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Plant sites to be approved by new committee

Appointment of a plant site committee to review and approve proposals for location by Government agencies of additional plants or facilities required for national defense was announced March 18 by the Office of Production Management.

Recognizing the interest of purchasing, production, labor, and agriculture in the problem of plant site location, Mr. Knudsen and Mr. Hillman appointed the following members of the Office of Production Management organization to the new plant site committee:

Donald M. Nelson, Director of Purchases, chairman; Clifford Townsend, special adviser on agricultural and labor matters; Eli Oliver, special assistant on labor relations; E. F. Johnson, chief, aircraft, ordnance, and tools branch of the Production Division; S. R. Fuller, chairman, Production Planning Board.

Decentralize industries

The committee will review and approve proposals made by Government agencies. In reviewing proposed plant locations from funds hereafter to become available under the new production program, the committee will, insofar as feasible, facilitate geographic decentralization of defense industries and full employment of all available labor.

Initiation of projects for new plants and initial suggestions for site locations will continue to be made by the Army and Navy—the legally authorized contracting agencies. The plant site committee of the OPM will work in close cooperation with the plant site boards of the Army and the Navy.

Put every machine tool to work—consult regional offices, Mr. Knudsen urges

William S. Knudsen, Director General, Office of Production Management, on March 15 issued the following statement:

"Nothing short of the practical limit of our available productive capacity is sufficient for the defense job we have now undertaken.

It is imperative that prime contractors subcontract more of their work wherever such procedure will hasten deliveries. Every manufacturer, large and small, who has suitable machinery that is now idle, or that can be made available, must be enlisted in defense production.

In his budget message to Congress at the beginning of this year, President Roosevelt estimated that we had a $23,000,000,000,000 defense program.

Whatever sum the Congress appropriates to carry out the policy of increased assistance to those nations whose defense is essential to the defense of this country will be in addition to that.

The magnitude of the job is hard for anyone to grasp. It is indicated, however, by comparison, for instance, with the estimated wholesale value of all passenger cars and trucks turned out by the automobile industry last year—$3,184,959,608.

Of necessity, initial orders had to be placed with companies having readily available facilities together with managerial and engineering staffs and the experience necessary to translate contracts of such size into equipment, manpower, and materials.

That every available plant may now be brought into the program swiftly and systematically, I should like to make this suggestion to every factory owner who believes he is equipped to handle a defense contract or subcontract: Write or go to the regional office of the Defense Contract Service at the Federal Reserve Bank or branch bank which serves the region in which you live. Your own bank can tell you the location of the Federal Reserve Bank or branch bank.

The Defense Contract Service has been established by the Office of Production Management, in cooperation with the Federal Reserve System, to assist the Army and Navy in bringing every available manufacturing facility into the program.

Information clearing house

It will serve as a clearing house of information for manufacturers seeking prime or subcontracts, for district procurement officers whom the Army and Navy have had in the field for many years, and for prime contractors who need to subcontract more of their work to speed up deliveries.

The owners of plants that have usable machine tools and other equipment
(Continued on page 9)
LABOR . . .

Labor-industry representatives urge increased in-plant defense training

An OPM conference on in-plant training, March 17 and 18, attended by 75 leading employers and union representatives in the metal trades, adopted a series of findings which were drawn up by a joint management-labor committee under the chairmanship of Clinton Golden, regional director of the Steel Workers Organizing Committee (CIO).

The committee recommended that:

1. There be an extension of apprenticeship in accordance with the standards of the Federal Committee on Apprenticeship; that shortening the period of apprenticeship is undesirable and unnecessary, that there be promotion based on merit, and credit given for past experience wherever special ability is demonstrated.

2. There be an expansion of the up-grading program and training of skilled production specialists, and that standards for promotion from one job to another are an inherent factor in up-grading.

3. There be an expansion of the supervisory training program within defense industries.

4. The basic premise for all training within-industry is that management and labor must cooperate locally in the organization of training.

5. (a) The general responsibility for training within each industrial plant be delegated to some one individual in the organization. Any board training experience has a definite responsibility to assist the smaller, less experienced plants in setting up in-plant training, particularly in the plants of subcontractors.

6. The primary defense contractor, together with the Federal Committee on Apprenticeship, should give consideration to the greater integration of the functions of the seven Government agencies engaged in labor supply and training.

7. There be an extension of apprentice training experience has a responsibility to assist the smaller, less experienced plants in setting up in-plant training, particularly in the plants of subcontractors.

8. There be an expansion of the supervisory training program within defense industries.

9. The opening session of the in-plant training conference was presided over by Secretary of Labor Frances Perkins.

Floyd W. Reeves, executive assistant to Mr. Hillman, was permanent chairman of the conference. Addresses were delivered by William S. Knudsen, Director General, and Sidney Hillman, Associate Director General, of OPM; A. F. Hinrichs, Acting Commissioner of Labor Statistics; Channing Dooley, Director, Training-within-Industry Section, Labor Division, NDAC; William F. Patterson, Chief of Apprenticeship, Department of Labor, and Under Secretary of War Robert F. Patterson.

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Replacements for farm workers

Federal Security Administrator McNutt asked farmers and workers to register with State Employment Offices so that replacements may be obtained for thousands of (farm) workers formerly available for agricultural jobs who now are working in industrial plants producing defense material.

"If there is close cooperation . . . it is anticipated there will be no serious difficulty in obtaining a sufficient number of workers to put in, care for, and gather this year's crops . . . If the present trends continue . . . before the end of the summer farmers may find it difficult to get the workers they need," Mr. McNutt stated.

OFFICE OF EMERGENCY MANAGEMENT

Agriculture Division of the Advisory Commission: Chester Davis, Commissioner.

Central Administrative Services: Sidney Sherwood, Director.

Consumer Division of the Advisory Commission: Harriet Elliot, Commissioner.

Commercial and Cultural Relations Between the American Republics: Nelson Rockefeller, Director.

Defense Communications Board: James Lawrence Fly, Chairman.

Defense Housing Division: C. F. Palmer, Coordinator.


Information Division: Robert W. Horton, Director.

National Defense Mediation Board, Channing Dooley, Director.

National Defense Research Committee: Dr. Vannevar Bush, Chairman.

Price Stabilization Division of the Advisory Commission: Leon Henderson, Commissioner.

State and Local Cooperation: Frank B. Davis, Director.

Transportation Division of the Advisory Commission: Ralph Budd, Commissioner.

OFFICE OF PRODUCTION MANAGEMENT:

COUNCIL

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Sidney Hillman, Associate Director General.

Secretary of the Navy, Frank Knox.

Secretary of War, Henry L. Stimson.

Secretary, Herbert Emmerich.

General Counsel, John Lord O'Brien.

Labor Division: Sidney Hillman, Director.

Procurement Division: E. R. Stettinius, Jr., Director.

Purchases Division: Donald M. Nelson, Director.

Research and Statistics Bureau: Stacy May, Chief.

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Establishment of a Labor Division in the Office of Production Management

An order establishing a Labor Division in the OPM and prescribing its duties and functions, approved by the President, March 18, follows:

Whereas Executive Order No. 8629, dated January 7, 1941, in creating the Office of Production Management provided that in addition to certain specified functions, the Office of Production Management shall "perform such other functions as the President may from time to time assign or delegate to it;" and said order provided that in addition to the Divisions of Production, Purchases, and Priorities, there shall be "such other operating divisions as the President may from time to time determine"; and,

Finding it essential in the interest of expediting the defense program with respect to the national emergency as declared by the President to exist on September 8, 1939, to conduct within the Office of Production Management certain functions relating to labor requirements and relations:

Now, therefore, subject to the approval of the President, it is ordered that—

1. There shall be within the Office of Production Management an operating division to be known as the Labor Division, at the head of which shall be a Director of the Labor Division appointed by the Office of Production Management with the approval of the President.

