



DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, SCIENTIFIC RESEARCH AND DEVELOPMENT, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

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Review of the Week in Defense

Pots, pans, broken toys, cocktail shakers, and a wide variety of odds and ends were hunted out in millions of American homes last week in preparation for the Nation-wide collection of scrap aluminum this week.

Five States beat the gun and started their drives early, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, reported. Others joined as the campaign was launched formally this Monday.

The goal was 20,000,000 pounds of aluminum for bombers, fighting planes, and other military uses.

Urgent problem of aluminum

Meanwhile, the Office of Production Management denounced public statements that aluminum production is adequate for defense needs.

Director General William S. Knudsen and Associate Director General Sidney Hillman, while explaining that there has been no "substantial curtailment of defense operations caused by a lack of aluminum," cited these facts:

Total military requirements for aluminum for the second half of 1941 are 400,000,000 pounds.

Production of virgin aluminum ingots will be 327,000,000 pounds during the same period. The output from secondary metal, which cannot be widely used for direct military purposes, may bring the total to 400,000,000.

"These figures clearly show that there will be no new aluminum available for civilian use," OPM said. "but there is and will be an urgent problem involved in supplying enough fabricated aluminum parts at the places where they are needed when they are needed for defense production alone."

Five companies recommended

OPM recommended five companies to operate seven new Government-owned aluminum plants previously proposed. It also advised the War Department to build a plant for the production of 400,000,000 pounds of alumina—a preliminary step in aluminum manufacture.

The seven aluminum plants will add 600,000,000 pounds to U. S. capacity, raising it to a total of 1,400,000,000 a year.

While OPM moved to increase production of vital raw materials, OPACS drew the line sharper on civilian allocations for the manufacture of automobiles, domestic refrigerators, and household laundry equipment.

The program, announced following a series of conferences with industry representatives, will cut consumption of scarce materials in half. OPACS estimated 4,250,000 tons of iron and steel and "substantial amounts" of nickel, copper, tin, zinc, aluminum, chromium, and lead will be saved for more essential civilian needs.

Autos to be cut 50 percent

Automobile production will be reduced 50 percent after October under the tentative plan. Domestic washing and ironing machines will be cut 30 percent initially, more stringently later. Refrigerator production will be limited to 150,000 units a month.

Upward adjustments in ceiling prices on cotton grey goods and combed cotton yarn were allowed by OPACS to cover increased operating costs following meetings with the Cotton Textile Advisory Panel. As a result cotton print cloth, held at 39 cents a pound, will return to the May level of 43 cents.

OPACS gave the highest civilian priority rating to raw materials used in the manufacture of hospital equipment, surgical implements and supplies, and eye-glass frames and parts in two civilian allocation orders.

Authorized defense expenditures approached \$50,000,000,000 June 30, last, the OPM Bureau of Research and Statistics disclosed. Appropriations, contract authorizations, RFC funds aggregated nearly \$46,000,000,000. British contracts added \$3,671,000,000.

More guns produced

As evidence that this money is being converted at an increasing rate into

planes, ships, tanks, and guns, the OPM Production Division called attention to rifle and submachine gun production. The present rate is 1,500 a day as against 289 last August, 931 last January.

E. R. Stettinius, Jr., Director of Priorities, set up eight commodity branches in accordance with the previously announced OPM reorganization. He also met with Price Administrator Leon Henderson and copper producers to explore means of increasing the industry's capacity.

Defense Housing Coordinator C. F. Palmer said that completion of nearly 2,000 defense homes the week of July 12 brought the total to 20,865 for the year.

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Priorities offices in Atlanta, Cincinnati and San Francisco

Priorities Director Stettinius announced July 20 the opening of three new offices of the Priorities Field Service.

Field offices of the Priorities Division have previously been opened in ten other cities.

John B. Reeves will be district manager for the field service in Atlanta and will have his office in the Federal Reserve Bank in that city.

Andrew L. Kerr will be district manager in San Francisco and will have his office in the Federal Reserve Bank there.

Burroughs for Cincinnati

Bruce W. Burroughs, of Cincinnati, will be district manager for that city. His office will be in the Union Trust Building.

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Rifle and submachine gun production exceeds 1,500 a day

Rifles and submachine guns are now being produced at a rate of more than 1,500 per day, it was announced July 17 by the Production Division, OPM.

This compares with daily average production in August 1940, of 289 and in January 1941, of 931.

Included in these figures are the Garand semiautomatic rifle, the automatic Browning, and the Thompson submachine gun.

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50 percent cut in autos, refrigerators provided by tentative OPACS program

Impelled by present and prospective acute shortages of industrial raw material being consumed in unprecedented amounts by civilian and defense industries, a tentative program for curtailment of production in three leading consumers durable goods industries was announced July 20 by Leon Henderson, administrator of the Office of Price Administration and Civilian Supply. Mr. Henderson said there was no occasion for increase of prices at retail.

The program covers the automotive, domestic mechanical refrigerator, and mechanical household laundry equipment industries. It is designed to reduce consumption of scarce materials in these industries during the next 12 months by 50 percent. These three industries are among those with which OPACS officials have held conferences on the raw material supply situation during the past few days. Further conferences with them to discuss details of the curtailment program are planned.

Defense contracts may help

The program is being undertaken with full realization of the possible dislocating effect of such a reduction on employment and operation of the economy generally, but it is necessitated by severe shortages of steel, nickel, copper, rubber, and other basic materials for these and other civilian durable goods industries. It is anticipated that the reduction will be partially offset by the increasing participation by these industries in defense work, the automobile industry having already undertaken contracts for \$2,000,000,000 worth of defense goods.

Although these three industries are among the largest consumers of industrial raw materials required in large amounts for defense purposes, the curtailment program will necessarily be extended to others in the consumers durable goods field in the near future. Conferences are currently being held with a number of these other industries including air-conditioning, heating, and cooking equipment, metal furniture, and miscellaneous household appliances.

To simplify preferences

It is expected that this procedure will reduce the need for an elaborate, detailed, and complex system of preferences for the wide range of civilian industries pro-

ducing goods whose output cannot be postponed without danger to the welfare of the public.

Complaints reaching OPACS from all over the country indicate that material shortages have been affecting different industries and companies disproportionately. It is becoming evident that unless prompt action of this type is taken, increasing needs of the defense program for raw materials will force complete shutdowns of many producers of civilian goods—wholly without regard to the relative need for their products. The proposed program provides for an orderly curtailment in those industries where reductions will do the least harm and is expected to relieve the heavy pressure on mills and factories for immediate and near immediate deliveries for all kinds of civilian and defense materials. It is also expected to allow for orderly distribution of consumers goods since it is known that distributors have substantial inventories of most of these items.

Reduction from high output

While the tentative curtailment program is severe, it was pointed out that the reductions will be made from extraordinary high rates of production during past months, will still leave a large volume of output in each of the three industries thus far involved, and will free productive facilities and manpower for defense work. At the same time it was pointed out that OPACS has taken steps to insure continued operation of the country's consumers durable goods already produced and in use through issuance of allocation programs designed to provide adequate supplies of repair parts.

During recent months automobile production has been running about 20 percent above the like period a year ago, refrigerator production showed a 21 percent increase, and washing machines and ironers were up 18 and 80 percent respectively.

To save 4,250,000 tons of iron, steel

These three industries are either the largest or close to the largest civilian consumers of the common metals where shortages now exist. The automobile industry alone requires around 1.6 tons of iron and steel per passenger car. The program is designed to save for other civilian uses which cannot be postponed approximately 4,250,000 tons of iron and steel as well as substantial amounts of

other scarce materials such as nickel, copper, tin, zinc, aluminum, chromium and lead.

The tentative program for automobiles and light trucks calls for an output of approximately 200,000 per month throughout the next 12 months. Because of model change-over interference with production during August, a lump sum output of 600,000 units during the next three months is anticipated to be followed by a leveling out to the 200,000 monthly figure in November. On this basis production in August, September, and October would be about 80 percent of output in corresponding months of last year. Thereafter the reductions as compared with later months of the last model year would approximate a 50 percent cut. No reduction is contemplated in trucks with rated capacities in excess of one ton because of the urgent need for such vehicles at present.

Adjustments may be necessary

Production of household mechanical refrigerators will be limited to a monthly maximum of approximately 150,000 units. Production of domestic mechanical washing and ironing machines will be reduced initially by 30 percent under the average for the past 12 months. This will be followed by more stringent cuts.

It is recognized that it may become necessary to make adjustments in these programs from time to time as the impact of defense requirements on materials and plant facilities becomes clearer.

In addition to curtailing production, OPACS intends to take steps looking to elimination of excessive raw materials inventories, and to conservation of scarce materials through use of substitutes and more economical design.

Meetings to be called

The meetings to be called shortly with these industries will consider the tentative formulas together with detailed plans now being worked out for allocation of materials to specific types of products and to specific manufacturers.

After the conclusion of these conferences definitive allocation programs will be promulgated by the Civilian Allocation Division of OPACS headed by Joseph L. Weiner, and will be administered and enforced as usual by the Priorities Division of the Office of Production Management.

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CONSUMERS: Harriet Elliott, OPACS assistant administrator, tells how the curtailment program should affect civilian purchasers—page 11.

President orders creation of blacklist to restrict exports to agents of Axis

The President, by Proclamation of July 17, ordered the creation of a list of persons operating directly or indirectly for the benefit of Germany or Italy, and forbade the export of munitions, machinery and other materials to such persons except under special conditions. The text of the proclamation follows:

A PROCLAMATION

I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority vested in me by Section 5 (b) of the Act of October 6, 1917 (40 Stat. 415) as amended and Section 6 of the Act of July 2, 1940 (54 Stat. 714) as amended and by virtue of all other authority vested in me, and by virtue of the existence of a period of unlimited national emergency and finding that this Proclamation is necessary in the interest of national defense, do hereby order and proclaim the following:

SECTION 1. The Secretary of State, acting in conjunction with the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of Export Control, and the Coordinator of Commercial and Cultural Relations Between the American Republics, shall from time to time cause to be prepared an appropriate list of

(a) certain persons deemed to be, or to have been acting or purporting to act, directly or indirectly, for the benefit of, or under the direction of, or under the jurisdiction of, or on behalf of, or in collaboration with Germany or Italy or a national thereof; and

(b) certain persons to whom, or on whose behalf, or for whose account, the exportation directly or indirectly of any article or material exported from the United States, is deemed to be detrimental to the interest of national defense.

Subject to revision

In similar manner and in the interest of national defense, additions to and deletions from such list shall be made from time to time. Such list and any additions thereto or deletions therefrom shall be filed pursuant to the provisions of the Federal Register Act and such list shall be known as "The Proclaimed List of Certain Blocked Nationals."

Will be treated as foreign nationals

SECTION 2. Any person, so long as his name appears in such list, shall, for the purpose of Section 5 (b) of the Act of

October 6, 1917, as amended, and for the purpose of this Proclamation, be deemed to be a national of a foreign country, and shall be treated for all purposes under Executive Order No. 8389, as amended, as though he were a national of Germany or Italy. All the terms and provisions of Executive Order No. 8389, as amended, shall be applicable to any such person so long as his name appears in such list, and to any property in which any such person has or has had an interest, to the same extent that such terms and provisions are applicable to nationals of Germany or Italy, and to property in which nationals of Germany or Italy have or have had an interest.

Prohibits unauthorized exports

SECTION 3. The exportation from the United States directly or indirectly to, or on behalf of, or for the account of any person, so long as his name appears on such list, of any article or material the exportation of which is prohibited or curtailed by any proclamation heretofore or hereafter issued under the authority of Section 6 of the Act of July 2, 1940, as amended, or of any other military equipment or munitions, or component parts thereof, or machinery, tools, or material, or supplies necessary for the manufacture, servicing, or operation thereof, is hereby prohibited under Section 6 of the Act of July 2, 1940, as amended, except (1) when authorized in each case by a license as provided for in Proclamation No. 2413 of July 2, 1940, or in Proclamation No. 2465 of March 4, 1941, as the case may be, and (2) when the Administrator of Export Control under my direction has determined that such prohibition of exportation would work an unusual hardship on American interests.

SECTION 4. The term "person" as used herein means an individual, partnership, association, corporation or other organization.

The term "United States" as used herein means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, the Canal Zone, and the District of Columbia and any other territory, dependency or possession of the United States.

Executive Order No. 8389 applicable

SECTION 5. Nothing herein contained shall be deemed in any manner to limit or restrict the provisions of the said

Executive Order No. 8389, as amended, or the authority vested thereby in the Secretary of the Treasury and the Attorney General. So far as the said Executive Order No. 8389, as amended, is concerned, "The Proclaimed List of Certain Blocked Nationals", authorized by this Proclamation, is merely a list of certain persons with respect to whom and with respect to whose property interests the public is specifically put on notice that the provisions of such Executive Order are applicable; and the fact that any person is not named in such list shall in no wise be deemed to mean that such person is not a national of a foreign country designated in such order, within the meaning thereof, or to affect in any manner the application of such order to such person or to the property interests of such person.

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Passenger car subcommittee to discuss added defense work

Fitting additional defense work quickly into facilities now devoted to passenger car production will be discussed July 23 at a meeting of Government officials with a passenger car subcommittee of the automotive defense industry advisory committee.

The automotive industry has already taken responsibility for about \$2,000,000,000 in defense contracts. The wholesale value of all its products in 1940 was about \$3,185,000,000.

At a meeting July 16 of the passenger car and motor truck members of the automotive defense industry advisory committee, passenger car manufacturers were asked by OPM to nominate members of the passenger car subcommittee by July 21.

To discuss production, labor

Subjects to be discussed at the subcommittee's meeting July 23 include:

1. Fitting additional defense items into passenger car productive equipment so that prime and subcontracts can be placed quickly.

2. Planning the shift of skilled labor forces to plants now being built by the industry or to new defense production lines being set up in the industry's present plants.

Representatives of the automobile parts and components industry were invited to a meeting in Washington July 22 to nominate eight members of the automotive defense industry advisory committee.

PRODUCTION . . .

OPM chiefs cite facts, figures to show defense aluminum problem is critical

The following statement was issued July 16 by Director General William S. Knudsen and Associate Director General Sidney Hillman:

Certain statements have been made within recent days relative to the availability of aluminum for defense needs.

These statements have been to the effect that there is no shortage of aluminum for defense requirements.

In a period of rapidly expanding production, it is natural that temporary shortages occur from time to time. The Office of Production Management is glad to be able to state that it has received no reports of any substantial curtailment of defense operations caused by a lack of aluminum.

However, these recent statements tend to carry the implication that there is no problem involved in the supply of sufficient quantities of aluminum for defense work. This is a false implication.

