

FORTUNE

DECEMBER 1949



FORTUNE

December 1949

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Take Utica, For Instance . . .

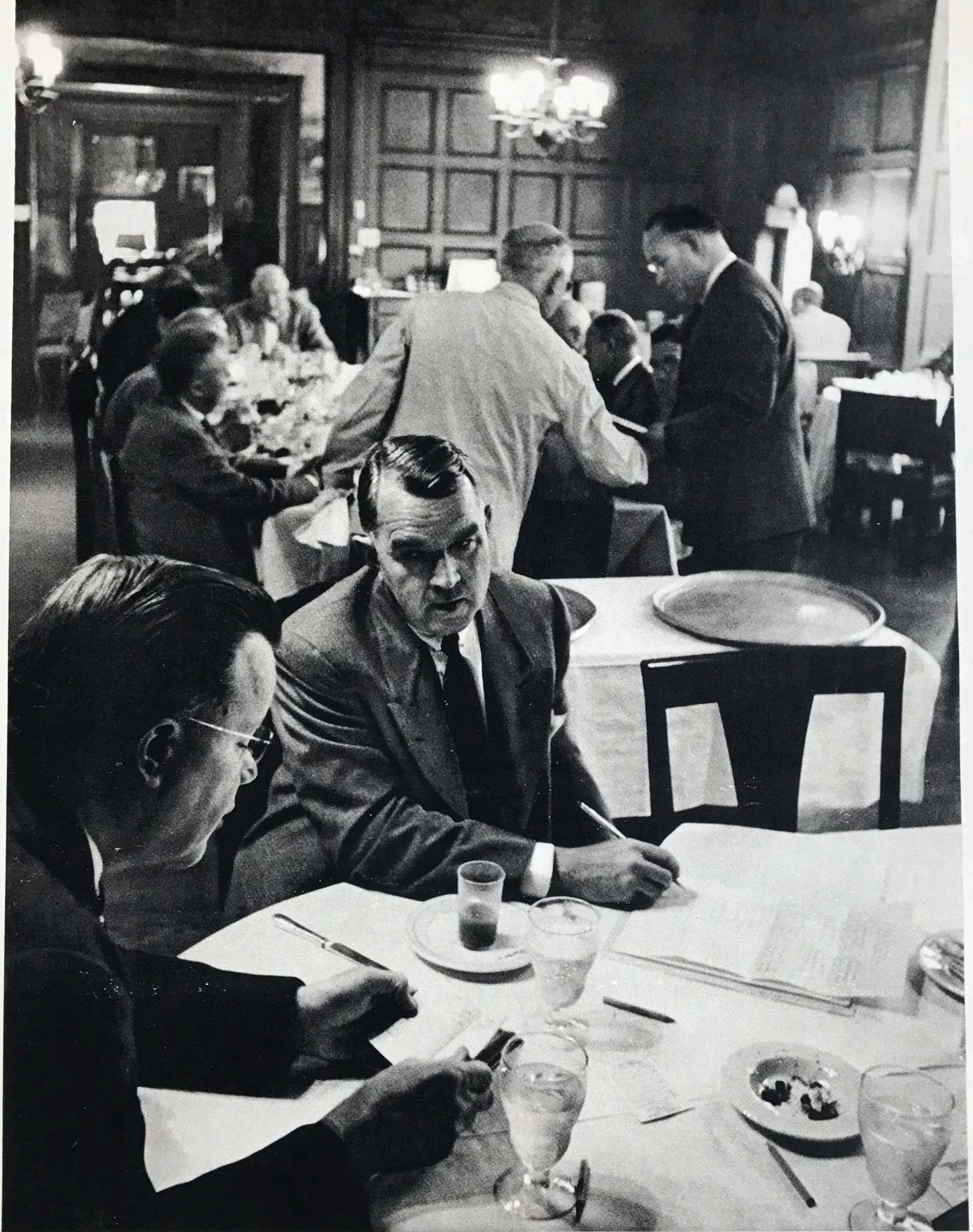
Some small businessmen solve some big problems — without ulcers.
by Robert Sheehan

Painters of Industry

The landscape of U.S. production seen through the eyes of seventeen artists, past and present.

The Moral History of U.S. Business

Can business success go with moral purpose?



In the informality of Utica's Fort Schuyler Club, Charles Hall, President of the Oneida National Bank, and manufacturer Richard H. Balch order the luncheon coffee cups removed and get down to the paper work on a community project—in this case, the Community Chest. "The Club" is the unofficial clearinghouse for a variety of civic chores performed by Utica businessmen.

The Small Businessman: Everyone agrees that he's a great fellow, the salt of the earth, and the backbone of the U.S. economy, but it's so seldom that anyone stops to ask of him, "How goes it?" Here's how it goes in one U.S. town.



Take Utica, For Instance . . .

It's a place where small businessmen sometimes grapple with big problems, and in a manner to suggest that the American way of life still has its practitioners.

by Robert Sheehan

EXCEPT on Rotary (Friday) and Kiwanis (Wednesday) days, almost everybody who is anybody in the industrial and professional whirl of Utica, New York, lunches at the Fort Schuyler Club. A male citizen of Utica may be affiliated with a half dozen or more fraternal and recreational organizations, but once he has been admitted to membership in the Fort Schuyler, he refers to it simply as "the Club," two little words that constitute, in effect, his biography and passport. Architecturally, the Club is almost obtrusively unobtrusive—a boxlike brick structure that is barn-plain on the outside, and modestly and conventionally appointed within. It is situated just below the crest of hilly Genesee Street, Utica's main drag. For some citizens, the climb up to the Fort Schuyler Club is not easy.

This is not to suggest that the Club is crusty or odiously class-conscious—far from it. It is doubtful even if Rufe Elefante, the reputed undercover political boss of Utica, who is not a member, would say, as he certainly would say if he thought so, that the fellows at the Fort Schuyler were snooty. Apart from the usual idiosyncrasies—the "unwritten laws"