2. The Director of the Labor Division shall perform and discharge the following duties and responsibilities, working in close cooperation with, and utilizing to the maximum extent compatible with efficiency, all appropriate departments and agencies of the Federal Government:

(a) Ascertain labor requirements for national defense;
(b) Develop programs and coordinate efforts for assuring an adequate and trained labor supply for defense purposes;
(c) Advise with respect to problems of standards of work and employment in defense industries;
(d) Assist in the prevention and adjustment of any labor controversies which might retard the defense program; and
(e) Advise and collaborate with the other divisions of the Office of Production Management on all matters affecting labor.

3. The Director of the Labor Division is authorized to establish such organization for the Division as he may deem necessary to the adequate execution of his functions and responsibilities including the employment of personnel, but he shall obtain the approval of the Director General acting in association with the Associate Director General in the creation of the principal subdivisions of the Division.

4. The Director of the Labor Division shall exercise the authorities, duties, and responsibilities assigned to him herein subject to the jurisdiction and control of the Director General acting in association with the Associate Director General, and he shall make such regular and special reports of his actions pursuant to this regulation as may be required by the Office of Production Management.

5. The Director of the Labor Division shall have authority to designate an Assistant or Deputy Director to serve as Acting Director of the Labor Division in his absence or inability to act, subject to the approval of the Director General acting in association with the Associate Director General.

William S. Knudsen, Director General.
Sidney Hillman, Associate Director General.
Henry L. Stimson, Secretary of War.
Frank Knox, Secretary of the Navy.

Approved: John L. O'Brien, General Counsel.

Attest: Herbert Emmereich, Secretary.

Approved: F. D. ROOSEVELT.

THE WHITE HOUSE.
March 18, 1941.

Spreading of defense work discussed in Chicago

In an effort to expedite the spreading of defense work into every available factory in the Middle West, the Defense Contract Service held a regional meeting of national and field officials of the Service at Chicago on Wednesday, March 19.

This was one of a series of such regional meetings, the first of which was held in Washington recently. Arrangements for others will be announced soon.

New plan will coordinate defense training with specific employer needs

Defense training courses will be given priority in the Nation's vocational schools, according to a new plan announced March 21 by Sidney Hillman, Associate Director General of the Office of Production Management. Under this new policy, local representatives of the United States Employment Service will recommend to local schools the types of defense occupations for which workers will be trained together with the number of persons to receive this training.

The plan has been approved and signed jointly by John W. Studebaker, United States Commissioner of Education, and Ewan Clague, Director of the Bureau of Employment Security of the Social Security Board.

Procedures for this new system, developed under the direction of Federal Security Administrator Paul V. McNutt, provide defense training for occupations certified by the National Labor Advisory Commission.

Training for special needs of locality

Classes for fitting workers into defense occupations will be established on the basis of facts known to the local State public employment offices. Training methods will be devised to meet the specific defense labor needs of any locality where shortages may be arising. The underlying purpose of this new plan is to foster an even closer relationship than now exists between defense training and the known need for workers in defense industry, city by city, and State by State.

The determination of the immediate labor needs of defense employers is obtained by local public employment offices. The determination of the long-range needs in defense areas is the responsibility of the United States Bureau of Labor Statistics, working in cooperation with the United States Employment Service and other Government agencies.

Labor and management on advisory committees

This technique recognized that the authority for the operation of vocational schools is vested in State and local boards. These boards have already established advisory committees for establishing training on which labor and management organizations are equally represented.
PRICE STABILIZATION . . .

Change in procedure for used-tool dealers; catalog to be compiled for contractors

A complete catalog of all used machine tools which are for sale anywhere in the United States will be compiled as a result of changes in the method by which tool dealers report their sales, purchases, and inventories under the second-hand machine tool price schedule, Leon Henderson, Commissioner of Price Stabilization, National Defense Advisory Commission, announced March 18.

Defense contractors who need machine tools will be able to inspect this catalog in the Machine Tool Section of the Production Division, Office of Production Management, and will have the help of officials of that Division in getting in contact with dealers who have the tools they need.

Procedure for tool dealers

To make this possible, that section of the used-machine-tool price schedule which relates to the filing of reports by dealers has been simplified, Mr. Henderson said. The change was explained to representative leaders in the Industry at a conference in Washington with officials of the Price Stabilization Division and the Production Division.

Previously, dealers were required to render complete weekly inventory and monthly sales reports to the Price Stabilization Division. Hereafter, the dealer need report each tool in his possession only once—either now, as part of his inventory, or when he buys it. If he sells it, the sale also must be reported.

March 25 deadline

By March 25, all dealers must submit reports on machines bought or on hand as of March 15. These reports are being filed in duplicate, and copies will be sent by the Price Stabilization Division to the machine tool section of the Production Division.

Since there will be a separate report on each tool, and since this report will give a full description of the tool, including its price and the name and address of the dealer who has it for sale, the Production Division will thus have a complete list of all the used tools held by dealers and will be able to classify these tools according to type.

Dealers have been asked to attach a picture of each tool to the report whenever possible, in order to make the file complete.

Two-fold purpose

This procedure, Mr. Henderson explained, means that two ends are accomplished by the filing of one report—the Price Stabilization Division gets the data it needs in order to police prices, and the Production Division gets the information it needs in order to help defense contractors find where they can buy tools they need.

All floor-type machines included

Dealers were also notified of a change in the type of machine on which reports must be made. Previously, no machine selling for less than $500 had to be reported. Hereafter, all floor-type machines must be reported regardless of price. Low-priced floor-type machines are much in demand by technical schools, and the Production Division now will be able to complete its file on such machines. This will not only enable it to help the schools get the tools, but will also help the dealers to dispose of them.

Mr. Henderson said that he has been gratified by the cooperation of the used-machine-tool dealers, not only in connection with the making of reports but also in their willingness to abide by the price ceilings.

New forms for the reports have been printed and are being distributed to dealers by the Price Stabilization Division.

Cattle hides sufficient—price increases unwarranted

Leon Henderson, Commissioner of Price Stabilization of the National Defense Advisory Commission, asserted March 17 that increases of 1½ to 2 cents which have taken place in packer hide prices and hide futures since the middle of February appear to be speculative and not warranted by actual supply conditions.

Available reports indicate that as of January 31 the total visible supply of cattle hides and cattle-hide leather amounted to 13,850,000 pieces, compared with 13,350,000 a year ago, he pointed out. Moreover, domestic cattle slaughter is higher than last year and imports from October through January were the largest in many years, averaging more than 500,000 a month.

“These figures,” said Mr. Henderson, “do not indicate any present danger of a shortage of hides.

Army shoe orders

“The net additional demand for leather due to Army shoe orders is only a small percentage of total leather consumption and cannot cause any difficulty in supplying normal leather requirements.

“With only the United States and Great Britain now active in the Argentine markets, export supplies there at reasonable prices should be ample.

“While some temporary shipping difficulties have been encountered, it is known that the Government has this situation under close study and will undoubtedly take steps to correct any serious problems in this respect.”

Defense broadcast tonight

“Defense in action,” the on-the-spot report of progress along the Nation's defense production lines, will go on the air over a Nation-wide network tonight March 25, 9:30 p. m., E. S. T.

This program, the third in a series, deals with the Training-Within-Industry program. It is produced by the Office for Emergency Management and the Mutual Broadcasting System.