"The simple facts"

The simple facts of the aluminum supply-demand picture are the following:

Direct military demands for aluminum from July 1 through December 31 are estimated at 344,000,000 pounds. This does not take into account indirect military requirements, which will probably take an additional 50,000,000 to 60,000,000 pounds, making a probable total requirement of approximately 400,000,000 pounds.

Production of virgin aluminum ingots, according to estimates furnished by the producers, will amount to 327,000,000 pounds during the period of July 1 through December 31, 1941. Ingots estimated to be produced from secondary metal may bring the total available for all purposes to 400,000,000 pounds, though the secondary metal cannot be used widely for direct military requirements.

These figures clearly show not only that there will be no new aluminum available for civilian use, but there is and will be an urgent problem involved in supplying enough fabricated aluminum parts at the places they are needed when they are needed for defense production alone.

The Office of Production Management is making every effort to rush the completion of new aluminum producing plants to meet the ever growing demands for this metal. It is, with the cooperation of the Federal Power Commission, working out the difficult problem of providing adequate power supplies to produce this aluminum.

There is at this moment a severe shortage of scrap aluminum for remelting.

To make every pound of aluminum available to defense, the Office of Production Management, in cooperation

with the Office of Civilian Defense, is asking citizens to contribute old aluminum articles between July 21 and July 27. Such aluminum is always useful in certain indirect military uses, such as the deoxidization of steel, for which purpose virgin aluminum is now being largely used. The military services, moreover, have recently changed certain specifications for military equipment with the result that this aluminum can go directly into military uses.

Any statement which, directly or by implication, gives the impression that the supply of aluminum for military requirements does not present a critical problem, is not in accord with the facts and can only result in harm to the defense program.

Five companies recommended to operate seven Federally owned aluminum plants

The Office of Production Management on July 15 recommended five companies to operate new Government-owned aluminum plants to produce an additional 600,000,000 pounds of aluminum annually.

Construction of a plant, likewise to be owned by the Government, and operated during the emergency by the Aluminum Co. of America for the production of 400,000,000 pounds of alumina annually also has been recommended to the War Department by OPM. This will be the first alumina plant designed for combined treatment of high and low grade bauxite ores.

To raise capacity to 1,400,000,000 pounds

Location of the proposed new aluminum plants by power areas was announced on June 27. Locations and the names of operating companies for the seven plants that will be constructed have been chosen by OPM and incorporated in recommendations for the War Department. Construction of these plants to produce an additional 600,000,000 pounds will raise the aluminum capacity of the United States to 1,400,000,000 pounds annually. Imports from Canada will raise the total supply available to 1,600,000,000 pounds.

Names of the companies recommended, the capacity of the plants proposed for their operation, and the locations recommended to date follow:

Aluminum Co. of America, 100,000,000

pounds, Arkansas; Aluminum Co. of America, 90,000,000 pounds, Bonneville-Grand Coulee area; Union Carbide & Carbon Co., 60,000,000 pounds, Spokane, Wash.; Reynolds Metals Co., 100,000,000 pounds, Listerhill, Ala.; Bohn Aluminum & Brass Co., 70,000,000 pounds, Los Angeles; Olin Corporation, 30,000,000 pounds, Tacoma, Wash.; Aluminum Co. of America, 150,000,000 pounds, Massena, N. Y.

An arrangement has been worked out with the Aluminum Co. of America under which that company will design and supervise the construction, on a no-profit basis, of the plants to be operated by the Union Carbide & Carbon Co. and the Olin Corporation.

Locations shifted

It has been found possible to make certain connections of power systems with the result that the two plants recommended June 27 for upper New York State have been combined and the total capacity of 150,000,000 planned for that area has been recommended for location at Massena.

Also the power authorities of the Grand Coulee-Bonneville area have, since June 27, made available for aluminum production an additional bloc of electric power. Therefore, in view of the power stringency of the southeastern area, OPM has recommended that the plant originally indicated for North Carolina be shifted to Tacoma, Wash.

PRIORITIES . . .

Revised Critical List shows 300 items to which Army, Navy may assign preference

A revised Priorities Critical List was issued July 14 by the Priorities Division, OPM.

The list contains over 300 items and classes of items on deliveries of which Army and Navy contracting officers may assign preference ratings.

Except for certain specified items which are subject to industry-wide control by the Priorities Division, most of the materials which appear on the list are subject to priority control only in the sense that Army and Navy orders for these items may automatically be assigned preference ratings.

A copy of the new list, revised to July 7, follows:

PRIORITIES CRITICAL LIST

PARTS AND ACCESSORIES.—The items that appear on this list shall be deemed to include all fabricated, mechanical, or electrical component parts and accessories necessary for the completion, maintenance, or mechanical operation thereof, excluding raw materials unless specifically included in the list.

SUPERVISION.—It should be carefully noted that all copies of preference rating certificates authenticated by the two services are reviewed by the Priorities Division and erroneous use of this list will result in cancellations of certificates by the Priorities Division.

ALLOCATION.—Material which has been subjected to industry-wide control and allocation by the Priorities Division will be governed by specific orders from the Priorities Division which may to some extent modify the effect of preference ratings previously issued. Items indicated by a (1) are those which to the date of this edition have been subjected to allocation by the Priorities Division.

NEW ITEMS.—Italicized items on this list are those which appear for the first time with this edition.

METALS.—It will be noted that all metals except a few precious ones are now covered by this list.

REVISION.—This list is subject to revision once each month. In order to receive consideration at the time of making any monthly revision, requests for additions, subtractions, or modifications must be received by the Priorities Committee of the Army and Navy Munitions Board or the Director of Priorities of the Office of Production Management on or before the fifteenth day of the preceding month in order to receive consideration.

Items for which preference ratings are authorized:

Acetone; aiming circles; aircraft—all types including lighter-than-air, complete; aircraft detection equipment; aircraft laboratory and test equipment; altimeters—all types; aluminum and aluminum alloys—pig or fabricated; ambulances—service specification; ambulance boats; ammonia, anhydrous; ammunition (small arm and large caliber)—all types; angledozers—tractor powered; anti-aircraft equipment; antimony; armour plate;

auger—earth (power); autoclaves (laboratory)—field and hospital.

Bags—barrack; sea; cante; powder; sterilizing water; sleeping; balloon—observation or barrage; barges; barometers; batteries—radio; ship; fire control; battery chargers—portable; bearings—roller and ball; belt—ammunition link; cartridge; binaural trainers; binoculars—monoculars; spy glasses; field glasses; spotting glasses; blankets—wool; boards—deflection; fire adjustment; plotting (all types); range correction; spotting; chart; boats—aircraft rescue; picket; crane; assault; ambulance; Eagle; landing; motor torpedo; utility (QMC and AC); sub-chaser; target (armored); motor launch; radio control; lighters; D. B. (distribution box); boilers—power plant; heating; bombs; bombing training and target assembly; booms; borax; boric acid; box—ammunition; brass—pig and fabricated; bridges—foot (all types); steel (portable); pontoon (all types); bronze—pig or fabricated; bulldozers—tractor powered.

Cable, electric and telephone, all kinds including assemblies; cable, balloon barrage; cadmium; calibration sets, bomb sight, optical elements for; calipers, micrometer; cameras—aeronautical, gun, triangulation, motion picture and still; camera control—gun;

candles—chemical; canisters—service, diaphragm, optical; caps—field and winter, watch; carts—hand drawn, reel, chemical mortar, ammunition; weapon; case—inspectors, navigation, pilots, bombardiers; castings—brass (over 150 lbs.), aluminum; catapult—aircraft; charger—gun (hydraulic); chemicals—chemical warfare, explosives, medicinal; chest—service types; chlorine; chromium; cipher, devices and machines; cloth—rubberized, wool, dark blue melton or kersey, O. D.; flannel, cotton, twill, wind resistant, khaki; clothing—flying, chemical protective, uniforms, hospital, mechanics, laboratory; cobalt; coils—service specifications; combat vehicles; compressors (air)—power driven; computers—intermediate and major calibers, time and distance, line of position, aerial dead reckoning, time conversion, altitude correction; condensers, steam—radio, electrical; cone assembly 6" metrogon lens; containers—galvanized; portable refrigerated; control equipment for electric motors, automatic; cooking outfit—mess and field; copper—pig fabricated; cordage and twine—hemp, jute, oakum, abaca, sisal, henequen, flax, silk; cork; corrector—percentage, fire control; cotton—canvas duck, webbing; cotton linters; cranes; cresols—cresylic acid (meta-para; B. P. 200-210 C; less than 2 percent ortho); cutters—wire, and carriers (special service types); cylinders—chemical (portable), compressed gas or air.

Demustardizing equipment—chemical warfare; diamond point tools; dies—forging, diamond; Diesel engines, all types; distribu-

Eight commodity branches created, each to deal with all phases of certain materials

Priorities Director Stettinius announced July 17 the creation of eight commodity branches which, under his direction, will deal with problems relating to certain materials and classes of materials in which importation or allocation problems are paramount.

Creation of the new commodity branches is in accordance with the recent realignment of responsibility within OPM, involving the setting up of both commodity branches and industry advisory committees.

Each commodity branch will have a chief who will be in charge of all matters considered by the branch, whether these problems are related to priorities, production, or purchases.

Mr. Stettinius will have supervision over the activities carried on in the eight branches, and the deputy director in charge of these branches will be Philip D. Reed. Mr. Reed, since the early part of the year, has served as senior consultant for the Priorities Division.

The commodity branches headed by Mr. Stettinius form one industrial subdivision of the several formed within the OPM.

The following table shows the officers who will handle commodity branch activities in Mr. Stettinius' division, the materials which will come under each branch, and the officer who will serve as chief in each case:

Director—E. R. Stettinius, Jr., Deputy Director—Philip D. Reed; Assistant Deputy Director—C. H. Matthiessen, Jr., Technical Consultant—Dr. C. K. Leith; Consultant, Import Shipping Allocation—Dr. W. Y. Elliott; Administrative Assistant—Marshall J. Dodge, Jr.

SECTION 1—Dr. Harry S. Rogers, chief; rubber, synthetic rubber, and cork.

SECTION 2—David A. Uebelacker, chief; nickel.

SECTION 3—Harris K. Masters, chief; tungsten, molybdenum, vanadium, cobalt, antimony, and beryllium.

SECTION 4—John A. Church, chief; copper, zinc, brass, other copper alloys, and cadmium.

SECTION 5—Andrew Leith, chief; manganese, chrome, ferro-silicon, zircon, titanium and rutile, columbium, tantalum, and their alloys.

SECTION 6—Erwin Vogelsang, chief; tin, lead, and ilmenite (pigment).

SECTION 7—Howard Sykes, chief; mica, fluorspar, cryolite, graphite, magnesite, and gypsum.

SECTION 8—Richard J. Lund, chief; asbestos, mercury, industrial diamonds, quartz crystals, platinum metals, radium, uranium, kyanite, abrasives, diamond dies, and jewel bearings.

tion boxes; diving apparatus; drawers—woolen, half-wool, half cotton; drydocks—floating.

Energizers—aircraft electric; engines, internal combustion and steam, for ship propulsion; explosives, including chemical components.

Ferrous alloys, all types; fibre—abaca, sisal, henequen, hemp, flax, cotton linters, jute; finders—radio direction, height, depression position, vertical view, range; fire-control instruments and equipment; *fire-prevention and fighting equipment, all types*; flares; flashlights (service types); flash ranging set; floodlighting equipment; flying equipment; forgings—brass, aluminum; formaldehyde; frequency meter set, radio; fuel—aviation, Diesel, 50 cetene number and up; furnaces—heat-treating electric; fuzes and primers; fuze-setters.

Gages, inspection; gas—decontamination apparatus and equipment, masks; gases—chemical warfare; gastight doors and frames; generating units, service types; generators, electrical and motor dynameters, including N.E.M.A. standard types, meeting A.I.E.E. specifications and rules; glasses—field, spotting, binoculars, spy, monoculars; gloves—leather, wool; goggles (service types); grader, road—self-propelled; grenades; guns—all types and calibers (including carriages and mounts); Limbers, and caissons.

Halowax (*plasticized chlorinated naphthalene*) for insulating wire; hammers, power driven; head and chest set—communication; height finders; helmets (service types); hexamethylene tetramine; hoist—ammunition; hoists, power or hand; howitzers—all types and calibers, with limbers, caissons, carriages and mounts.

Impregnite (I and S); insignia—uniform; instruments—battery commander, electrodiagnostic, observation optical (all types—complete)—stereoscopic training, surgical and dental, surveying, azimuth and azimuth mls, self-synchronous (engine), drafting; insulation, steatite; interphone equipment—(aircraft—vehicular); iridium; iron and steel products, including rolled, drawn, forgings, castings and pig iron including alloy steels; insulating, fire, brick.

Jigs and fixtures.

Kits—first aid, repair, (C. W.), toilet.

Laboratory equipment—hospital and field; lamp equipment—signal; lead; leggings—canvas; lenses requiring grinding except eyeglasses; lighters and barges; lighting equipment—electric (portable), service types, hangar, flying field; locators, sound—anti-aircraft (CAC); lockers—steel; locomotives—diesel, gasoline, electric; lubricant—diesel engine, special "RPM-DeLo" or equivalent.

Machine, blasting; machine guns—all types and calibers with mounts, sights and tripods; machine and metal working tools; machines—addressing and duplicating all types, including plates (except aluminum), type, platemaking equipment; machinery—forging, power-driven, for casting, cutting, grinding, hoisting, melting, metal pressing, welding, refrigerating; magazines—small arm ammunition; magnesium and alloys—pig or fabricated; manganese or spiegeleisen; mapping equipment—service types; marker beacon receiving equipment; masks—gas, oxygen; mattress, all types; megger insulation testing sets; mercury; mess outfits—field, barrack, ship; meter sets—frequency, (sea-coast); meters—electric, drift; methanol; mines—antitank, drifting or anchored; mine equipment—submarine; mine planters and yawls; mirrors—magnifying; molybdenum; monel metal; mortars—all types and calibers with carriages, mounts; motion picture projection and sound equipment; motors electric, except fractional horsepower; motors for pontoons; motorcycles—solo or side car (service types).

Naphthalene: *Neatsfoot oil*; Neoprene; nets—antisubmarine, camouflage; Nickel alloy steep; Nickel—pig or fabricated; non-ferrous alloys, all types.

Cutting tools short, vital plants given first call by general preference order

Priorities Director Stettinius issued July 18 a general preference order regulating the distribution of cutting tools. The order is designed to facilitate the prompt flow of these tools into defense channels.

