

March 3, 1941

SPECIAL PROGRAM OF EMPLOYMENT COUNSELING FOR WPA WORKERS
on the
CORPORATE BOND STUDY

Description of the Corporate Bond Study

The Corporate Bond Study is a quantitative investigation of the market and yield experience of domestic corporate bonds and of the terms of corporate bond financing for the first four decades of this century. The technical plans have been prepared by a research staff contributed by several public and private agencies (Board of Governors of the Federal Reserve System, Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Reserve Bank of New York, National Bureau of Economic Research, Inc., and Securities and Exchange Commission) working under the general direction of the Committee on the Corporate Bond Study of the National Bureau of Economic Research. Four private financial services (Fitch Investors Service, Moody's Investors Service, Poor's Publishing Company, and Standard Statistics Company) have provided investment manuals and other source materials, in addition to making their technical experts available for consultation.

The Study was started under a WPA grant about two years ago. As a WPA project, data on corporate bonds over the period 1900-1939 are being assembled and organized. When the tabulations are completed the cooperating agencies will have available for analysis a large body of statistical data on the characteristics and behavior of corporate bonds which can be used in studying: (a) the behavior and loss experience of bonds according to industries, quality, maturity, and other characteristics; (b) the use of the capital market by business corporations; that is, the industrial classes of corporations using the capital market, the types of security used, the terms of contract, the purpose and possibly the net cost of borrowing; (c) the relative merits of market price, legal lists and investment agencies' ratings as an index of bond quality; and (d) fluctuations in long-term interest rates and their relation to capital market activity.

Aim of Employment Counseling Program

As a special activity, one of the agencies engaged in the Corporate Bond Study, namely, the National Bureau of Economic Research, Inc., has undertaken a special program of employment counseling for the WPA workers on the project. Since it is planned to close the WPA project on June 30, 1941 this special program will be entirely concerned with employment counseling for about 200 WPA workers who will be released from this project between March 1 and June 30, 1941. Because of the nature of the work to which personnel provided by the WPA have been assigned on this project, special efforts have been made to secure the highest type of WPA worker. The performance of some of the men on the project as well as their previous background has been sufficiently impressive to promise future success if properly placed in regular employment.

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The ultimate aim of the employment counseling program is to aid qualified workers on the project in obtaining regular employment. This objective can, of course, be realized only by recommending to prospective employers those workers who meet their specifications.

Since the program is entirely experimental in nature, no prediction can be made as to the percentage of the total working force who will receive jobs through its operation. However, it is certain that the advisory aspects of the program will be valuable to the workers. The Employment Counselor, who will be in direct charge of the program, is trained in personnel work. She will attempt to learn the needs of employers and acquaint them with the qualifications of workers. Frequent consultation with the Employment Counselor will give each WPA worker the benefit of expert guidance in planning his own efforts to secure regular employment.

Operation of Employment Counseling Program

The program will include a survey of the market demand for men and women having the training and experience of those employed on the Corporate Bond Study. For example, the special training facilities and other opportunities offered by the National Defense Program will be fully explored. After the cooperation of employers has been gained, specific recommendations will be made concerning companies and industries to which individuals should make application for employment. The results of such applications will be carefully followed up so that the applicant may be assisted in every possible way. "How to Apply for a Job" will be one of the most important parts of the program.

The experience, training and aptitudes of the WPA workers on the project will be thoroughly investigated through interviews, detailed application forms, references, and probably some tests relating both to specific skills and to general aptitudes. Through these methods it is expected not only to improve the chances for the re-employment of Corporate Bond Study WPA workers in private enterprise, but also to help employers in selecting workers who meet their needs.

The entire program is being conducted by the National Bureau of Economic Research, Inc. The Employment Counselor, furnished by the National Bureau of Economic Research, Inc., who will be in immediate charge of the program, will work under the guidance of a committee which will include personnel experts as well as representatives of the Work Projects Administration and other organizations representing both the government and private industry.

At the close of the program a complete report will be made covering procedures followed and results obtained. It is hoped that some of the knowledge gained may prove applicable to other WPA projects and that thus the program will make a general as well as a specific social contribution.

Duration of Employment Counseling Program

Under the present plan the program will be in operation for the period February 17 to August 31, 1941. This will allow the Employment Counselor a two months' follow-up period after the Corporate Bond Study releases all WPA employees on June 30, 1941.