The broadcast will open in Washington where Mr. Channing B. Dooley, director, Training-Within-Industry Program, Labor Division, OPM, will deliver a brief address on “Training for Defense.”

Mutual's microphones will then swing about the country picking up in turn New York City, Buffalo, N. Y.; Paterson, N. J.; Denver, Colo.; and Cleveland, Ohio.
Price schedule for secondary aluminum and scrap issued by Mr. Henderson

A price schedule setting ceiling prices for aluminum scrap and secondary aluminum, pegged to current prices for virgin aluminum, was issued March 24 by Leon Henderson, Director of the Price Stabilization Division, National Defense Advisory Commission.

High price levels attained by aluminum scrap and secondary aluminum during the past month made this action necessary, Mr. Henderson explained. "This price schedule will be fully enforced," he said. "The powers of the Government to place compulsory orders, to condemn or requisition properties, to issue priorities, and to use other powers to carry out the defense program will be exercised to the utmost against any person whom we find to be disregarding these selling prices."

Inflationary prices higher than for virgin metal

Prices of aluminum scrap and secondary aluminum have recently been subjected to serious inflationary pressures, Mr. Henderson asserted, both because of the failure of the sources of virgin aluminum to meet current demand—especially the demand of fabricators making items for civilian needs—and because of the recent issuance of a priorities order restricting the use of virgin aluminum to defense purposes.

Under normal conditions, he continued, prices for secondary aluminum do not exceed prices for virgin aluminum. Recently, however, the Price Stabilization Division has received reports of sales of aluminum scrap reaching prices as high as 32 cents a pound—almost double the price of the virgin metal.

"Such prices are not required to draw out aluminum scrap," Mr. Henderson said. "They are merely the results of a speculative demand which has built up inflationary prices. There are supplies of scrap, and these supplies will be tapped at reasonable prices, once it is understood that the Government will not tolerate prices above a fair maximum."

Allowance for reasonable profit

The new price schedule establishes two ceiling prices for aluminum scrap. The lower ceiling applies to the first sale of aluminum scrap from the maker to any other person. The higher ceiling applies to any sale of aluminum scrap thereafter by any dealer or other person to any smelter, foundryman, fabricator, or other dealer. The two ceilings are fixed f.o.b. the point of shipment and will allow the dealer a margin of 1 1/2 cents per pound on clipplings, bortings, and turnings, and 1 cent per pound on other types of aluminum scrap.

The maximum prices for secondary aluminum ingot are applicable to any sale or purchase of secondary aluminum ingot by any person. Like the scrap schedules, these prices are made f.o.b. the point of shipment. They leave a spread of 3 to 4 cents per pound for the processors' costs and profits.

"These ceiling prices," Mr. Henderson stated, "will give ample allowance for reasonable profit to both dealers and smelters. However, recent demand for secondary aluminum indicates that there may be some effort on the part of manufacturers and fabricators to purchase scrap direct from dealers, thus circumventing the smelter. To forestall this movement, the schedule requires dealers to report any sales which they make to any person other than a smelter."

One exception

The new schedule will become effective immediately in a market of already inflated prices. Consequently, a method is provided by which smelters and dealers who have acquired inventories at prices above the new maximum prices to meet previously arranged firm commitments for sales above ceiling prices may secure an exception from the price schedules in order to carry out these firm commitments on the original terms. However, it should be noted that this exception will not be permitted beyond the amount of inventories already acquired either by the smelter or his dealer to carry out the commitment. With this one exception the maximum prices set forth in the new schedule become immediately and absolutely effective regardless of any preexisting contracts.

This schedule is the second to be issued by the Price Stabilization Division. The first schedule, issued February 17, established ceiling prices for second-hand machine tools, relating the ceiling prices to the prices of equivalent new machine tools. "To date," Mr. Henderson stated, "reports seem to show 100 percent compliance."

Mr. Henderson added that schedules are imminent in iron and steel scrap as well as zinc scrap, and that apparently unwarranted price increases in various other industries have been reported during the past few days.

"Should these movements continue, price ceilings will have to be established in these industries," he said. "We hope that this action will not be necessary, but if it is, we are ready to enforce reasonable price limits."

Reserve pool

Producers of aluminum (not including fabricators) are required to report the sale or purchase of the metal by setting aside 1 percent of production scheduled each month. From this reserve the Priorities Division can make allocations to meet emergencies, and such orders will take a rating of B-1, thus being placed lower than any orders in class A.

Miscellaneous ratings

Orders for repair or replacement parts for existing apparatus which is needed to preserve essential services and to maintain maximum production will take a rating of B-2. A rating of B-3 will be applied to orders for products essential to the protection of public health and safety. A rating of B-4 will apply to orders for standard apparatus which cannot be redesigned to use substitutes for aluminum without serious disruptions and for which there is substantial use in defense channels. Consumers requiring less than a total of 1,000 pounds of aluminum a month will temporarily receive a rating of B-5 on their orders, this rating being subject to revision. Customers for aluminum who produce articles in which the metal does not exceed 2 pounds per $100 of final sales value of the article will get a B-6 rating. This rating is applied in an effort to keep a relatively large number of workers employed through the use of relatively little aluminum.

A rating of B-7 will apply to products in which no reasonably satisfactory substitute for aluminum is available. The lowest rating given, B-8, will apply to products in which a reasonably satisfactory substitute for aluminum is available, or can be made available.

One section of the order provides that users of aluminum who receive preference ratings from B-2 to B-8 inclusive shall, for the time being, receive no more than stipulated percentages of the average 1940 shipments which they obtained from the same producer for corresponding purposes. These percentages, ranging from 80 percent to 10 percent, are set forth in the order.

The producers affected by the order will be required, as in the past, to submit their orders to the Priorities Division once each month. This requirement now extends to the secondary smelters.

The action taken March 22 follows a memorandum sent to Mr. Stettinius by Dr. E. M. Hopkins, chairman of the Mines and Metals Group of the Priorities Division, in which the new form of control is recommended.
PRODUCTION . . .

New conservation unit will direct work in field of strategic metals and materials

The Office of Production Management on March 23 announced that it had established a unit to direct the conservation, reclamation, and substitution of strategic metals and materials essential for defense.

Robert E. McConnell, engineer of mines and former president and director of various research, investment, and development companies, heads the new unit. It will be known as the Unit of Conservation in the Materials Branch of the Production Division.

Mr. McConnell will encourage and direct private industry and others to carry on research in this field and to apply lessons already learned by England and various agencies of this Government. Planning ahead for the requirements of the defense program, he will study the effect suggested substitutes would have on the raw materials situation.

Keeping reclaimed strategic metals flowing smoothly into consumption by the defense industries will be among the problems with which Mr. McConnell will deal.

An effort will be made to hold to a minimum the economic dislocations which may result from the adoption of substitutes.

A large number of private companies are now making voluntary substitutions and savings of strategic materials. For instance, the telephone industry has developed means of conserving aluminum, nickel, and zinc, and, to some extent, magnesium. Steel instead of aluminum dial wheels are being used on new telephones, and phones equipped with less nickel and zinc are being tried out.

Study is also being given to the possibility of making savings of manganese in the steel industry.

Rubber and tin, themselves vital defense materials, synthetic rubber and copper are being tried out as substitutes for such uses as aluminum in refrigerators.

A number of aircraft builders are making tests to see how and where plastic materials may be used in place of metals, such as aluminum, in cowl covers, engine baffles, and flooring.

Satisfactory substitutes for tungsten are possible of development. Tungsten is an essential alloy for certain steels.

Possibilities of plastics are being explored by automobile manufacturers and by the makers of refrigerators, washing machines, vacuum cleaners, and other household equipment.

