Miss Judith Katz-

[James B. Carey:] Pardon me Mrs. Roosevelt [ER: yes], Mr. DeSalle said supplies seemed to be a-ample now we're producing two hundred thousand tons less cooper today than we were in 1943. Now apparently the supply of cooper is not ample, the same is true of steel and aluminum and a great number of other things that run into uh thousands of consumer projects like refrigerators and automobiles and uh mixers and the ordinary household utensils as well. Now why couldn't we increase our production of cooper at least to the extent that cooper was produced in 1943? Why couldn't we eliminate these recently-imposed duties on cooper coming from abroad two cents a pound to prevent cooper from Chile coming in to this country. Now why didn't uh say Charles E. Wilson or Mr. William Harrison move right at that critical problem and do something about it or is it because as we in labor think that they gain by these artificial scarcities that are created which results in the price of cooper to going up tremendously, which results in their profits to going up tremendously or the consumers being gauged. Now uh you speak of the application of certain price levels, ceiling prices will that be true of food? [Michael B. DeSalle: Uh Absolutely]. Well, it isn't now and could we say that say three months from now we're going to have readable price ceilings for food or will it take six months [Michael B. DeSalle: Uh that's just about right about three months]. Because Mike you speak of the experience we had under OPA before and yet coming from Washington and living there and working in Washington I know this present group that were bought into the government have a just as great a horror of New Dealers and of rationing and of subsidies as they have of the Communists that we're organizing to fight. In fact uh Mr. Wilson doesn't know the difference between a New Dealer and a Communist, and I'm sure the same thing is true of Mr. Harrison and of Mr. Weinberg and certainly it's true of General Clay. [ER laughs]

[Michael B. DeSalles:] Jim uh again I'm go I'm getting into a field that's not my field, well I know that you agree with the democratic processes just as strongly as I do, and I've found this out that you never work out problems by being on the outside and picking you have to get inside and sit down and work them out. We had a very good experience in labor management relations in Toledo over a period of many years because we were able to get labor and management to sit around the table to discuss these problems and to work them out. (26:09)

[James B. Carey:] Teamwork [Michael B. Desalle: that's right] why couldn't we have teamwork instead of having it confined to one little group?

[Michael B. DeSalle:] Yeah but you can't have teamwork when half the team's outside the stadium.

[James B. Carey:] They've just never been in, Mike, they've just never been in.

[ER:] [ER laughs] I-I think that's probably what a lot of people feel, but want to to get one more question at least. Miss Judith Katz who's a commercial artist from New York City.

[Judith Katz:] Well Mrs. Roosevelt I like to ask this question. Uh it's been said that uh the real reason for labor's revolt is the desire of the labor leaders to control the allocation of manpower. Is this true?

[ER:] I might ask that of you –

[James B. Carey:] That's certainly not true. That's a misrepresentation made by Mr. Wilson that that was the reason for labor's revolt. Labor's revolt rose out of the fact that labor has been shut out of this whole program, just like the consumers by in large have been shut out, just like farmer groups have been shut out. They don't get the feeling of participation and it would be a mistake for the public to believe that labor had a voice when labor did not have a voice. And on this question of manpower the people of labor know that Congress determines the allocation of the force of labor that goes into the army, same way Congress determines who goes in to the army and at what age-levels and so forth of all people the country. There's certainly been no suggestion on the part of labor that that situation should be dealt with by any other authority than Congress and the defense agencies. It's true that labor would like to have something to say about the allocation of manpower in the civilian economy they have they're concerned about whether or not we open new plants in new areas without concern about housing conditions without concern about community facilities. We'd like to have labor operate contributing its highest skills to this whole program and labor is extremely anxious to do that and they'd like the Department of Labor which is an impartial agency to and experienced in this field to have the say about how manpower is allocated in the civilian pursuits in this country, and would like it to be done through voluntary means. And Mr. Wilson's assistant, General Clay, who was in charge of this according to Mr. Wilson is in favor of National Service legislation, he demonstrated that in the last effort when it was certainly not necessary. So labor feels that it can participate in uh the administration of policy and manpower that that's what it's requesting.

[ER:] I'm sorry we can't have any more questions but our time is running out and I want to thank both Mr. Carey and Mr. Desalle and all my guests. (28:55)

[Pause 28:55-29:00]

[Theme Music 29:00 – 29:05]

[Unknown Announcer:] Next week at this same time NBC television will again present *Mrs. Roosevelt meets the Public*, we invite you to join us then when the discussion will concern the armed forces of the United States in the world today and Mrs. Roosevelt's guests will be: Secretary of the Air Force, Thomas K. Finletter, Secretary of the Navy, Francis P. Matthews and Secretary of the Army, Frank Pace Jr., portions of today's program which originated in the Colonial Room of the Park Sheraton Hotel in New York City were on motion picture film.

[Theme Music 29:45 – 30:12]

[NBC Announcer:] NBC Television

[NBC notes] (30:19)

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