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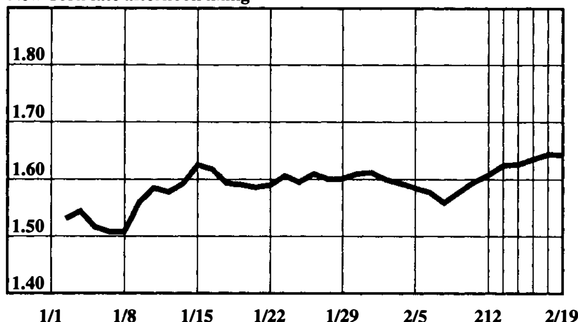
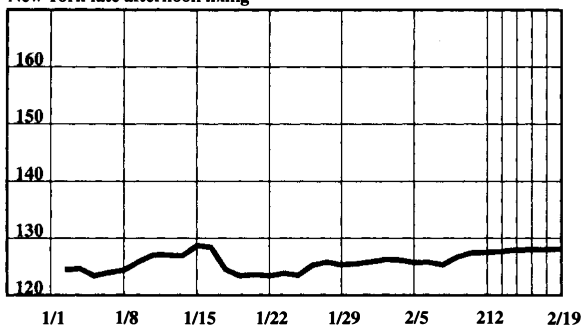
Currency Rates

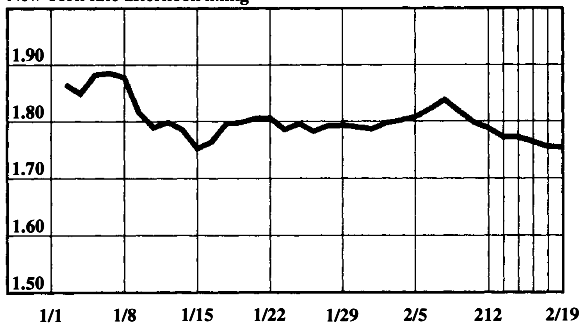
The dollar in deutschemarks
New York late afternoon fixing



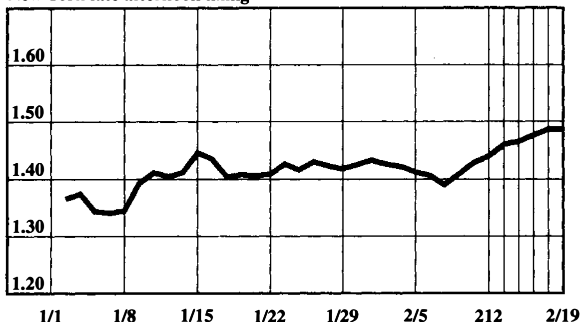
The dollar in yen
New York late afternoon fixing



The British pound in dollars
New York late afternoon fixing



The dollar in Swiss francs
New York late afternoon fixing



The American System

Kennedy vs. Blough: Who won in the end?

by Leif Johnson

On April 10, 1962, the president of the U.S. Steel Company, Roger Blough, walked into the Oval Office, and after introductory pleasantries, handed President John F. Kennedy a four-page mimeographed press release announcing that U.S. Steel would raise the price of steel $6 a ton, effective immediately. The short ensuing war between Blough and Kennedy was a dramatic public highlight of the deepest domestic economic policy fight in post-World War II America. Kennedy won that war when, 10 days later, Blough was forced to retract the price increase, but his victory did not outlive him.

Kennedy had promised in the 1960 election campaign, and repeatedly after talking office, to pull the nation out of the severe 1957-60 Eisenhower recession. He pledged to expand the economy by 5% a year, to add 25,000 jobs a month for the next decade, in order to, as he said, "keep you working and your children working."

His economic program consisted of using the federal government to expand the economy by "making public investments which provide a solid foundations for the private investments which is the key to our free enterprise economy." Kennedy wanted to develop our natural resources, including nuclear energy; encourage plant modernization with an investment tax credit; give economic incentives for depressed areas; expand math and science scholarships; and intensively fund research and development, especially for nuclear fusion power. Four months after his inauguration, Kennedy announced his famous program for going to the Moon.

President Kennedy's concern was not only high U.S. unemployment, but the fact that for the first time since the war, the U.S. had developed a trade and balance of payments deficit with the rest of the world, weakening the dollar. On Feb. 13, 1961, he told the National Industrial Conference Board: "Capacity operation is the key. No matter what other arguments or stimulants are used, the incentives for investing new capital to expand manufacturing plants and equipment are weak as long as manufacturers are operating at less than 80% of their capacity."

He continued, "From 1950 to 1958, we put only one-sixth of our total output into capital formation, while Japan, Germany, Italy, the Netherlands, Canada, and Sweden were all investing one-fifth or more of their total output in capital goods. . . . All of these facts point in one direction: We must

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