The order declares that there is an increasing shortage of cutting tools which are vitally needed in defense plants, and that supervision over the distribution of these tools is necessary.

Cutting tools defined

Cutting tools, as defined in the order, are "special drills of all types, oil tube and oil hole drills of all types and sizes, special reamers, counter-sinks, counterbores, special milling cutters of all sizes and types, hobs of all sizes and types, high speed taps, special taps, high speed chasers for self-opening die heads, high speed chasers for collapsing taps, and machine broaches."

(1) The order is addressed both to distributors and manufacturers of cutting tools, as defined.

(2) No manufacturer or distributor may accept or make delivery under an order for cutting tools which does not

bear a preference rating of A-10 or higher; provided that nondefense orders may be delivered if all defense orders on hand have been met.

(3) For a period of 6 weeks from July 17, manufacturers may continue working on orders which were in production on that date, regardless of requirements made under other preference rated orders received during the 6 weeks' period; provided that any order with an AA emergency rating must be accepted and complied with at any time.

(4) When a manufacturer finds that compliance with an order bearing a higher preference rating would interfere with work in actual production, compliance with the higher rating may be deferred (except for AA emergency orders) for a period of not more than 10 days.

Must prefer defense contracts

(5) No manufacturer or distributor may discriminate against defense orders and they must accept such defense contracts in preference to other contracts offered under substantially similar terms and conditions.

Oakum, marine; octant—bubble type; oil—castor and fuel (diesel 50 cetene and up); optical elements and instruments; *oxygen manufacturing unit, portable*.

Packing, flax; paper, chart; parachutes—service types; phenol; photographic laboratory equipment, aerial and ground; phthalic anhydride; plates, multi-lith, zinc; Polyvinyl chloride (and co-polymers containing at least 90 percent vinyl chloride) plasticized or unplasticized; pontoon equipment; potassium perchlorate; potassium permanganate; projectors; signal (ground); pumping sets, all types; purification unit—water; pyrotechnics—service types.

Radio-apparatus (sending and receiving)—all types; radio direction finders; radiosondes and equipment; range—field, complete with equipment; rangefinders; ranging equipment—sound; reels, firing; remote control equipment, for guns and searchlights; reproduction equipment—map (all types); repurification plant, helium (portable); resistors, electrical for vessels; rifles—magazines; machine, automatic; semi-automatic; rubber, synthetic—rubberlike synthetic materials; *Rubber—raw, processed, and fabricated*.

Saddle—pack (cargo and riding); scabbard—small arms; scale—prediction; scrapers—tractor drawn; searchlights; searchlight control instruments; sextants, navigation; ships—all types, complete; ship plates and shapes (see iron and steel products); sights and related equipment; silk, parachute; small arms—all types and calibers; smoke—toxic and equipment for use; smoke screen apparatus; socks—woolen; cotton-wool; sodium hydrosulfite; sodium sulfoxalate; sound equipment—underwater; sound locators—antiaircraft; sphygmomanometers; splint, surgical; spotting sets; steel, semi-finished, finished and fabricated, including alloys; stereoscopes—all types; stereoscopic

testers; sterilizers, hospital and field; stoves, tent; submarine mine cable; steel; submarine safety and escape devices; switchboards, power, complete assembly; synthetic resin moulding powders.

Table (plotting); tags—identification; tanks—cartridge; combat, all types and models—powder; targets, tow; telegraph sets (service specifications); telephones—all special service types—radio, and equipment; tents, service types; testing outfits, boiler water; theodolites; thermometers, industrial; thermostatic controls for refrigeration and air-conditioning machinery; time interval apparatus; tin; tools—hand, precision; portable, power driven; special engine; torpedo; torpedoes; tractors—military; trailers—two-, four-, and six-wheel, assorted; bomb; trainer—binaural; stereoscopic; instrument flying and landing (ground); transformers, electric; tricresyl phosphate (less than 17° ortho); trucks—motor (all special service types); electrical industrial; tungsten, ferro tungsten and tungsten ore; tungsten carbide; turrets, gun.

Underwear—half-cotton, half-wool.

Vanadium and vanadium alloys; vehicles (service types); vest, life preserver.

Watches, service types; welding rod; whetstone; winch, balloon; wire—service types (see cables), field (S. C.), for electrical instruments.

X-ray equipment, medical, industrial.

Zinc; zinc hydrosulfite.

¹ Subject to allocation.

² Steel products are covered by a special order requiring preferential treatment of defense orders and permitting users to file a formal complaint of any inability to obtain delivery or place orders. Nickel alloy steel and tungsten alloy steel are subject to industry-wide control.

PURCHASES . . .

We must give up much, but can get more essentials by cutting down frills—Nelson

We will have to do without a great deal if we are to produce more than Hitler, Donald M. Nelson, Director of Purchases in the OPM, said July 15. However, he added, there is no use doing without the essentials while the frills lie on the store shelves waiting for someone to buy them. He outlined to a New Orleans convention of the National Retail Hardware Association the Government's plans for reducing varieties of consumer goods. Excerpts follow:

The effective war production of Britain and the United States has got to become greater than the effective war production of Germany plus the captive countries. If it does become greater, Hitler will be beaten. If it does not, Hitler will win—and this is a table-stakes game, remember, in which the winner gets everything in sight.

We have got to produce such an unceasing flood of war goods that it will more than make up the difference between Britain's present war production and the war production of Germany, all her allies, and all her captives. No country on earth but our own could even attempt such a gigantic program. We can do it if we will. We have the skill, the resources, the wealth, and the manpower to do it. But—and here is the point—we can *just* do it. We shall have nothing to spare when we do it. We can do it *only* if we devote every resource to the job.

Defense comes first

A productive system depends on raw materials, machinery, and workers. We have an abundance of all three for all ordinary peace-time purposes; but we do not have enough of any of the three for our ordinary peace-time requirements plus the requirements of the defense program. Our defense requirements come first; no matter how big they are, they must be met. So it is perfectly obvious that ordinary commercial production is going to be cut.

Where are those cuts going to come first, and where are they apt to be deepest?

Most of the goods which the hardware retailer carries on his shelves are made of metal; and it is precisely in the general field of metals that the pinch is most severe.

Understand that where any metal is concerned, defense needs are met first and civilian demand has to be satisfied with what is left. The civilian demand for such aluminum as is left over after all defense needs have been met is in the ratio of 15 to 1—which means that for every pound of aluminum available to meet civilian needs there are at least 15 manufacturers each one of whom needs that pound. Civilian demand for the available supply of copper is in a ratio of 5 to 2; civilian demand for such nickel as will be available is in a ratio of 2 to 1. The situation in steel is not quite so bad; the ratio of civilian demand to available supply stands at about 10 to 9, although the situation is considerably worse in respect to some of the alloy steels. Practically all of the metals in general industrial use stand somewhere between aluminum and steel. Civilian demand for every one of them is going to suffer some curtailment.

Must sacrifice many luxuries

We are going to be obliged to get along without many luxuries and conveniences. Patriotic Americans will of course do that cheerfully, when and as they have to.

But there is no sense in making our sacrifices any weightier than the facts oblige us to make them; and it happens to be true that there is a great deal which we can do to keep these various shortages from inflicting any real hardship on us.

As retailers, you do not need to be told that every storekeeper carries a large stock of goods which move very slowly. In many cases, a merchant does as much as 80 percent of his business on 20 percent of his stock. From your own experience you know how much capital and storage space have to be tied up in odd sizes, special varieties, unusual stylings, and so on—varieties which simply are not in general, day-to-day demand, but which each merchant has to carry because all the others do.

Consider this situation as a sample. Iron and steel are needed badly. If the hardware industry takes a lot of iron and steel and uses it to make goods which stay on the shelves, it is tying up a vital defense material unnecessarily.

Workers, machines and factory space are used unnecessarily.

Simplification absolutely essential

Accordingly, it becomes evident that a broad program to simplify the lines and varieties of goods offered to the consuming public is an absolute essential to the proper operation of the defense program.

This is not a new thing, as you hardware retailers are fully aware. This work of simplification got its start during the first World War. After the war ended, many industries felt it advisable to continue simplification as a permanent policy. To help them, the Government in 1921 established the Division of Simplified Practice in the Bureau of Standards.

Adjustments in last war

It is interesting to review just a few of the things that were done under that program, since they indicate the possibilities that are ahead of us. Fifteen years ago, for instance, there were more than 4,600 kinds of shotgun shells in the market. Simplification introduced by the industry reduced that total to less than 350. One hundred and twenty-five sizes of wheel barrows were cut to 41. More than 8,000 sizes and varieties of abrasive paper and cloth were reduced to less than 2,000. Three hundred and eighty-six varieties of forged hammers were cut down to 180. Upwards of 5,000 varieties of spades and shovels were reduced to little more than 1,000.

Your government proposes to launch this simplification program in the immediate future. As plans stand now, I expect that the simplification program will be handled along these lines:

How it will be done

Each industry affected will be represented by an industry committee. Take the hardware industry as a sample: The committee will be composed of representatives of manufacturers, distributors and consumers. It will be selected by the Government from nominations made by industry: it will convene in Washington, where the whole program of simplification will be discussed with experts from the Bureau of Standards and defense officials. The industry representatives will be asked to suggest ways and means of simplification. Decisions will be made by the Government, of course, but only after full discussion with industry's duly selected representatives.

U. S. defense spending program reaches nearly 46 billion

The program for defense spending in the United States reached a total of \$49,-583,000,000 at the end of June 1941. Of the total, Congressional appropriations and contract authorizations and Reconstruction Finance Corporation funds for defense amounted to \$45,912,000,000. British contracts came to \$3,671,000,000.

At the same time United States and British contract awards mounted to \$27,-318,000,000.

New heavy bomber schedules brought the figure for airplanes up to \$11,469,-000,000, while airplane contract awards reached a total of \$6,122,000,000. The program for naval ships and parts came to \$6,430,000,000, while contracts had reached \$6,264,000,000. The ordnance program amounted to \$8,034,000,000 while awards for ordnance totaled \$4,738,000,000.

The following tabulation presents a breakdown by object of defense program and contracts as announced by the Bureau of Research and Statistics, OPM:

U. S. AND BRITISH CONTRACTS IN THE UNITED STATES

June 1, 1940, through June 30, 1941

(In millions of dollars)

Object	Program	Contracts
Airplanes.....	11,469	6,122
Naval ships and parts.....	6,430	6,264
Ordnance.....	8,034	4,738
Other military equipment and supplies.....	3,925	2,540
Merchant ships.....	1,905	1,407
Industrial facilities.....	5,530	2,767
Posts, depots, and fortifications.....	3,652	2,212
Housing.....	495	283
Other.....	1,874	985
Pay, subsistence, and travel.....	6,269	-----
Total.....	49,583	27,318

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Correction in regulations for canned goods purchases

In a story on canned goods purchases for the Army and Navy, published in the July 15 issue of DEFENSE, it was stated that "overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on future contracts for most seasonal perishable items." The sentence should read: "Overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on 'futures' contracts for most seasonal perishable items."

\$143,044,916 War Department contracts cleared July 10 through July 16

Defense contracts and letters of intent totaling \$175,657,546 were awarded by the War Department and cleared by the Division of Purchases, OPM, during the period July 10 through July 16. Similar commitments in the previous week were \$1,032,421,510. Total contract awards in the latest week were \$143,044,916. Letters of intent totaled \$32,612,630.

The Office of Production Management clears contracts over \$500,000 only.

Contracts awarded during the period were:

CONSTRUCTION

Cleary Brothers Construction Co., West Palm Beach, Fla.; construction of Air Corps Basic Flying School, Sebring, Fla.; architects and engineers, Frank W. Bail & Associates of Fort Myers, Fla.; \$2,014,879. (Estimated eventual cost when funds are available, \$3,627,-640.)

Three contractors: Price Brothers, C & G Construction Co. of Dayton, and Hinton and Smalley of Celina, Ohio; construction work at Wright Field, Dayton, Ohio; \$1,692,055.

Christy & Baskett, San Antonio, Tex.; construction of cadet reception center, Kelly Field, Tex.; \$707,160.

A. Farnell Blair, Decatur, Ga.; construction of warehouses at Augusta Arsenal, Ga.; \$589,937.

Brown Paving Co., Charlotte, N. C.; placing sand asphalt base and sand asphalt surface courses at Camp Davis, N. C.; \$544,160.

Silas Mason Co., New York, N. Y.; construction of shell loading plant at Minden, La.; \$19,356,908.

Cities Service Defense Corporation, New York, N. Y.; construction of Maumelle Ordnance Works, Marche, Ark.; \$9,991,860.

Two contractors: J. A. Jones, Charlotte, N. C., and Newton, Glenn & Knost of Hattiesburg, Miss.; construction of Aviation Mechanics School, Biloxi, Miss.; architects and engineers, George P. Rice, New Orleans, La.; \$9,679,746.

O'Driscoll & Grove, Inc., New York, N. Y.; construction of miscellaneous buildings at Scott Field, Ill.; \$1,623,800.

Forcum-James Co., Dyersburg, Tenn.; construction at Barksdale Field, La., landing field improvements; \$1,020,900.

Central Contracting Co., Atlanta, Ga.; construction of two Air Corps flight hangars at MacDill Field, Fla.; \$861,000.

Robert E. McKee, El Paso, Tex.; construction of housing and utilities for Aviation Mechanics' School, Wichita Falls, Tex.; \$4,886,889.

EQUIPMENT AND SUPPLIES

Fargo Motor Corporation, Detroit, Mich.; 1/2-ton 4 x 4 trucks; \$2,260,940.

American Bleached Goods, Co., Inc., New York, N. Y. (for manufacture at Glenlyon, Print Works, Phillipsdale, R. I.); cotton cloth; \$605,590.

Yellow Truck & Coach Mfg. Co., York, Pa.; van trucks; \$678,480.

International Shoe Co., St. Louis, Mo.; 150,000 service leather sole shoes; \$516,000.

Indian Motorcycle Co., Springfield, Mass.; motorcycles; \$2,059,805.

General Motors Corporation, Allison Division, Indianapolis, Ind.; engine parts; \$2,844,116.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; compasses and inverters; \$820,500.

Shell Oil Co., Inc., New York, N. Y.; aircraft engine fuel; \$1,582,512.

General Electric Co., Schenectady, N. Y.; regulators, generator voltage and switches, relay; \$520,000.

The Glenn L. Martin Co., Baltimore, Md.; airplane parts; \$658,752.

ORDNANCE

Stoner Mfg. Co., Aurora, Ill.; cartridge cases; \$1,233,750.

The Barrett Co., New York, N. Y.; ammonium nitrate; \$541,875.