E. R. Stettinius, Jr., Director of Priorities for the Office of Production Management, has urged all manufacturers who have not already done so to give attention to the development of plastics. He made this appeal February 14 in the interest of conserving metals such as aluminum, magnesium, zinc, and nickel.

Miss Harriet Elliott, Consumer Commissioner, National Defense Advisory Commission, has also urged consumers to buy substitutes for aluminum household products "until aluminum production becomes adequate for both military and civilian needs." These substitutes include enamelware, flamproof and heatproof glass, cast iron, and earthenware.

Mr. McConnell has had previous experience with problems arising from the organization of industry for defense. He was an officer in the Naval Reserve, in charge of the Navy's nitrates section, during the World War.

The chief of the new unit in the Office of Production Management formerly was president of Mayflower Associates, an investment company dealing in the search for and development of raw materials deposits; the Hazeltine Corporation, a radio research company; the Centrifugal Pipe Corporation, and the Pilgrim Exploration Corporation. He formerly was a member of the firm of McConnell & Co., and a director of numerous corporations, including Rhokana Corporation, Ltd., one of the largest copper companies in the world, operating in Rhodesia; the Cypress Mines Corporation, Esterbrook Steel Pen Co., Simmons Co., and Fohs Oil Co.

Mr. McConnell was born in Colorado and took his degree as an engineer of mines from Columbia University in 1910. He is now a trustee of the American Museum of Natural History.

Prime contractors playing orders "too close to vest"

An appeal to manufacturers to enlist all available facilities in defense production through the Government's new Defense Contract Service, was made March 22 by Peter R. Nehemkis, Jr., chief of the special assignments section of the Defense Contract Service, a branch of the Division of Production, Office of Production Management.

In an address at Memphis, Tenn., before the State Defense Councils of North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Kansas, Oklahoma, and Texas, Mr. Nehemkis said: "Prime contractors are still playing defense orders 'too close to their vest' to put production into high gear.

"Until we mobilize the men and machines of the medium and small shops—even the smallest garage and repair shops on the back streets and alleys—the industrial throttle will only be half open.

"I can confidently state that the Office of Production Management is convinced that we must accomplish in the next few crucial months a widespread farming-out of defense orders if we are to meet our stated obligations to the democracies of the world.

"We want this to be done on a voluntary basis by the prime contractors. That is the democratic way."

Record plant expansion

Mr. Nehemkis said that a capital investment of $2,138,824,606 has been made in 764 new plants since June 1940, and that this represents the greatest expansion of industrial plant capacity in the Nation's history.

Mentioning that defense contracts placed from June 1940, through March 8, 1941, aggregated more than 12 billion dollars, Mr. Nehemkis said that this is "only the first down payment on the bill of freedom."

Germany's investment

He said it has been estimated that Germany's present military establishment cost 90 billion marks; that Nazi Germany is spending probably 60 percent of her present national income for her war effort; and that Great Britain is currently spending about 50 percent. To date, he continued, United States defense expenditures represent less than 10 percent of this country's current national income.
Reuther plan, production, strikes, and planes for Britain—Mr. Knudsen's press conference

Excerpts from the March 19 press conference of William S. Knudsen, Director General, OPM. follow:

Q. Can you tell us whether you have accepted or rejected the Reuther plan, or accepted it in part?
A. Well, we had him in here and talked to him you know. It was claimed that he could make fixtures to standard machines, but that proved to be slightly incorrect in the case of Cadillac. We gave him the figures on Cadillac and they wanted to go into the shop as a union committee and try to design fixtures for the present machinery and that was putting the master mechanic out of the job. We had to stall on that one and say that it couldn't be handled. He agreed to get us drawings and come down and study them—a set of drawings for one motor, to look over and get into a little closer. When he made the plan, I don't think he had any drawings of a motor—that is the way I understand it today.

Q. That was only on motors—he wasn't talking about aircraft frames?
A. He wasn't talking about that—he was only talking about motors. You see on the aircraft frames, the automobile plants are in that now. You know we have the bomber program—with three big companies, prime contractors subcontracting out, making B-25's, B-26's, and B-24's.

Q. Is Cadillac the only place where his figures were wrong or is that the only one you discussed?
A. The only place I got any. The only one he submitted.

Q. Could you say anything about the Cadillac figures, Mr. Knudsen?
A. Well, Cadillac is on parts business for Allison Motors—they use 15 percent of old equipment and 85 percent outside, so Mr. Reuther said it didn't check very well in that case.

Q. What did he claim on that—did he make any claim that you could use a greater percentage?
A. No. Of course, it is not up to me to find fault with another fellow's plan. If he can't explain it to me, he's got to go back and find out more and explain it over again, but as far as I could go at the time I couldn't see that there was any possibility of going very far on that. Now, there are certain parts, but he is building a plant and he will make certain parts in his own plants. Why shouldn't he see—Ford is making Pratt and Whitney motors. He will make a certain number of parts in his own plant—why shouldn't he? But to say that you can take the whole motor and set it up for automobiles—that can't be done. Now, I don't care who says so; I happen to know that.

Q. Well, in a sense, you are using Reuther's plan in a sort of modified way, aren't you?
A. Well, that's as old as Moses to use what equipment you can.

Mediation Board

Q. Mr. Knudsen, the President announced today his 11-man Mediation Board. Can you comment on it?
A. Well, this Mediation Board is going to take over some of the settlement of his labor disputes that Hillman and I have been grappling with for the last month or 6 weeks. I think it's very well to get a Board that has time—we have a lot of things to do.

Q. Will you drop out of the picture, Mr. Knudsen?
A. I don't know. If the Board asked me to do something I suppose I have to do it. Certainly, I am going to keep interested in keeping plants running.

Farming-out

Q. When do you expect to get this farming-out picture, Mr. Knudsen? You are talking about getting the complete picture.
A. That was only on motors—^he wasn't talking about aircraft frames?
Q. Do you mean all the figures together?
A. I suppose it will take another month—it's a big job.

Q. When you do get the picture, could you say anything about what you are going to do, then, to get this production spread out a little further than it is?
A. Yes, every prime contractor today has got a subcontractor and lots of them. Now, don't get away from that. I know Westinghouse has got a hundred because we have a list of them. What we propose to do is take the prime contractor that has 50 and say, "Can you get 50 or 100 more?" Here is a place you can find such and such a machine, and then get him to go out and use it.

Q. Suppose the prime contractor says, "Well, I deal only with these particular fellows: I have been dealing with them all the time and I only want to deal with these particular men."
A. That would be a very legitimate claim as long as he could handle it, but the minute we give him so much business he can't handle it, then he has got to listen to us and I'm sure he will.
Q. If he doesn't listen to you?
A. They are very nice—we don't have trouble. If I could find a good subcontractor and call up anybody and say, "Here's a man that's got such and such equipment. Can you use it?" In nine cases out of ten he will say, "Sure."
Q. Now, you take some of the airplane fellows, like, for instance, Consolidated. You see he's got 33 people on the road, following up subcontractors.

Q. The reason I ask you those questions is because there is a great deal of pressure behind this and legislation is being introduced to bring this farming out into a little greater application.
A. How can you legislate that?
Q. A bill was just introduced the other day to create a board to handle this.
A. I haven't heard anything about that.
Q. Senator Kilgore.
A. Well, I hadn't heard anything about that, but I think it's better to do it in a voluntary way than to have legislation for it. I don't think legislation can make a man efficient.

February engine production

Q. Mr. Knudsen, how was engine production in February?
A. February deliveries were 3,470 engines (later corrected to 3,127).
Q. What was the previous month, sir; that is, January?
A. I haven't got that here, but we are up 300 or 400 engines.

