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BUSINESSJapan Suffering From Economic Indigestion
But Like Nazis, Expects to Come Back Later

By ROGER BUDROW

MILITARY PLANS FOR JAPAN WERE BLUE-PRINTED at Cairo. But Japan is already suffering from the economic indigestion of "too much empire," according to the *Fortune* magazine.

Unlike the Nazis, who, in conquering most of Europe, fell heir to already-developed natural resources and operating industries, the Japs have conquered great areas containing much in the way of raw materials. But the question is: What to do about it?

"Raw materials mean nothing without ships. And Japan has to spread her shipping over vast areas that stretch from Singapore to Siberia, and from India to the Middle of the Pacific. Moreover, Japan can look forward to a yearly loss of 1,500,000 tons on the basis of the sinking rates for the last half year.**That is the key to Japan's worries.** If she gathers the full wealth of her empire, she cannot supply her troops; then she loses the empire. If she supplies her troops, she cannot exploit the empire; then she has not enough to supply her troops and to feed her people and her machines.**Japan is also in trouble in her factories.** Her industry is concentrated in a relatively small area, which means that comparatively few of the 300 million people in the seized territories are available as labor. Yet Japan's lack of an extensive industrial plant puts a premium on manpower. What she lacks in machinery she must make up in men.**The magazine believes that Japan will fall back on an inner fortress, consisting of Japan, Formosa, Korea, Manchuria and North China, an area which it is trying to make economically self-sufficient. In this inner fortress, there will be less territory to occupy, less distance to ship, less of a front to soldier and supply.****The war is going too fast for Japan to have time to develop its empire. But, just like the Nazis, Japan is building up a maze of legal claims to properties and factories all over the area. They may expect to retire temporarily, but they expect to come back."****MORE AIRPORTS.** That is what the Indiana Economic Council is suggesting to Hoosier towns and cities and advising the time to start planning them is now.INDIANAPOLIS CLEARING HOUSE
Clearings 5,675,000
Debits 17,767,000**F. D. R. HELPED FEDERAL UNION****Dies Committee to Probe Civil Service Policy Changes.**By Scripps-Hoover Newspaper Alliance
WASHINGTON, Dec. 2.—President Roosevelt gave his blessing to the unionization of government employees by the C. I. O. United Federal Workers of America when the latter was organized in 1937.

In fact, an authoritative source revealed today, it was at the personal request of the President and of John L. Lewis, then C. I. O. chief, that Jacob Baker, former aid to Harry L. Hopkins in WPA, agreed to become president of the newly-formed union.

Yet the United Federal Workers, which fell under communist leadership when Mr. Baker resigned in 1940, has now induced the U. S. civil service commission to order a drastic curb of its loyalty investigations on the ground that some investigators inquired about the past union activities of government employees or job applicants.

Moyer To Be Questioned

The aim of the questions was to learn if the applicants had been associated with the communist leadership of unions. The commission banned even these questions following a conference in November with U. P. W. A. leaders.

Meanwhile, the Dies committee voted to start an inquiry next week into the civil service commission's altered procedure in loyalty cases. Its first witness will be Lawson A. Moyer, executive director and chief examiner of the commission.

The Dies committee may extend its questioning to the members of the commission—Harry B. Mitchell, president; Mrs. Lulu Foster McMillin, and Arthur S. Flemming.

The president's interest for Mr. Baker has not heretofore been made public, although it was known in upper C. I. O. and government circles.

Mr. Baker, now vice president of the Institute of Applied Economics, Inc., in New York, has declined to discuss it publicly, finding his position untenable after the president and Mr. Lewis fell out. Mr. Baker left the union three years ago.

FBI, Army, Navy Balk

But, after Mr. Lewis in June, 1937, announced plans for organizing 800,000 federal workers, the president said they were at liberty to join unions, although they could not expect collective bargaining agreements with the government.

The sensitivity of the present U. P. W. A. leaders over the question of union affiliations and activities started to develop several years ago when some of their most active members holding government jobs were being checked in loyalty investigations.

Since then the C. I. O. union carried on a steady campaign to high-pressure the FBI, army, navy and civil service commission into toning down their check-ups of possible communists in government service. So far as is known, they have not succeeded with the army, navy or FBI.

GRAIN PRICES HOLD FIRM AT CHICAGO

CHICAGO, Dec. 2 (U. P.)—Grain futures ruled firm on the Board of Trade today.

At the end of the first hour wheat was up $\frac{1}{2}$ to $\frac{1}{4}$ cent a bushel; oats up $\frac{1}{2}$ to $\frac{1}{4}$ cent; rye up $\frac{1}{2}$ to $\frac{1}{4}$ cent, and barley no sales.

By William Ferguson

DAILY PRICE INDEX

NEW YORK, Dec. 2 (U. P.)—

Dun & Bradstreet's daily weighted

price index of 30 basic commodities

compiled for United Press (1930-32

equals 100):

Yesterday 169.18

Week Ago 169.18

Holiday

Month Ago 171.42

Year Ago 162.11

1943 High (Oct. 15) 173.30

1943 High (Jan. 2) 166.61

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