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Release for the morning
papers of March 18, 1918

STATEMENT FOR THE PRESS

The Chairman of the Capital Issues Committee stated that the work of the Committee during the week had been particularly heavy, a very large number of applications having been received. He stated that the total number of applications received up to date, and disposed of by the Committee, was 96, aggregating \$232,868,918. The majority of the approvals given by the Committee covered renewals and refunding operations. Approvals of new issues, municipal or otherwise, represented in many cases reductions of the amounts originally applied for. The number of cases formally declined is comparatively small for the reason that a great many of the applications are being suppressed at the source either because the applicants realized that the purposes for which they would desire to issue securities were not compatible with the national interests or because the local committees were able to impress upon would-be applicants this point of view before the applications reached the central committee at Washington.

A great deal of doubt and, in some cases, protest has been elicited by Secretary McAdoo's earlier statements with respect to the desirability of restricting unnecessary building operations. Some letters have been received, particularly from the Pacific Coast, from building associations and carpenters unions, protesting against what they considered an embargo upon their activities. Some of these letters were transmitted to Secretary McAdoo by Mr. Samuel Gompers, and Secretary McAdoo has written a letter to Mr. Gompers further amplifying his view. This letter reads as follows:

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OFFICE OF SECRETARY OF THE TREASURY

WASHINGTON

March 15, 1916.

My Dear Mr. Gompers:

I have your letter of February 18th, including copy of a resolution adopted by the Building Trades Council of San Francisco in which it is stated that I have been reported in the public press as having "appealed to property owners not to construct any homes or buildings during the War." This is entirely erroneous. I have said that building operations which are not required to protect the health or provide for the comfortable needs of our people, or to supply facilities necessary for the proper conduct of business essential to the successful prosecution of the war, should be postponed.

As you know I have no authority to direct that building operations be curtailed. I have merely suggested that unnecessary work of that kind be postponed until the end of the war. Such postponement would, I am sure, help win the war, but every patriotic man must be determined by his own conscience in the matter and must decide for himself if he can postpone the erection of a contemplated building until the war is over. Compliance with this suggestion may cause some inconveniences which are to be greatly deplored, but such inconveniences are an unavoidable incident to war. The situation must be viewed from a national and not from a local standpoint.

We are engaged in a colossal war, in which the safety of America is seriously imperiled. We can not win the war unless every resource of the nation is carefully husbanded and used with the utmost intelligence. The great financial operations of the Government, greater than those ever undertaken by any government in the history of civilization, make it essential that every unnecessary expenditure by the government, by the states and municipalities and by private corporations and individuals, be avoided while the war is in progress. Unless this is done, it will be impossible for the people of the United States to furnish the money which the Government must have to support its soldiers and sailors who are shedding their blood for us upon the battlefield.

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The issue at stake is world freedom and world democracy. Germany, drunk with the lust for power, would rule the world. We are coming to recognize that whether the war is to be won or lost depends upon whether we are willing to make the sacrifice of blood, treasure and service necessary to enable us and our allies to achieve the honorable and lasting peace to which we aspire. We are increasingly coming to appreciate that to make possible such a victory, every man, woman and child must be willing to do their utmost. There must be no slackers in Wall Street, none in the homes, none on the farms, none in our industries. Capital and labor alike must do their utmost. There must be no waste, no extravagance, no unnecessary expenditure. The Nation has need of all its man-power, of all its wealth, of all its resources.

The successful financing of the war depends in large part upon the current savings of the people, upon the difference between what is made and what is spent. Habits of thrift must be stimulated, and if need be, every dollar of savings should be lent to the Government. There is no better investment for the poor and rich alike, than a United States Government loan bearing interest. Those who fail to save what they should, and to lend their savings as needed to the Government, will fail to do their full duty. Those who wish to treasure the remembrance of patriotic service can have no choice. They must do their utmost to serve and their utmost to save and be willing to lend the Government all they save.

