

RECESSION

107 - Sunoco. Thurs., Jan. 6, 1938.

A drama of business was unfolded at a congressional hearing today, with facts and figures that gave a rather startling picture of the business recession. (The Senate Committee to Investigate Unemployment began its sessions, and the dominant witness was William Knudsen, President of General Motors. ~~Telling of the recession in the automobile industry, he described it in these words - "The drop in sales in so short a period was the most severe experienced in the history of General Motors." He emphasized the surprise element by saying, "It was wholly unexpected and entirely beyond our control."~~

~~TP Hear Gen. Motors~~

~~Then Knudsen~~ gave statistical data that dramatized the recession of ~~19~~ Nineteen Thirty-Seven. The year began in handsome style, and swung along with the tide of prosperity for over eleven months. "Sales in Nineteen Thirty-Seven," the General Motors President testified, "were excellent both on new and used cars, and were at a point where it looked as if Nineteen Thirty-Six figures would be reached or better." ~~He told of the natural consequence of this fine business progress. He told that~~ ~~For the last quarter of Nineteen Thirty-Seven, General Motors set its~~

~~schedule to equal, if not exceed, the production for the last quarter of Nineteen Thirty-Six.~~

27
(Then came a sudden change, for the worse, much worse, an abrupt fall.) ~~How sudden and abrupt it was can be best told~~

~~in these words spoken by Knudsen of General Motors.~~ "During
Knudsen
the last ten day period in November," ~~he~~ testified today,

"a severe drop in sales of both new and used cars took place."

He gave a percentage figure for it - instead of equaling Nineteen Thirty-Six, sales dropped to seventy per cent of the figure for that year - thirty per cent off. (He said the Company thought

~~this was only temporary, that~~ things would swiftly pick up
in December.)

December came. ~~what did it show~~ *and* there was a drop

still more abrupt. In the first couple of weeks, sales fell to a mere forty-five per cent of Nineteen Thirty-Six, a slump of fifty-five per cent.

the world's largest motor corporation
So no wonder the President of ~~General Motors~~, today

used such phrases as - the ~~sharpest~~ sharpest sales drop,

unexpected, beyond our control. ("I don't think," he said today,

"that anyone in God's world could have told me sales were going to drop that much in three weeks.")

Such is the ~~sales~~ background for the General Motors laying off men - as when, a couple of weeks ago, they ~~dropped~~ thirty thousand from the payroll.

President Knudsen was asked today - what were the causes of the sudden slump? ~~He said that reports from his sales force show that people just laid off buying cars - because they were uncertain. Were not sure about the future.~~ He described it in these words - "a fear of something out there that you just can't put your hands on."

~~Inevitably, in the Senate hearing today, that remark about fear, was instantly picked up.~~ Republican Senator Henry Cabot Lodge of Massachusetts cut in with this: "Is it not true," ~~Mr. Knudsen,~~ he demanded, "that the attitude of government has something to do with the fear psychology?"

To which Knudsen replied: "Yes."

{ And There's an echo of the frequently repeated charge that the government has business men terrified. }

"What would you have the government do about it?"

demanded Democratic Chairman Byrnes - ~~and that was a sharp thrust~~,
somewhat like saying: "Oh, it's the weather, is it? Well, what
are you going to do about the weather?"

{ (The committee room was silent, waiting for the answer.)

9
The tall, gray-haired President of General Motors was silent for
a moment - silent for another moment. He reached out for a glass
of water, and had a drink. The silence in the committee room
turned into a laugh!

Finally, Knudsen answered the question about what the
government should do. "I am not in a position to talk about that,"
he said.

There's one more Knudsen remark to quote - "business
come-back in ~~the~~ spring" was a phrase he used. He said he thought
automobile sales were due to pick up during the next several months.

After the Senate Unemployment hearing ended for the day,
the President of General Motors joined John D. Biggers, Director
of the Unemployment Census, and the two went to the White House.
There they had a talk ~~with~~ with the President, in which Knudsen
said just about the same things he had told the Committee.

LYNCH FOLLOW RECESSION

There's flowery eloquence in the United States Senate this evening, jewels of oratory, a carnival of rhetoric. It's southern eloquence, than ~~which nothing~~ ^{could} ~~can~~ ^{be more} ~~so~~ ^{eloquent.} At last reports the theme song was - North Carolina, its beauty, its charm, its loveliness. More crudely expressed, the whole thing is - a filibuster. (Southern senators are trying to talk the anti-lynching bill to death. *And Southern Senators are the boys to do it.*)

First they tried to kill it, when Tom Connally of Texas ~~proposed a motion to adjourn, without considering the bill that would use federal power to stamp out lynching.~~ If the Senate ~~had~~ ^{had} ~~as were~~ thus adjourned, the lynching bill would have lost its place on the schedule, and would have been left out in the cold.

"Lynching has almost vanished," shouted the Texan, "while gang murders in great cities have increased rapidly and defiantly. (The bill is plainly, palpably and admittedly a gesture to capture the colored vote.)"

In spite of this southern eloquence, the Senate turned down the motion that would have side-tracked the bill to lynch Judge Lynch.

