

United States Economic Stabilization Agency records

Ms. Coll. 1274

Finding aid prepared by Rayna Andrews.

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University of Pennsylvania, Kislak Center for Special Collections, Rare Books and Manuscripts

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Summary Information

Repository	University of Pennsylvania: Kislak Center for Special Collections, Rare Books and Manuscripts
Creator	United States. Economic Stabilization Agency.
Title	United States Economic Stabilization Agency records
Call number	Ms. Coll. 1274
Date [bulk]	1951-1952
Date [inclusive]	1944-1973
Extent	3.4 linear feet (4 boxes)
Language	English
Abstract	<p>The Economic Stabilization Agency was a federal government agency responsible for imposing price ceilings and wage controls to stabilize the United States economy during the Korean War. It was authorized with the Defense Production Act of 1950, and abolished in 1953. This collection is comprised of materials created during the daily functioning of the Economic Stabilization Agency, and of materials related to the Agency and to the Defense Production Act of 1950.</p>

Cite as:

United States Economic Stabilization Agency records 1944-1973 (bulk: 1951-1952), Ms. Coll. 1274, Kislak Center for Special Collections, Rare Books and Manuscripts, University of Pennsylvania

Biography/History

The Economic Stabilization Agency (ESA) was a government agency responsible for imposing price ceilings and wage controls on the United States economy from 1950 to 1953. On September 8, 1950 in response to the start of the Korean War, President Harry S. Truman signed the Defense Production Act, which gave the President the authority to control the civilian economy in order to provide for defense needs. On September 9, 1950, President Truman signed Executive Order 10161, creating the Economic Stabilization Agency and delegating the functions of Title IV of the Defense Production Act to the Administrator. The price control provisions of the Defense Production Act expired in 1953 despite some effort to extend it, and on February 6, 1953, President Dwight D. Eisenhower signed Executive Order 10434, suspending wage and salary controls and abolishing the ESA effective April 30, 1953. Price and wage controls have a complicated history in the United States, as they've been applied to varying degrees in four wars during the 20th century (WWI, WWII, the Korean War, and the Vietnam War), yet time and again economists argue that price controls do not work. During the ESA's period of operation there was a measurable reduction in inflation, however, government officials both within and outside of the agency thought the administrator was not given enough oversight to effectively affect economic stabilization. Furthermore, lack of support for agency initiatives from all sides, including both organized labor and industry meant that the ESA was fighting battles on multiple fronts. Even when people expressed support for regulation and price ceilings, it was typically only for "the other guy." The ESA was responsible for supervising the Office of Price Stabilization, the Wage Stabilization Board, the Salary Stabilization Board, the Office of Rent Stabilization, the Railroad and Airline Wage Board, and the National Enforcement Commission. It had four administrators from 1950 to 1953: Alan Valentine (1950-1951), Eric Johnston (1951), Roger Putnam (1951-1952), and Michael DiSalle (1952-1953). DiSalle was originally director of the Office of Price Stabilization (an office under the ESA), but resigned on January 23, 1952 to run for Senate, ultimately losing to Republican John W. Bricker. When Roger Putnam resigned as ESA administrator on November 6, 1952, President Truman named DiSalle his successor until Dwight Eisenhower either named a permanent replacement, or Congress failed to renew the Defense Production Act, the latter of which occurred.

Works referenced:

- Eisenhower, Dwight D. Executive Order 10434—Suspension of Wage and Salary Controls Under the Defense Production Act of 1950, as Amended . February 6, 1953. Accessed April 28, 2017.
- Ginsburg, David. 'Price Stabilization, 1950-1952: Retrospect and Prospect . University of Pennsylvania Law Review 100, no. 4 (1952): 514-43. Accessed April 28, 2017.
- Kaufmann, John H. The Problem of Coordinating Price and Wage Programs in 1950-1953; Part I . Indiana Law Journal 29, no. 4 (Summer 1954): 499-537. Accessed April 28, 2017.
- Kaufmann, John H. The Problem of Coordinating Price and Wage Programs in 1950- 1953; Part II . Indiana Law Journal 31, no. 1 (Fall 1954): 18-58. Accessed April 28, 2017.
- Rockoff, Hugh. Price and Wage Controls in Four Wartime Periods . The Journal of Economic History 41, no. 2 (June 1981): 381-401. Accessed April 28, 2017.
- Truman, Harry S. Executive Order 10161—Delegating Certain Functions of the President Under the Defense Production Act of 1950. September 9, 1950. Accessed April 28, 2017.

Scope and Contents

This collection is comprised of materials created during the day-to-day functioning of the Economic Stabilization Agency (ESA), and of materials related to the Agency and the Defense Production Act of 1950. It is organized into three series: organizational records and office files, legislative and executive records, and press.