Murray steel plan

Q. Is there anything new on Mr. Murray's steel plan?
A. Our Planning Board has got it; they are studying it.

Tank production

Q. Mr. Knudsen, how is the tank production program coming along now?
A. Tank production is coming along all right on the little tank—the light tank—13-ton; and on the medium tank we expect to get a few in April; but there won't be any real production until July.
Q. Well, now, I noticed there was a speech the other day by some official saying only one of the factories could be
tooled up because they didn't have the machine tools.
A. That is not so; we will tool up promptly; we will get some equipment.
Q. Is the reason you are not getting any medium tank production now due to the fact that a lot of the equipment and machinery had to be turned over to the airplane manufacturers?
A. Well, see, we had to follow what the General Staff says in the priority ratings; and in some cases the Navy and some of the airplanes had to get some machines before they could be put to tanks, but we are trying to allocate so that everybody gets something.

Denies report of faulty planes
Q. Will you comment on these reports that the planes we have been sending to Britain have had to be rebuilt or redesigned or re-equipped?
A. I could do that in two words—stuff and nonsense.
Q. You would say, then, that our planes are just as good as the ones they are using?
A. Well, I am no flyer, Mister, but they keep on taking them, so there can't be much the matter with them.

Ships
Q. Are you doing anything on ship construction, Mr. Knudsen?
A. Seven yards have been laid out to build merchant ships. I haven't got the location in my mind, but Admiral Land is the fellow who is handling that. You know, we have to build 260 ships of this standard construction and they are all being parceled out so that we can make the parts as far as possible inland and ship them to the coast to have them set up and welded. That applies to the ship itself and to the propulsion equipment—boilers, engines, and auxiliaries.
Q. In other words, you are trying to set up the production of the parts that go into them?
A. That is right. You remember that last month I went over to the President and we got money for the equipping of these present yards for ways and things and sheds.
Q. Is it going to be necessary to augment that program considerably?
A. Well, I don't know, but I imagine when the Bill goes through we will have an additional program. I don't know that yet.

Planes for Britain
Q. That 260 includes some of the British?
A. 60 British and 200 American.
Q. You are standardizing aircraft. Are you standardizing all other war weapons so they will be interchangeable—tanks for example?
A. Yes, sure.
Q. Mr. Knudsen, have there been any other steps comparable to this ship matter in which the contracts of the United States and Great Britain have been consolidated for production purposes?
A. Well, you might call it that because the British planes go through now as if it was all one lot. We get them at the end of the dock and ship them to Great Britain. So we hope that we will still progress. The more stuff we make the more we will try to standardize. Now, if we have to help them with stuff that fits other dimensions over there, we will have to try to do that. That will be held to a minimum.

Strike situation
Q. Mr. Knudsen, when you testified before the House Judiciary Committee you indicated that the strike situation—the defense strike situation wasn't giving you much concern.
A. Well, I was a little premature. That is what I was coming to; we were all right up to about 6 weeks ago—we had had plenty since.
Q. Can you say anything about as to what it's doing in the way of bottleneck?
A. Well, of course we have them every day—and big ones. The worst two we have right now is of course Chalmers and International Harvester and Mr. Hillman is certainly working night and day trying to get them settled. We settle some every day but we generally get a couple more. I think the President's speech on Saturday night will have a good deal of influence, too, because manifestly we can't have this going on all the time.
Q. Aren't the strikes in Vanadium and Universal Cyclops having a pretty serious effect on aircraft and motor production?
A. Well, vanadium, of course, is a tool steel and we have to go in and get some more out.
Q. Have you changed your idea about some kind of legislation being necessary?
A. Well, I sent a memorandum up to the House Committee and I said I still don't think there ought to be legislation against strikes because I don't think it would do any good, but I did want to support the cooling-off period, see? Ten days for OPM and 30 days after decision. I thought that would help and no stoppage until the 30 days had gone by and also no strike unless there was a ballot of all the workers. I said that and I still feel that.
Q. And you still feel that you can't legislate against strikes?
A. I don't see how you can.
Q. Has there been any pressure from any source—Naval or any other source—to take over the Allis-Chalmers strike and operate it under Government supervision?
A. No comment.
Q. Any comment for the Army to take over at Wright Field?
A. Well, that is theirs now.
Q. Any possible taking of Vanadium or Cyclops?
A. Listen, I don't think that is up to us to worry about—if we can get a batch of work it is better to work on that score.
Q. Well, you have to have the steel—those two types of steel.
Q. I thought that authority had been delegated to you, sir, in the Executive order in taking over plants—that was an OPM function.
A. Yes, so what?

Contemplated production under $7,600,000,000 program
Q. Mr. Knudsen, do you expect to be able to produce all the equipment contemplated under the Seven Billion Aid to Britain bill, in the same period as the Twelve Billion Program?
A. We will have to straddle that, I think. I don't know yet until I get the schedule. Of course, the time element is part of the land-lease bill—we have to recognize that and do anything we can do.
Q. You still feel the first program can be accomplished in your original period in 1942?
A. I think so, I said the last half rather than the first of July. It looks as if that can be handled.
Q. But you don't know yet whether you can also handle the additional 7 billion dollars.
A. But we must handle some of it.

Four strategic "corners" of United States get new airports

Increased emphasis on airport construction and improvement pushed the total of WPA funds allotted to national defense projects during this fiscal year past the quarter-billion dollar mark by March 1, Howard O. Hunter, Acting Commissioner of Work Projects, announced March 17.
Mr. Knudsen

(Continued from page 1)

should tell their regional office of the Defense Contract Service about them. These regional offices will put together and expand the many valuable plant facility surveys already undertaken by national, State, and local organizations.

They will tell prospective contractors and subcontractors what the Army and Navy want to buy, whether the plant facilities available can handle prime or subcontracts; where prime contractors can find needed subcontractors, and where potential subcontractors can find prime contractors with work which they could do.

The Defense Contract Service offices already have staffs available to advise on contracting and financial problems, and they are setting up technical staffs to aid contractors and prospective contractors on engineering problems. Manufacturers will serve the country and themselves by making the fullest possible use of this service.

Spreading the defense job into every available plant is the best possible way to speed up urgently needed deliveries now, and to increase total production.

* * *

Planning for the future

President Roosevelt submitted to Congress a National Resources Planning Board report recommending a 6-year public works program to aid post-defense stabilization. The Board's report includes projects recommended in the 1942 budget and a number which it recommends for construction in the following years.

In an accompanying message, the President said "national defense is more than a mobilization of a Nation's armed strength," it also requires long-range planning for the post-defense period. The President said the report represents "a policy of intelligent planning for the future," but stated "because of the current national emergency, projects not needed for defense have been temporarily shelved." The program recommended by the Board, he said, would make available a number of projects "without in any way committing the Government to the immediate construction of such works."

Emergency electric power for national defense

A program of power reserve cooperatives, to ensure against prolonged outages on REA-financed distribution lines due to failure of power supplies, and to provide important sources of emergency power as a measure of national defense, was announced March 20 by Rural Electrification Administrator Harry Slattery.

Organization of such power reserve cooperatives is well under way in Georgia, the Carolinas, Illinois, Iowa, and Texas. These groups will purchase and maintain fully mobile generating plants on a "fire engine" basis, normally storing them in a central, convenient location. The primary purpose of the rural power reserve cooperative is to permit restoration of service on rural power lines in case of storm or other damage to the power source or to the transmission lines which feed a distribution system. As a byproduct—which is especially important to the present national defense efforts—it will provide emergency power for construction work on military establishments, for transplanted or newly established essential industrial plants pending construction of permanent power facilities, for amelioration of flood, fire, sabotage, or other damage to urban power sources, for emergency communications, for floodlighting temporary airfields and running their machine shops, and for hundreds of other emergency purposes.