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Supervising Staff

The following is the supervisory staff representing the sponsoring agencies on the project:

Winfield W. Riefler, Chairman of Committee on the Corporate Bond Study, National Bureau of Economic Research, and Professor of Economics, Institute for Advanced Study, Princeton, New Jersey

William J. Carson, Vice Chairman of Committee on the Corporate Bond Study and Executive Director of the National Bureau of Economic Research, 1819 Broadway, New York City

Melvin W. Brethouwer, Director of the sponsor's staff assigned to the Corporate Bond Study, 625 Madison Avenue, New York City

Harold G. Fraine, Associate Director of the sponsor's staff assigned to the Corporate Bond Study, 625 Madison Avenue, New York City

For further information, write to:

Miss Virginia Burdick, Employment Counselor
Corporate Bond Study, 625 Madison Avenue,
New York City

Telephone: Eldorado 5-2673



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE CHAIRMAN

June 13, 1941.

Mr. Winfield W. Riefler,
Professor of Social Sciences,
Institute for Advanced Study,
Princeton, New Jersey.

Dear Mr. Riefler:

Your telegram of June 11, 1941, advising of your acceptance of appointment by the Board, effective July 1, as a class C director of the Federal Reserve Bank of Philadelphia for the unexpired portion of the three-year term ending December 31, 1941, has been received. I wish on behalf of the Board to welcome you again into the official family of the Federal Reserve System and express the hope that you will enjoy your duties and associations in this new capacity.

If he has not already done so, Mr. Thomas B. McCabe, Chairman of the Federal Reserve Bank of Philadelphia, will communicate with you in the near future, advising you in a general way with respect to the duties of the office and the steps to be taken in connection with qualifying therefor.

The other members of the Board join with me in the suggestion that whenever you are in Washington, and it is convenient for you to do so, you call at our offices for a visit.

Sincerely yours,

A handwritten signature in cursive script, likely of M. S. Eccles, is written over the typed name.

M. S. Eccles,
Chairman.

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DEPARTMENT OF STATE

Washington

June 24, 1941

My dear Mr. Miller:

I acknowledge the receipt of your letter of June 16, 1941 transmitting a communication signed by you, Percy W. Bidwell, Winfield Riefler, Eugene Staley, Alvin H. Hansen, Allan Sproul, and Jacob Viner. I acknowledge also the receipt of similar communications addressed to Assistant Secretaries Berle and Acheson. In these communications it is recommended that the consideration for all materials delivered to Great Britain under the Lend-Lease Act be defined as use of these materials by the British in the struggle against the aggressor powers and that such use should be accepted by our Government as full and adequate consideration in the meaning of the Act. The purpose of the recommendation, it is understood, is to insure that this war shall not leave a legacy of intergovernmental debt that would poison international relations.

I wish to express appreciation of your courtesy in giving the Department the benefit of your views on this important subject and to assure you that they are receiving most careful consideration.

Sincerely yours,

(Signed) Sumner Welles
Acting Secretary

Mr. Francis P. Miller,
Council on Foreign Relations, Inc.,
45 East 65th Street,
New York, New York

COUNCIL ON FOREIGN RELATIONS, INC.

45 EAST 65TH STREET NEW YORK CITY

July 8, 1941

Professor Winfield Riefler
The Institute for Advanced Study
Princeton, New Jersey

Dear Win:

Upon my return to New York
after two weeks' absence I find this
letter from Mr. Sumner Welles in reply
to our communication of June 16.

Ever yours,

F. P. Miller

Francis P. Miller
Administrative Secretary

RADIO ADDRESS
DEC 3 or 4, 1941

Fellow Citizens:

Peace is not found merely in an absence of armed hostilities. For more than six years Hitler ruled Germany and expanded its boundaries without firing a shot, but who would dare to call those six terror-stricken years, years of peace? It is now a full decade since Japan invaded Manchuria and embarked on the conquest of China. Except for the Panay incident, in all those years there has been ^{any} no clash of arms between this country and Japan. ~~But~~ we would hardly cite our relations with Japan during this period as an example of the meaning of peace. Peace, in short, is a condition that involves far more than the absence of war.

It is well to recall this simple truth when the subject for our consideration is the Peace Aims of America, for there has been little real peace in the world since the outbreak of the first World War. It is particularly important to be aware of this truth when we concentrate specifically upon economic and financial matters. For no area of human activity is more greatly affected by the presence or absence of peace.

There is a second truth about peace as it existed before 1914 that has a vital significance for the problem of economic peace aims. It was that war did not necessarily rupture the international fabric of peace. Despite all its wars, the century from Waterloo to the Marne was, in a very fundamental sense, a century characterized by the condition of peace. Common people everywhere lived in an expectation that peace would continue. The economy of the world, including its financial arrangements, ^{was} ~~were~~ built upon that expectation. During that century, the demoralization of war tended to be localized. Even the existence of a war as devastating as that which wracked this country from 1861 to 1865 had limited external repercussions. Such repercussions as did occur were not ^{as great} ~~comparable~~ in magnitude to those that followed Munich, when not a shot was fired.