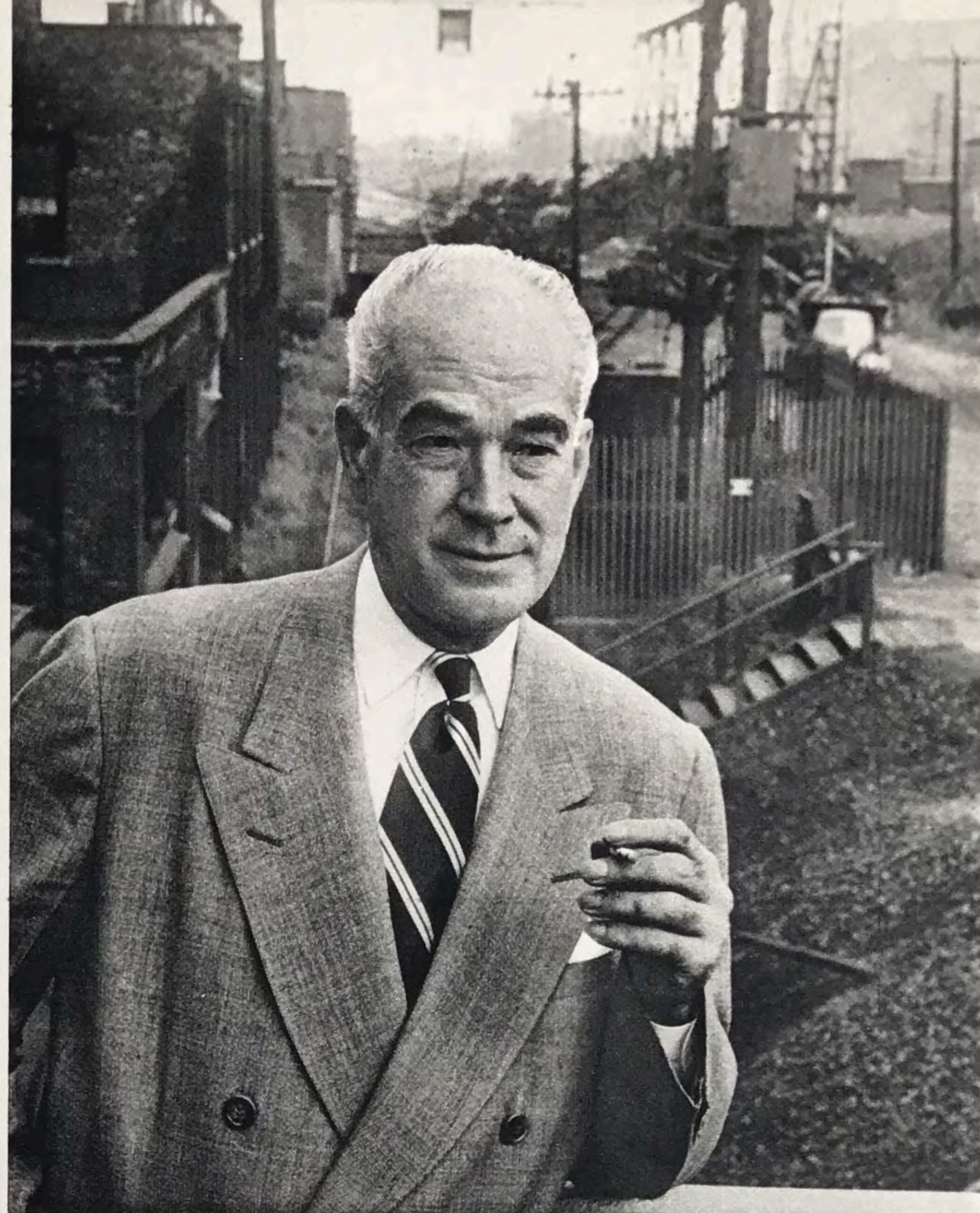
and such—that are common to private clubs everywhere, the Fort Schuyler Club is unself-consciously democratic, and more than that—thoroughly decent. It is a place of kind words and quick sympathies. True, a member has to be able to stand up under an occasional jest at his expense—and a joke can have a long life at the Fort Schuyler Club—but the ribbing invariably stops short of boisterousness and unbearable corn.

On the other hand, there is a lot of good, hard talk that goes on. And when these fellows talk about business, what you hear is not the windy theorizing of some pseudo-economist, nor the embittered obiter dicta of a \$250,000-a-year tax-hating tycoon, but rather the factual experiences and the square gripes of owner managers who are meeting payrolls (perhaps in the nick of time), bargaining face to face with labor, borrowing from the banks, and often hitting the road personally to sell their products. These are the "small businessmen" of America about whom columnists and Congressmen are at once so solicitous and so vague. You'd be surprised to learn how big some of them are.

Now the Fort Schuyler Club wasn't created for the purpose

of furnishing a Civic Forum, or a Business Roundtable, or a Society for the Improvement of the Condition of the Poor. But it is all these things indirectly, simply because it is such a pleasant place to have lunch, to play billiards or backgammon, or to pick up a couple of quick ones after a hard day at the office. So they come here—almost everybody who is anybody in Utica—for such diversions. More often than not they accomplish something constructive in passing.

For example, the Utica Chamber of Commerce recently brought off an amazing coup, the details of which come a little later in the story, that was of immeasurable benefit to the community. Practically every citizen of substance pitched in on this job, but you can appreciate how the project was hatched, nurtured, and finally sprung full-blown only if you had an opportunity to observe at the Club the casual camaraderie of its principal sponsors. Les Taylor, a big, trim man with white hair and black brows, head of International Heater Co. and current president of the Chamber of Commerce, stops by nearly every day. He's a man who takes a long time with a Scotch and soda and, while he chats, endlessly describes concentric circles on the table with the damp heel of his glass. Maybe he will tell the boys how he flubbed an approach on the fourth hole at Yahnundasis, but he is as likely to speak with startling frankness of a problem that has just come up in his business or an issue that's going to pop at the next Chamber of Commerce meeting. If Jim Capps, the dynamic proprietor of Wicks & Greenman, men's clothing, and a past president of the Chamber, is present, he may endorse or oppose Les's views, but indubitably he will speak his piece with such vigor—Jim is the type of talker who throws his shoulders into a conversation—that other members in the vicinity have no choice but to cease what they are doing or saying and come



Leslie R. Taylor, President of International Heater Co. and president of the Chamber of Commerce, is a perfect prototype of the civic-minded businessman who stamps the Utica scene.



James Capps, head of a men's clothing business, is a driving, hard-selling individual who has sparked the campaign of the Chamber of Commerce to bring new industries into Utica.

over and take a hand in the discussion. One of them may be Charley Hall, the perpetually—or almost perpetually—smiling banker, and when he gets the floor he will cast up a perfect balance sheet of the pros and cons of the question. Finally, if insurance-company President John Train, the Solid Man of Utica, is on hand, he will deliver the ukase and benediction. An idea of benefit to somebody, and possibly everybody, in Utica has been born. And brother, Utica needs ideas, because it has plenty of problems.

