

# LOOKING AT WASHINGTON

By Hugo S. Sims, Washington Correspondent

**Byrd Would End HOLC**  
**But Fahey Expects Profit**  
 Senator Harry F. Byrd, of Virginia, proposes the summary liquidation of the Home Owners' Loan Corporation, reporting that a large number of private institutions are ready to "purchase the entire holdings of the HOLC at par in all states except New York and Massachusetts."

This proposal should be scrutinized very carefully. The HOLC loaned \$3,484,000,000 between 1933 and 1936. It had 1,017,321,000 loan accounts, but these have been reduced to less than 700,000. The investment has been cut to \$1,632,000,000.

The HOLC had accumulated on last June a balance sheet deficit of \$62,242,000 but it should be noted in this connection that, in the last fiscal year, the Corporation earned \$4,461,000.

It is somewhat peculiar for Senator Byrd to propose the compulsory liquidation at the very time it is showing a profit and has a chance to recoup losses inevitably sustained in foreclosing property in hopeless defaults.

John H. Fahey, head of the HOLC, advises Congress that the present deficit will, in his opinion, be turned into a net profit of more than \$6,000,000, if the Corporation is permitted to function during the eight years of life left to it by existing acts of Congress.

Senator Byrd is regarded by some of his enthusiastic friends as a statesman of outstanding business ability. It is strange that he would compel the HOLC to go out of business when there are no buyers for holdings in the State of New York where the figures show that nearly one-half of the homes held by the Corporation, unsold after foreclosure, are located and that one-fifth of the money still owed to the HOLC is involved in outstanding loans.

The Byrd proposal would require the compulsory sale of HOLC holdings despite the fact that private institutions do not seem to be interested in New York and Massachusetts real estate. The figures given above show that the situation in New York is bad. The fact that "private institutions" are willing to pay par for holdings in all except two states can be accepted as positive proof that the HOLC is fundamentally sound.

The reader may be interested in John H. Fahey, who is no enthusiast, having made a fortune as a newspaper publisher and industrialist and having been enough of a business man to serve as President of the U. S. Chamber of Commerce. Mr. Fahey asserts that the Byrd plan "will make certain large and unnecessary loss to the Government with no public advantages whatever."

**Truman Committee Finds War Profits Are Large**  
 There is every prospect that the people of the United States will eventually be amazed at the profits made by individuals and corporations in connection with war contracts.

The Truman Committee, which for two years has investigated various phases of the war program, says the bulk of war business has gone to one hundred corporations and that "of these corporations only nine have been found wholly free of excessive profits in 1942." When the figures for 1943 are scrutinized, the profits will be greater.

The Truman Committee cites the figures, leaving nothing to the imagination. It tells of a New York Aircraft Corporation which multiplied peace profits one hundred and sixty-eight times in 1942, after paying taxes. A small Pennsylvania airplane company, which had deficits between 1936 and 1939, showed a profit of \$11,400,000 in 1942 and an Ohio locomotive plant jumped its profits one hundred and sixty-five times.

The Committee says that this "story could be extended endlessly." The illustrations given are not exceptional. They happen to have been taken at random from among the 100 corporations holding the largest volume of war contracts. For smaller companies, the profits picture "is equally as excessive."

There is one bright example that shines amid the welter of war profits. This is the United Aircraft Corporation of Connecticut, whose officials returned \$286,000,000 to the Government because "they were ashamed to take the money." The Truman Committee says, however, that "after making these refunds, the company still had left after taxes, in the year 1942, \$17,000,000 of net profits, which was a little more than three times its average profit of \$5,000,000 a year during the pre-war base period."

These figures explain the energetic campaign that is being waged throughout the United States to prevent effective renegotiation of war contracts. It should be noted that the Truman Committee points out the profits picture of smaller corporations is as extravagant and they, too, join in the chorus of complaint that pours into Congress about the plight of corporations as they pay

their taxes.

**Nimitz Talks Of The Pacific**  
**Where Distance Slows Attack**

American seapower has risen from 344 ships to a present strength of 300, including battleships, cruisers, carriers, escort carriers, destroyers, destroyer escorts and submarines, according to Secretary Frank Knox.

The results of this growth are apparent in the Pacific where Admiral Nimitz asserts that American submarines have sunk so many Japanese tankers and supply ships that the enemy has perhaps decided to withdraw his heavy warships from Truk because they could not be refueled and supplied.

The Admiral, who directs our growing offensive against Japan, says the situation in the Pacific is very favorable and will improve as time goes on. The United States, according to this leader, has an excellent team of air, sea and land strength.

Admiral Nimitz insisted that whatever success we have had in the Pacific was due to the task force, group and unit commanders, mentioning seven leaders by name and including the 27th Army division, the 7th Army division and the Seventh Air Force.

Once more the Admiral stressed the fact that "the principal obstacle in the Pacific is not Japs but geography" and that "all that is now re-

quired is time to carry out operations." Neither naval nor air units can operate without adequate bases and it takes time to construct these necessary adjuncts.