What is the explanation of this paradox? Is there to be found in the contrast of these two situations a clue to the nature of the peace for which this country is groping? What was there in the nineteenth century that permitted peace to survive the impact of war, and what have we lost in this twentieth century that has denied us peace, even in the absence of war? Specifically, in the area of economics and finance, what were the sources of strength of the nineteenth century? What has happened during the course of the last generation to undermine that strength? What must we do, if Victory is ours, to reconstitute an economy of peace? These are the fundamental questions that we as Americans must ask ourselves today.

In terms of economic organization the nineteenth century was great because it accepted implicitly the economic unity of the world. Its economic institutions, therefore, in spite of glaring faults, were in accord with the genius of the times. The great fault of the ~~economic~~ twentieth century, by contrast, has lain in its tendency to split apart.

In the economic sphere, the genius of our times lies clearly in the application of science and invention to the satisfaction of human wants. This application has expressed itself in the industrial revolution, in the advent of the machine, in the creation of means of rapid, almost instantaneous, communication, and in the annihilation of distance. It is in these factors, predominantly economic, that our culture today differs most strikingly from the culture of the ancient world. It is in these respects that the civilization that has developed around the shores of the North Atlantic during the last one hundred and fifty years is unique. In our era alone, for the first time in all the long history of the human race, has it been reasonable for man to contemplate the possibility of the abolition of poverty.

But the application of science and invention to the satisfaction of human ^{which} wants has its own requirements/ ~~We~~ cannot disregard. Just as the human body needs oxygen, if it is to exist, our new machine technology needs scope within which to

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operate. The subdivision and specialization of labor implicit in the industrial revolution require larger factories; the substitution of ~~power~~ and the machine for human labor requires larger markets; the availability of foods in sufficient variety to permit a balanced diet requires varied sources of supply. In fact, there is a size requirement in practically all of the techniques and discoveries on which we base our plans for the improvement of the standards of human living.

It was the great fortune of the nineteenth century that it was dominated by an economic philosophy which was attuned to these requirements -- the philosophy of economic liberalism, of free economic activity with as little as possible interference by the state. Hence we enjoyed, in effect, the advantages of a world-wide organization of society ~~in the area of economics and finance~~, while Nationalism ~~was confined primarily to~~ remained a social and political phenomenon. It is true that there were tariff barriers, but they were unimportant compared to those to which we have since become accustomed. National impediments to the free movement of capital and also to international migration were minor compared to the situation in recent years. Many of the most effective weapons in the modern arsenal of economic nationalism, such as rigid quota restrictions on international trade, exchange controls, blocked currencies, and bilateral clearing agreements, ~~were~~ ^{practically} unknown. In an economic sense the world was a unit.

It was under these conditions of economic unity and economic peace that our modern world evolved. Across national geographical boundaries the new industrial techniques spread with amazing rapidity. From the shores of Western Europe there flowed out to all the world a swelling stream of population, capital, skills, that developed new continents. New sources of raw materials, new industries and new markets were opened up. Whole regions specialized in their production to feed ~~these new world markets~~ ^{a market that was world-wide and came to national markets}, and depended for the articles of their consumption ~~on the products of the world made available in a world-wide market~~. For the first

time in the history of the human race, goods became widely abundant. Standards of living increased over wide areas of the globe. Great cities arose, with sanitary water supplies and sewage protection. The incidence of death and disease declined. Within a hundred years the population of the world was doubled.

No country benefitted more from this development than the United States. Our wealth, our ~~population~~, and our power today are a product of the world ^{wide} economic development of the nineteenth century. The present pattern of our country, ~~with~~ its great cities and its preponderance of population and industries along the Eastern seaboard, still reflects this development. They stand a living witness to the fact that ^{Atlantic ocean was not an} the economic boundary, that governed our industrial development was ~~not so~~ ^{would not} world-wide. ~~The resources of the East are not so outstanding as to have permitted this development, had the economic boundaries of this country coincided with its political boundaries.~~ New York, Boston, Philadelphia, Baltimore are great because the economic activities of the United States have been part and parcel of a world economic system. ~~As part and parcel of that system they have been well located.~~

This economic unity was shattered by the first World War. From 1914 on, mankind has become painfully aware that a political boundary ^{may become also} ~~is frequently also~~ an economic boundary. Progressively, from 1914 on, our economic world, with all its regional specialization in skills, population, and productive activities, has tended to fractionalize, to break up into blocks between which large and growing impediments have existed to the flow of trade, to the movement of populations, to the process of investment. Inevitably, under these circumstances, ^{economic} ~~disintegration~~ ^{a tone of pessimism has replaced the} ~~has been characteristic of the times; and stagnation and hopelessness have tended to dominate men's minds.~~ ^{defeatist spirit of the 19th century. A sense of frustration in economic affairs has tended to dominate men's minds.} It is this fact of disintegration to which Hitler and Goebbels refer when they speak of the chaos of the democracies. It is to the obvious need for economic reintegration that they appeal when they offer to construct a new order for Europe.