Series I: organizational records and office files include materials such as correspondence; memos; copies and drafts of statements and reports; and copies of regulations and orders from the ESA. The correspondence in this collection includes letters to lawmakers, company executives, and concerned citizens. While the volume of correspondence within this collection is relatively small (one folder – box 1, folder 4), it is likely representative of the most frequent kinds of correspondence the ESA sent and received during its operations. The memos included in this series are comprised of many types of intra-agency communication, from page-long briefings, to quick notes and messages. Statements and speeches include those composed for a broader audience, such as Eric Johnston's radio address concerning wage stabilization on September 8, 1951 (box 2, folder 6), as well as more targeted speeches given to specific groups at meetings or on other occasions (e.g. the American Bar Association, labor conventions, university commencement addresses, statements to congressional committees, etc.). Reports include those to the public about the necessity of price control and what stabilization is doing for the economy, as well as reports to other government agencies and officials. There are also internal reports on programs and issues that the agency encounters or expects to encounter during their work. This series also includes records related to the 1952 steel strike and the bituminous coal wage case, two prominent and contentious labor disputes that caused significant upheaval in the Wage Stabilization Board (a board under the ESA) and required the intervention of the ESA administrator and, in the steel case, the President. The steel case went on for months and turned into a bitter battle between labor, industry, and government. The results of the coal wage case led the WSB chairman and some industry officials to resign in protest, essentially leading to the collapse of the board. Given the length and prominence of these two cases, there are a number of statements and reports, as well as correspondence and memos concerning them in this series. Much of the correspondence and memos in this collection, as well as some of the draft statements, appear to be copies, and the originals are not included in the collection.

Series II: legislative and executive records consist primarily of a copy of the Defense Production Act of 1950 and of selections from the *Congressional Record*. These selections are transcripts of congressional proceedings in both the House of Representatives and the Senate on issues related to the work of the ESA. This series also includes roll calls of votes, and records of congressional bills, amendments, and resolutions including: S. 2104, S. 2155, S. 2180, S. 2594, S. 1717, and S. Res. 328; as well as H.R. 8210, H.R. 8370, H. Res 696, and H. Res 676. Also included in this series are executive orders and White House releases related to the Defense Production Act.

Series III: press, includes ESA press releases; magazine and newspaper clippings; photographs of Roger Putnam and other unidentified individuals; articles and guest columns written by ESA staff and administrators; and scripts for an NBC radio program entitled *Washington on the Spot*, in which government officials answered questions related to the Office of Price Stabilization. Materials in this series are typically announcing something new, such as a change in staffing or a proposed order or regulation; serving as outreach and education to the public; or working to raise public support (i.e. before a congressional vote). This series provides a good view of how the ESA tried to present the agency and

their initiatives to the public.

The materials in this collection do not necessarily speak to the ESA's longer-range impact on the United States economy. Statements, reports, and internal communication show administrators and other agency staff devoted to the idea that wage controls and price ceilings will control inflation and stabilize the economy during military action. They address other government officials, urging them to support the ESA and further regulations; as well as the public – educating them on the dangers of inflation and encouraging them to accept price controls. Since materials do not extend beyond the operations of the ESA, they do not present a picture of any lasting effects it may have had on the government or the economy.

It is unclear who collected these ESA materials, but the bulk of them appear to be from Roger Putnam's tenure as administrator.

Administrative Information

University of Pennsylvania, Kislak Center for Special Collections, Rare Books and Manuscripts

2017 April 28

Finding aid prepared by Rayna Andrews.

Access Restrictions

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Related Materials

Related Archival Materials note

At National Archives: General Records of the Economic Stabilization Agency [ESA], Record Group 296
Records of the Wage and Salary Stabilization Boards of the Economic Stabilization Agency, Record Group 293

Records of the Office of Price Stabilization, Record Group 295

At Kislak Center for Special Collections, Rare Books and Manuscripts, University of

Controlled Access Headings

CORPORATE NAME(S)

- United States. Economic Stabilization Agency.

FORM/GENRE(S)

- Correspondence
- Legislative records
- Memorandums
- Press releases
- Reports
- Speeches

GEOGRAPHIC NAME(S)

- United States--History--20th century

PERSONAL NAME(S)

- DiSalle, Michael V. (Michael Vincent), 1908-1981
- Johnston, Eric A. (Eric Allen), 1895-1963
- Putnam, Roger Lowell, 1893-1972
- Valentine, Alan Chester, 1901-

SUBJECT(S)

- Economic stabilization
- Korean War, 1950-1953--United States
- Political science

- Price regulation
- United States--Economic policy
- Wages--United States

Collection Inventory

I. ORGANIZATIONAL RECORDS AND OFFICE FILES.

	Box	Folder
Bituminous coal wage case, 1952 October-December.	1	1
"CBH Chronological file" -- Charles B. Holstein, 1949 May-June.	1	2
	Box	Folder
"CBH Chronological file" -- Charles B. Holstein: press release/statement by Senator Francis J. Myers, 1949 June.	98	
	Box	Folder
"CBH Chronological file" -- Charles B. Holstein, 1949 October-November, undated.	1	3
	Box	Folder
"CBH Chronological file" -- Charles B. Holstein: draft of letter to Mr. W. Richison Schofield, 1949 November.	98	
	Box	Folder
Correspondence, 1951 February-1952 December, undated.	1	4
Critical area releases -- certification of critical defense housing areas, 1952 August-September.	1	5
Critical area releases -- certification of critical defense housing areas, 1952 October-1953 March.	1	6
"DPA and appropriations drafts" correspondence, memos, statements, etc., 1952 June-August, undated.	1	7