THE BEST THINGS in life can be boring at times, and one of the Club's most popular members, Richard H. Balch, President of Horrocks-Ibbotson Co., fishing-tackle manufacturer, likes to vary the menu occasionally by strolling to lunch at a place called Marino's in the old and unfashionable part of town. The Horrocks-Ibbotson plant, too, is still located in the forsaken section of the city, hard by the route of the historic—and long since totally erased—Erie Canal. Like so many U.S. cities, as Utica grew and "progressed" it did not rebuild but simply moved on, leaving a number of its once-proud homes to deteriorate into slums or slovenly lofts. When he leaves his office Dick Balch usually ducks up a dilapidated alleyway and enters the rear of the Horrocks-Ibbotson retail sporting-goods store, which provides him with a short cut to lower Genesee Street. "This store," says Dick, "was established in 1812 and, if you don't believe it, just take a look at

some of the merchandise." It is the store in which Dick Balch's grandfather, Hugh J. Horrocks, went to work as a clerk when he came over from England in 1863. Mr. Horrocks eventually bought into the firm and in 1895 started the manufacturing venture that has now become one of the largest and most enterprising firms of its kind in the world.

The route to Marino's leads across Genesee and down shabby Catherine Street, and along the way Dick will give his easy greeting to at least a dozen people, many of them in rough working clothes, and perhaps be stopped for a chat by one or two. At the restaurant he will pause to ask what's new of proprietor Frank Marino, who usually works the bar himself at noon, and then sit down to lunch with one of the frequenters—Charley Donnelly, the postmaster; Joe Davoli, educational director of the Textile Workers Union; or maybe the Great Dictator, Rufus Elefante himself. (The truth is Dick dabbles a bit in politics, and Democratic party politics, at that.) "What do your uptown friends think of your consorting with the boys at Marino's?" you ask Dick. He gives you a grin. "I think they think it's romantic," he says.

All in the family

Actually, politics is more or less a pastime with businessman Balch—he has never been elected to anything much. What's significant about this little byplay is that it symbolizes and accents a relatively new spirit in town, a kind of wave of good feeling that has swept groups that were once dangerously dissident in Utica somewhat closer together—the haves and have-nots, the native and the foreign-born, and especially management and labor. And Utica is a community that particularly needs such harmony and understanding. As a one-time predominantly textile town, it has suffered heavily in the past from the fluctuations and, in fact, actual emigration of that industry. Even today, though the fact is not reflected in the peacefully prosperous mood of either Marino's or the Fort Schuyler Club, Utica is what the U.S. Department of Commerce is constrained to call a "distressed area," with from 12 to 15 per cent unemployment. But Uticans neither expect nor desire the federal government to pull them out of the predicament. To a remarkable extent Utica businessmen have shown a capacity for handling such situations on their own initiative. And even more remarkably, Utica labor shows confidence in Utica businessmen and a willingness to work out problems within the family if possible.

This is a far cry from the day, decades ago, when Sidney Hillman, scheduled to speak at an organizing rally in Utica, was met at the station by the captain of the police and firmly escorted on the same train to Buffalo, 200 miles away. Along about 1937, when the unions under cover of the Wagner Act began to move in on Utica industry and its substandard wage scales, a somewhat more intellectual approach was called for on the part of the employers.

Dick Balch's experience, for instance, was interesting. Ever since he had returned to town, following his graduation from Williams College in 1921, the plight of the textile employees had depressed him, and to many a fellow industrialist he argued the wisdom of raising the pay scales and the mass purchasing power of the community. So he was inclined to meet the textile-union negotiators a little more than halfway. On the other hand, his own factory posed quite a problem for the



Earl Dunmore, President of the Utica Knitting Co., runs the biggest business in town. Utica was the knit-goods center of the U.S. until competition from southern mills came along.



Walter Matt, with his father, Francis X. Matt Sr., who at ninety years of age comes to work daily at his model West End Brewery Co. Frank Matt is Utica's most affluent citizen.

proposed vertical unionization. Horrocks-Ibbotson has, to be sure, a big textile room where the nylon fishing lines are braided; but it also has a woodworking division where the bamboo stalks are split, planed, glued, and varnished; it has powerful cutting and grinding machines for the shaping of steel rods, and it has die-stamping and plating rooms for the production of a wide variety of reels, lures, and baits. Balch, then Vice President, had his own doubts about agreeing to the union-shop clause, and he wondered particularly how it would go down with President Ed Ibbotson (now Chairman of the Board), who was used to running the company with a firm if fair hand.

When he offered his objections to the union agent, however, the fellow said, "Why, Mr. Balch, we'll readily sign the contract without the union-shop clause, but I think it would be foolish on your part. It only means that we'll be grasping at straws—trumping up minor grievances and the like—to make a showing with the men in order to keep the union up to strength. But if you'll go the whole way, we'll deal with you openly and directly, like one businessman to another, and it will be a hell of a lot less costly to us both in the long run." It was a shockingly candid statement but a persuasive one. The contract was signed and neither Mr. Balch nor Mr. Ibbot-



John L. Train is President of the nationally known Utica Mutual Insurance Co. and a director of the First Bank and of several corporations. When problems arise, Uticans say, "Let's ask John Train what he thinks about this."

son has had cause to regret it. The incentive plans have been mutually satisfactory and productivity is high. The company has never had a strike or a stoppage.

Love thy labor

Today unionism as an issue is water over the dam with most Utica industrialists, large and small. At first it was a question of being resigned to a *fait accompli*, but now the majority feel that a collective contractual relationship with labor—the union package—provides the simplest and most business-like way of handling the problem, and they wouldn't have it otherwise if they could. To be sure, they are frequently irked by the highhandedness of many a national or regional union official who storms into the local picture in an uncomprehending way, and they have their galling moments with the garrulous "shop lawyers" who are bound to bob up in any union chapter. (One company passed out a few shares of stock to employees as a Christmas bonus; at the next bargaining conference a union smarty-pants demanded, as a stockholder, the right to inspect the company's books.) But it is extraordinary to hear a Utica employer express any resentment against the help as a whole. On the contrary, instead of griping about what his labor costs him, he is more likely to boast about it. In this part of the country nobody seems hot to debate either side of the Taft-Hartley Act.

After all, Utica is a city of only slightly more than 100,000 people, and the average employment in its most important plants runs from 200 to 500 workers. At the International Heater Co., Vice President Murray Wheeler, grandson of one of the founders, who superintends the shop, can call three-fourths of the employees by name, and most of the names aren't easy to pronounce. At the Utica Radiator Co., when President William C. Murray walks through the plant, including the steaming foundry, he can and will first-name every worker without fail, and in the return greetings there are almost as many "Hello Bills" as there are "Howdy Mr. Murrays." There's quite a difference between Labor with a capital L, and a working force of fellow citizens with names and faces, and this is probably one of the reasons why the city of Utica experienced, in 1947, only one strike, involving fourteen persons. Al Zumbrum, general manager of the flourishing Brunner Manufacturing Co., maker of compressors and refrigeration equipment, is proud of the fact that his firm has nearly doubled annual sales in the past three years to a figure of more than \$6 million, but he asserts with equal satisfaction that "We pay the highest wage, for our type of work, of anybody from Albany to Syracuse." He thinks that over for a minute and then adds, "But how in hell can a community go ahead, or a company go ahead for long, unless the workers go ahead in what they earn and can spend?"