There is genuine appeal in this offer of theirs. Let us Americans make no mistake on that score. The economy of the world must have unity. It is far too highly specialized to continue to exist on a block basis without incredible problems of industrial readjustment, problems comparable with, but much greater in magnitude than those with which we have been wrestling in the case of cotton surpluses in the south. Let us make no mistake, also, with respect to the place and function of democracy in this process. Readjustment of the world's economy to a block basis puts incalculable strains on the democratic process. Whole regions of specialized skills do not shift their production or their population easily under the normal incentives of a free economy. The strong arm of the State is almost essential to effect such shifts, and in the exercise of that strength, it is very difficult for the state to proceed at all times with full regard to the rights of individuals or to resist ^{successfully, and first, pressure groups,} ~~the political pressures inherent in the democratic process.~~

Among our Peace Aims, consequently, we must place first the reconstruction of a world economy. This does not mean that we must seek to restore the economy of the nineteenth century, with all its glaring faults. We must, however, seek to work out our economic problems and endeavor to effectuate our social ideals in terms of economic policies and of an economic organization that transcends political boundaries. We cannot allow economic nationalism to continue unchecked. This requirement must be placed first among our Peace Aims, not only because a world economy is our most pressing ~~economic~~ need, and is in accord with the technical requirements of our times, but also, because it is fundamental to the attainment of our ~~democratic~~ social and our political ideals. We must realize that conquest by Hitler is not the only threat to a democratic life. Given Victory, we must still reverse the conditions that have produced disintegration, if our social and cultural life, as we have known it, is to survive.

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Second, we must avoid the weaknesses and faults of the 19th century which permitted it to give way under the strain of the first World War? What were these faults? Why was it that an economic system fundamentally in accord with basic scientific tendencies and primary economic needs failed to ^{survive} ~~revive in the many~~ ~~efforts toward reconstruction that followed the first World War?~~ ~~Why did it fail?~~

There are two great charges to be made against the economic organization of the nineteenth century. The first was the continued existence of poverty in the midst of expanding wealth, the second was the prevalence of economic insecurity. It was a century of great expansion for society, of great opportunity for the individual, of rising standards of living for the mass of the people, but, coexistent with these gains, there continued throughout the century ^{among} ~~in~~ the ^a last skilled and least fortunate ~~stratum of society~~ the fact of poverty and actual hunger. Periodically, also, over much larger areas, the advent of depression in the ebb of the business cycle brought widespread unemployment and distress. Lack of provision to eliminate these faults, or to mitigate ^{adversely} their consequences, must be charged to the economic organization of the nineteenth century. Adequate provision to accomplish these ends must rank high among the Peace Aims to which we dedicate ourselves.

These faults were already widely recognized in the nineteenth century and steps to deal with them had been instigated in many countries ^{before} ~~when~~ the first World War broke out. What was not realized was the insecurity of a world economy politically organized into a series of separate nation states, each answerable for its actions only to itself. Many saw the dangers of war in ^{the} ~~a~~ form of military aggression between these states. Numerous attempts ^{had been} ~~were~~ made to mitigate these dangers, as for example through arbitration treaties, and through the establishment of the Hague Court. There were many, also, who saw the explosive dangers to peace inherent in political minorities, and, in consequence, brought great pressure on the peace makers at Versailles to draw national boundaries according to the

principles of self-determination. There were few, however, who appreciated the economic threat implicit in the uncoordinated action of a multitude of sovereign states, should these states ever adopt the practice of extensive intervention in economic affairs. It was this almost universal failure to recognize the vulnerability of the world's economy that accounts for the neglect of economic considerations in the Councils of Versailles. It was this ignorance of the basis of our general well-being that accounts also for the minor role assigned to economic problems in the early conception of the League of Nations. After the harrowing experience of the first World War, there was widespread recognition of the necessity of some type of limitation on the right of sovereign nations to wage aggressive war. There was almost no appreciation, however, of the necessity of comparable limitations on national sovereignty in the realm of economic activity. It was ^{recognized} ~~assumed~~ that each country was ^{voluntarily} free to separate itself from the rest of the world economically ~~and~~ ^{but} ~~that~~ ^{it was assumed} that this freedom in itself carried little threat to world peace as long as there was no military aggression.