Whereupon - there was still more southern eloquence,
as the filibuster started. If the gentlemen from Dixie can keep
orating long enough, they'll hold up proceedings so long that the
other senators out of sheer weariness will say "stop!" We'll let
the anti-lynching bill go, anything to stop the talk."

At last reports Senator Reynolds of North Carolina was
talking about the beauties of his home state, relating the charms
moonlight and honeysuckle —
of its cotton fields, where the darkies sing ~~etcetra, etcetra,~~
~~all along the line of Dixie romances.~~

without getting
lynched.

POLITICS FOLLOW LYNCH

51

There was an action in Congress today about - economy. Or maybe you'd call it - inaction. Anyway, a row is on, with powerful groups of the law-makers balking at the presidential demand that expenses must be cut down. That demand is incorporated in what they call the Independent Offices Bill, concerning which a debate is raging in the lower House right now.

The White House wants to put less into the pork barrel, that financial vat out of which legislators pull pork, gravy, cash - to present to their constituents. ^{They are} ~~This is~~ showing the usual reluctance to cut down the money appropriations which bring them popularity and votes.

For example, there are the funds which the Treasury hands out to the states for road-building. The President wants a slash, but today the Chairman of the House Roads Committee introduced a bill to continue the highway appropriations at the same rate as before. "I'm a strong advocate of economy," declared Chairman Wilburn Cartwright of Oklahoma, "but I believe a reduction should be made in all agencies of the

government - and not make just roads the goat. " Yes, it would be a dreadful misfortune if our national highway^s were suddenly transformed into goats.

~~That demand is~~

52
Congressman Johnson of Oklahoma slashed out violently against the slash in the funds for the C.C.C. The Independent Offices Bill calls for a cut of a hundred and twenty-three million and a half. The Oklahoma legislator is agin it. He's all for the C.C.C. "Don't abandon these camps in the name of economy!" he cried.
~~shouted~~

~~Secretary of the Treasury Morgenthau speaks a modest word in the cause of economy. He not only supports the presidential ideas of holding down expenses, but he may go even a little further. The President's budget message said that if the recession goes on, they may have to put up more cash for relief than is already appropriated - though he hoped not. Today, ~~SECRETARY~~ the Secretary of the Treasury said he didn't see that there was any immediate need for additional relief funds. That may be even more economical than the White House view, -
~~more Catholic than the Pope maybe.~~~~

The retirement of Supreme Court Justice Sutherland was attended by suitable courtesies today. Mr. Justice Sutherland is a renowned conservative. His resignation strengthens the cause of the New Deal on the Supreme bench, and therefore could not be so very unwelcome to the White House.)

Today, President Roosevelt replied to the Sutherland letter of retirement, and the courtesies were much in evidence.

~~May~~ ^{The} Justice ~~Sutherland~~ leaves the Supreme Court on January Eighteenth. The President in his letter says this: "May I express the sincere hope of Mrs. Roosevelt and myself that we shall have the privilege of seeing you and Mrs. Sutherland at the dinner at the White House on January Twentieth?" That's the annual White House entertainment given to ~~the justices of~~ the Supreme Court. By then, Mr. Sutherland will have for two days ceased to be a member of the court - but why shouldn't he attend the dinner?

Meanwhile, the choice of a successor continues to ^{keep} ~~buzz~~ ^{abuzz}.

~~buzz~~ in Washington, Today a candidate was proposed, by no less a body than the Senate Judiciary Committee. The Committee

53

petition^s the appointment of its Chairman, Congressman Hatton Sumners
of Texas. "We whole-heartedly commend him to your favorable
consideration," says the message to the President.

FRANK

Here's word just come in -- the Chairman of
the Program Committee of the Republican Party is Glean Frank.

Of course, we knew that he had been chosen. But would he

accept? This evening's news is -- yes. The former President
— editor, columnist and brilliant orator
of the University of Wisconsin [^] takes the Chairmanship of ~~the~~

committee that will formulate Republican policy. His first

words call for non-partisan cooperation, an appeal to

conservative Democrats as well as Republicans. He puts it

this way -- [^] the gravity of the situation cuts across all

sections and all groups. [^]

SIT DOWN

There was a sit down strike today in the Rhode Island Senate Chamber, but it wasn't the State Senators who did the sitting, ~~down~~. Of course, they did plenty of reclining in their chairs today, but you can only call that a mere restful pose in these days when "sit-down" means tactics in labor war. In the Senate Chamber at Providence there were 300 members of a C.I.O. textile union ^{who} ~~that~~ sat down. They were there demanding the passage of a 750 thousand dollar Relief Bill. The Senators did ^{not} pass it, and so the union members said they wouldn't leave the Senate Chamber -- sit-down strike. The lawmakers filed out and left them in possession. ^{union people} They ~~shouted~~ and sang labor songs. Their leader declared: "We're going to stay here until the bill is passed." But they didn't stay there that long. After two and a half hours, they got tired of the sit-down strike and went away -- saying however, that they'd return tomorrow, ^{and} then they'd mean business.