Now it is highly doubtful if Al Zumbrum, or any other of the big little men of Utica who appear in this portrait, is fundamentally more "social-minded" than Ben Fairless of Big Steel, or the Charley Wilsons of G.E. and G. M., or Ernie Breech of Ford Motor Co. The distinguishing point is that the small businessman in a small city like Utica has to live in the environment that his business, by its practices and policies, helps to create. The executive of a big corporation in Philadelphia or Detroit, for example, can operate in almost complete isolation from the community if he so desires. He

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can reside in Germantown or Grosse Point, drive back and forth daily to his plant on the city's outskirts, make cash contributions to the city's worthy charities, and let it go at that.

Not so the owner-manager in Utica. The circumference of the city is not big enough for him to escape what goes on in any part of it. His home is usually within city limits, maybe a ten-minute drive to his club, and ten or fifteen minutes more to his plant on the nether side of town; in between is pretty much all of Utica—if there are sores he will see them, if there are stinks they will assail his nose. After office hours, it is not unusual for him to jog elbows with some of his own employees in the stores, the theatres, or perhaps the church where he (or one of them) may be passing the contribution plate. And for the most part his children, in their formative years, attend public school with their children. Thus, a poor standard of living among Utica workers is, among other things, a personal inconvenience to Utica employers.

Similarly, when community projects are afoot, a Utica businessman would think twice before declining to participate owing to "pressure of business." The answer to that one is likely to be, "Hell, man, this *is* your business!" So it is a common occurrence for a couple of Utica businessmen to take a luncheon conference of two or three hours out of a busy day, not to swing a big deal but to plot the strategy and statistics of a drive for the Community Chest (in the picture on page 126 Dick Balch and Charley Hall are doing just that), or the Boys' Club, or the proposed new Medical Center. The identification of community with personal interests is so close, indeed, that even the history of Utica exerts a strong influence on its businessmen today.

If you are curious as to why Utica was called Utica, the story is simply that the name was literally pulled out of a hat on the occasion of its formal incorporation as a village in 1798. During its early years the town flourished as a last point of departure for the emigration to the West; but once the through railroads to the West were built, Utica, having no local industry to speak of, began to stagnate. Then in 1845, a group of citizens who had studied the New England textile business succeeded in starting a similar industry in Utica. Thereafter Utica rose to become the knit-goods center of the nation and the world—in 1910 there were twenty-two knitting factories operating in the city.

At the time of the first world war the city of Utica was one of the richest per capita in the U.S. It was fat with textile fortunes and supported six thriving commercial banks, the biggest of which was the First National, headed by Charles B. Rogers, the hard-of-hearing autocrat who was so deaf, they used to say, that he could scarcely hear a dime drop on his office carpet. To crown it all, the Savage Arms Co., a modest manufacturer of sporting rifles, received a contract from the British Army to make 100,000 Lewis machine guns, and opened its doors to 3,000 additional workers.

After the war the tide turned sharply. Savage dropped back to making deer rifles, the war-emancipated women of the U.S. revolted against wearing the heavy knit drawers that Utica furnished to the world, and the trek of the textile mills out

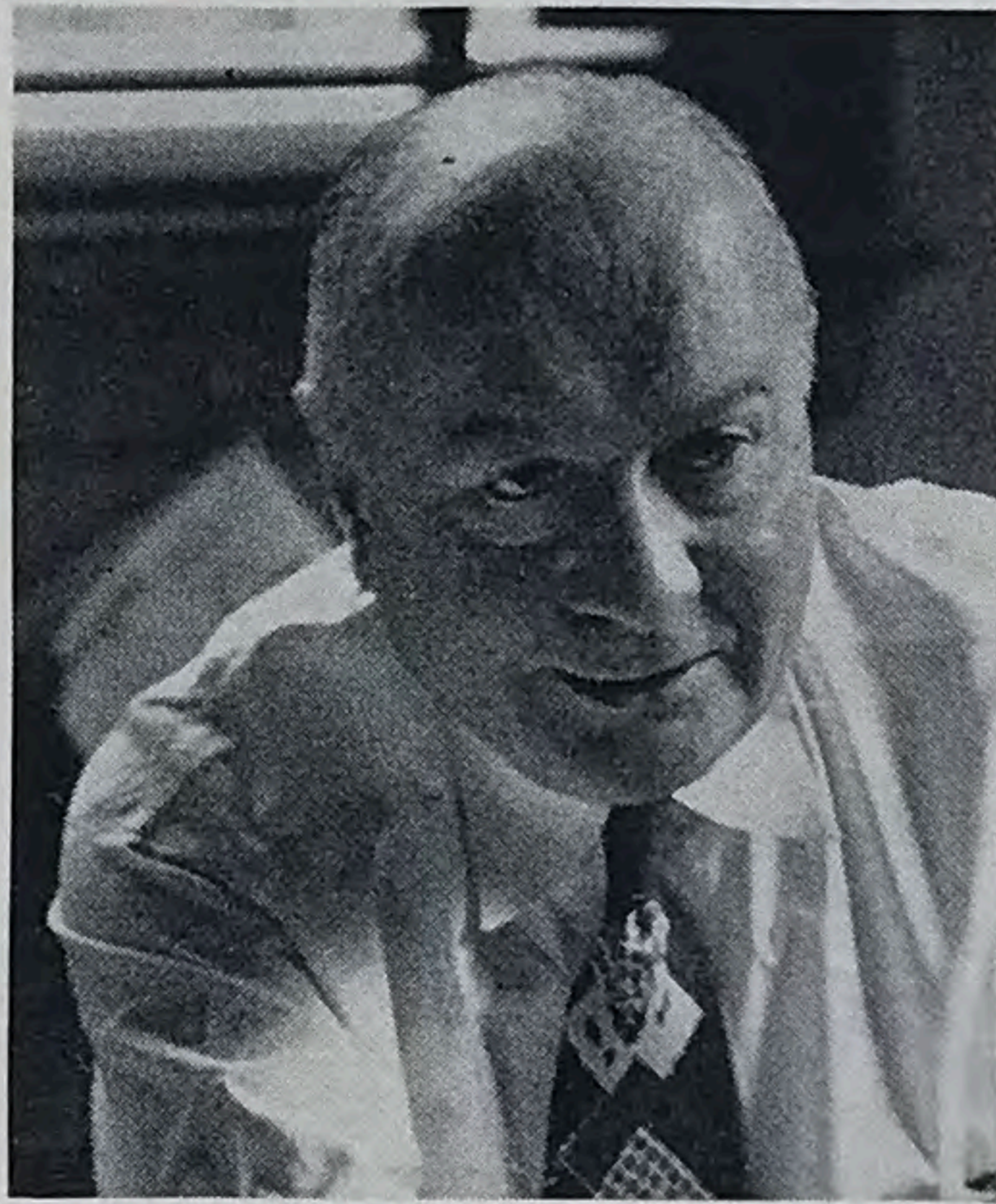
of Utica to the South began. By 1924 there were only six working mills left in Utica, and some \$15 million of capital was tied up in idle industrial properties. Yet this was the era of speculation and expansion in the U.S., and Utica engaged in its share, heedless of the fact that the basic industry of the city had been shot to pieces. There was a great rush to build smart homes out Sequoit Creek way, and Charley Rogers decided it was a good time, too, for the First National Bank to erect a sixteen-story building, Utica's largest. The depression, therefore, almost flattened Utica. All of the commercial banks in town, with the exception of the tight little Oneida National, were required to merge into a single institution, which took the name of the First Bank & Trust Co. of Utica. The Federal Deposit Insurance Corporation advanced the bank \$15 million for its paper, and the RFC subscribed \$2,500,000 for its preferred stock.