We are all of us today, in a sense, victims of the blindness of that time. The first World War was itself, of necessity, the occasion for widespread acceptance on the part of governments of responsibility for the conduct of their internal economic affairs. It could not have been otherwise, for only through the exercise of such responsibility could the armies and industries of the various powers be fully mobilized for the prosecution of the war. In the post-war period, governments again everywhere were forced to assume responsibility for readjustment and reconstruction. It was government, finally, that was called upon everywhere to create some sort of economic order out of the chaos of 1932. Throughout most of the last two decades, in fact, governments have been forced to active intervention in economic affairs. They could follow no other course, for government is the

only means we possess by which we can consciously affect or mould our collective economic life. It is through government alone that we can institute ~~the~~ improved measures of public health and attack collectively such evils as poverty and economic insecurity. *or as it is called ~~the~~ reforms as measures directed to the ~~adjustment~~ of the ~~economic~~ ~~life~~* It is through government alone that, in an age of economic disintegration, we can give some measure of succour and support to our internal economy while it readjusts to the realities of that disintegration.

In truth, the circumstances of which we are the victims are not found in the fact that government has come to intervene in economic life, but that this intervention has been executed simultaneously by a multitude of separate sovereign nation states without coordination of any kind. Each state has looked primarily to its internal concerns, each state has been responsive primarily to internal political pressures, no state has been able to count on any given course of action on the part of other governments. As this process has ~~proceeded~~ *gone on*, it has come near to destroying the organic unity of our economic world. In a world in which the governments of separate states are forced to intervene in economic life, there has been no political machinery with authority or power to protect the general welfare of the world economy considered as a whole.

The creation of such machinery, in some form or other, is fundamental
 This completes our summary of American Peace Aims in the area of economics and *the reconstruction of the world economy*
 finance. We have, in the application of science and invention to the satisfaction of human wants, the means to a more abundant life. It is not Utopian to press forward to the abolition of abject poverty or to seek to eliminate economic insecurity such as we have experienced in recent years. To make durable progress toward these high goals, however, we must work with an economy that is in tune with the techniques on which we count for their accomplishment. That means that we must

reconstitute an organic world economy, we must restrain political barriers to economic growth, and we must forge international instruments of government that are capable of directing and guiding the new world economy for the common good. Moreover, we must work for these ends in a spirit and through institutions that preserve the spirit ^{of} equality and that afford a maximum of opportunity and freedom for the individual. We have examined the world economy, coordinated through a super-race, offered by Hitler. We want none of it.

What is necessary to accomplish these aims? The key to this question lies primarily here in America. At the end of this war, provided Hitler is defeated, we will have a great opportunity to recreate a world economic environment attuned to our economic resources, our political temperament and our social ideals. We now know we have the power, if we choose to exert it to the full, to insure the defeat of Hitler. Do we have the insight, the determination and the will to win the peace? The opportunity will be ours, and the responsibility ours, almost exclusively, because at the end of this war we alone of all the powers will have the resources, the foodstuffs, the raw materials, and the capital essential for reconstruction. We will, in consequence, determine the nature of that reconstruction. Difficult times lie ahead; it is not possible to mobilize for a war of this

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magnitude and subsequently to demobilize without great readjustment. They need not, however, be disastrous times. They can, in fact, be the occasion for a new rebirth on a much wider scale of the living ways for which America has always stood as a promise in men's minds. To effectuate that promise, and to embody it creatively in living institutions, (however,) will require on our part wisdom, generosity, dedication, and deep concern for human welfare, the welfare of others as well as of ourselves.

National Bureau of Economic Research, Inc.
Employment Counseling Program
Corporate Bond Study, 625 Madison Avenue, New York, N.Y.

Report of Virginia Burdick
for the period June 17 to September 16, 1941

Since the last report made to members of the Advisory Committee, the Employment Counseling Program has been concentrating on three aspects of the WPA white-collar workers' employment problem - physical rehabilitation; psychiatric, vocational and personal counseling, and, finally, interviews with prospective employers who have expressed an interest in their problem. Many significant facts have been brought out as a result of these activities.

Perhaps the most striking of these is the relation between employability as it is defined by private industry and the general health of the WPA worker. In our analysis of 175 Bond Study WPA workers made on May 15th, we classified 51 as unplaceable for various reasons. Thirty-one of these, or 18% of the total group of 175, were considered unplaceable because of health conditions, such as poor teeth, mental disorders, alcoholism, physical handicaps and generally poor physical condition. This analysis, which was made by the interviewer on the basis of information given by the worker or his superiors, without the benefit of factual medical evidence, led us immediately to the conclusion that a physical examination of workers should be our next step. Unfortunately we were handicapped in instituting such an examination by the fact that we could not make it compulsory, and for budgetary reasons we had to ask the individual workers to pay 50¢ of the cost. As a result only 49 of the workers had a physical examination.^{1/} In many cases those who did not have the examination omitted it because they had been ill during recent years and were under the regular care of a private physician or clinic. For research purposes therefore, our data is very incomplete.