Alaskan fur parkas camouflaged

A special unit has been set up in the supply division of the office of the Quartermaster General to supervise the procurement of clothing used by troops on duty in cold climates. Maj. A. Gutmann, Q. M. C., a fur specialist, has charge of this unit, the War Department announced March 18.

Fur is used to a large extent by the Alaska Defense Command. Shoes for use in Alaska include muck boots made of walrus hide and seal, moccasin type boots, rubber boots, boots with a rubber sole and leather upper, and ski boots, the particular type depending on the season and the military mission.

A development in cold-weather clothing is the reversible parka, one side of which is white and the other side forest green. This parka gives the soldier camouflage which is adaptable either to snow or to woods.

Grand Coulee goes to work—to supply power for defense

Grand Coulee Dam, the greatest structure man has made on earth, went to work at noon, March 22.

Slated to supply vital electric energy to meet defense demands, Grand Coulee started operation of its gates on the Columbia River 2 years ahead of schedule. Secretary of the Interior Ickes announced.

Two 10,000-kilowatt generating units already in place will be dwarfed by a 108,000-kilowatt generator now being installed. These will be augmented by two additional 108,000-kilowatt units which will be in service within a year. As now planned, the power plant will have a maximum capacity of 1,974,000 kilowatts when completed.

Next largest power plant in the world is at Boulder Dam, and the third largest, about one-fourth the size of Grand Coulee, at Dniepropetrov, Russia.

The Grand Coulee Dam, 550 feet high and 4,300 feet long, will store 10,000,000 acre-feet of water in a 151-mile reservoir for the irrigation of 1,200,000 acres of dry land, for the generation annually of 12 billion kilowatt-hours of electric energy, for flood control, river regulation, navigation improvements, and downstream power benefits.

* * *

Plants will be bought from Britain

Federal Loan Administrator Jones has announced that the Defense Plant Corporation would purchase from the British Government a powder plant near Memphis, Tenn., costing approximately $25,000,000, and the following four machine-gun plants, worth approximately $21,000,000: Buffalo Arms Corporation, Buffalo, N. Y.; Kelsey-Hayes Wheel Co., Plymouth, Mich.; Colt's Patent Firearms Manufacturing Co., Hartford, Conn.; High Standard Manufacturing Co., New Haven, Conn.

Mr. Jones said the plants are considered by the War Department as "necessary to our own national defense" and "are not available in this country nor can they be made here in the near future." He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any later," He said "in the event that any late
CONSUMER DIVISION . . .

Suggested legislation to check skyrocketing rents in certain areas

Suggested State legislation to maintain fair rents in defense areas was made public in a report issued March 19 by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission. The report is designed for use of State officials and State defense councils and was prepared with the cooperation of Mr. Leon Henderson, price stabilization member of the Commission.

"If living standards are to be protected during the emergency," Miss Elliott said, "there is an imperative need to maintain fair rents. The best way of doing this is by providing an adequate supply of permanent or temporary housing, rather than by regulating the rent of existing dwellings. But it has become increasingly apparent that legal machinery is necessary in certain congested localities where rents are reported to be skyrocketing."

State rent commissions suggested

The suggested bill is designed to prevent unreasonable rent increases in vital areas as well as to correct abuses which may occur," Miss Elliott said. It therefore provides two separate steps: One, the creation of a State rent commission with power to investigate rental conditions and designate areas within the State as emergency regions; and two, the actual application of rent control within those regions.

"The enactment of such legislation and the establishment of a State commission may succeed in preventing rent increases during the emergency and make unnecessary the second step of actual rent control," Miss Elliott said.

To avoid interfering with the construction of needed new housing, the suggested State bill calls for exemption of newly constructed dwellings. Provision is made for a State Emergency Rent Commission of five members, to be appointed by the Governor. The chief powers and duties of the Emergency Rent Commission are:

(1) To investigate, conduct hearings, and make findings of fact on housing and rental conditions throughout the State as affected by and as affecting the national defense program;
(2) To try to prevent unjustifiable rent increases by means of publicity or by negotiation with parties concerned;
(3) To declare an emergency in any region of the State and to determine the boundaries of emergency rent regions; the law is to be administered by regional boards appointed by the Governor;
(4) To establish the normal rent in such regions and the classification to which such rents apply.

The law is to be administered by regional boards appointed by the Governor. Notice, hearing, and right of appeal are assured in the bill for all parties concerned. Penalties for violations are also provided.

Rent increase may impair defense efficiency

In releasing the report, Miss Elliott pointed out that some State legislatures are in session at the present time and are in a position to determine the necessity for a legislative program to maintain fair rents, if emergency conditions exist or appear likely in those States. She said that other States should consider the necessity for introducing such legislation as soon as possible.

"Recent studies by the United States Bureau of Labor Statistics indicate that substantial rent increases have occurred and are continuing to appear in defense areas," Miss Elliott stated. "Unwarranted rises in rents may interfere with the efficiency of the entire defense program by causing excessive labor turnover in defense industries and by starting a spiral of rising living costs, rising wages, rising prices, and still higher living costs which will threaten economic stability."

The provisions of the suggested legislation follow the principles outlined in the report prepared for the Consumer Division by a committee of the National Association of Housing Officials, and are based upon study of these principles by an advisory committee of city and State legal officials, appointed by Miss Elliott. These committees were headed by Mr. Edward Weinfeld, New York State Housing Commissioner.

Housing expert for consumers

Miss Harriet Elliott, Consumer Commissioner, National Defense Advisory Commission, announced on March 17 the appointment of Joseph P. Tufts as chief of the Housing Section of the Consumer Division.

Mr. Tufts succeeds Mr. Carleton Sharpe, who is returning to the Farm Security Administration to assist in handling defense housing problems of that agency. Mr. Tufts will conduct studies of rent problems, maintenance of fair rents, housing standards, and other consumer aspects of housing.

* * *

Pricing policies for consumer goods outlined by Miss Elliott

General pricing policies which should be followed during the present emergency by both manufacturers and distributors of consumer goods were outlined on March 20 by Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission.

Miss Elliott recommended that anticipated cost increases which have not yet materialized should not be made the basis for price advances; that when prices of new goods advance, inventories be averaged rather than marked up to the new level; that rigid adherence to the practice of traditional rates of mark-up should be discouraged unless it can be shown that costs have advanced by an equivalent amount.

Fundamental policies

Miss Elliott strongly urged that these be adopted as fundamental policies in order to guard against a spiral in living costs. "Current pricing policies running contrary to these recommendations tend to boost prices more quickly and in greater amount than business costs rise," Miss Elliott said. "The net effect is a pyramiding of unwarranted price increases in consumer goods. The united action of American businessmen is necessary to avert these perils."

These pricing recommendations were contained in a letter from Miss Elliott to Mr. B. J. Cahn, president of B. Kuppenheimer & Co., manufacturers of men's
Purchases...

Compilation of defense contracts cleared and awarded, March 13 through March 19

Defense contracts totaling $107,804,237 were awarded by the Army, Navy, and Maritime Commission and cleared by the Division of Purchases, Office of Production Management, during the period March 13 to March 19, inclusive.

This compares with $106,224,332 for the previous week and $49,533,693 for the week ended March 5. Contracts amounting to $500,000 or more are cleared by the Division of Purchases of the Office of Production Management.