The coming of World War II, of course, postponed Utica's showdown with the facts of economic life. Employment at Savage Arms Co. leaped from 300 to 8,200 people, the various metal-fabricating companies in town went on two and three shifts, and the surviving knitting mills were choked with Army and Navy supply orders. But this time the bigwigs of Utica were not so cocky and complacent; they knew they were building up to a letdown. Furthermore, in the great rash of joint patriotic services they were called on to perform they had been pulled closer together, and had learned to work in harness. So even before the war was over, a number of Utica businessmen were concerning themselves with the problem of getting the community on a more stable, a more diversified, industrial basis.

The man from Macy's

One of these men was, by his own definition, a "carpet-bagger" in Utica. James Capps had come to town in 1930 to take over the proprietorship of Wicks & Greenman, a men's clothing house that had gravitated to the control of Hart Schaffner & Marx. A graduate of Dartmouth and of the Tuck graduate school of business administration there, he had put in ten tough years with R. H. Macy & Co., first in the New York store and later as merchandise manager for LaSalle & Koch, Macy's subsidiary in Toledo. Utica had never had cause to raise a salesman quite like Jim Capps, but after the first few injections it began to like him very much. He was just the shot of adrenalin the town needed.

As a man who had some merchandise to sell, of course, Jim Capps needed more customers, and customers with more dough, and he was frank to confess this to anyone who questioned his motives. But he was also quick to point out that the whole community needed jacking up economically, that it was out of kilter in the proportion of female help employed (in textiles principally) to male, and that the infusion of some heavy industry into the town would improve the labor market for all manufacturers, in the long run, as well as sop up unemployment. Elected president of the Chamber of Commerce several years ago, he induced that body to start stalking industrial game in a serious, organized way. The first outfit it drew a bead on was the General Electric Co., which was persuaded to move in first a tube plant, employing 350 (though, unfortunately, it later closed down) and afterward a receiver plant employing 400 people. The Continental Can Corp. was bigger game. After a fourteen months' campaign, the Uticans got the company to come in and build a plant for making paper containers. The plant, a handsome structure built by the Kidde Construction Co., cost



VINCENT R. CORROU

Take Utica, For Instance . . . *continued*

Continental \$2,500,000 and employs 700. It has a capacity for 2,000 employees, however, and Uticans fervently hope the corporation will one day step it up to that figure.

The great bear hunt

But the hunting really got good a couple of years ago when the Utica Chamber picked up the scent of the Chicago Pneumatic Tool Co. By this time the Chamber had acquired considerable savvy, and there had developed, quite informally and without portfolio, a group-within-the-group that possessed an especial zeal and knack for the work involved. Capps was still the prime needler, but he had been succeeded in the presidency by Henry T. Dorrance, a suave corporation lawyer once a crack light-heavyweight boxer at Cornell, who made an excellent negotiator. Dick Balch was up to his neck in the effort, and another comforting fellow to have on the team was Walter Matt, the fifty-year-old son of ninety-year-old Frank X. Matt, the distinguished Utica brewer and the richest man in town. Walter Matt is this kind of a person: he is so conservative he refuses to invest in common stocks of any kind, but when it comes down to fund raising on a community project of this sort, he will quietly say, "I'll start it off with \$5,000, and if you need more later. . ." Charley Hall, President of the Oneida National, who has built his one small bank almost up to the size of the First Bank & Trust Co. combine, was a wheel horse on the financial side, as was the late Francis P. McGinity, of the First Bank. Roy Van Denbergh, President of the Savings Bank of Utica, was the housing and real-estate expert of the group. Dave Houge, publisher of the two local (Gannett) papers, put the power of the press behind the project, and, of course, there were hundreds of other Utica businessmen in the act, in one capacity or another. Finally, to assure coordination and continuity to the effort, the Chamber hired former mayor Vincent Corrou, at an attractive salary, to be permanent Industrial Director.

First thing the group did was to go down to Albany and talk with Elmer Volgenau, of the State Department of Commerce, whose job it is to attract industry to the State of New York. From him they got the tip that Chicago Pneumatic Tool was considering moving one of its biggest plants out of crowded quarters at Cleveland. When they approached the Chicago company, they found this to be true, but they also learned that the company was interested in about eighty locations in various parts of the U.S. on which they had already made preliminary surveys.