Crucible Steel Co., Harrison, N. Y.; shot; \$3,150,000.

Triumph Explosives, Inc., Elkton, Md.; photo-flash bombs; \$1,375,810.

New Jersey Fulgent Co., Metuchen, N. J.; parachutes; \$616,000.

American Locomotive Co., Dunkirk, N. Y.; two contracts for gun carriages; \$2,138,000.

Western Cartridge Co., East Alton, Ill.; cartridges; \$7,488,500.

General Motors Corporation, Detroit, Mich.; guns; \$27,823,008.

Northwest Metal Products Co., Inc., Seattle, Wash.; cartridge clips; \$777,450.

International Register Co., Chicago, Ill.; shells; \$1,593,700.

Pullman-Standard Car Mfg. Co., Butler, Pa.; shells; \$4,650,000.

Western Cartridge Co., East Alton, Ill.; cartridges; \$2,526,700.

Smith and Wesson, Inc., Springfield, Mass.; revolvers; \$1,170,445.

Bendix Aviation Corporation, Bendix Marine Division, Brooklyn, N. Y.; transmitters and differentials; \$908,529.

Defiance Pressed Steel Co., Marion, Ohio; cartridge cases; \$1,291,408.

Remington Arms Co., Inc., Bridgeport, Conn.; cartridges; \$2,460,000.

Standard Tube Co., Detroit, Mich.; forgings; \$1,098,000.

Bethlehem Steel Co., Bethlehem, Pa.; projectiles; \$15,442,660.

Lamson Co., Inc., Syracuse, N. Y.; tripod mounts; \$1,243,152. (Of this amount, \$799,-668 was cleared by the Office of Production Management.)

LETTERS OF INTENT

ORDNANCE

Murray Mfg. Corporation, Brooklyn, N. Y.; shells; \$1,792,000.

John Dunlap Co., Carnegie, Pa.; cartridge cases; \$970,000.

Servel, Inc., Evansville, Ind.; cartridge cases; \$797,297.

The Gabriel Co., Cleveland, Ohio; shells; \$610,000.

General Motors Corporation, Guide Lamp Division, Anderson, Ind.; cartridge cases; \$601,000.

Auto Specialties Mfg. Co., St. Joseph, Mich.; shells; \$595,000.

Pittsburgh Steel Foundry, Glassport, Pa.; gun carriages; \$573,730.

General Steel Castings Corporation, Eddy-stone, Pa.; gun carriages; \$396,035.

Glenn L. Martin Co., Baltimore, Md.; upper machine gun turrets; \$11,000,000.

EQUIPMENT AND SUPPLIES

Western Electric Co., Kearny, N. J.; microphones with equipment; \$245,016.

Universal Microphone Co., Ltd., Inglewood, Calif.; microphone with equipment; \$163,464.

Kellogg Switchboard & Supply Co., Chicago, Ill.; microphones with equipment; \$204,286.

The General Electric Co., Schenectady, N. Y.; radio transmitting equipment; \$14,664,802.

MEDIATION BOARD . . .

Sealed Power, Wisconsin Coal Co. cases closed; two strikes postponed

The National Defense Mediation Board last week (July 14-20) obtained agreements settling the issues in two cases and postponing strikes in two others. In a fifth case, the Board announced that it would make recommendations.

Sealed Power Corporation

The United Auto Workers—AFL voted July 18 to go back to work at the Sealed Power Corporation plant in Muskegon, Mich., thus ending a 9-day strike over wages. This action by the union was taken after ratifying an agreement negotiated with the company which settled the issues in dispute.

The settlement was the result of 5 days of negotiations between representatives of the company and the union at the request of Frederick H. Harbison, a representative of the Board who was dispatched to Muskegon to investigate the situation. The union went on strike July 8, after the Board's recommendations for settling the case had been rejected at a membership meeting the preceding night.

When Mr. Harbison reached Muskegon, he found that both parties were dissatisfied with the Board's recommendations and were willing to negotiate a settlement.

Western Cartridge Co.

After 5 days of hearings, the Board on July 16 announced that it would make recommendations on the issues still in dispute between the Western Cartridge Co. of East Alton, Ill., and the Chemical Workers Union—AFL. It asked both parties to submit further information by mail on these issues. It was expected that these recommendations would be made this week.

Scullin Steel Co.

Following 2 days of hearings, the Board informed the Steel Workers Organizing Committee—CIO and the Scullin Steel Co. of St. Louis, Mo., that the Board found that the issues in this case were properly matters falling within the jurisdiction of the National Labor Relations Board. The SWOC representatives agreed to initiate promptly appropriate action before the NLRB.

After 2 days of hearings on the issues

involved in the dispute between the Progressive Mine Workers of America—AFL, the United Mine Workers of America—CIO, and the Wisconsin Steel Coal Co. of Harlan County, Ky., the Board and the parties agreed that the case was one within the jurisdiction of the National Labor Relations Board rather than the Mediation Board. The parties were dismissed July 17, and the case closed. This case was considered covered by the certification of the bituminous coal dispute and therefore no separate certification was made.

Tennessee Coal, Iron & Railroad Co.

At the request of the Board, the International Brotherhood of Electrical Workers—AFL and the Office and Technical Workers—CIO last week postponed threatened strikes at the Tennessee Coal, Iron & Railroad Co.'s steel plant in Birmingham, Ala. The Board made its request following certification of the case July 14. This case really involved two unrelated disputes but since they both came to a head at the same time with strike threats and since the same company was involved, it was considered that one certification would be sufficient.

Following 2 days of hearings, the Board announced on July 19 that an agreement had been reached settling the wage dispute between the company and the Office and Technical Workers Union. The terms of the settlement were not made public.

Hearings were held July 18-20 on the demand by the International Brotherhood of Electrical Workers for wage increases. No results were obtained and the hearings were to reconvene July 21.

Continental Rubber Co.

The panel and the parties in the dispute between the United Rubber Workers of America—CIO and the Continental Rubber Co. of Erie, Pa., reconvened July 16 to hear a report by George Trundle, president of the Trundle Engineering Co., who had been appointed special representative of the Board to investigate certain issues in the case. After an all-day session that day and a day and night session the following day, an agreement was reached at 5 a. m. July 18, settling

most of the issues in dispute and leaving the rest to direct negotiations between the parties when they returned to Erie.

New cases

In addition to the Tennessee Coal, Iron & Railroad Co. case, the Board received certification last week of two new cases. A threatened strike involving 520 employees of the Breeze Corporations, Inc., Newark, N. J., was postponed by the UAW—CIO at the request of the Board, and hearings were set for July 22. The issues in the dispute are the union shop, check-off, and a 10 percent wage increase. The company has subcontracts for radio equipment for the Army Signal Corps.

The Board on July 17 received certification of a strike of the UAW—CIO involving 525 employees of Air Associates, Inc., at Bendix, N. J., over reinstatement of union employees allegedly discharged for union activity. The company is an important supplier of aircraft parts. A hearing was set for July 22.

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Nicol named associate chief of Labor Supply Branch

Associate Director General Hillman, OPM, announced July 17 that Arthur S. Flemming, chief of the Labor Division's new Labor Supply Branch, had selected Eric Nicol as associate chief of the branch.

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Five named to clearance bureau of industry committees

Sidney J. Weinberg, chief of the bureau of clearance of defense industry advisory committees, OPM, announced July 17 that he has appointed to his staff in the bureau of clearance the following men, all of whom are on temporary leave from their respective companies:

R. H. Webb-Peploe, of Lever Brothers Co., Cambridge, Mass., as assistant chief; as administrative assistant consultants, Philip J. Sandmaier, of Republic Steel Corporation, Cleveland, Ohio; Richard Wells, of Freeport Sulphur Co., New York City; Tom Lilley, of Burlington Mills Corporation, Greensboro, N. C.; and Charles R. Crosby, of Dean Langmuir, Inc., New York City.

PRICES AND CIVILIAN SUPPLIES . . .

Miss Elliott tells what durable goods curtailment means to consumers

OPACS action reducing the output of consumers' durable goods, to save basic metals for defense, does not mean we shall have to do without these articles, or necessarily that the prices will rise, Harriet Elliott, OPACS assistant administrator for consumer activities, said in a radio address July 20. Excerpts follow:

The action announced by OPACS does not mean that you will have to do without automobiles, or refrigerators, or washing machines. I repeat that we are taking this step to help insure an orderly supply of *all* of the things you need. Even during this coming year, the durable commodities I have been talking about will be produced in quantities well in excess of the volume turned out in many recent years. With our program in effect output will still be greater than it was during the depression years.

Nor will these goods necessarily be more expensive. It is true that automobiles may go up in price. With reduced output and higher labor and material costs autos may cost more next year than this. But we are already talking with the automobile companies on

the matter of price and we are finding them willing to hold their advances to the essential minimum.

Refrigerator prices

As for refrigerators, washing machines, and the like, not only consumers but many distributors have stocked heavily in recent months. I ask and expect wholesalers and retailers to continue to dispose of their stocks at the prevailing prices. We will undertake to see that the manufacturers' prices are fair and reasonable.

If you really need, and had intended to buy a car, or a refrigerator or a new washing machine, then go ahead and get it by all means. If you had no such plans, then don't make any. Put your money into defense bonds. There may be days ahead when the cash will make you a good deal happier and a good deal more secure than a worn-out washing machine.

If you are a retailer or a wholesaler selling these commodities, you have a patriotic responsibility to sell your stocks at the prices you have been charging before.

Copper production increase is found possible

Some increase in domestic copper production is possible, according to information developed July 17 at an exploratory meeting with copper producers held jointly by Priorities Director Stettinius and OPACS Administrator Henderson.

Further discussions will be held with representatives of individual companies to determine the quickest and most feasible methods to bring out additional tonnage.

Present at the meeting were representatives from Anaconda Copper Mining Co., Kennecott Copper Corporation, Phelps Dodge Corporation, Calumet & Hecla Consolidated Copper Co., Copper Range Co., Consolidated Coppermines Co., Magma Copper Co., Miami Copper Co., Shattuck-Denn Mining Co., Howe Sound Co., Quincy Mining Co., and two leading custom smelters; American Smelting and Refining Co. and American Metal Co., Ltd.

Save waste paper to combat pulp shortage, Henderson urges

Hope that waste paper supplies in communities throughout the country will be increased by avoiding thoughtless destruction was expressed by OPACS Administrator Henderson.

In a letter to one of the sponsors of a drive for increased supplies in the St. Louis area, Mr. Henderson cited estimates that more than two-thirds of the huge quantities of newspapers, magazines, paper boxes and wrappings that find their way into American homes are destroyed.

Mr. Henderson pointed out that additional supplies of waste paper, cardboard, etc., are required for conversion into containers used to package and ship the thousands of articles being produced by defense industries.

"On behalf of the Government," Mr. Henderson said, "I urge that waste paper be saved by the householder for collection by waste paper dealers."

Medical and optical supplies given highest civilian rating

The highest civilian preference rating for supplies of essential raw materials was assured manufacturers of hospital apparatus and equipment, surgical implements and supplies, and eye-glass frames and parts in two allocation programs promulgated July 17 by the Civilian Supply Allocation Division, OPACS.

Sustained production of hospital equipment and surgical supplies is of the greatest importance to continued industrial efficiency and maintenance of civilian morale. It has become difficult for producers to obtain the needed raw materials, a situation which the program is designed to correct.

Both programs will be administered by OPM.

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OPACS to devise proration, shipping allocation for burlap

Allocation of shipping space for the importation of burlap and proration of supplies among domestic users are to be worked out by the Civilian Supply Allocation Division of the OPACS.

This was announced July 17 following a meeting of OPACS officials with thirty representatives of the burlap importing and bag-making industry, at which problems that have arisen in connection with burlap were discussed. It is expected that an advisory committee will be appointed to work with OPACS.

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Paul Linz appointed as commodity specialist

Appointment of Paul Linz, widely known in the nonferrous metals industry, as commodity specialist in the Price Division, OPACS, was announced July 14 by Dr. J. K. Galbraith, assistant administrator in charge.

Mr. Linz has resigned as a partner in Carl M. Loeb, Rhoades & Co., New York, to assume his new duties at OPACS, where for the present he will devote his attention principally to lead.

American rationing to be at the line of raw materials, Henderson says

Speaking before the New York Housewares Manufacturers Association, Inc., and wives of members, in Atlantic City, July 14, OPACS Administrator Henderson remarked that "Costs and prices of many consumer items have already risen at the wholesale level—it's only a question of time lag when they will hit the pocketbook." Further, Mr. Henderson stated: "Before long now there will be more purchasing power running around hunting something to buy than there are goods available."

Retail sales up 20-50 percent

Further excerpts from Mr. Henderson's talk follow:

Let's compare retail sales of the first months of this year with the same months of last year. They show roughly that American consumers bought 40 percent more automobiles, 35 percent more refrigerators, 20 percent more vacuum cleaners, 20 percent more radios, 50 percent more electric stoves, and 50 percent more furniture.

It becomes my disagreeable duty to tell you that the party is over. Not that you didn't sense it before, but it needs to be brought home to housewives and businessmen so that, in true American fashion, we can stir our stumps and get busy handling the situation.

Next week, at my offices in Washington, my staff will sit down with the makers of oil burners, automobiles, metal furniture, and household appliances, to explore the future. I wish I could tell you that we had an easy solution, that everything is going to be all right. I can't promise you any such hope.

No exactly similar paradox ever confronted American business. Customers, ready, eager, and able to buy will be crowding the market places and stores, but manufacturers will be unable to get enough raw materials to satisfy demands. All of us will get sick and tired of hearing that unfamiliar word "shortage."

"This means rationing"

Guns, tanks, airplanes, and ships are built of the same basic materials as automobiles, washing machines, electric

toasters, kitchen stoves, and paring knives. It is becoming evident now that the amount of copper, steel, aluminum, nickel, zinc, chromite, manganese, and a number of other materials required for armaments is going to be so great that we won't have enough left over for consumers durable goods. This means rationing, not by cards at the stores but at the raw material line, and rationing means that someone is going to get hurt.

Must continue needed public services

We have been approaching this problem of spreading or allocating scarce

materials to civilian industries from several viewpoints. In the first place, there are many essential public services such as maintenance of transportation, of public health, of police and fire protection which must be continued.

Next, it seems crystal clear that provision must be made for materials needed for repairs.

Also—that all transportation needs, such as essential freight cars, pipe lines, barges, should have clear claim to our precious residual supplies.

I cannot spell out the order of all civilian priorities. It is obvious, however, that not until the needs above have been met will there be anything left for conversion into consumer goods.

