

The OPA Personalities Parade  
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Station WORL  
216 Tremont Street  
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Wayne: And now, we bring you an original WORL presentation, arranged in collaboration with the Massachusetts Office of Price Administration--the OPA Personalities Parade. There has been a lot of talk lately about the OPA fight against Black Markets. This fight is the most dramatic phase of the whole program to maintain and enforce price control in order to keep your cost of living from getting out of hand.... This morning we are going to tell you - how that enforcement works -- why it is important that it does work -- and what you can do as individuals to help make it work -- and to bring you the answers to these questions, we are pleased to have with us Patrick B. Carr, Chief Investigator of the Massachusetts OPA office, Good morning, Mr. Carr.

Carr: Good morning, Mr. Wayne and to the listeners of WORL. I am very happy to appear on this program today to talk on a subject that could, if allowed to, cause us to lose the Home Front battle we are all pledged to win -- Black Markets.

Wayne: How would you define a Black Market, Mr. Carr?

Carr: Well, perhaps a simple explanation would be that a Black Market is an illegal transaction in violation of the wartime plan for keeping prices down and preventing serious wartime scarcity.

Wayne: Could you give our audience an example that would show how a black market transaction begins, Mr. Carr?

Carr: Well, all black market transactions do not begin at the source of supply, Mr. Wayne. But the case I have in mind did. It started with a big Lumber Company. Let us follow the progress of this illegal sale right down to the consumer. The Lumber Company had lumber to sell. It charged a dollar per thousand feet above the legal ceiling price. The manufacturer it sold the lumber to, paid this overcharge because he had to have the lumber to meet his orders for chairs. But because the manufacturer paid more for his material, he naturally had to charge more for his chairs in order to make any profit on them. The wholesaler who had to pay this manufacturer more for the chair promptly put a higher price on them to assure his profit. He, in turn, sold to several different retailers at the higher price and all of them had to charge their customers more to clear their profit. Remember.....no one expects a man to stay in business unless he can show a profit--so one seemingly insignificant overcharge in this case, kept spreading and spreading, like the proverbial pebble in a pond, until it affected the consumer in the end.

Wayne: Or, giant oaks from little acorns grow, Mr. Carr. (LAUGH)

Carr: (LAUGH) That's right, Mr. Wayne, and here is one that operates in reverse . . . Suppose you pay a grocer a few pennies over the ceiling price for, well---poultry, for example. And so do all his other customers. The extra money enables him to go into the wholesale market and outbid his competitors. He winds up with more than his share of

Carr:  
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poultry and customers begin to flock to his store. The grocer across the street who has been sticking to ceiling prices sees his customers going there and ~~making~~ rather than go out of business, he is forced to charge a little more too, so he can meet the other man on equal terms in the market place. This is what you might call the - "inflation spiral" - in reverse. If it is not checked, there is no end to it - and no limit to the prices all of us would have to pay before we get through.

Wayne:

That is very interesting, Mr. Carr, and I am sure that everyone listening must realize how important the enforcement of price control is to all of us.....By the way, OPA must need a large force of men to enforce price control?

Carr:

Throughout the country, OPA has had only 2200 paid investigators on the job. All the men are trained investigators accountants or experts in the trade practices of some particular industry. Their job is to check on the compliance with price ceilings in their particular field and to bring legal action against those who are the real wilful violators.

Wayne:

I have heard that the Black Market is controlled by the old-time prohibition racketeers.....that they have--shall we say--"muscled in." Is this true?

Carr:

I wish I could answer "No" to that question, Mr. Wayne, but unfortunately it is true--to a certain extent. But it is the public, paying above top legal prices, that makes it possible for these racketeers to "stalk ~~their~~ their prey."

A man does not have to be a gangster or racketeer to operate

Carr: illegally. He can be a serious ~~violation~~ violator of wartime regulations, and still not carry a tommy-gun.

Wayne: I have heard many people remark, Mr. Carr, that it is un-American for OPA to have a paid force of investigators?

Carr: Well, if that is so . . . all I can say is that it is un-American to have traffic officers or any other enforcement agencies . . . But you see we have less than 3000 OPA investigators in the entire country . . . and these men have the responsibility of looking over two million wholesalers and retailers . . . to say nothing of 12 million rental units, thousands and thousands of restaurants, amusement places and all other businesses that come under price control regulations. So it is plain to see that these investigators do not have time just to harass and "persecute" businessmen.

Wayne: I would say it is really remarkable then to learn that OPA has accomplished so much with such a small force. How many convictions for violations have been obtained, Mr. Carr?

Carr: Here is our record to date, Mr. Wayne. Of all the cases of price violations brought to the courts by our investigators, 96 per cent have been decided by the courts in favor of OPA. It all goes back to what I said before. . . These men are not out to make trouble for people. They are checking the "chiselers" so that honest folks. . . and honest merchants . . . will not have to be penalized through a higher cost of living by the greed and selfishness of a few.