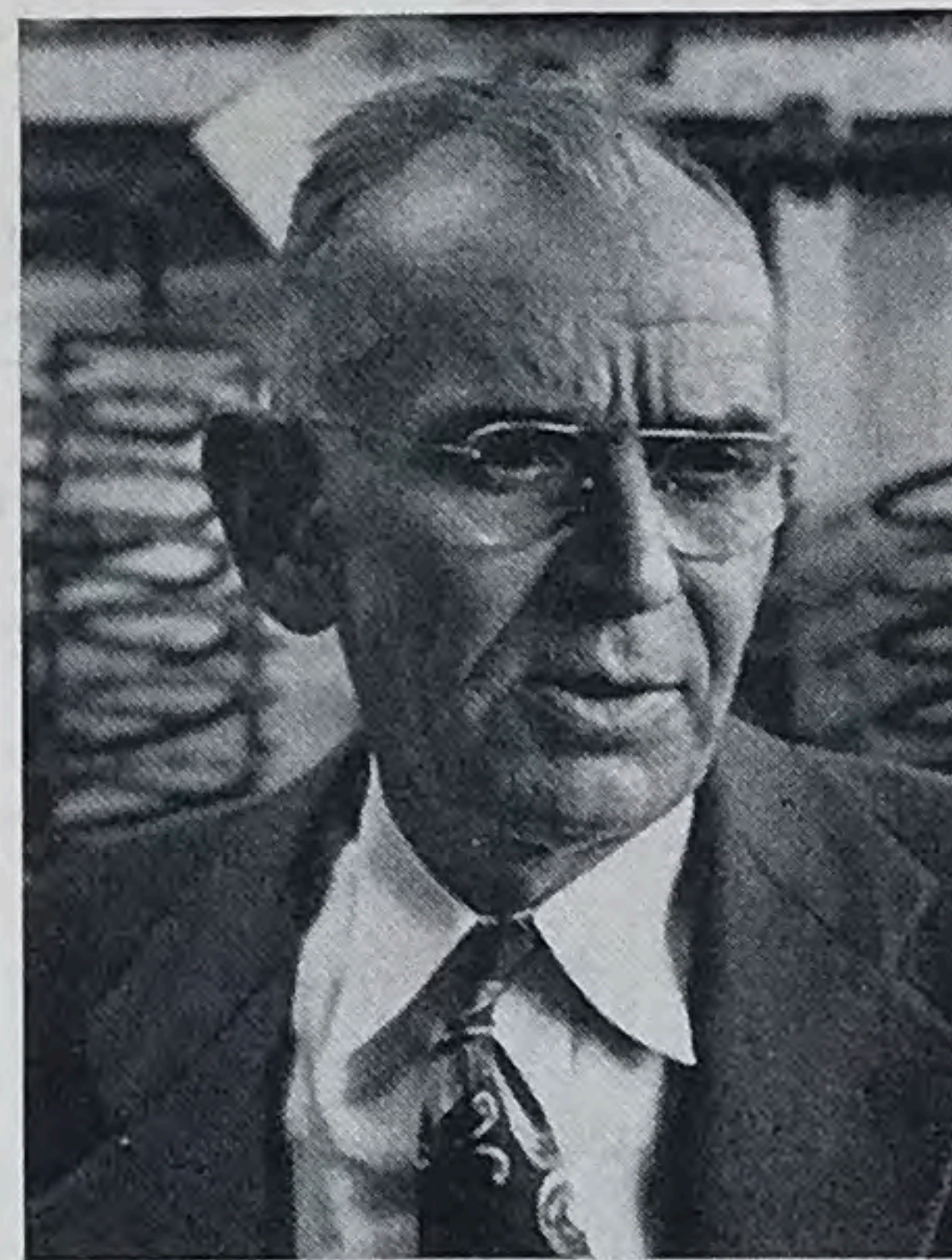
A punt and a prayer

The Utica boys then decided to do a little crapshooting. They raised \$40,000 and threw it into a prospectus. It was not an advertising brochure, but a completely documented statistical and engineering survey of the whole problem of relocating Chicago Pneumatic in Utica. They engaged Walter Kidde's services at once, and Kidde sent his engineers to the Cleveland plant to make an exhaustive examination of Chicago Pneumatic's problems and specific plant needs. Kidde's men then sat down and developed plans and costs for a Utica plant, and included an architect's drawing of the exterior, to boot. Back in Utica, the Chamber selected a site of eighty beautiful acres, and went to work on the morass of details necessary to make the purchase feasible. It was necessary to certify the tax rates, to create a fire district and a water district, to receive assurances of suitable transportation from the bus companies, to get a right-of-way across

the Masonic Home property, etc., etc. All these things, including an offer to purchase and deed the land to the company, were settled and sworn to, and wrapped up in the \$40,000 package. Then they laid the package on the doorstep of Chicago Pneumatic and prayed.

Late one afternoon, they got an answer. The company said, in effect, that if the Utica group was really so earnest and cooperative as to fork over the land, as proposed, why Chicago Pneumatic was willing to call it a deal. At 5:00 p.m., the Chamber sent out sixty-three telegrams to leading Utica businessmen inviting them to breakfast at the Hotel Utica next morning. Sixty-two responded (the other fellow was out of town) and listened to the chairman read off the proposed quotas from a sheet prepared the night before (after all, who knew better than Charley Hall and Frank McGinity who could afford what?). A required \$45,000 was immediately pledged, a check deposited, and a sale and transfer of deed consummated that afternoon.

At the last moment a horrendous hitch developed. One of the company's tax experts had been looking into the deal, it seems, and found that Chicago Pneumatic would be liable to extra payment of \$450,000 in unemployment insurance taxes in New York because it could not establish a favorable experience for merit rating until it had been in the state for three years. If so, the deal was off.



ARTHUR McMANN

At that point John Train was asked to kick a field goal. John Train is President of the Utica Mutual Insurance Co., a workmen's compensation carrier, primarily, with an excellent national reputation, and John Train himself happens to be a member of Governor Dewey's Unemployment Insurance Advisory Council. So he had knowledge, influence, and virtue as well, on his side in this emergency. Of course, the whole team was fighting right in there with him. "I'm a rather good friend of Paul Lockwood [Dewey's secretary]," one of the fellows might say. "Well, then, get him on the wire right away," Jim Capps would roar, and so it went. Utica swarmed on Albany, and in ten days the obnoxious, and really unfair, technicality was changed—a record, the boys believe.

So the Chicago Pneumatic Tool Co. began operations in Utica last spring in one of the finest straight-line plants in the U.S. It cost \$7 million to build and presently employs 2,500 workers, though maximum capacity will call for 5,000. Several hundred veteran employees of the company, and their families, were brought on to Utica, because of the special skills necessary for most of the work. But many Uticans will be hired, too. The city now has quite a reservoir of workers who can turn a quick hand to almost any kind of a machine job.

THE CHICAGO PNEUMATIC DEAL, certainly, was quite the biggest triumph that Utica businessmen, acting in concert, ever put over. They like to talk about it still, and will probably go on talking about it for a good many years, like old Centre College grads reminiscing about the time Bo McMillin and the boys took Harvard. This year, at any rate, it probably furnished a welcome antidote to some of the disappointments

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SERVICE THAT FOLLOWS THE SUN