But now let me speak to all of you

OPACS suggests 16 ways to use transport efficiently, so as to keep down costs

Sixteen suggestions by which American industry can make the most efficient use of the Nation's transportation facilities were issued July 14 by G. Lloyd Wilson, Director of Transportation, OPACS.

"Transportation is vital to national defense and civilian welfare," Mr. Wilson said. "Efficient use of ships, railroad and express cars, trucks, airplanes and pipe lines is imperative. Intelligent co-operation on the part of shippers, carriers and Government will result in the movement of more freight per vehicle mile and will act to prevent increases in the cost of transportation."

Adequate notice urged

The sixteen suggestions follow:

1. Give carriers adequate advance notice when transportation facilities are needed and exactly where they are needed.
2. Order precisely the sizes and kinds of facilities required.
3. Place vehicles promptly when ordered.
4. Have goods properly packed, marked, protected, and ready for shipment exactly when transport facilities are ordered.
5. Ship goods in units adapted to utilize maximum carrying capacity of transportation vehicles or as much of it as possible.

Maximum safe capacity

6. Load vehicles to maximum loading

capacity consistent with safety.

7. Arrange for prompt loading and unloading of transportation vehicles—vessels, cars, and trucks—upon arrival and placement.

8. Arrange for prompt release of equipment as soon as it is unloaded.

9. Remove vehicles from delivery points promptly after release.

10. Clean debris and rubbish from vehicles after use.

11. Operate vehicle-loading and unloading facilities on an every-day-in-the-week basis, whenever possible.

Load vehicles in both directions

12. Select, whenever possible, railroad cars for loading in the direction of the home or owning railroad, and load vehicles of all sorts in both directions, in order to avoid empty vehicle movement.

13. Give preferred attention to freight cars held beyond free time so as to avoid demurrage charges and release unduly delayed equipment.

14. Have docks and piers ready to receive vessels promptly and commence discharge immediately upon arrival.

15. Make adequate advance arrangements for railroad cars, trucks, and other facilities needed to receive transshipped cargo so as to have vehicles ready when cargo is available.

16. Route shipments so as to avoid unnecessary circuitry of routes and superfluous interchanges between carriers.

in your capacities as housewives or as that most necessary A-1 priority household appliance, the bill-payer.

Rising costs and prices

Prices are going up. Costs and prices of many consumer items have already risen at the wholesale level—it's only a question of time lag when they will hit the pocket book.

A few months ago, wage increases were negotiated in most of the basic and large industries. Fortunately many businesses could absorb these increases out of increased profits—but not all.

Then Congress established a policy of 85 percent parity loans for agricultural products. The commodity markets have reflected these loan rates. This is the main explanation of the rise in domestic food costs.

Ocean shipping rates have gone up, because of Nazi ship sinkings and greater demands for war purposes. Fifty oil tankers have been diverted to the British to insure necessary oil in Europe. I expect more tankers will be needed for the British shuttle service—and our price and supply problems for gasoline and fuel oil will be more acute.

These three items, parity loans, wage raises, and ocean freight rates are real cost increase items. They come, of course, at a time when defense needs are shortening available supplies just at the time that wage earners, hungry for all kinds of goods are getting more pay.

More purchasing power than goods

Before long now there will be more purchasing power running around hunting something to buy than there are goods available. If that occurs to substantial degree, no power on earth can prevent inflation.

For that reason the Government must sop up some of this extra purchasing power. It must increase taxes, thus helping to pay for defense. It can stimulate savings. Consumer credit must be kept from expanding. At the same time, increased attention must be given to making it easier for industries which do not compete with defense, to expand their production.

In other words, OPACS expects to barge ahead in the fight against inflation.

Inflation is an ugly word, and so are its consequences. It takes deep bites into the standard of living of every wage earner, every person of fixed income. It dilutes every savings account and every insurance policy. When it is in its stride,

no manufacturer is safe in his commitments and no housewife is safe from rationing. No class gains permanently by inflation.

Experiences of World War

As you would guess, we have gone back over the experience of the World War period. Just last week, before I asked for rent control in the District of Columbia, I studied the effects of the last war on Federal employees who lived in Washington.

I had a personal interest, because I was in Washington part of the time as an Army officer. I found that Federal employees in the District lost 25 percent of their standard of living between 1914 and 1920. Imagine the holler that would go up if the wages of Government employees were reduced 25 percent. Yet the invisible hand of inflation did exactly that—and will do it again unless we are alert.

The post-war effects of inflation were worse. The record clearly shows that without Government intervention the cost of living began rising in 1915 and kept on until Baruch and his associates began control of some prices in the fall of 1917.

My order on textile prices is aimed to prevent the cost of \$1 cotton sheets going up to \$2.50, to keep overalls from costing three times as much as usual; to prevent cotton shirts from costing three times as much as the normal amount.

I said earlier that the lives of all of us will be changed by the defense effort. If we assume that all the people working at producing goods and services in this country are working 8 hours a day—then our defense is taking one hour of their time. But in Germany, every employed person is working between 4 and 5 hours out of every eight on defense, and out of every 8 on defense, and England is about the same.

If we are in earnest about this matter—and I believe deep down we all are—then the American way would be to out-produce Hitler. We can do this if we spend 3 hours out of every 8 for defense. My guess is that by next spring we will be equalling Hitler's production.

I've been trying to prepare you for the changes in the direction of our production—to tell you that as manufacturers you will need to be thinking about substitutes, simplification, conservation, and above all, gearing into defense production by direct contracts and subcontracts. And to all of you as consumers I've been trying to say—keep your eye on prices.

Makers of laundry, refrigeration equipment confer with OPACS

Second and third of a series of conferences between manufacturers of consumers' durable goods and the Civilian Supply Allocation Division, OPACS, were held July 14 with makers of commercial refrigeration equipment and domestic laundry equipment.

Three main points were emphasized by Joseph L. Weiner, chief of OPACS' allocation division, who conducted both meetings:

1. That manufacturers of consumers' durable goods requiring raw materials, principally metals, in great demand for the defense program, face increasing shortages and must be prepared to curtail their output for nondefense purposes.

2. That every effort should be made by such manufacturers to obtain defense contracts or subcontracts to avoid personnel lay-offs with resultant hardship to families of employees, local merchants, and others dependent upon the affected factories' pay rolls.

3. That substitute materials should be adopted wherever possible. In this connection manufacturers were cautioned not to substitute a metal or other substance that already was in large, but not yet critical, demand for defense.

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Federal employees offered plan for Defense bond investment

The Treasury Department announced July 12 plans which will enable more than 1,251,000 Federal employees throughout the United States to participate in the national defense savings campaign by periodic investment of part of their earnings in Defense Savings Bonds and Stamps.

Both in Washington and in the field, heads of bureaus, offices and divisions are being named to general departmental committees to bring the campaign to the attention of the Federal employees and to encourage the purchase of Defense Savings securities.

This program was started at the Treasury only a few weeks ago. Already, more than 17,000 of the 19,982 Treasury employees in Washington, or 85 percent, have pledged to buy \$95,944 in Bonds and Stamps each month. Of the 9,176 Treasury employees in field service, 6,133, or 67 percent, have pledged to make monthly purchases totaling \$30,265.

Stabilization program, boosting ceiling, announced after cotton panel meeting

A comprehensive program for price stabilization in the cotton textile and rayon industry, involving upward adjustment in present ceiling prices on cotton grey goods, was announced July 18 by OPACS Administrator Henderson.

The present ceiling prices on cotton print cloth will be adjusted upward from 39 cents a pound to 43 cents a pound—or to the level prevailing during the last week in May.

Other grey goods constructions now under ceilings will also be brought to the level prevailing at that time. The prices during this period will then be used as a basis for extending the ceiling to the branches of the cotton and rayon textile industry not now covered by ceilings. These prices allow fully for recent increases in cotton costs, costs of third shift operations, training of learners and costs incident to power shut-downs. They should insure capacity operations in the industry.

Action followed panel meeting

The decision to adopt the ruling prices during the last week in May as the basis for revising the existing schedule was reached after meetings last week with a group from the new advisory panel of the industry. Mr. Henderson said the panel would be called to Washington again in approximately 2 weeks to consider the ceilings for the types of goods which remain to be included under the comprehensive program.

Leading factors in the rayon grey goods industry meeting with OPACS officials last week agreed not to charge more than present prices for their products pending formation of an advisory panel for that industry. It was made clear that present prices for a number of types of rayon grey goods are considered too high and that a ceiling will be established below present levels and consistent with the prices of cotton grey goods.

Yarn ceiling being revised

Mr. Henderson also stated that ceiling prices for single ply combed cotton yarn were in process of revision upward as a result of the increase in raw cotton costs, beyond those allowed for when the schedule was issued. The increase in combed cotton yarn prices was expected to be about 2 cents a pound.

The adjustments made in the cotton grey goods ceiling were approved by the committee, the members of which prom-

ised their cooperation to OPACS in carrying out the revised schedule.

In announcing the formation of the cotton textile advisory panel earlier last week, Mr. Henderson stated there is no truth to reports circulated by one or two industry representatives to the effect that OPACS acted without prior consultation with industry leaders in preparing the schedule. A series of conferences was held with between 20 and 30 leaders in the industry in preparing the schedule. The present panel in major part involves only the giving of a formal status to this group.

Mr. Henderson added that the policy of OPACS in not dealing with trade association groups on price matters was in no wise altered. Serious antitrust questions are involved in using these groups on price questions.

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OPACS and producers discuss anthracite price rise

Upward trend of anthracite prices was discussed at an exploratory meeting July 18 between the OPACS and representatives of principal Pennsylvania hard coal producers.

Extensive data were submitted by industry representatives for study and analysis by OPACS' staff in the light of that agency's specific interest in preventing unreasonable price increases during the present emergency.

Consumers of anthracite, which is used mainly for residential heating, did not enjoy the usual seasonal price concessions this summer. Instead, an advance of 10 cents a ton was put into effect June 15, another of 10 cents a ton on July 15, and indications have been given that two additional increases of 15 cents a ton each are planned for August 15 and September 15.

The meeting was attended by representatives of Glen Alden Coal Co., Scranton; Hudson Coal Co., New York, N. Y.; Jeddo-Highland Coal Co., Jeddo; Lehigh Navigation Coal Co., Philadelphia; Pennsylvania Coal Co., Scranton; Lehigh Valley Coal Co., Wilkes-Barre; Philadelphia & Reading Coal & Iron Co., Reading; Susquehanna Colliery Co., Philadelphia; and also by S. D. Ringsdorf, president of the Anthracite Operators' Association, Wilkes-Barre.

Gulf Coast oil refiners asked to maintain 6-cent gasoline base

All petroleum refiners in the Gulf Coast area were requested July 17 by Administrator Henderson, OPACS, to maintain a base price of 6 cents for Gulf Coast gasoline.

It was pointed out that the quoted low of the market for this gasoline has gone from 3 $\frac{5}{8}$ cents per gallon on the first of the year to 6 cents per gallon on June 19, 1941, when the oil industry was requested to maintain consumer prices at present levels, except after prior consultation with OPACS. Several cargoes have recently been reported moving at prices ranging from 6 $\frac{1}{4}$ to 6 $\frac{1}{2}$ cents.

Action to control speculation

OPACS officials indicated that there is now an extraordinary demand for gasoline on the Gulf and that the request to maintain the prevailing market was deemed necessary in order to control speculative buying. The action follows several conferences with large and small refiners at which substantial agreement was reached as to the desirability of the action taken.

OPACS officials indicated that prompt consideration will be given to any requests by small refiners for permission to effect transactions at higher prices in order to avoid unusual hardships consequent upon necessary industry readjustments caused by shortage of tankers to carry petroleum products from the Gulf to the East Coast.

It was also indicated that OPACS intends to make a detailed study of the costs of refinery operation in the Gulf area. Information for the study will be assembled in cooperation with the Office of the Petroleum Coordinator for National Defense, which was consulted in connection with the July 17 action.

Industry cooperating with OPACS

Mr. Henderson also announced that his request to the oil industry for advance notice of price advances had met with gratifying response. Several large marketers on the Eastern Seaboard, including Standard Oil of New Jersey and the Socony Vacuum Oil Co., have withheld proposed advances of the service station price of gasoline after consultation with OPACS. These advances will be reconsidered when it is possible to evaluate the extent to which increases in the cost of transportation from the producing areas to the East Coast will be relieved by plans now being worked out by the Office of the Petroleum Coordinator for National Defense.

News for Retailers

Woolen Textiles

Contracts awarded last week for woolen cloth for Army uniforms have been scheduled by the Quartermaster General to dovetail with current production plans of the industry. Delivery dates on the 17,000,000 yards of cloth ordered have been so planned that manufacturers of woolens will be able to maintain production for civilian orders and supply Army requirements during the forthcoming winter and spring.

The current wool order is designed primarily for replacement since stocks of clothing on hand or shortly to be delivered are adequate for the present armed forces. The new contracts cover overcoatings, serges, wool linings, elastique, and shirtings. A large proportion of the fabrics is to be manufactured out of domestic wools.

Contracts were awarded on July 9 for 1,520,000 Army blankets. About three-fourths of these are to be manufactured entirely of domestic wools; the remainder are to be half of domestic and half of foreign wools. Defense purchasing officials expressed satisfaction because the bids on the wool fabrics and blankets were at prices close to those prevailing on the last Army orders.

Government wool requirements during the current fiscal year are estimated at approximately 260 million pounds, grease basis, out of an expected total domestic consumption of more than 900 million pounds. With loom activity in woolen mills at an all-time high and with Army orders integrated with civilian production, wool textiles are expected to be adequate for existing demand.

OPACS textile price executives report that alarming increases are appearing in clothing prices at the retail level which have not been preceded by proportionate advances in manufacturers' selling prices. These increases are under investigation.

Rugs and Carpets

Manufacturers of wool carpets and rugs have been asked by OPACS not to advance prices on lines to be marketed this fall. Carpet prices have been moving steadily upward since late 1939 and Administrator Henderson has called for voluntary cooperation from the industry to halt further increases, in the effort to prevent an inflationary movement in household goods.

The chief base for rugs and carpets has been foreign wool, imports of which have practically ceased because of the war. While it is true that the cost of these foreign carpet wools has risen substantially, OPACS price executives point out that rug and carpet manufacturers had large reserve inventories of foreign wools, purchased at lower prices before additional imports were restricted.

A number of manufacturers have indicated that rayon staple fiber makes an excellent substitute for foreign wools in the production of rugs and carpets. Some are of the opinion that a better rug results and at lower cost. OPACS officials believe these two factors—reserves of foreign wools and possibility of rayon substitution—should operate to make a further rise in rug and carpet prices unnecessary.