Cleared contracts awarded by the War Department during the latest period totaled $36,220,039, by the Navy Department $34,975,198, and by the Maritime Commission $37,500,000.

**Construction**

Dow Chemical Co., Freeport, Tex.; construction of machinery and equipment for the expansion of the Freeport plant; $6,007,407.

Claussen-Lawrence Company, Augusta, Ga.; construction of temporary housing, roads, and utilities for the Augusta, Ga., air base; $935,462.

Three contractors: Perrilliat-Bickey Construction Co., Inc., New Orleans, La.; Barber Brothers Contracting Co., Inc. and Barber Brothers Co., both of Baton Rouge, La.; construction of temporary Air Corps camp at East Baton Rouge Parish Airport, La.; architectural and engineering services George P. Rie, New Orleans, La.; $1,441,540.

Meyer Construction Co., San Francisco, Calif.; construction and completion of temporary housing including utilities thereto at Fort Cronkhite, Calif.; $928,092.


**Ship Construction**


**Shipment**

Maritime Commission

North Carolina Shipbuilding Co., Wilmington, N. C.; merchant marine vessels, $37,500,000.

**Air Fleet**

Vultee Aircraft Inc., Nashville, Tenn.; for purchase of airplanes with Lycoming engines, $2,753,900.
STATE AND LOCAL COOPERATION . . .

Civil defense responsibility rests primarily upon State and local governments and individual citizens

What civil defense means and what is being done about it by the Federal, State, and local governments was discussed by Mr. Frank Bane, Director, Division of State and Local Cooperation, in an address, March 19, in Washington.

The tragic spectacle of the past year abroad has proved that internal weakness often is as dangerous as external threat, Mr. Bane pointed out. Defense today is nothing if it is less than total.

Behind the first line of military and industrial defense is civil defense—the maintenance of the home front, health, and physical efficiency not only of the people of the United States but also of the Nation's plant and machinery, the morale and social structure of its daily life. In these broad sectors of defense the Federal Government plays a supporting, rather than a leading role, for the site on which civil defense operates is the local community. Authority for making civil defense operate rests primarily upon State and local governments, and upon the responsibility and cooperation of individual citizens.

From the inception of the national defense program civil defense has been fully accepted as a strategic sector in total national defense. Since last summer, the States and localities have been getting under way with their defense councils. To date, 41 State and about 1,000 local councils have been organized, and the necessary action is being taken in the remaining states.

Civil defense gaining momentum

As the gigantic defense effort rolls up increasing momentum, the impact of civil defense will be felt more and more widely, more and more acutely. At first, the man in the street may not have realized why intensive effort on the home front is essential. Many of the services which the emergency now requires have come to be taken for granted—fire and police protection, highway control, public health, and welfare—while others seemed too remote to be real.

The time has come when each person—not just Government officials and members of State and local defense councils, but every individual citizen—needs to understand the practical problems entailed in civil defense, Mr. Bane stated.

In such fields as health, welfare, and housing, old problems are aggravated and new problems created by current upheavals and readjustments in family and community life.

Moreover, every community with a rapidly expanding population, or with a large concentration of single men, faces problems relating to vice, juvenile delinquency, and protection of young men and women. Controls—legal and social—must be maintain and strengthened.

In the field of law enforcement, it is recognized that the maintenance of civil rights and legal protections is the bedrock of democracy.

A constructive cooperative plan—calling for both State and Federal action—has been developed for the prevention of sabotage and subversive activities on the one hand, and for the preservation of civil liberties on the other.

The Division of State and Local Cooperation has helped develop a plan for mobilization of local police forces to supplement State police. A Fire Defense Committee has prepared a comprehensive plan of fire protection and prevention, which will be available shortly to all municipalities and States. The War Department has been developing technical instructions on air-raid protection, construction of shelters, medical care and sanitation, air-raid warnings, blackouts, and defense against chemical and gas attacks for issuance when, as, and if needed.

"But what can I do?" the citizen asks. Some of the volunteer jobs local defense councils are calling upon citizens to do includes the following: Assist in city-wide room registration; act as aides in hospitals and clinics; cooperate in community service programs for enlisted men and volunteers.

Regional conferences of State councils of defense

Two regional conferences of State defense council executives have been held recently by the Division of State and Local Cooperation, one in Chicago, Ill., on March 7, and the other in Memphis, Tenn., on March 22. These meetings mark initiation of the second series of regional conferences by the Division. First series was held during November and December 1940.

State defense council chairmen, executive officers, and other State officials attended both meetings. States in the Middle West were represented at Chicago. The Memphis meeting brought together officials from the Southern States and several States west of the Mississippi.

Current topics discussed

Subcontracting, coordination of health, welfare, recreation, and related national defense activities, community facilities legislation and surveys, State defense legislation, and problems of rent control and regulation were discussed at these conferences.

Speakers on subcontracting were Mr. Francis J. Trecker and Mr. Joseph Trecker at the Chicago meeting, and Mr. Peter R. Nehemkis, Jr., at Memphis.

Mr. Charles P. Taft, assistant coordinator of health, welfare, recreation, and related defense activities, addressed both conferences.

At each of the meetings, Mr. Frank Bane, Director of the Division, discussed the general subject of Federal legislation to provide assistance in financing community facilities, problems of rent control and regulation, and State defense legislation.

Chairmen or executive officers of State defense councils reported on activities of their respective State councils, and general problems of organization and activities. The reports showed that State and local defense councils are becoming increasingly active in the solution of defense problems in their areas.

Digest of State defense legislation to be issued

First issue of a weekly digest of State legislative proposals and action relating to the defense program is to be issued

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this week by the Division of State and Local Cooperation, Mr. Frank Bane, Director, has announced.

Distribution will be restricted to State and local defense councils and Federal agencies. There is need for such information, it is pointed out, in view of the many measures related to State and national defense that have been receiving consideration by the 1941 legislatures.

Subjects to be covered in the first issue are: Sabotage prevention, explosives, interstate public property protection, state guard, fresh pursuit by military forces, and state councils of defense.

The first five of these subjects are included in the "legislative program for defense" drafted by state officials on recommendation of the Federal-State Conference of Law Enforcement Problems of National Defense. This conference met in Washington, D.C., on August 5 and 6, 1940. Most pending and enacted legislation in these fields is patterned after model bills adopted at that conference. In addition, various states have considered and are acting upon state council of defense acts. Because of their importance, these bills also will be included in the first digest.

Other types of measures related to defense have received state legislative consideration in recent months. These include, for example, bills in the fields of defense housing, zoning and planning, civil rights, firearms, un-American activities, rights of soldiers and sailors, airports, eminent domain, and other types of acquisition of land for defense activities, public improvements, health, recreation, education and welfare, financing of defense projects, taxation related to defense, etc. Later issues of the weekly digest will include pertinent information on such subjects as these.

* * *

Listening posts for foreign broadcasts

The FCC announced establishment, in cooperation with the Defense Communications Board, of special 24-hour-a-day listening posts at strategic points throughout the nation, to record and analyze foreign short-wave broadcasts directed to the United States. A picked force of 350 technicians, translators, clerks, propaganda analysts, and other experts will be employed on 8-hour shifts to carry on the work, the FCC said.

**HOUSING...**

Defence workers get 1,127 new dwellings in one week; total now 3,879 units

An additional 1,127 dwelling units were made available for defense workers under the coordinated housing program during the week ended March 15, C. F. Palmer, Coordinator of Defense Housing, has announced.