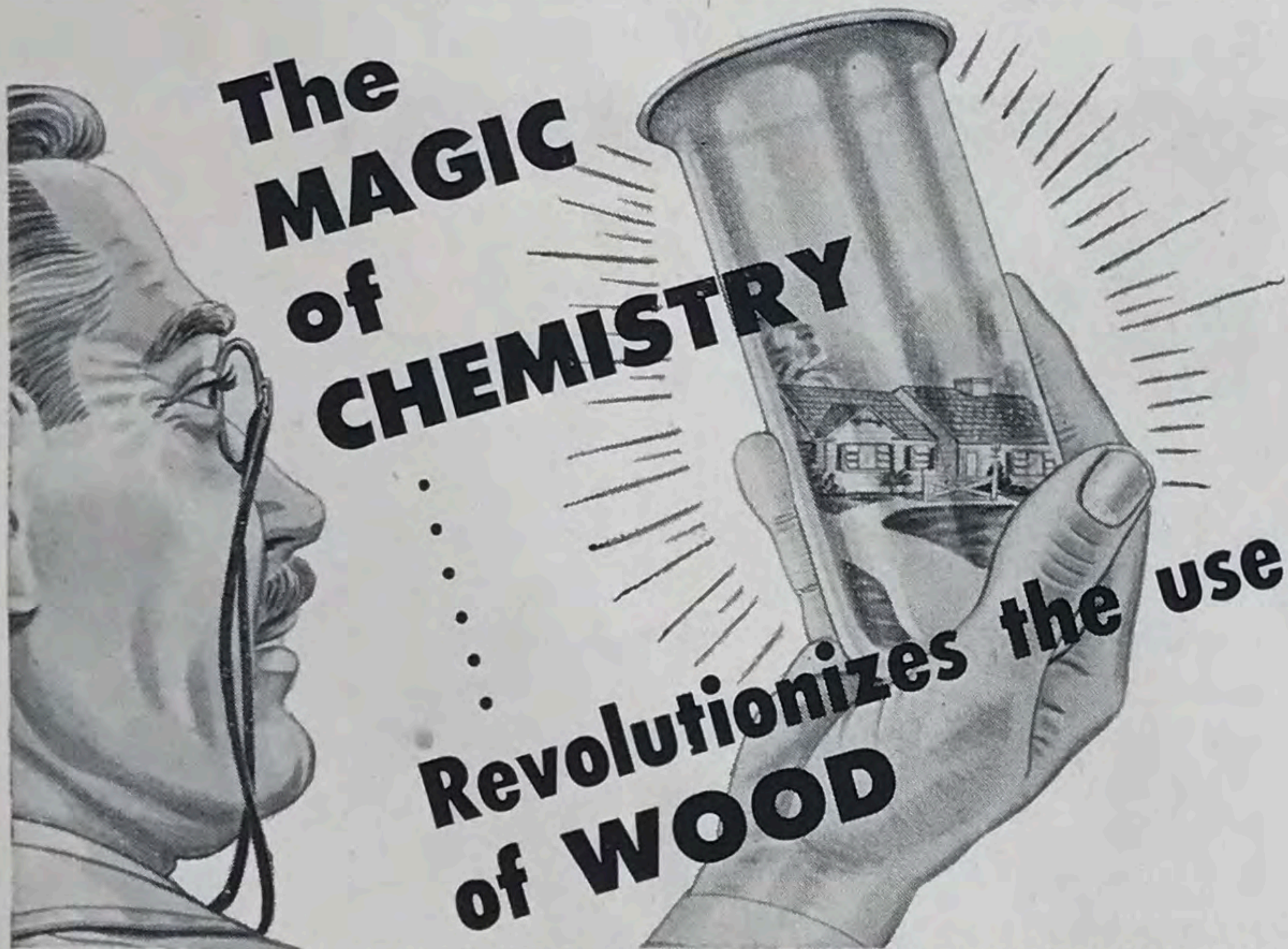
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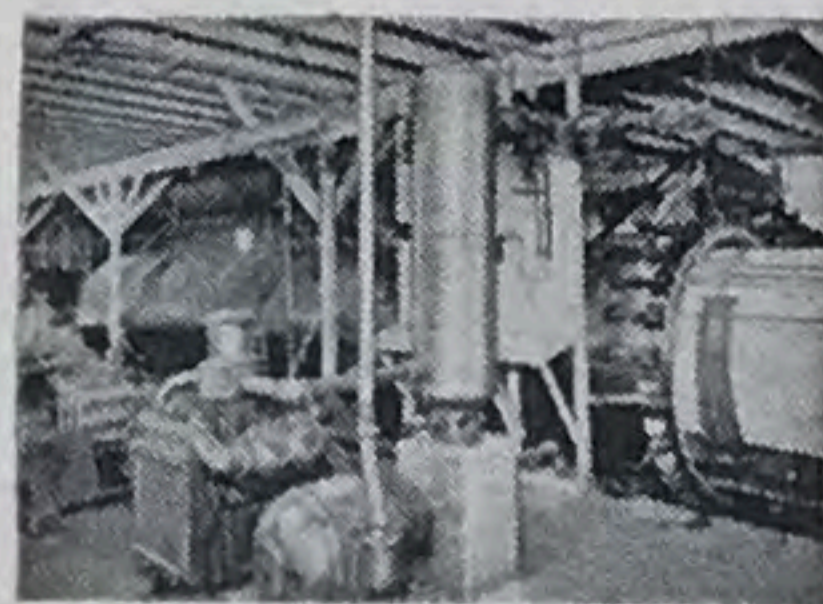


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Take Utica, For Instance . . . *continued*

many of these men had suffered individually in the operation of their own businesses.

There are several high-spirited economists of note in the country today who think that the recent leveling-off process in business should not be dignified with so strong a word as "recession." The Utica small businessman, with very few exceptions, has to smile at this. He knows, because he's had it. One of the troubles of small business is that it cannot adjust itself rapidly enough to an abrupt change of pace in the economy such as the U.S. experienced, beginning last winter, when the big businesses started to tighten up inventories. It was all very well for some economists to approve of this precautionary adjustment, and to describe it as a "healthy shakedown," but the fact remains that it almost shook the living liver out of many a small business. The little firms do not have the financial resources, the storage space, or the diversification to sit calmly through one of these "wait-and-see" periods. They have to stop every other machine and send the men home.

Too much too late

For example, one day last August, Les Taylor was explaining to some of the fellows at the Fort Schuyler Club the problem of getting too much too late. His firm, International Heater, makes and sells about \$4 million worth of residential warm-air heaters yearly. It's a seasonal business—he ships about 30 per cent of his output in the first six months, 70 per cent in the last half of the year—but he tries to schedule production evenly by building for inventory in the early months of the year. When orders fell off sharply a year ago last winter, and continued to decline well into the spring of this year, he naturally curtailed production. Suddenly, in August, confidence returned and distributors began throwing orders at him. That's fine, maybe his gross will be almost as big as last year's after all. But he's jammed up in the shop and the shipping room, has to pay heavy overtime, still doesn't have quite enough business to justify two shifts. His profit on the gross, whatever it is, won't be nearly what it should be.

Then there's the problem facing Arthur McMann, the versatile craftsman who bosses the American Emblem Co. of Utica, which did a ripping business during the war making medals—everything from Purple Hearts to ruptured ducks—and insignia for the Army.

It now depends largely on orders for company name plates, or escutcheons, on automobiles, refrigerators, radios, etc. The list of customers reads like a red book of U.S. industry, but far too many of them this year put a stop to their orders with a request for American Emblem to hold the dies for future execution. American Emblem isn't very big—about 300 employees at maximum—but 200 of them are laid off right now, some of them skilled die cutters who have been with the company twenty years or more. McMann fears they may not be around to rehire when big business decides that times aren't going to be so tough after all.