Lack of cooperation from carpet manufacturers might have an effect on other household goods lines, OPACS officials say.

Conservation

Paints, shaving creams, salves, and many other preparations commonly sold in the past in tin tube containers will soon be appearing in tin-lined or tin-alloyed tubes. As part of the OPM's program to conserve tin for the production of essential military supplies, tube manufacturers and industries using such containers are developing substitute alloys for tin tubes. It is estimated that 1,000 tons of tin can be saved each year in this way.

Experiments are now under way in the National Bureau of Standards and the Food and Drug Administration to determine the possibilities of similar substitution in the case of tube containers for tooth pastes and other pharmaceutical preparations. Before container substitutions are recommended, thorough tests will be undertaken to make certain that such tubes will be suitable for the products.

Extensive experimentation in the use of plastics for defense equipment is being accompanied by the development of new plastics in consumer goods. Plastics have been increasingly used in safety glass, radio parts, paint and varnish products, plywood manufacture, cigarette cases and compacts, millinery trims, costume jewelry, electrical products, and many other consumer goods.

Canned Fruit

Army and Navy purchases from the 1941 pack of canned fruit probably will not appreciably affect the supply available to civilian consumers, according to available information.

Military requirements from the forthcoming pack will total about 2,000,000 cases of canned fruit. The Bureau of Agricultural Economics points out, however, that this will not account for a proportionate increase in the total demand for canned fruit since much of it represents only a shift in consumption from civilian to military channels.

A general increase in civilian consumption is anticipated, but the supply is expected to be adequate for these reasons:

1. Current estimates indicate a larger fruit crop this year than last.

2. A large amount of fruit will be available for domestic consumption as the result of loss of exports to the Continent. Some fruit, formerly dried and shipped abroad, probably will be canned for domestic consumption.

3. Cannery are anticipating an expanding market and are making efforts to can an increased proportion of the crop accordingly.

The Agricultural Marketing Service estimated on June 1 that the peach crop for 1941 will total 66.1 million bushels compared to 54.4 million in 1940. An estimated 325,000 short tons of California freestones and clingstones will be canned this year compared to 311,000 short tons last year. A carry-over of Pacific Coast canned pears, three times the relatively small stocks of last year, may tend to restrict pear canning this year. Increased canning of cherries is predicted in view of the small prospective carry-overs of sour and sweet cherries and the increase in domestic demand.

Price prospects are less clear. The Bureau of Agricultural Economics reports that increased consumer purchasing power and demand for fruits probably will partly offset the lower prices which might otherwise result from increased supplies.

Retail prices in some canned fruits have already advanced. The Bureau of Labor Statistics reports an advance in the 51-city monthly average price for canned peaches (size 2½ can) from 17 cents in June 1939 to 17.5 cents in June 1941. This is not, however, as high as the average of 19.8 cents prevailing in June 1937, during a period of expanded purchasing power and more restricted supply.

LABOR . . .

Defense officials tell of measures to relieve pressure of worker migration

Last week several leaders in the defense organization appeared before the Committee of the House of Representatives Investigating National Defense Migration. Among them were Associate Director General Hillman, Purchases Director Nelson, OPACS Administrator Henderson and Charles P. Taft, Assistant Coordinator of Health, Welfare and Related Defense Activities. Excerpts from their testimony follow:

MR. HILLMAN

I am not here seeking to deal with the orderly planned movement of labor to newly developed defense plants, and the like, but rather with the problem of the unplanned disorderly migration of men searching work, from city to city. Fortunately, there has not yet been any large-scale migration of labor, with its resultant chaos, during this first year of the defense effort, comparable to that which took place in the defense production of the World War. And furthermore, as the months have passed, the information which reaches me indicates that the tendency of labor to migrate has not increased in any degree commensurate with the expansion of defense output, which as you know has multiplied during these months in all 18 of the major defense industries, in addition to the expansion in consumer goods industries as well. In fact while it is impossible to obtain exact figures of the total amount of labor migration, it is my impression that instead of *increasing* in these latest months, it has actually been *reduced*. This does not mean, however, that migration has been eliminated, or that it has ceased to be a cause for grave concern.

Disorder means high turn-over

I need hardly explain why we are eager to keep labor migration to a minimum, and to keep under control whatever relocation of workers must occur. A disorderly labor situation means high turn-over in the plants, and this is both costly to industry and injurious to sufficient production. Plants that have an adequate and well-established labor force should not have that force disrupted by the pirating practices of other plants. Again, an uncontrolled inflow

of migratory workers into communities already glutted with defense workers is bound to create serious housing shortages, rising rents, and in some cases health and social problems besides. Finally, those communities and areas from which labor migration proceeds are bound to suffer serious loss both in their normal civilian pursuits and in case they should later be incorporated into the defense effort. For all these reasons, it has been the policy of the Labor Division from the beginning that every worker should, if possible, be employed locally, be trained locally, and be brought into the defense effort locally. Labor tends to migrate from those sections where such opportunity is less, to those points where opportunity exists or is reported to exist. The Labor Division from its inception has urged that contracts be equitably distributed and that they be placed in areas where idle men and idle machines were to be found.

Suitable housing scarce

It is obvious that in order to insure swift and efficient production of defense materials, there must not only be an adequate supply of qualified labor, but also housing facilities at rent levels within the economic range of that labor. I have here a tabulation listing 68 localities for which the Defense Housing Coordinator has established a quota for private builders. For 60 of these localities, there are comparable figures showing the total amount of private building done in 1940. In 30 of these localities, private building in 1940 was greater in amount than that recommended by the Coordinator to be privately constructed in 1941, and for 30 localities it was less.

However, we cannot approach this problem solely from the standpoint of the *amount* of housing. We must also concern ourselves with the *type* of housing which defense workers require. Much of the new building consists in dwellings for purchase, whereas much of the requirement of defense workers is for rental housing. While our facts are not complete, it is clear, that in many localities, the housing that is being built cannot be made available for defense workers. In Hartford, Conn., for example, of 1,190 permits filed for new

dwelling units, financed from private funds, 893 had permit values of \$4,000 or more, indicating purchase prices of \$5,600 or more. Housing in this price category is generally out of the reach of defense workers. This situation is generally true of the cities covered in the tables which I am submitting for the record.

Our major policy in supplying manpower to defense industries has been that the fullest possible use should be made of the labor supply that is locally resident in the vicinity of the defense plants. The condition we have striven to bring about is the exact opposite of a condition of migration. It involves the hiring, by defense employers, of the highest possible amounts of local labor, plus the training of that labor to qualify it for the defense jobs of its locality.

Placing workers

During the first 11 months of the defense effort, the Bureau of Employment Security registered more than 6,500,000 workers, and placed 1,500,000 of them in jobs, for the most part defense jobs. Wherever stringencies in certain skills appeared our training program went into operation.

There are two broad divisions of that program—training in vocational classes outside of industry, and training within industry. Let me briefly describe them.

The training outside of industry includes three kinds of classes. There is the primary or preemployment training. There is the training for former skilled workers whose skills may have grown rusty because they worked in other callings during the depression. And there is the specialized training or supplementary courses, largely out-of-hours courses for defense workers who desire to upgrade their skills.

Starting July 1, 1940, and up to May 31, 1941, 716,655 individual workers were trained in the preemployment, refresher, and supplementary courses. Out-of-school youth, rural and nonrural, were trained in vocational courses to the number of 132,253 individuals. The WPA has supported a great many of these trainees. The vocational courses on the NYA work projects trained 125,000, and the various engineering colleges trained 95,529. That is a total of 1,059,347 persons trained, and in addition on June 21, 1941, the National Youth Administration had 354,936 young people employed in its out-of-school work program. The Appren-

ticeship Unit of the U. S. Office of Education further had 125,000 apprentices working in various approved plants and shops, on funds provided by the Federal Government. All such training helps to reduce the migration of workers by encouraging the employment of locally resident labor.

Resident workers may be locally trained, however, and employed, without removing one basic cause for the migration of workers. This lies in inequalities of wages, hours, and working conditions that exist in different localities and between different plants in the same industry. Different wage scales in shipyards within the same area, for example, might be expected to create excessive labor turn-over in that area.

Stabilization contracts

It was because of this that the Labor Division last November 27 launched its program of stabilization for the shipbuilding industry, which today is virtually complete. The plan was to bring the employing shipbuilding concerns into conference with the organizations of shipyard labor and with the Navy and Maritime Commission, under the auspices of OPM; and to work out a general agreement on basic zone standards, one agreement for each shipbuilding sector. The Pacific Coast agreement was the first; it was reached on April 11. The Atlantic Coast agreement has been consummated and also has been signed by all parties; the Gulf agreement is scheduled to go into effect August 1, and the Great Lakes agreement was concluded July 11 and its terms are now in process of final approval.

We are now in the first stages of extending this stabilization system to the aircraft industry. OPM has similarly initiated a stabilization program for the construction industry. A tentative agreement has already been arrived at between the Federal agencies in charge of construction and the building trades. By stabilizing conditions on an industry-wide basis, migration is discouraged.

The temptation to the worker to leave home and migrate is felt with special strength in those communities which have no share in the work of defense production.

Last autumn the Labor Division became interested in the so-called "ghost towns" and had a study made of them. Further, a general policy of subcontracting was strongly advocated.

One further point remains. The effect of mandatory priority orders in creating unemployment in plants which cannot

get materials is at present causing concern, and a special section of the Labor Division has been established to deal with the whole problem of priorities in their effect on labor displacement.

MR. NELSON

One of our basic policies has been to avoid, insofar as possible, both undue concentration of orders and undue centralization of industry. Clearly, it would be undesirable to allot so many orders to over-worked communities as to exaggerate inward migration of laborers and thus lead to unhealthy congestion. Likewise, it would be unwise to erect so many new facilities in outlying areas as to cause mushrooming of temporary towns.

In this connection, a further factor must always be recognized: that is, as the defense program grows, with its demands on both labor and materials, production for civilian use is bound to be curtailed in many lines of business. One result is the progressive unemployment of former civilian-goods workers, and to meet this progressive change, we need to allot defense orders, so far as feasible, to the areas where transfer of workers to defense projects can best and most speedily be carried out.

Broadly, the distribution of Army and Navy orders has tended to follow rather than to deviate from the previously existing pattern of industrial activity.

Tendency toward decentralization

When we consider the distribution of War and Navy contracts for new facilities, however, there are sharper contrasts. In part, new facility locations are determined by strategic factors, which are purely for military authorities to decide upon, and in part, by economic considerations. But the figures show that new facilities contracts have been placed much more definitely away from highly industrialized areas.

Supplies contracts have followed the location of industry and its workers; but new facilities have been planned to follow a policy of at least partial decentralization. The decisions on new plant locations are made only after most thorough analyses by military boards and by the civilian advisory boards, including recently the Plant Site Board.

The initial negotiations for the selection of sites for new industrial facilities in connection with the defense problem is in the hands of the technical agencies responsible for assuring an adequate supply of the articles to be produced.

Procedure for site selection

The officer in charge of the program prepares a statement describing the site proposed indicating its requirements in terms of labor, power, transportation, water, raw materials and so forth, and how it is proposed that they be met at this location. This proposal is submitted to the War Department Facilities Board, established in the Office of the Under Secretary of War. The War Department Facilities Board transmits the proposal with all available information about it to the Plant Site Board of the Office of Production Management.

On the basis of the requirements submitted with the proposal the staff of the Plant Site Board secures all available data with respect to the resources of the community in which the plant is to be located which will throw light on its ability to meet these requirements. Particular emphasis is put on the availability of labor at the time the plant can get in operation, the availability of power at that time, the supply of vacant houses in case workers must be imported, the character and quantity of training equipment and facilities in case workers must be trained, the nature of the land to be purchased where large acreage is involved and the number of persons who must be dispossessed, the effect of the proposed location on transportation facilities generally, and particularly the relation between the location and the sources of raw materials and the destinations of the finished products.

In addition the Plant Site Board is instructed in the regulation establishing it to "seek insofar as it can do so consistently with due expedition of the program of defense production and appropriate factors of military strategy to facilitate the geographic decentralization of defense industry and the full employment of all labor and facilities."

Although for many years there has been a large backlog of unemployed throughout the country this is no longer the case. We now have in many locations acute labor shortages. In the course of the next year when the greater part of the new facilities under construction will get into operation these shortages will be far more widespread. As a result labor supply has become a key problem in selecting suitable sites for new plants.

MR. HENDERSON

Rents charged for housing accommodations in defense areas have a direct bearing on many aspects of labor migration. If defense production is to pro-

ceed smoothly, we must be assured (1) That workers will be willing to migrate to those areas where they are needed, when they are needed; (2) that once they have accepted defense jobs in new localities their living costs and general living facilities are reasonable enough to keep them there; (3) that if they choose to stay, their health and morale will be maintained.

Rents react to growing demand

It will be difficult to continue to attract workers with the necessary skills to aircraft, shipbuilding, and ordnance centers unless they are provided with decent housing facilities at reasonable rents. Private residential construction and Government allocations for defense housing are alleviating congestion, but in many areas they are not able to keep pace with the growing demand for rental housing, and as a result of the shortage, rents are reacting sharply. In some shipbuilding, ordnance, and Army cantonment centers as many as one out of every two rented homes have had rent increases ranging from 20 to 100 percent since October 1939.

When situations of this character develop, increasing the supply of available housing facilities is the obvious solution. But where this cannot be done fast enough and in sufficient quantity, some control of the rental situation becomes imperative. Otherwise, workers will avoid those very defense centers where their skills are required. Or, if they do come, they will soon discover that high wages are illusory when exorbitant rentals eat away a third and more of their earnings. Workers will move out again.

Fair Rent Committees established

In the Price Division of our Office there is a Rent Unit which sends members of its field staff into those areas most seriously affected by rent increases. Frequently they go at the direct request of local officials. After reviewing the situation, members of our staff aid municipal authorities and local defense councils in establishing what we call Fair Rent Committees. Our staff outlines fundamental principles of procedure on a voluntary basis. After the Fair Rent Committee has been appointed by the mayor, it publicly points out the dangers of exorbitant rentals and sets up an office to receive tenant complaints. These complaints are examined, and cases are selected for mediation. The landlord is summoned to a hearing to explain the increase, and the committee, after considering a variety of factors, makes a specific recommenda-

North Atlantic export unloadings exceed first 6 months of 1940 by 13 percent

Cars of export freight, other than grain, unloaded at North Atlantic ports—from Hampton Roads, Va., to the Canadian border—totaled 184,231 in the first 6 months of 1941, an increase of 22,027 cars or 13.6 percent compared with the same period last year, according to information furnished to Ralph Budd, Transportation Commissioner, by the Association of American Railroads. At all Atlantic, Gulf, and Pacific ports, unloadings totaled 283,537 cars, an increase of 6,934 or 2.5 percent above the same period last year.