However, even in the small and probably above average group, as far as physical disability is concerned, 47% needed follow up medical treatment (65% of these needed advice as to the most nutritious diet) and 29% needed dentures. In view of the fact that most corporations and all branches of the Civil Service are requiring prospective employees to pass physical examinations of increasing severity, this situation is particularly serious. We may, in fact, safely conclude that physical rehabilitation, in the largest sense of the term, must be one of the most important phases of any WPA employment program.

This point was brought home to us more forcibly than ever when one of our best men, who had not taken our physical examination, was offered a position by the Federal Reserve Bank of New York. He failed to pass the bank's physical examination due to a hernia condition which he had never corrected because it did not bother him. He went into a hospital instead of into a job.

In connection with physical rehabilitation, it is interesting to note that 42 workers from the Bond Study are now using the services of

^{1/} See attached sheets for detailed information on these medical examinations.

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either a dental clinic or of the private dentist who has been cooperating with us by offering to meet clinic rates for Bond Study workers. Of course, the workers pay for these services out of their WPA salaries. This experience leads us to believe that if WPA workers were aware of the low cost of dental facilities available in the City of New York they would be much more likely to give their teeth adequate care.

The counseling aspects of the program have brought out one point quite clearly. Since the WPA administrative machinery automatically requires so many interviews, the natural tendency of a WPA worker is to be suspicious of one more interview. As an illustration of this initial negative attitude, several men on the Bond Study have recently told us that when we first started our program they planned to tell us as little as they could. This reluctance of the WPA worker to discuss his difficulties must be overcome before it is possible to be of any assistance to him. It is only overcome when the worker becomes convinced that the interviewer is sincerely trying to help him and cannot do so unless he is willing to furnish full information about himself. Usually it takes several interviews before the WPA worker reaches this conclusion and loses his resistance to the interviewer. Then he becomes very friendly and is able to discuss his problem fully and freely. As an example, the last few men we have placed in private employment have come back to tell us that there were other jobs open in the company where we placed them.

It is probably true that any successful employment program with WPA workers must be based on frequent individual contact in order to attain such a basis of cooperation. This cooperative relationship is fundamental to effective guidance and placement.

In this connection it is interesting to observe that three WPA Bond Study workers have agreed to consult a psychiatrist and are regularly doing so. Many other workers have asked for information concerning training courses available in the city. In fact the WPA Administration set up a special commercial retraining course for the girls employed on the Bond Study. Several workers are interested in intensive vocational guidance which they are receiving at the YMCA.

As far as contacting prospective employers is concerned, approximately 66 2/ have been interviewed and asked to cooperate in our program. Most of the persons interviewed were the personnel managers of large corporations. With very few exceptions they have expressed great interest not only in our particular problem, but also in the general problem of finding employment for those now on WPA.

On the basis of our experience there can be little question of the social responsibility felt by industry in relation to the unemployment problem.

Several facts, most of which are already known to those in the employment field, were brought out by these interviews:

2/ See attached sheet for list.

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1. New York City has not as yet experienced any shortage of white-collar workers except, possibly, stenographers and typists, and certain types of specialized machine operators.
2. Most corporations do not hire either men or women over 45 years 3/ of age for permanent jobs unless these persons are specialists.
3. Most corporations expect prospective employees to pass a fairly strict physical examination.
4. Most corporations follow the policy of promotion from within so that they do not in general hire from the outside for the lowest ranking jobs which require young people who are unskilled.
5. Some corporations have had unsatisfactory results from hiring former WPA workers, and while they are not prejudiced against an individual WPA worker, they believe that in general the quality of the workers on WPA does not measure up to that of workers employed in private industry.
6. Almost all companies are willing to give "courtesy interviews" to a few well-recommended WPA workers who seem to qualify for positions which may open up in the future. They believe that such interviews may serve to improve the worker's morale and interviewing technique and possibly may recruit some valuable personnel for the company.

On the basis of recent experience with Bond Study workers it seems quite apparent that such interviews do improve morale. The very fact that the personnel executive of a private company will see them even though it is known that they are on a WPA project is very important in itself. Several workers have stressed the fact that they were well received and given advice as to the best approach to their problem. As a result there has been a noticeable improvement in their appearance and attitude.

In every case the procedure followed with employers was as follows: The employer outlined expected personnel needs. There was a discussion of the workers on the Bond Study who might fill these requirements. Arrangements were made for interviews for a few people - usually less than six. These workers were referred, allowed to fill out corporation applications and given a detailed interview. Between Aug. 18 and Sept. 12, 45 referrals have been made to corporations. Although it is too early to give placement figures, since prior to Sept. first the number of referrals was negligible, it is interesting to note that six persons have already been placed in

3/ In the analysis made on May 15, 1941, 69 of the men and 5 of the women participating in the Employment Counseling Program were over 45 years of age.