And consider Savage Arms Co., back from 8,200 to a peacetime complement of 300 employees in its Utica plant. In the cathedral quiet of his spacious office, President Fred Hickey, who must be the world's gentlest manufacturer of lethal weapons, speaks softly of his ambitions to find a product, or buy a business, that will fit into the postwar scheme of things at the Savage Utica plant, a small portion of which is now given over to the manufacture of ice-cream cabinets.

Indeed, except for the exceptional Francis X. Matt Sr., who has just built himself a new \$1,500,000 brewhouse, nobody is riding exactly high and handsome in Utica today. Yet

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it is doubtful if anyone is courting real serious trouble, either. And if he is, the chances are better than even that somebody around Utica will extend a hand to pull him out of it. It's not often these days that a business with sound roots is allowed to die on the vine.

The money goes round and round

One reason for this is that, since the crash, Utica bankers have taken the piping off their vests and assumed at once a humbler and fuller partnership in Utica venture and enterprise. Over at the Oneida, Charley Hall sits not so much in supreme judgment as in helpful consultation on the proposals that come before him, and he sits at the first desk on your right, on the open floor, as you enter the bank. He takes more pleasure in saying "yes" than "no," but if the answer is negative he's likely to put it in such terms as, "Jim, I don't think you ought to try to do this because . . ." Once, when a borrower was in trouble, mostly from poor administration, Hall put in an hour and a half each morning at the man's plant (before the bank opened) until he got him straightened out.

Also, if a Utica businessman, of otherwise sound mind and habits, gets a brainstorm about a new widget for which he needs financing, Utica bankers won't necessarily turn him out in the snow. When William C. Murray, for example, who makes cast-iron radiators, wanted to take a fling at fabricating magnesium, which has baffled some of the best metal men in the country, even the U.S. Government was cool, but Utica banks financed him, and ultimately the U.S. Air Force was only too happy to purchase his magnesium castings.

Of the city's 250 manufacturing establishments, only a handful have been financed or expanded by stock promotions. In Utica today, the small businessman's best friend is his banker, and to the banker, the small businessman's best collateral, in the final squeak, is his character. Nor is the financial lubricity necessarily confined to the banks. There is quite a reservoir of cash around town that can be tapped occasionally for the creation of a new enterprise or the shoring up of an old one. Some years ago, for example, a firm called the Utica Cutlery Co. was perilously close to the rocks. Brewer Frank Matt threw in a few thousand dollars of badly needed cash, installed his son Walter as treasurer, and they nursed the company along until it became one of the town's sturdiest money-makers. When the Utica Drop Forge & Tool Corp. had to undergo a 77-B reorganization a dozen years ago, Edward Norris, a successfully retired manufacturer in town, was induced to come out of retirement and try his hand at rebuilding the company. Ned Norris still had the touch and today, with sizable contracts for B-36 parts, Utica Drop Forge is on the way to becoming one of the city's biggest businesses.

Tending to their knitting

For a "distressed area," indeed, Utica has surprising sinews. Even in respect to its historic weakness—an industrial imbalance that stems from too much dependence upon textiles—it is in much sounder shape than it was in the past. The surviving textile firms are among the best in their line. On the one hand there are several long-established companies in which out-of-town capital and management dominate, such as Utica and Mohawk Cotton Mills, Inc., makers of sheets and pillowcases, Skenandoa Rayon Corp., controlled by Beaunit Mills, the Augusta Knitting Corp., etc. Then there are the three stalwart knitting companies, largely locally owned, whose mere existence is a warrant of their fortitude and good

management. These are the Utica Knitting Co., which, with annual sales of over \$20 million, is just about the biggest native industrial firm of any kind in Utica; the Oneida Knitting Mills, headed by F. Ramsay Devereux; and the smaller Fort Schuyler Knitting Co., run by the shrewd, Scotch-Irish family Clarke—Angus, Brian, and Charles.

These knitting-company men, it is to be remarked, are all in the thick of the movement to bring new, non-textile industries into Utica. At the same time they are engaged in a nip-and-tuck fight to meet the challenge of changing conditions in their own industry. Earl Dunmore, President of Utica Knit, for example, is probably the finest technician in his field in the U.S.—it was his skillful shop management that did much to keep Utica Knit in the running when so many other firms were folding or moving South. But since becoming President a few years ago, he has wisely turned his attention to the critical merchandising problems, and is taking the first steps to ease the company out of the fading, heavy-ribbed knit underwear (the union suit was created in Utica), and into the lighter style lines and outerwear. At the cocktail hour recently, Earl, a dignified, deliberate-spoken man who received his early education at West Point, convulsed his cronies at the Fort Schuyler Club with an account of his latest promotion, "The Jolly Jumping Bean," a juvenile sleeping garment imprinted with a pictorial bedtime story. It seems that Earl had just returned from Chicago where he had witnessed a Creeping Derby staged by Goldblatt's department store. Dozens of babies were entered in the race, and all contestants were required to wear the official costume—a Jolly Jumping Bean suit, of course.

From every angle the fellows liked the little Jolly Jumping Bean story. To begin with, it was the tale of another Utica triumph, and in an entertaining way it informed them about a highly important new aspect of a business whose fortunes are highly important to thousands of Utica citizens. Also, in the telling, Earl Dunmore didn't hesitate to cast himself in a faintly ridiculous, if heroic, role, and they like that attitude. Uticans don't see any sense in a man's being too damned desperate about his business affairs.

IT IS IN SUCH INTANGIBLES, perhaps, that the Utica small businessman finds his principal rewards—you won't see any of them on the Treasury Department's list of corporate salaries in excess of \$75,000 annually. But there is peace at the end of each day's effort, and in good times and bad, an unremarked but strongly felt sense of security—a kind of community security, rather than a collective one.

It is for the purpose of strengthening that security that the Utica Chamber of Commerce has taken to ogling strangers. For Utica is certainly no "booster" town. It is highly improbable that Utica will ever become a metropolis, and it is doubtful if anyone now living there wants it to. Around the Fort Schuyler Club, they laugh about two members who used to play backgammon every Saturday afternoon, but one weekend decided to run down to New York for a blowout. They were sitting in their room in the New Yorker hotel, debating what show or nightclub to visit, when one of them slyly pulled a backgammon board out of his bag. Five hours later the other one said to him, "Look, if we make this the last throw, we can catch the sleeper back to Utica." A New Yorker who has spied on the Fort Schuyler Club for a spell can appreciate that story. It's a pretty nice way of life, and of doing business, up Utica way. It is, one might say, the American way—without ulcers.

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