In the month of June alone, 48,296 cars of export freight, other than grain, were unloaded at Atlantic, Gulf, and Pacific ports compared with 49,557 cars in June 1940.

Cars of grain for export unloaded in June this year at those ports totaled 4,230 compared with 1,493 in the same month last year.

No congestion or delay to traffic exists at any of the Atlantic, Gulf, or Pacific ports, due to the cooperation of railroads, steamship lines, port authorities, exporters, and shippers.

New York unloadings reach new high

At the Port of New York the number of cars unloaded for lighterage in June 1941 averaged 1,102 daily. This was the highest average rate of unloading since November 1939 when the figures were first compiled, exceeding the previous high, which occurred in May 1941, by 59 cars daily and making the second consecutive month in which unloadings exceeded 1,000 cars daily. In June

1940, average loading of cars for lighterage was 922 daily.

East-bound freight, of which approximately 88.6 percent was for export, lightered at New York in June 1941, totaled 724,864 tons, compared with 680,761 tons in the preceding month and 644,857 tons in June 1940. This was an increase of 6.5 percent compared with May 1941 and an increase of 12.4 percent compared with June last year.

West-bound tonnage increases

West-bound lighterage tonnage, most of which is import traffic, totaled 254,410 tons in June 1941 compared with 247,693 tons in the preceding month, and 121,374 tons in June 1940. This was an increase of 2.7 percent compared with May 1941, and an increase of 109.6 percent compared with June last year. Both the east-bound and the west-bound lighterage tonnage handled during June this year was the heaviest moving in any one month since the Association began compiling the statistics in November 1939.

Cars of export freight, other than grain, unloaded at Boston in June totaled 471, compared with 1,110 in June last year, or a decrease of 58 percent. There was an increase of 136 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with June last year.

At Philadelphia, 2,452 cars of export freight, other than grain, were unloaded in June, compared with 2,581 last year, or a decrease of 5 percent. There was an increase of 10 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with June last year.

Cars of export freight, other than grain, unloaded at Baltimore in June totaled 2,794 compared with 4,400 in June last year, or a decrease of 37 percent.

At Hampton Roads, 1,395 cars of export freight, other than grain, were unloaded in June, compared with 2,203 last year, or a decrease of 36 percent.

Notwithstanding the heavy movement of export traffic through the North Atlantic ports, particularly Boston, New York, Philadelphia, and Baltimore, there are ample rail storage facilities at all of the ports.

tion. The actual power of the Fair Rent Committee is dependent upon the degree of public support which it enjoys in a community. Some 10 such committees are now functioning; others are being set up.

This method of procedure on a voluntary basis has certain patent limitations. Voluntary control may succeed temporarily in restraining upward trends; it lacks the authority to reverse such trends. There is no question in my mind that ultimately the authority of law will have to be invoked to curb rent increases in those areas where voluntary methods are only partially successful.

MR. TAFT

Centers of industrial concentration present different problems. There are the already established industrial centers whose multiple industries are converted

to defense needs and which are, in addition, the sites of greatly increased new facilities. True, the influx may be so small relatively that the population can readily absorb it. But it is more likely, as in the case of Detroit, which anticipates 75,000 in-migrants out of the 350,000 needed by 68 areas for defense industry, that the city has reached its ultimate expansion and will have to spread to out-lying areas beyond city and even county units.

Somewhat different is the case of a fair sized city such as Wichita, Kans., which is still undergoing expansion. Here one industry, aviation, has received contracts requiring huge construction and operation labor. Here the need is greatest for the development of the nucleus of growing facilities to meet the needs of the added population without distortion of the community plan in the direction of the new defense activity.

TRANSPORTATION . . .

Railway cars October 1 may be 20,000 short of schedule at present rate, Budd fears

At the present rate of interruption in freight-car building, the railways may fall 20,000 cars short of the program set up for October 1, Transportation Commissioner Ralph Budd, OEM, told the American Short Line Railroad Association in Chicago, July 14. Excerpts from his address follow:

If the total industrial activity of the United States is considered as a vast production line, the capacity of which is to be enlarged, then transportation should be regarded as one of the vital parts of that production line and in order that the entire effort may be in balance, the capacity of the carriers must be increased as enlargement of the other segments takes place, just as would be necessary when planning for increased output in a single factory.

Transportation had at least two advantages at the start of the defense program. First, due to the rapid development of new forms of transport there had been built up a capacity for moving goods and people far in excess of the normal requirements, and, second, since the moving of persons, materials, and supplies for defense work is similar to such movement for other purposes, there was no necessity to change the plant, like retooling a factory, but only to enlarge it as might become necessary to handle the increasing load.

In carrying on such a prodigious program as that now under way, the movement of certain commodities precedes the manufacturing process, and the railroads especially are called upon for the initial movement of raw materials. Perhaps the best concrete example of this is that of iron ore, which, to a very large extent, comes from the Minnesota, Wisconsin, and Michigan ranges, and mostly moves through the Soo Canal to the Chicago District and Lake Erie ports. Present indications are that the amount of ore which will be mined in these regions this year will exceed the highest previous year by about 10,000,000 long tons. Up to the first of July this year 11,000,000 tons more ore had been removed than was moved prior to July last year. This represents an increase of 60 percent and is one of the most important facts in connection with national defense.

In order that cooperative efforts of shippers and carriers may be most successful, cars, locomotives, and track must be kept in good condition, and bad order cars held at the lowest practicable level. This responsibility is one for the railways, and normally they should assume it without any question. At the moment, however, railways are having difficulty in getting materials for proper maintenance, and for new cars and locomotives. Sympathetic consideration has been given to the appeals for priorities which will permit suppliers to fill railway orders, but the necessary action to bring deliveries is exceedingly slow. Transportation must be recognized as equally vital with any other part of the defense effort, and the time has come when such recognition must be expressed in necessary materials.

Just a year ago, July 16, 1940, to be exact, after consultation with the railways, I addressed a letter to the Association of American Railroads, setting up 1,700,000 railway-owned freight cars as a goal which should be reached as soon as practicable. This meant an increase of about 60,000 cars, and at the same time replacing cars that were being dismantled. Probably the retirements would amount to not more than 40,000 a year since many old cars are being repaired and kept in service. The orders were placed for these cars, and also for necessary locomotives, but I regret to say that the program has fallen down and is falling down.

I fear that at the present rate of interruption due to shortage of material and to delays from strikes at car building and supply plants, the railways may fall 20,000 cars short of the program set up for October 1 this year. Unless material is released for railway use, the program will fall down worse in the future, because for the year ending October 1, 1942, the railways had hoped to add 120,000 cars to their ownership. Taking account of retirements, this would mean a 160,000 car program between October 1, 1941, and October 1, 1942.

Maintenance and improvements in other forms of transportation require attention, too, and their needs are receiving full consideration.

Railroad cars on order greatest number since 1923

On July 1 the railroads had more new freight cars on order than at any time since 1923, and more locomotives on order than at any time in the past 15 years, according to reports made by individual carriers to the Association of American Railroads and made available to Ralph Budd, Transportation Commissioner. On order as of July 1 were 92,566 freight cars and 559 locomotives.

The number of cars on order was 27,519 more than on June 1, 1941. It also was more than five times as many as were on order on July 1 last year, at the beginning of the rearmament program in the United States.

Of the total on order on July 1 this year, 59,813 were box cars; 28,008 coal cars; 2,378 flat cars; 1,350 refrigerator cars; 100 stock cars, and 917 miscellaneous cars.

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Carloadings still short of June peak

Freight-car loadings during the week ended July 12 totaled 876,165, an increase of 18.9 percent over the corresponding week in 1940 when 736,783 cars were loaded. This was an increase of approximately 136,000 cars over the previous week when loadings were down by reason of the Fourth of July holiday. It fell short, however, of the peak of 908,664 reached during the last week in June. To some extent this was due to the fact that the coal miners' vacation included Monday, July 7, which affected coal loadings during the week ending July 12. In addition to the loss of 24,000 in coal loadings compared to the last week in June, the miscellaneous loading dropped off 20,000 cars. The details follow:

CARLOADINGS WEEK ENDING JULY 12

	1941	1940	Percent increase
Grain and grain products.....	62,697	56,457	11.1
Livestock.....	10,177	11,627	12.5
Coal.....	147,492	127,371	15.8
Coke.....	13,576	9,949	36.5
Forest products.....	44,252	31,015	42.7
Ore.....	81,104	69,633	16.5
Merchandise, l. c. l.....	154,183	140,080	5.5
Miscellaneous.....	302,734	284,651	27.4
Total.....	876,165	736,783	18.9
Cumulative (28 weeks).....	21,463,086	18,288,487	17.4

¹ Decrease.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Agriculture to be represented in OPM defense commodity groups

Agriculture has been assured of representation in those of the recently created OPM defense commodity groups which are concerned with "commodities produced by agriculture or necessary to the production of agriculture." These groups will consist of Government officials working with the defense industry advisory committees now being set up.

The assurance came from Sidney Hillman, associate director general, who also wrote for William S. Knudsen, director general, OPM, in an exchange of letters with M. Clifford Townsend, director, Office of Agricultural Defense Relations, United States Department of Agriculture.

Agriculture's basic part

In requesting representation for agriculture, Director Townsend outlined to OPM officials agriculture's basic part in the defense program.

"American agriculture," his letter said, "is responsible for the production of adequate supplies of foods and fibers for domestic and military use, and for the needs of nations resisting aggression. Thus, we are directly concerned in the production of such commodities as food, fibers, leather, drugs, rubber, fats, and

oils. In discharging this responsibility, agriculture is an important user of a wide range of metals, chemicals, and other supplies, and has a substantial interest in the advisory committees dealing with these commodities. American agriculture, as an important employer of labor, is interested in the operations of the Labor Division of the Office of Production Management and maintains a liaison contact with the Labor Division."

Interested agencies to be notified

In reply, Mr. Hillman wrote:

"In order efficiently to organize and centralize the formation and operation of defense industry advisory committees, the Office of Production Management has created a bureau of clearance with Sidney J. Weinberg as chief, which will be in charge of notifying each Government agency of each meeting held by any of such committees, in which the Government agency might have an interest. As OPM wishes to cooperate with you in every possible way, I have spoken to Mr. Weinberg, who has advised me that he received a copy of your letter to Mr. Knudsen and that he has directed the Bureau to notify you whenever any meetings of a defense industry advisory committee are to be held."

Defense clothes for women designed for each type of work

An unusual amount of interest is being shown the country over in the new work clothes for women designed by textile specialists in the U. S. Department of Agriculture, according to Dr. Louise Stanley, chief of the Bureau of Home Economics.

It is expected that these new outfits will be adopted widely as women take over more and more jobs in the national defense program—jobs in defense industries and about the farm.

In the Beltsville, Md., clothing laboratories of the Department, these clothes have been worked out along functional lines. Each different garment has been designed for some particular type of work, after a careful study was made of

what a woman does on that job. To date, nearly a dozen designs have been released to the clothing trade and the pattern makers. Others are still being perfected in the laboratory.

Designed especially for women who work around machines in defense industries is a one-piece mechanic's suit. Cut into this suit is room for reaching, sitting, stooping. Legs are shaped in to the ankles and closed with slide fasteners so they won't trip the wearer or drag in the dirt. Pockets are placed where they won't catch on things.

To protect the hair and eyes there's a visor cap that goes along with this suit. It may be adjusted to different head sizes, lies flat for ironing.

Loans and underwriting support feed storage

The Department of Agriculture has announced a plan to store reserve supplies of milled feed on farms in Northeastern States in order to avoid possible shortages that would hamper efforts to increase dairy, poultry, and livestock production required for the national defense program.

The plan is designed to assure adequate supplies of feed in the area in the event shortage in transportation—which may develop in connection with the defense program—limits shipments of grain from the producing areas in the Midwest or limits shipments of milled feed within the area. Producers and dealers in this area at present often maintain less than 1 week's supply of feed, whereas under the program participating farmers would maintain approximately 3 months' supply. The plan, by distributing grain to farms for storage in the form of feed, would also make available in grain-producing areas additional storage space needed for the 1941 grain crop.

Handled by cooperatives

To facilitate accumulation of these reserves, the Commodity Credit Corporation and Farm Credit Administration are making arrangements with farmer-cooperatives in the Northeastern States whereby grain owned by the CCC will be sold to cooperatives for milling purposes. The cooperatives will store the milled feeds on the farms of their members under an arrangement protecting the farmers against price declines.

The CCC will underwrite any decrease in the price of feed ingredients from the date the feed is placed in storage to the date it is released. Loans will be made available to cooperatives for the feed purchases through the Farm Credit Administration.

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Wells, of OADR, to serve on truck transportation committee

James E. Wells, Jr., chief of the Transportation and Marketing Division, OADR, has been designated to represent agriculture on the Central Motor Truck Transportation Committee of the Transportation Division, OEM.

HOUSING . . .

1,918 defense homes completed in week and 1,165 put under construction contract

Homes totaling 1,918 were completed and 1,165 placed under construction contract the week ended July 12, C. F. Palmer, Coordinator of Defense Housing, announced July 18.

Progress was also reported in the temporary shelter program, with the completion of 472 single dwelling units, and contracts placed for the construction of 351 more. The total number of dormitory units now available is 3,548.

In addition, contracts were let for 1,075 trailers, and 305 were completed, in the week.

3 Federal agencies complete homes

Among the new completions were 350 homes at Columbus, Ga., 145 at Houston, Tex., and 246 at Hickman Field, Hawaii. These homes were all constructed by Public Buildings Administration for enlisted personnel. The Navy and the United States Housing Authority were among the agencies completing homes for civilian workers during the week. The Navy completed 110 at Newport News, Va., and 67 at Alexandria, Va., while the United States Housing Authority completed, among others, 50 at Dumas, Tex.

107,000 homes allocated in program

The Public Buildings Administration also awarded construction contracts for 80 homes for enlisted personnel at Rockford, Ill., and 375 at Burlington, Iowa,

for civilian government workers. The Federal Works Agency awarded contracts in Kingsbury-LaPorte, Ind., for 200 homes, and the United States Housing Authority awarded contracts in Gadsden, Ala., for 100, both for civilian workers.

20,865 built in year

Since the inception of the defense housing program, July 7, a year ago, over 107,000 homes have been allocated. Of this number, 71,371 have been placed under construction contract and 20,865 completed.