Wayne: I should think your job would be easier if you "nipped enforcement in the bud" - so to speak - by concentrating on the manufacturer?

Carr: Well, as I said before - all black market operations do not begin with the manufacturer. If it did, our job would be relatively simple. . . . But Washington does recognize that since a violation of ceiling prices at the manufacturer and wholesaler level is reflected all the way down to the shopper, certain members to our force are concentrating on this level . . . . Obviously if we can stop a violation by one manufacturer or wholesaler, we may prevent violations by a hundred retailers who handle his product. There was just such a case which illustrates that very clearly. It had to do with bedsprings.

Wayne: Tell us about it, Mr. Carr.

Carr: Well, a manufacturer was given a priority on steel to fill a special order for bedsprings for a crowded defense area. He returned the compliment by charging twice the ceiling price for them. Since this overcharge would have made the bedsprings cost the retailers more than their ceiling price for them, they would have had to charge illegal prices or lose money. Luckily, OPA investigators detected the violation before it was passed on to the customer, and the courts upheld their charges against the manufacturer.

Wayne: You are certainly doing your best to make it possible for us to have the things we need at a price we can afford to pay.

Carr: Yes, we are, Mr. Wayne, but the public must help themselves.....

Wayne: (INTERRUPTING) Oh - I was just going to ask you. "How can Mr. and Mrs. John Q. Public help?"

Carr: Well, first you must recognize the fact that.....you and your neighbor and every individual shopper, constitute the "Second Front" in the battle for enforcement of price controls to keep down the cost of living. No doubt most of you have taken the home front pledge that "You will not pay over top legal prices." And most of the merchants you deal with will not charge over ceiling prices. But suppose you find one who does ask more than the ceiling price. Do not fly off the handle and accuse him of all manner of dark dealing . . . Remember he is overworked these days. He has hundred of items on his shelf that have price regulations on them . . . He is short of help, like everybody else. And much of the help he has is inexperienced. It is quite possible that, in the shuffle, a price ceiling got overlooked or misquoted. Nine times out of ten, if you call his attention to it, he will thank you for your cooperation, and correct his price. He has as much at stake as you have in this fight against inflation. But-- if he ignores your reminder, or refuses to do anything about it, it is a pretty good tip-off that he is deliberately trying to chisel. In that case, you should report your case to the price panel of your local War Price and Rationing Board.

Wayne: You say, report it to the Price Panel?

Carr: Yes, Mr. Wayne, as you know these price panels were set up to handle all matters of price control right in your own town. The members are citizens of your community. May be one of your neighbors is on it. Whoever they are, they know the local merchants. In fact, many of them are merchants

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themselves. But as volunteers, like all members of War Price and Rationing Boards, they are giving their time to do what they can to see that price control works. They are there to serve both you, and your merchants.

Wayne:

How does the price panel operate, Mr. Carr?

Carr:

I like that question, Mr. Wayne, and I will try and answer it in a few words. If you take a complaint to your price panel, it will assign an assistant to look into the matter and call on your store. These assistants are volunteers, too. Many of them are housewives who are used to shopping and looking over prices. The price panel assistant will take over the job of straightening out the merchant. In many cases, a call on the offender by an assistant is all it takes to clear the matter up. Most violators, once they understand the regulations clearly and realize how important it is for all of us to work together on price control for everybody's good, are glad to comply.

Wayne:

Has this neighborly way of handling price violations been effective, Mr. Carr?

Carr:

Surprisingly effective, Mr. Wayne. During the month of October, price panel assistants visited more than 100,000 food stores. In only 750 cases - that is less than one per cent - was it necessary to bring the complaints to the attention of the paid enforcement staff. When that happens, the matter is first turned over to us here in the Massachusetts State Office.

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Only at this point does our investigation staff step into the picture. We investigate and, if necessary, institute legal action to force the offender to comply. These, as you know, are the exceptions, but we cannot allow even one exception to penalize the rest of us.

Wayne:

Time is running out, Mr. Carr, and I know our listeners would like a word about turkeys. Are we going to have any for Christmas?

Carr:

(LAUGH) I wish I could answer that one, Mr. Wayne, but you know OPA has nothing to do with the supply of any product . . . But I can assure you that a close watch will be kept for ceiling price violations, and if the public will cooperate by refusing to pay over ceiling price for turkeys this Christmas, black market operators will be forced to sell turkeys in the legitimate market places.

Wayne:

Well, it's good to know that every boy in the service will have a turkey dinner at Christmas time anyway, and that is the important thing. I wish we had more time to discuss this subject and I hope you will return to WORL soon. Thank you, Mr. Carr . . . You have just heard Patrick B. Carr, Chief Investigator of the Massachusetts OPA office . . . This has been your OPA Personalities Parade which comes to you every Sunday morning at this same time -- and until next Sunday morning at 11:15 this is your OPA News reporter, Gordon Wayne - asking you not to pay more than top legal prices, and not to buy rationed goods without giving up ration stamps.