

Published daily except Sunday by News Syndicate Co. Inc., 220 E. 42d St., Borough of Manhattan, New York 17, N. Y. Daily mail subscription rates: U. S., \$8.00; Canada, \$15.00 a year. For the Daily and Sunday News, U. S., \$10.50 per year; Canada, \$20.00. President and treasurer, J. M. Paterson; secretary, R. R. McCormick second vice president and general manager, Roy C. Holliss; assistant secretary F. M. Flynn, all of 220 E. 42d St., New York, 17, N. Y.

MEMBER OF THE ASSOCIATED PRESS

The Associated Press is exclusively entitled to the use for republication of all news dispatches credited to it or not otherwise credited in this paper and also the local news published herein. All rights of republication of special dispatches herein are also reserved.

ELLIOTT AS A BUSINESS MAN

The House Ways and Means Committee day before yesterday made public the record (1,000 pages, 10 pounds) of its investigation of Elliott Roosevelt's financial operations. As to what the story means, the committee split on strict party lines.

To the Democratic majority on the committee, the story means only that President John Hartford of the A. & P. was "justified" in listing as a bad debt for income tax purposes the \$196,000 he was out after Jesse Jones settled Hartford's \$200,000 loan to Elliott for \$4,000 of Jones' money. Jones says he hasn't yet been repaid his \$4,000.

The Republican committee minority says the Democratic majority has whitewashed Elliott, and that he at least ought to be required to pay income taxes on his \$196,000 net gain from the Hartford deal.

The Bite on Dear John

It seems to us that the report raises a couple of questions as to what caliber of business men John Hartford and Elliott Roosevelt are. Let's take their cases separately, starting with dear John.

Who's Who lists John Hartford as "pres. Great Atlantic & Pacific Tea Co.; dir. Guaranty Trust Co., New York, New Haven & Hartford R. R., Prudential Ins. Co. of Am., Chrysler Corp., Long Island R. R., Hotel Waldorf-Astoria Corp." His brother, George L. Hartford, is listed only as "chmn. bd. of dirs. Great Atlantic & Pacific Tea Co."

George was first approached for the loan of \$200,000 for Elliott to put into his Texas radio network. George said no, and suffered no reported hardships from that refusal.

When Elliott tackled John, John was coy at first. Then Elliott put in the famous telephone call to President Roosevelt, who came on the wire with a warm "Hello, John," though the two had never met. Hartford says the President recommended the loan as "a sound business proposition and a fine thing," and that he thereupon let Elliott have the money. Elliott's security consisted of stock in the Texas radio chain—stock which was not bankable, in financial language. That means a bank would not touch it as collateral, though sometimes non-bankable stock turns out to be all right.

Three months before Hartford loaned Elliott the \$200,000, an anti-chain store bill had been introduced in Congress. It would have crippled A. & P. and all the other store chains. If it perchance crossed Hartford's mind that this loan to the President's son might weaken the anti-chain bill's chances, why did he use his own money for the loan? Why not have used the A. & P.'s money, as being for a strictly business purpose? And, since the anti-chain bill did die in committee three months later, after strong Administration opposition to it had been registered, why didn't John Hartford at least hint around to the other store chains that they might gracefully make up a pot to reimburse him for at least part of his loss?

This is no rap at chain stores. Though they have put many small stores out of business, they can distribute more goods to more people at less cost than small stores can. But it does seem that John Hartford was not as good a business man in this deal as he might have been, or as George Hartford was.

* * *

How about Elliott Roosevelt as a business man?

Well, now it comes out that Elliott's radio stock was worthless or nearly so for quite a while, but that in 1942 it began to look up. That was the year in which Jesse Jones bought it back for \$4,000, or 2 cents on each dollar of the \$200,000 loan from Hartford.

Wizard Elliott

President Roosevelt is now reported to have personally turned over the recovered stock to Elliott's divorced second wife, she that was Ruth Googins, to take care of her and her three children. Elliott told a reporter for Variety, theatrical trade paper, the other day that his radio corporation's attorney tells him the concern's total stock issue is now worth between \$1,500,000 and \$2,000,000.

"If I fathered a flop in the Texas Network," Elliott is quoted as saying, "I would like to have another one like it right now."

So would say we all of us. On this record, Elliott is a genius when it comes to business. Any man who can promote a \$200,000 loan on questionable stock, get the stock back for 2% of the loan, pay off his ex-wife with the recovered stock, and up to now pay no income taxes on the \$196,000 net gain from the loan is a business wizard.

* * *

The two Ulysses S. Grant administrations (1869-77) are generally cited as tops in shady inside deals. The Elliott Roosevelt story ties, if it doesn't outdo, anything that ever came out on the Grant regime. President Grant was in the habit of putting nice things in the way of his friends, but not in the way of his own son.