**U. S. And Britain Produce 240,000 Planes Since 1939**

From March, 1941, to January, 1944, the United States produced 150,000 airplanes, of which some 28,000 were sent to Allied nations. The British Government discloses that British factories, since September, 1939, have produced 90,000 airplanes.

The combined production of the Anglo-American combination reaches the stupendous total of 240,000 planes in less than four years and a half. Backed by this vast production, the aerial offensive against Germany increases in power but the average person finds it difficult to understand why larger and more frequent raids are not undertaken.

The vast training program instituted to provide pilots, navigators, bombardiers and crew personnel has succeeded and at present, as we understand the situation, there are ample forces available for our air offensive.

Out of the 150,000 planes produced in this country, 122,000 have been retained. This includes a large number of trainers, fighters, observation planes, transports and other types as well as bombers. Moreover, many planes are destroyed in operational accidents, many others wear out and these losses are in addition to those inflicted by the enemy.

The air strength of the United States has been, of necessity, scattered widely. While no official information is available along this

line, our aircraft are operating all over the world, including South America and many neutral areas.

When one considers that allotments must be made for China, India, North Africa, Italy, the Southwest Pacific and that the total includes naval as well as army aircraft, it is easier to understand the difficulties that attend the creation of an overwhelming force in Great Britain.

**Land Says Aid To Russia Helped Maintain Offensive**

"It is no accident that Russia last Summer was able to seize and maintain the initiative against the Nazis," declares Rear Admiral Emory S. Land, of the Maritime Commission.

Last Summer, he points out, lend-lease shipments to Russia exceeded the monthly rate of shipments called for and by January the shipments were 133 per cent of the goal.

Out of every 100 vessels carrying lend-lease cargoes to Russia only one is being sunk now although a year ago the losses were twelve out of a hundred. The ships were loaded "with urgently needed tanks, trucks, guns and weapons of all kinds."

Regarding our ocean-borne dry cargo shipments, the Admiral says that in 1943 forty-two per cent of the tonnage was for the U. S. Army and Navy, forty-two per cent represented lend-lease and the remainder was essential civilian cargo. Altogether, the 1943 tonnage was 46,369,000 long tons.

Referring to total losses of lend-lease shipments through enemy action, the official stated that whereas they were five per cent in 1942, the figure was cut to less than two per

cent in 1943.

The hot spot that was the convoy route to Russia in 1943 is emphasized by the figures which reveal that our total losses for the year were 2 per cent of shipments but that, on the Russian run they were 12 out of every hundred vessels.

Equipped  
 "My friend here wants to be President of Mexico."  
 "What qualifications has he?"  
 "A machine gun."

**Worth All The Rest**  
 She (after quarrel)—Everything in the house is mine—money, furniture, clothes. What did you have before you married me?  
 Husband—Peace.

AT FIRST  
 SON OF A  
**COLD**  
 USE 666  
 666 TABLETS. SALVE. NOSE DROPS



From where I sit... by Joe Marsh

How to make a real post-war plan

Sure's a lot of talk going around nowadays about post-war planning... folks passing resolutions... statesmen holding conferences... governments making promises to each other.

But as Bert Childers says: "What good is all this drawing up of plans unless each one of us decides to make his corner of the world a better place to live in?"

From where I sit, Bert's put the problem in a nutshell. Governments can pass all the resolutions and make all the treaties

they can think of—and it's still up to the people themselves to see to it that the world is ruled by tolerance and understanding.

Unless we make up our minds to respect the other fellow's rights and liberties—whether it's the right to enjoy a glass of beer occasionally or the right to vote according to our conscience—all our post-war planning won't be worth the paper that it's printed on.

Joe Marsh

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His seat is empty...  
 But your heart is not!

**WHEREVER** he may be, his country has provided him with the best guns, the best uniforms, the best food that skill and money can produce.

But there are some things that cannot be handed out by Government Issue.

And these are the things he misses most... his Dad's friendly counsel, his mother's homey touch. These are the things he needs... the things he gets through the Red Cross, your Red Cross... his home away from home.

They seem like little things in print... coffee and doughnuts after a long march... a bed with real sheets when he is on furlough... real American cigarettes and chocolate bars... and men and women

stationed everywhere, at every tiny outpost... to bring him comforts, service and companionship.

Little things?—Perhaps.

But these are the "little" things that count—the things that help your boy to do his man-sized job. These are the things that prove to him—when the going is toughest—that his people haven't forgotten him.

For Red Cross is at his side.

You have given your sons...



You have done the extra work... donated your blood and bought your bonds.

Yes, and you have helped the Red Cross before. Giving to the Red Cross has always been a great proud habit of thirty million American families... proud that they could give... proud of Red Cross that made giving worthwhile.

But this year, when the need is greater than ever, when we serve more than eleven million American boys all over the whole world—this year you will want to give more... to give freely to your own Red Cross... to your own sons in the service. This year dig deep and be glad. For wherever he is

The RED CROSS is at his side  
 and the Red Cross is YOU!

Perquimans County Red Cross Chapter