I hope you will use your influence to persuade the members of the Building Trades Council of San Francisco that the Government has need of all the money, all the labor, all the material, and all the transportation facilities that can be made available. I should like them to know that men are needed to build ships, to build houses to house men working in the ship-yards, to erect plants to produce war material, to run our railroads, to operate our industries, and to produce food required by the allies and ourselves. These needs are already great and will increase, not lessen, as the war progresses. If our wage-earners are unable to find employment for which they are best fitted and which they would prefer, or if they are unable to find employment where it would be most convenient for them to work, the opportunity is presented to render a most patriotic service in this period of national stress by seeking other kinds of employment, and, if need be, moving to other districts where work is to be had.

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No one knows better than you the need of the hour. Save in exceptional cases, to expend money or to use material or employ labor in the production of what is not needed to win the war, as I view it, would be an unpardonable waste and would, in effect, be lending aid to the enemy.

I am sure that you are in accord with the principle underlying the views I have expressed and that you will, in that splendid spirit of patriotism and service which has characterized so strikingly your every action and utterance during this war, join with me in appealing to every good citizen to help the Government by conserving and using to the best advantage those invaluable resources of the nation, labor and materials, without which freedom and democracy cannot be saved for the world.

Very truly yours,

Signed.....W. G. McADOO

Samuel Gompers, Esq.,
President, American Federation of Labor,
Washington, D. C.

In addition to this letter, a communication has been received by the Chairman of the Capital Issues Committee from Mr. J. B. Densmore, Director of the United States Employment Service of the Department of Labor, containing ~~some~~ very practical suggestions concerning this problem. The letter reads as follows:

DEPARTMENT OF LABOR
U.S. Employment Service.

Washington, March 14, 1918.

Hon. Paul M. Warburg,
Chairman, Capital Issues Committee,
Washington, D. C.

Sir:

In response to your inquiry, growing out of the protest of carpenters' unions against the policy of your committee of restricting, as far as practicable, the use in building construction of capital, credit and materials, I beg to say:

While it is true that the labor situation in the United States is comparatively satisfactory, it is equally true that conditions could be greatly improved through a more scientific distribution of labor. In many instances men are engaged in new lines of endeavor at advanced wages leaving unfilled their original fields. For example, in the vicinity of munition plants, one finds farm hands at work in factories, while the farmer cries in vain for help, etc.

The unions are quite correct in their statement that they were told work awaited them at the shipyards only to learn upon application there that such was not the case.

It has been stated probably quite frequently that the Emergency Fleet Corporation (Shipping Board) was badly in need of hundreds of thousands of workers. This is quite true. But the Emergency Fleet Corporation could presently give employment to only about 10,000. This wide variance between needs and employment capacity is caused by the inability of the shipyards to house the armies of ship-builders necessary for the production of the tonnage of which our nation is so badly in need, and to which it is entitled. Where carpenters, for instance, find that the policy of economy guiding your committee curtails or halts their work, they can find plenty of vitally necessary work, and a patriotic work, in building homes for those who are building our ships - if not on the ships themselves.

Of course, it is understood that change of domicile by workers entails sacrifice and expense. But you will not find the laboring man of America hesitating about the sacrifice of his comfort and convenience when the nation calls.

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To transfer labor from surplused to depleted sections, the Employment Service will shortly have a revolving traveling fund of \$250,000. This may be used to advance transportation, to be later reimbursed by the intended employee. For the rush work of the Emergency Fleet Corporation on the Pacific Coast, and in certain army construction, funds for transportation are being provided by the departments affected, for the use of the Employment Service.

Carpenters, shipbuilders, structural iron workers, and in fact every kind of mechanic, in large numbers, could find assistance in reaching ready and remunerative employment upon application to the U. S. Employment Service, a branch of which can be found in every large city.

Respectfully,

Signed....J. B. DENSMORE,

Director, U.S.Employment Service.