

Roy M. Plauer *Conestoga Hall*
WHAT'S AHEAD IN BUSINESS?

Thompson

by *Robinson*

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before the
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and the
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*Introduction
Consistent to answer*

*Robinson Effing
Practice*

WHAT'S AHEAD IN BUSINESS? *Large Order*

Brother, you and some nothing yet.

Apologize for own in monthly period

Introduction:

1. Industry and finance in time of war
2. Immediate post-war prospects
3. The economic possibilities of our grandchildren

I. Industry and Finance in Time of War

1. In physical terms

Industrial production for war and for civilians

<u>Year</u>	<u>Total</u>	<u>Civilian</u>	<u>War</u>
1932	58	58	0
1935-1939	100	100	0
July 1939	106	—	—
July 1940	123	—	—
July 1943	239	72	167

Despite 8-10 million in the armed forces.

2. In monetary terms

National income and Government finance in billions of dollars

<u>Year</u>	<u>National Income</u>		<u>Federal Expenditures</u>
	<u>Current \$</u>	<u>1929 \$</u>	
1932	40.0	51.3	5.4
1939	70.8	87.3	9.5
1942	117.0	123.0	56.0
1943	144.0	144.0	86.
1 1944			104.

3. The achievement of balance

A. Physical factors are basic.
Finance must adjust itself.

a. Taxes and loans out of current
income

b. Bank purchases

B. The decision is up to us - our actions

a. Wisdom of wide distribution of debt.
"bloated bondholders."

II. Immediate Post-war Prospects

1. Some prospects that are reasonably certain

A. Taxation

Permanently higher level

Pre-war expenditures \$4-6 billion

Post-war interest charge alone \$4-6 billion

Armed forces - 2 million men - 5-6 "

B. Prices

Probably higher than in the 1930's
Deposit structure

C. Post-war demand

Deferred demand will be large.

Currency in circulation up from
\$5 to \$19 billion

Deposits

War bonds

Decrease in bonds held possible (repayment war)

D Controls continue (see next page) *Such more*

E Advantages of high level national income to all

1. Business
2. Labor
3. Govt.

F Relationship between Retail Sales
and Disposable Income of individuals

2. ~~Post-war goal~~ (*Nature of Problem*)

A. In general a high level of productive employment

B. In quantitative terms

<u>Year</u>	<u>Civilian labor force</u>	<u>Employed</u>	<u>Armed forces</u>	<u>Unemployed</u>
1932	50.9	37.3	.3	13.6
1939	54.6	44.2	.4	10.4
1942	54.5	51.9	4.2	2.6
1946?	57.5	55.5	1.9	2.0

3. A war versus a peace economy

A question of markets

In war: Government buys

In peace: Who will buy what?

4. Production creates markets

A. General analysis

B. The "hitch": the individual employer versus all employers

5. The challenge

6. *Industrial Co. approach*
7. *What can you do? → Buying a radio*

III. The Economic Possibilities of our Grandchildren

1. Why discuss

A. What are we fighting for?

2. Invention and output per man-hour

A. The facts

Output per man-hour (in 1939 \$)
\$2 in 1923 and almost \$4 in 1943
3% compounded in industry
1.2% compounded in agriculture

B. The explanation

a. Invention is a one-way movement

Variations among industries

b. A new invention: the discovery of
latent abilities

3. Our grandchildren in 1983

A. If output per man-hour doubles
every 20 years, our grandchildren's
options will be

a. Real incomes 4 times ours

b. Real incomes 2 times ours plus
a 20-hour week

c. Same real income as ours on a
10-hour week

B. Will there be any problems?

a. What to do with leisure

IV. The part of the Federal Reserve System

Used for funds Total Budget expend five years

39	8,707
40	8,998
41	12,711
42	32,397
43	78,179
44 (est)	

Income Source of funds.

- 39
- 40
- 41
- 42
- 43