4

The New York ^{D.A.} ~~Prosecutor~~ Thomas Dewey is known as a relentless ~~prosecutor~~ ^{prosec} who calls down the rigors of the law upon the lawless. Today he rushed into a New York Court with a vehement protest - "This is an outrage," cried the stern prosecutor.

The judge was just about to pronounce a long ~~xx~~ prison sentence on a young man who had pleaded guilty to first degree robbery. ~~It was~~ his second offence; ~~and~~ so the sentence was harsh and severe - ten to twenty years.

"This is an outrage," cried implacable Prosecutor Tom Dewey. He went on to inform the judge that he had just investigated the probation report on the prisoner, the second offender. He had found that the first offence of the youth was the theft of a typewriter. His second was a hold-up in which he got two dollars and a half, and he did it because of hunger.

~~"A first degree robbery charge is an outrage," declared~~

⁷⁷ The grim prosecutor ~~And he~~ asked the court to let the prisoner off with a milder charge. The judge consented and pronounced a sentence of from two and a half to five years.

55

ROBINSONS

There's a queer twister in that already twisty case of the ~~Robinsons~~ who have disappeared in Russia - or is their name Rubens? Federal investigators have been looking for a mysterious Mr. "D", who is said to have figured in the arrangement of passports for the Rubens-Robinsons. These were false passports, procured through the County Clerk's Office of the prominent Tammy^a leader, Albert Marinelli, who has since been forced out by Prosecutor Thomas Dewey.

Today the ~~federal~~ investigators claim they have identified Mr. "D", and say he's the secretary to the Royal Egyptian Consul. *That sounds like deep intrigue.* His name is given as Arthur Sharfin, an American citizen born in Russia. This secretary of the Royal Egyptian Consul has been questioned extensively, and is to appear in court tomorrow.^R The case is complicated by a report from the Royal Egyptian Consulate, which declares that Sharfin is no secretary there - but an office boy. The secretary-office boy on his own part denies that he had anything to do with the false passports *of* the Rubens-Robinsons.

56

DOCTOR

Today's story of a doctor's heroism brings us this glad news -- it was not in vain. Last night we heard how a physician had set out to fight his way through a wild blizzard to reach a remote village on Cape Breton Island in the frost-bound north.

There medical aid was desperately needed -- people would die unless a doctor came. So the physician set out by sled for the hazardous journey -- but he couldn't make it, couldn't get through the towering snow drifts; had to return.

This evening's story concerns another doctor. He too went to the rescue -- by the sky route. ~~this time.~~ ~~Russitz~~ Doctor Philip Magone~~t~~ of Sydney, Nova Scotia, took off in a plane with Pilot Bob Smuck at the controls. They made a dangerous flight to Dingwall, Cape Breton Island, and there they landed safely, ^{and} ~~there~~ the doctor applied his medical art. ~~and~~ Tonight they're back, ^{in their own homes} a safe return. Here's the doctor's report: A woman lay in danger of death, but all she needed was proper medical attention. She'll pull through ^{says he;} ~~all right,~~ ~~reports the doctor~~ and so will the baby. A man with a mangled arm had a bad infection, blood poison threatening. But a quick operation attended

57

to that. Ten persons are sick with influenza -- but ~~there~~
their cases are not serious.

Doctor Magonet reports that the little fishing village colony, marooned by the blizzard, is in a bad predicament, short of food, suffering from under-nourishment. Something must be done for them -- although the immediate medical crisis has been relieved by the doctor's sky ~~high~~ flying medical call today.

PLANE

On the Pacific Coast they are searching for a bomber tonight -- searching hopefully. The Navy Department today reports that one of its big war planes has been missing for twenty-four hours. ~~now~~ -- ~~The~~ bomber was on a routine formation flight along the Coast. It dropped out of formation somewhere in the vicinity of San Clemente Island off the coast of California. ~~It~~ hasn't been seen since. Presumably it made a forced landing. The hopeful part ~~of it~~ is this -- the ocean is quiet out there, and the bomber is a seaplane, and should be ^{found} ~~still~~ floating on the ocean.

ENDING

A radio listener sends me a clipping from the Pittsburgh Sun-Telegraph. The newspaper story tells how this broadcast of mine figured prominently in a Pittsburgh lawsuit. As I read it I began to have increasing sense of self-importance.

In the past I've known of an instance when my nightly broadcast played a part in the hunt for a desperate criminal down South. Another time it was the only way an imperilled group could learn that rescue was coming. That sort of drama does increase one's self-importance.

The newspaper clipping from Pittsburgh told how a court case was being tried concerning a Pennsylvania bus line, and a vital factor was, timing. A witness told just how she gauged the time of a certain event. Her criterion was -- this broadcast. And that was something to make me a bit chesty -- me being a sort of time-marker for the day, the Greenwich chronometer of America.

So, with eager interest I read the testimony of the witness, Mrs. Bessie Haines, who was quite sure about the time when she went to catch the bus and this was her reason: "Always," she testified, "when Lowell Thomas is on the air, we leave the

house." That I read on page one of a Pittsburgh paper.

They don't just tune me out apparently -- they flee

And now, lest you flee, I'll flee - and - SO LONG UNTIL

TOMORROW.