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private employment. Two others were offered permanent jobs but could not pass the required physical examination. The placements are as follows:

<u>Company</u>	<u>Name</u>	<u>Job</u>	<u>Salary</u>
The Ford Instrument Co.	Beasley, G.	Watchman	\$.55 per hour
Kielly-Muller Inc.	Garofallou, D.	Draftsman	\$20 per week
The National City Bank	Brown, A.	Auditing Clerk	\$1500 per year
The National City Ban	Thompson, D.	Check Sorter	\$1440 per year
The N.Y. Central R.R.	Shaw, R.	Statistical Clerk	\$135 per month
Union Carbide & Carbon	Rose, E.	Stenographer (temporary)	\$20 per week

During the next few weeks the placement drive will be intensive. We hope that we shall be able to find private employment for the majority of our "most placeable workers". Since many of our best workers, in terms of the needs of this project, are over 45 years of age, relatively few will probably be placed. Your cooperation and advice is earnestly sought. Whether or not our efforts will be successful may depend upon it. The detailed report which will be submitted to the next meeting of the Committee will tell the final story.

ECONOMIC DEFENSE BOARD

WASHINGTON, D. C.

OFFICE OF THE EXECUTIVE DIRECTOR

October 4, 1941

Mr. Winfield Riefler
Princeton University
Princeton, New Jersey

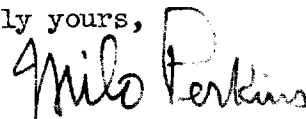
Dear Riefler:

I appreciate your two letters of September 30 and I shall go over the resume of your program at my first opportunity which I hope will be this weekend. It will be interesting to meet Mr. Weideman later on but since he does not meet the more specific needs of the moment I think we had better put it off for awhile.

I am enclosing your appointment notice as consultant which entitles you to \$10 per diem plus travel and \$5 subsistence while in travel status. When you come down we will want you to fill out some necessary forms in order to take care of the usual "red-tape" requirements. We have an office and secretary available for you and any mail addressed to you here will be promptly forwarded to you or handled for you by your secretary.

With all good wishes,

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Milo Perkins". The signature is written in a cursive style with a large, prominent initial "M".

Executive Director.

Enclosure

ECONOMIC DEFENSE BOARD S. 41-7 L. 3
WASHINGTON, D. C.

OFFICE OF THE EXECUTIVE DIRECTOR

September 26, 1941

Mr. Winfield Riefler
Office of the Executive Director

Dear Mr. Riefler:

You are hereby notified of your Excepted by Law appointment to the position of Consultant at \$10.00 per diem, when actually employed, with the Economic Defense Board, effective October 1, 1941.

Your appointment is subject to a favorable report on the character investigation being made by the United States Civil Service Commission.

The tenure of your appointment is for the duration of the emergency and is excepted by law. It does not, however, confer upon you classified Civil Service status.

You are required to take the oath of office immediately.

By order of the Chairman:

Respectfully,

A handwritten signature in dark ink, appearing to read "Milo Perkins". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Executive Director

Headquarters: Princeton, New Jersey
Authority: Public Law #28, 77th Congress

2708-A
EDB-369

ECONOMIC DEFENSE BOARD
WASHINGTON

October 1, 1941

No. 4

Mr. Winfield Riefler, Consultant,
Economic Defense Board,
Princeton, New Jersey.

You are hereby authorized to travel, as indicated below, the expense of travel to be paid from the appropriation: 90-1120006 (01) Emergency Fund for the President, National Defense (Allotment to Economic Defense Board) 1942.

From Princeton, New Jersey

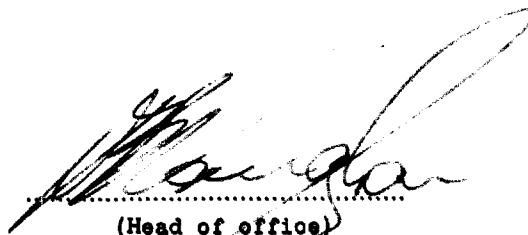
To Washington, D. C. and return as frequently as may be necessary in the performance of your duties.

For the purpose of official business of this Board.

You will be allowed \$5.00 per diem in lieu of subsistence and travel expenses.

Reference to the number of this travel authorization must appear in your expense vouchers.

This authorization shall be effective to March 31, 1942.


.....
(Head of office)
.....
Chief, Administrative Manage-
.....
(Official title)
ment Division



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

E.O.U./ AMERICAN EMBASSY
40, BERKELEY SQUARE, LONDON, W.1.
TELEPHONE GROSVENOR 4961.