Economic Stabilization Agency executive reports, 1952 July, 1952 September-1953 February.	1	8
Economic Stabilization Agency General Regulations and Orders, 1951 February-December.	1	9
Economic Stabilization Agency office files -- statements, speeches, correspondence, releases, etc., 1951 January-May.	1	10
Economic Stabilization Agency office files -- statements, speeches, correspondence, releases, etc., 1951 June-October.	1	11
Economic Stabilization Agency office files -- statements, speeches, correspondence, releases, etc., 1951 November-December.	1	12
Economic Stabilization Agency office files -- statements, speeches, correspondence, releases, etc., 1952 January-May.	1	13
Economic Stabilization Agency office files -- statements, speeches, correspondence, releases, etc., 1952 June-1953 January.	1	14
	Box	Folder
Economic Stabilization Agency organizational chart, 1952 June.	98	
	Box	Folder
Memos and copies of memos, 1951 February-1953 February, undated.	1	15
Office of Price Stabilization volunteer committees, 1951, undated.	1	16
Reports, including budget information, 1944 July-1950 January.	2	1
Reports and drafts of reports, including budget information, 1951 March-1952 April.	2	2
Reports and drafts of reports, including budget information, 1952 September-1953 January, undated.	2	3

Speeches and statements -- drafts and final copies, 1951 February-May.	2	4
Speeches and statements -- drafts and final copies, 1951 June-August.	2	5
Speeches and statements -- drafts and final copies, 1951 September-October.	2	6
Speeches and statements -- drafts and final copies, 1951 November-December, circa 1951.	2	7
Speeches and statements -- drafts and final copies, 1952 January-April.	2	8
Speeches and statements -- drafts and final copies, 1952 May-August.	2	9
Speeches and statements -- drafts and final copies, 1952 September-1953 March.	2	10
Speeches and statements -- drafts and unidentified fragments, undated.	2	11
"Suspension of controls drafts" -- correspondence, memos, statements, etc., 1952 April-December, undated.	2	12
Wage Stabilization Board -- General Salary Orders, 1951 August-January.	2	13
Wage Stabilization Board -- General Salary Stabilization Regulations, 1952 March-November.	2	14
Wage Stabilization Board -- "General Wage Regulations," Q&A sheets, and interpretation bulletins, 1951 October-1953 January.	2	15
Wage Stabilization Board -- Interpretations, 1951 November-1952 December.	2	16

II. LEGISLATIVE AND EXECUTIVE RECORDS.

	Box	Folder
Congress -- bills, fact sheet, roll call of votes, 1951-1952, undated.	3	1
<i>Congressional record</i> , 1952 June-July.	3	2-6
<i>Congressional record</i> -- House debates and remarks on Defense Production Act, 1951 June-July.	3	7
<i>Congressional record</i> -- Senate debates and remarks on Defense Production Act, 1951 July.	3	8
Defense Production Act of 1950, 1951 May.	3	9-14
Economic Stabilization Agency -- <i>Hearings before the Committee on Banking and Currency, House of Representatives</i> , 1973.	3	15
Executive orders and White House releases, 1950 September-1953 February.	3	16

III. PRESS.

	Box	Folder
"ESA releases" and "ESA articles", 1953, undated.	3	17
Magazine and newspaper articles, 1951 November-1952 September.	3	18
Photographs and proofs of Roger Putnam, circa 1952.	3	19
	Box	Folder
Photographs and proofs of Roger Putnam: photograph proof of Roger Putnam, circa 1952.	98	
	Box	Folder

Photographs of Roger Putnam and others, circa 1952.	3	20-21
Photographs of unidentified individuals, undated.	3	22
Press materials including articles, fact sheets, interview questions/answers, press releases, etc., 1950 November-1951 August.	3	23
Press materials including articles, fact sheets, interview questions/answers, press releases, etc., 1951 September-1952 June.	3	24
Press materials including articles, fact sheets, interview questions/answers, press releases, etc., 1952 July-1953 February, undated.	4	1
"Releases by Roger L. Putnam", 1951 December-1952 April.	4	2
"Releases by Roger L. Putnam", 1952 May-August.	4	3
"Releases by Roger L. Putnam", 1952 September-December, 1953 March.	4	4
<i>Washington on the Spot</i> scripts, numbers 1-7, 1951 July-August.	4	5
<i>Washington on the Spot</i> scripts, numbers 8-11, 15-16, 1951 August-October.	4	6