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Two radio programs portray Defense Housing progress

Two radio programs were scheduled this week to portray progress in the Defense Housing program. The first was a Defense Housing Report to the Nation. The weekly Columbia Broadcasting System's Report to the Nation dealt with Defense Housing, July 21 at 7 p. m. The second show, set for the Mutual System, July 22, 4:15 p. m. was to be a dramatic presentation featuring a typical defense worker which was developed by the Radio Section of the Office for Emergency Management and the Division of Defense Housing Coordination.

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Lead users told to try regular suppliers before Metals Reserve

Priorities Director Stettinius, said July 21 that industrial consumers of lead should try to place orders with their regular suppliers before making any application to the OPM for allocations of lead held by the Metals Reserve Co. of the Reconstruction Finance Corporation.

Jesse Jones, Administrator of the Federal Loan Agency, has announced that the Metals Reserve Co. has completed arrangements to buy up to 225,000 short tons of Canadian and Mexican lead during the second half of 1941.

Mr. Stettinius said, however, that no applications for allocations will be entertained until the users of lead have tried the usual methods of obtaining the metal from their suppliers.

If the total requirements of the consumers cannot be furnished by regular suppliers, application for an allocation should be made to the commodity branch handling lead, headed by Erwin Vogel-sang, New Social Security Building, Washington, D. C.

Lead is *not* under mandatory priority control at the present time.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JULY 12, 1941

	Funds allocated		Contracts awarded		Completed	
	July 12	July 5	July 12	July 5	July 12	July 5
Number of States and Territories.....	49	49	47	46	30	29
Number of localities.....	170	170	145	142	70	65
Number of projects.....	410	410	254	243	89	82
Number of family dwelling units (regular).....	107,383	107,383	71,311	70,146	20,865	18,947
Civilian industrial workers in private defense industry.....	47,455	47,455	24,440	24,440	3,795	3,245
Civilian industrial workers in Government plants.....	19,201	19,201	13,701	13,026	4,092	3,918
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,559	8,509	2,688	2,656
Married enlisted personnel.....	30,085	30,085	24,611	24,171	10,290	9,128
Number of family dwelling units (trailers).....	4,094	4,094	3,234	2,159	1,475	1,170
Civilian industrial workers in private defense industry.....	3,594	3,594	3,234	2,159	1,475	1,170
Civilian industrial workers in Government plants.....	500	500				
Number of units for single persons.....	8,891	8,891	6,876	6,525	3,548	3,076

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

Jan. 1 through July 12.....	108,608
Week ended July 12.....	6,266

CIVILIAN DEFENSE . . .

Aluminum collection procedure outlined to officials of all States as drive opens

Director LaGuardia, OCD, on July 17, sent telegrams to all Governors giving them the locations of concentration points in their States to which, under a simplified plan, local communities will ship their collections of used aluminum-ware at the completion of the house-to-house canvass July 21-29.

Governors were asked to notify each local committee of the concentration point to which it should ship its aluminum.

All the scrap should be weighed, and a memorandum be prepared by each local committee, giving the weight and the location of the concentration point to which the aluminum scrap was delivered. This memorandum should be sent to the Division of Information, OEM, Room 5525, Social Security Building, Washington, D. C.

The local committee should arrange volunteer transportation to the concentration point. If the distance involved is great, the State transportation subcommittee may be asked to help.

The Procurement Division of the United States Treasury Department has been designated as the agency of the Government to dispose of the aluminum.

After the scrap has been collected at the concentration points, the State Procurement officers of the Treasury Department, with the advice of the OPM, will direct the shipment of the material to the nearest available smelter holding a defense preference rating.

All scrap assembled at each concentration point will be sold through public bids to smelters with defense preference ratings before any sorting or preparing has been done.

Leaders in each locality were asked not to ship any scrap until the local campaign is completed.

Following is a complete list of these concentration points for the entire country.

Alabama—Mobile, Birmingham, Montgomery, Ozark, and Decatur.
 Arizona—Phoenix and Tucson.
 Arkansas—Little Rock, Texarkana, and Fort Smith.
 California—Los Angeles, San Francisco, Fresno, Santa Barbara, San Diego, Long Beach, Stockton, Sacramento, and Eureka.
 Colorado—Denver and Pueblo.
 Connecticut—Hartford, Bridgeport, New London, and New Haven.

District of Columbia—Washington, D. C.
 Delaware—Wilmington.
 Florida—Jacksonville, Miami, Tampa, and Tallahassee.

Georgia—Atlanta, Savannah, Macon, Columbus, and Valdosta.

Idaho—Boise and Pocatello.

Illinois—Chicago, Aurora, Springfield, Peoria, East St. Louis, Bloomington, Champaign, Rockford, and Rock Island.

Indiana—Indianapolis, Evansville, Fort Wayne, South Bend, Muncie, and Terre Haute.

Iowa—Des Moines, Sioux City, Cedar Rapids, Waterloo, and Keokuk.

Kansas—Wichita, Kansas City, Dodge City, and Topeka.

Kentucky—Lexington, Louisville, and Paducah.

Louisiana—New Orleans, Shreveport, Baton Rouge, Monroe, and Alexandria.

Maine—Bangor, Portland, and Augusta.

Maryland—Baltimore.

Massachusetts—Boston, Worcester, Springfield, Pittsfield, Fitchburg, and New Bedford.

Michigan—Detroit, Grand Rapids, Marquette, Lansing, Saginaw, Traverse City, Sault Ste. Marie, and Kalamazoo.

Minnesota—Minneapolis, Duluth, Brainerd, St. Paul, and Albert Lea.

Missouri—St. Louis, Kansas City, Joplin, Jefferson City, and Poplar Bluff.

Mississippi—Jackson, Vicksburg, and Natchez.

Montana—Butte, Billings, and Missoula.

Nebraska—Omaha, Lincoln, and North Platte.

Nevada—Reno.

New Hampshire—Portsmouth, Concord, and Nashua.

New Jersey—Newark, Camden, Jersey City, Atlantic City, Phillipsburg, Paterson, and Trenton.

New Mexico—Santa Fe.

New York—New York City (5 boroughs), Albany, Rochester, Buffalo, Syracuse, Malone, Watertown, Niagara Falls, Jamestown, White Plains, Schenectady, Elmira and Kingston.

North Carolina—Charlotte, Greensboro, Asheville, Raleigh, and Wilmington.

North Dakota—Bismarck and Fargo.

Ohio—Cincinnati, Columbus, Toledo, Cleveland, Youngstown, Lima, Dayton, Canton, and Marietta.

Oklahoma—Oklahoma City and Tulsa.

Oregon—Portland, Pendleton, and Salem.

Pennsylvania—Philadelphia, Harrisburg, Pittsburgh, Scranton, Pottsville, Reading, Johnstown, and Erie.

Rhode Island—Providence.

South Carolina—Columbia, Spartanburg, and Charleston.

South Dakota—Sioux Falls and Pierre.

Tennessee—Memphis, Nashville, Knoxville, and Chattanooga.

Texas—San Antonio, Houston, Dallas, El Paso, Amarillo, Ft. Worth, Brownsville, and Austin.

Utah—Salt Lake City.

Vermont—Montpelier, Rutland, and Burlington.

Virginia—Richmond, Lynchburg, Staunton, Roanoke, Danville, Alexandria, Norfolk, Suffolk, Salem, and Bristol.

Washington—Seattle, Spokane, and Walla Walla.

West Virginia—Charleston, Wheeling, and Bluefield.

Wisconsin—Milwaukee, Eau Claire, Green Bay, Superior, Madison, and La Crosse.

Wyoming—Cheyenne.

Director LaGuardia names three inspectors general

Director LaGuardia, OCD, announced July 17 the appointment of three former mayors to be inspectors general of his organization. They are—

Bernard M. Dickman, former mayor of St. Louis, Mo., who will proceed to Omaha, Nebr., to organize the regional office of civilian defense for the Seventh Corps Area.

Joseph Carson, Jr., former mayor of Portland, Oreg., who will organize the regional office for the Ninth Corps Area in San Francisco.

Joseph D. Scholtz, present mayor of Louisville, Ky., whose term as mayor will expire this fall, to serve at large.

Regional directors have been appointed and offices have already been set up by Mayor LaGuardia in three of the nine corps areas.

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Walmsley appointed Acting Deputy Director of OCD

T. Semmes Walmsley, former mayor of New Orleans, was appointed Inspector General and Acting Deputy Director of OCD, July 18 by Mayor F. H. LaGuardia, Director.

Mr. Walmsley will inspect State and local defense units and help organize regional offices of civilian defense. He will work out of Washington.

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Money from sale of aluminum to buy metal for training planes

Proceeds from the sale of the aluminum pots and pans the housewives of America contribute during the national campaign for aluminum scrap will go to purchase aluminum for the construction of trainer planes for the Army and Navy, it was announced July 13 by Mayor F. H. LaGuardia, Director of the Office of Civilian Defense.

Mayor LaGuardia's announcement followed conferences with officials of the Office of Production Management.

17 immediate steps for local councils outlined in New York State manual

Seventeen immediate activities to be undertaken are listed in a **MANUAL FOR LOCAL DEFENSE COUNCILS**, recently issued by the New York State Council of Defense of which Governor Herbert H. Lehman is chairman and Lieutenant Governor Charles Poletti is vice chairman.

Functions which defense councils should perform are grouped under three main heads. The report states that local defense councils must: "(1) Organize community resources to speed up the national defense program; (2) adopt programs providing for the protection of persons and property should any emergency arise; and (3) promote and stimulate civilian morale in order to get everyone in the community to cooperate in the defense effort."

Cooperation urged

The report urges cooperation with existing groups, counseling that "one of the first tasks local councils should undertake is a survey of all agencies, both public and private, within their jurisdictions, engaged in different parts of the defense program," and that "cooperation between county and city defense councils cannot be urged too strongly."

The 17 activities to be undertaken immediately by New York local defense councils are:

- (1) A survey of defense activities of local, public, and private agencies with a view to coordinating their efforts with those of the local defense council.
- (2) Completion of the metal working facilities survey now conducted by the Division of Commerce for the State Defense Council.
- (3) Study of transportation problems.
- (4) Completion of housing vacancy surveys.
- (5) Establishment of close cooperation between the defense council and the local office of the State Employment Service.
- (6) Cooperation with County Agricultural Defense Committees to meet possible farm labor shortages.

To expand training

(7) Initiation or expansion of vocational training programs, where necessary.

(8) Surveys of methods for protecting the civilian population in cooperation with State and Federal Civilian Defense agencies.

(9) Consultation with State Police Troop Captain with regard to existing police facilities.

(10) Steps toward fire defense.

(11) Cooperation with County Health Preparedness Committee on Community health problems.

Subcommittee for recreation

(12) Establishment of subcommittee on industrial and community recreation.

(13) Information for the community about details of the defense program.

(14) Exposure of unwarranted price and rent increases.

(15) Protection of civil liberties for minority groups.

(16) Use of initiative in finding problems within communities.

(17) Preparation of report on activities to date. Hereafter every local council is to send a report to the State Defense Council by the fifth of each month.

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Westchester county submits civilian defense plan

The Civil Defense Organization Plan of the Westchester County (New York) Defense Council has been received at the Office of Civilian Defense. The plan, prepared by Col. Frederick P. Devereux, mayor of Bronxville and chairman of the executive committee of the County Defense Council, has been presented to mayors and town supervisors within the county.

Auxiliary services, for which volunteers will be recruited in each community, are to be associated with the existing governmental organization. The local chief executive for civil defense is the mayor or town supervisor, with the county executive in command of the over-all county organization.

Included in the plan is an air-raid protection system with a central county headquarters and report centers in each city and village.

Red Cross given place on Civilian Protection Board

President Roosevelt last week signed the following Executive Order, No. 8822:

By virtue of the authority vested in me by the Constitution and statutes of the United States, Executive Order No. 8757 of May 20, 1941, establishing the office of Civilian Defense in the Office for Emergency Management of the Executive Office of the President, is hereby amended to include the American Red Cross among the organizations invited to designate a representative to serve as a member of the Board for Civilian Protection in the Office of Civilian Defense.

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Council issues defense and homes registration pamphlets

The Pennsylvania State Defense Council has added two bulletins to the series reported in DEFENSE May 13.

The bulletin on **THE COUNCIL OF DEFENSE AND THE RED CROSS IN PENNSYLVANIA** is to assist in coordinating the activities of local councils of defense and local Red Cross chapters in event of peacetime disaster or in war. The pamphlet explains also the division of responsibilities between the defense councils and the Red Cross.

Another bulletin, **HOMES REGISTRATION FOR DEFENSE WORKERS**, contains suggestions for the organization and operation of Homes Registration Offices.

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Pennsylvania's goal: 1,700,000 pounds of aluminum

To further the national aluminum drive scheduled to begin July 21, the Pennsylvania State Council of Defense issued a bulletin entitled **ALUMINUM CAMPAIGN NEWS**, summarizing the preparatory activities of local communities.

In Harrisburg, fire trucks will be used to pick up the aluminum. When it is time to set out their used pots and pans, housewives will be notified by fire truck sirens. Even before the opening of the campaign, aluminum started to pile up in the bin erected in front of the Courthouse at Carlisle. Amusement parks and theaters in many cities will give free admission to youngsters who bring aluminum on July 21. Pennsylvania's goal is 1,700,000 pounds of aluminum.



KEEP 'EM ROLLING! . . . This poster is being issued by the Division of Information, OEM, to defense plants. Others, on the same basic red-white-and-blue design, picture tanks, mosquito boats, and anti-aircraft guns. Size, 30 by 40 inches. Two-column mats are available to newspapers and other interested publications.

Blanket preferences granted to speed vital shipways

To speed production of merchant ships vitally needed for defense, the Priorities Division, OPM announced July 14 the issuance of blanket preference ratings to about twenty shipyards now engaged in building shipways.

The preference ratings are to be used only for material going into the shipways and for certain specified equipment to outfit the ways for production.

All the shipways governed by the blanket ratings are being built under contract with the United States Maritime Commission or under its direction.

A-1-a and A-1-b ratings

For shipways which will produce completed ships this year, an A-1-a preference rating is being assigned.

A rating of A-1-b will apply for shipways which will produce completed ships in the years 1942 and 1943.

It is stipulated in the order that the preference ratings will be used by shipyards to apply to deliveries of material needed for shipways only if this material is included on the Priorities Critical List or on a special list of materials attached to the order.

Order doesn't apply to machine tools

While the rating may be applied to material needed to outfit the shipways for production, and may also be applied to deliveries of portable or stock tools, it cannot be used to obtain machine tools, which must be acquired in the usual manner through the use of individual preference rating certificates.

The blanket ratings issued for shipways are similar to those previously issued to builders of merchant ships.

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