TO: The Friends and Intimate Enemies of EOU.

1. EOU is about to die, as it has lived, in a fashion contrary to all the accepted laws of biology. The organism will perish by continuous migration of its individual cells beginning September 1945, after nearly three years of vigorous and varied life.

2. Brief but undignified ceremonies in anticipation of this event will be held on Monday, 3 September, at 41 Ovington Square, S.W.3. Refreshments will be served from 6 to 8 PM.

3. You are cordially invited to participate in these ceremonies, bringing along any assistance, animate or inanimate, you deem appropriate.

Erwin Fab Pincus
Barney
Jim Jydon
Mark L. Kahn

Carl Hansen
Bill Salant
Robertson
Ham Pearson

TIME

THE WEEKLY NEWSMAGAZINE

64
Luce

TIME & LIFE BUILDING
ROCKEFELLER CENTER
NEW YORK

EDITORIAL OFFICES

November 19, 1941

Dear Professor Riefler:

Yes, the footnote to our references to the International Labor Office was rather irrelevant -- but interesting -- and therefore the information was footnoted. Unfortunately limitations of space made it impossible for us to cover the sessions of the International Labor Office, and the tragic career of the League of Nations, as fully as we should have liked. But the point of the story -- that if the task outlined by the President is to be carried out it must enlist the energies of the entire country -- seemed adequately made. Wheat growing in Geneva, and the League Office quietly continuing in Princeton, seemed to suggest what had happened to another magnificent idea when the country had not been united behind it. We are quite sure that TIME's readers will interpret the story and its footnote properly.

The idea behind the League of Nations was magnificent, of course, and TIME would be the last to disparage it. To the International Labor Office we wish much success, and we appreciate whatever it has accomplished. Nevertheless we do feel that our description of the atmosphere prevailing at its recent sessions was accurate and therefore appropriate.

All the same, please accept our thanks for your letter addressed to Mr. Luce. Your remarks are being brought to the attention of TIME's National Affairs Editor. I know he will understand the spirit in which they were made and regret any misunderstanding TIME's references may have caused.

Cordially yours,

Ann Elgar

Ann Elgar
For the Editors

Professor Winfield W. Riefler
The Institute for Advanced Study
Princeton, New Jersey

na:20:cr

Luce 164
m. 3

November 13, 1941

Mr. Henry R. Luce, Editor
Time Magazine
New York City

Dear Mr. Luce:

I am greatly puzzled by the policy which is reflected in the footnote reference to the League of Nations on the first page of this week's Time. Strictly construed, it is, of course, irrelevant. The sowing of wheat on the grounds of the League Building in Geneva reflects the blockade of Europe and the shortage of wheat in Switzerland. It tells nothing of the activity or inactivity of the League as such. The alleged fact that certain townspeople of Princeton, New Jersey are unaware of the local activities of the Economic and Financial Section of the League appears similarly irrelevant. I imagine that the proportion of the townspeople of Geneva who were unaware of the presence there of the same Economic and Financial Section was very much larger, even when the current activities of that section were most widely acclaimed.

More broadly construed, the footnote also appears irrelevant. The purport of the article to which it is attached is to question the advisability of the publicity surrounding the meeting of the International Labour Office. If this position is correctly taken, what is the relevance of a footnote implying futility to that section of the League which has chosen to pursue its work quietly at Princeton without publicity?

On the broadest possible construction, the footnote still appears irrelevant. Certainly Time is not a publication that has been unaware of the world crisis. Its editorial policies have not been shaped to discredit successful international accomplishment nor have they been characterized by

Mr. Henry R. Luce

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November 13, 1941

an emotional bias against the recruitment of technical personnel to aid in the solution of political, social, and economic problems. In fact, Time has always been characterized by the opposite point of view.

I have personally had as good an opportunity as anyone to observe the technical work of the Economic and Financial Section of the League, both in Geneva and at Princeton. You are, of course, aware of its contribution before the outbreak of World War II, as, for example, in the reconstruction of Austria and also of other Eastern European countries, in the field of nutrition, and in the current analysis of economic problems and the current compilation and publication of essential economic and financial data. I can assure you that its work since its arrival in this country has been equally solid. Its two publications -- Europe's Trade and The World Economic Survey, 1939-41 -- as well as its latest revision of Haberler's Prosperity and Depression are all very real contributions. Its other current activity, namely the assembling and analyzing of data that will be needed in meeting the problems of post-war reconstruction, is not only fundamental, it represents a contribution for which this expert technical staff possesses unique qualifications.

I hope you will understand the spirit in which this letter is written. It is not for publication. I am genuinely at a loss to understand the motivation back of the reference in this week's Time.

Very sincerely yours,

Winfield W. Riefler