Total occupied defense units

The number of dwelling units now occupied by families of defense workers and enlisted personnel has reached a total of 3,879 in 19 localities of 12 different States. Of the number of units completed, 1,327 are occupied by the married enlisted personnel of the Army and Navy, and 2,562 by civilian workers. The 19 localities include Baltimore, Md., with 206 units; Montgomery, Ala., 424; Pensacola, Fla., 200; Corpus Christi, Tex., 230; Portsmouth, Va., 300; East Moline, Ill., 97; Columbus, Ga., 312; Rock Island, Ill., 130; Rantoul, Ill., 28; Vallejo, Calif., 200; San Diego, Calif., 100; Long Beach, Calif., 56; Key West, Fla., 50; Indian Head, Md., 20; Charleston, S.C., 200; Fort Knox, Ky., 541; Fort Huachuca, Ariz., 30; Boston, Mass., 873; and Newport News, Va., 78.

Total allocations

As of March 15, allocations had been made for 72,335 units in 133 localities in 46 different States. Increases during the week included an additional 56 units to the Defense Homes Corporation for Jacksonville, Fla. This will raise the total number of units there to 694.

Total contract awards

Contracts had been awarded for the construction of 40,457 units the week ending March 15. Of this number 23,277 were for civilian workers and 17,730 for married enlisted personnel of the Army and Navy.

**F. H. A. Housing**

New homes started............. 3,094 2,341
New home mortgages selected for appraisal............. 5,246 5,247

**STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION**

March 15, 1941

<table>
<thead>
<tr>
<th>Number of States and Territories</th>
<th>March 15</th>
<th>March 8</th>
<th>March 10</th>
<th>March 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of localities.............</td>
<td>412</td>
<td>391</td>
<td>58</td>
<td>37</td>
</tr>
<tr>
<td>Number of projects..............</td>
<td>261</td>
<td>223</td>
<td>141</td>
<td>119</td>
</tr>
<tr>
<td>Number of family dwelling units</td>
<td>22,955</td>
<td>22,960</td>
<td>16,545</td>
<td>15,899</td>
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<tr>
<td>Civilian industrial workers</td>
<td>30,620</td>
<td>30,172</td>
<td>25,029</td>
<td>24,702</td>
</tr>
<tr>
<td>Other civilians: Employers of Army and Navy</td>
<td>9,029</td>
<td>9,729</td>
<td>6,729</td>
<td>6,198</td>
</tr>
<tr>
<td>Married enlisted personnel</td>
<td>25,770</td>
<td>25,770</td>
<td>18,749</td>
<td>17,730</td>
</tr>
</tbody>
</table>

**Aid to Democracies**

President Roosevelt has announced that a program would be devised to extend aid in foodstuffs and agricultural commodities to Great Britain and other embattled democracies which might include making foodstuffs available for Spain and unoccupied France. The program would be financed partially by funds appropriated for the land-lease program.

**Aluminum from common clay**

TVF Director Lilienthal stated a pilot plant at Muscle Shoals, Ala., is now extracting alumina—from which aluminum is made—from common clay. The experimental plant produces a ton a day, from which half as much aluminum is recovered, Mr. Lilienthal said. Preliminary figures indicate that the cost of making the vital defense metal will be comparable to production costs where bauxite ore is used, he said.
PRIORITIES . . .
Priority control of aluminum strengthened by new order covering both defense and non-defense supplies

An over-all formula governing the allocation of aluminum for both defense and nondefense purposes—a further step in the control of the metal in the interests of national defense—is set forth in a general preference order issued March 22 by the Priorities Division of the Office of Production Management to all producers, fabricators, and secondary smelters of aluminum.

The allocation formula, rating defense and nondefense needs in the order of importance, is a temporary one, subject to revision in the light of experience.

E. R. Stettinius, Jr., Director of Priorities, signed the preference order which strengthens the priority control imposed on aluminum February 24 and expands it to include the secondary smelters as well as other producers and fabricators.

In addition to the usual grades of aluminum, alloys of which aluminum constitutes the major part are covered in the order.

Subject to the assignment of superior ratings, all defense orders for aluminum are assigned an automatic preference rating of A-10 (in place of the A-2 rating assigned in the February 24 instructions), and it is provided that defense orders for Great Britain will receive the same preference rating treatment accorded Army and Navy and other defense orders.

Producers, fabricators, and secondary smelters of aluminum, the order stipulates, are to make deliveries until further notice according to a schedule, set forth in a supplementary order. The producers are required to fit their deliveries into this schedule and to make reports to the Priorities Division.

Aluminum scrap
In order to cover the scrap field, the order declares that no producer shall enter into a contract for the toll-rolling or other fabrication of aluminum scrap without agreement unless authorization for this has first been obtained from the Director of Priorities.

The communication from Mr. Stettinius to the producers, fabricators, and smelters makes it clear that the Priorities Division has given consideration to the need for keeping workers employed as steadily as possible. Because of this, it is said, the Priorities Division, in administering the allocation system, will give special attention to any evidence indicating the possibility of keeping the greatest possible number of workers employed without impeding the defense program.

Preference ratings are set forth in the schedule, and range from those in the A class, at the top, down to a rating of B-8.

Suppliers of aluminum are required to give an A class rating to all defense orders (A-10 if no higher rating has been assigned by the Priorities Division or by the agents of the Army and Navy Munitions Board) and to any other orders, including nondefense orders, on which the Priorities Division may assign class A ratings.

First of 200 new merchant ships due in 287 days

The first of 7 contracts for the construction of 200 merchant ships of simplified design in the President's emergency program has been cleared with the Office of Production Management and awarded to the North Carolina Shipbuilding Co. of Wilmington, N. C., the Maritime Commission announced March 18.

The contract is for 25 ships at a total estimated cost of $37,500,000. Delivery of the first vessel is called for within 287 days, and all 25 vessels are to be delivered within 731 days from the date of the contract, which was signed Friday, March 14.

Preliminary work already begun
Preliminary work on construction of the vessels has been carried forward for the last 2 months by the North Carolina Shipbuilding Co. and the Commission without waiting for the signing of the contract. The company has begun construction of a 6-way shipyard at a cost of $5,140,000.

Contracts for the other 175 ships being built in the emergency program are now being negotiated and are expected to be signed in the near future.

The Commission was authorized to construct the 200 emergency ships in a joint resolution which became law on February 6.

The vessels will be 425 feet long, of 16,000 tons deadweight, and will have a speed of 10 to 11 knots.

THREE NEW CARGO VESSELS

Two C-1 cargo vessels and one C-3 passenger and cargo vessel are scheduled for delivery on March 25 and March 26, the Maritime Commission announced March 24.

The S. S. Alcoa Prospector, C-1 cargo vessel, will be delivered on Tuesday, March 25, at the Staten Island yard of the Bethlehem Steel Co. and the S. S. Alcoa Pioneer, C-1 cargo vessel, will be delivered on the same day at the San Francisco, Calif., yard of the Bethlehem Steel Co. Both vessels will be operated by the Alcoa Steamship Co. from United States Atlantic and Gulf ports to eastern Caribbean ports and north coast of South America ports.

The S. S. President Garfield, the fourth of a series of seven combination passenger and cargo vessels building for the American President Lines, will be delivered on Wednesday, March 26, at the yard of the Newport News Shipbuilding and Dry Dock Co., Newport News, Va., to the American President Lines for its round-the-world service.

These deliveries bring to a total of the number of vessels delivered in the Maritime Commission's long-range construction program.

Defense for fish and wildlife
To safeguard the Nation's wildlife resources, President Roosevelt has requested that a liaison officer from the Fish and Wildlife Service keep informed of the activities of defense agencies which would seem damaging to fish or wildlife, Secretary of the Interior Harold L. Ickes announced March 19.
for priorities

Edward Stettinius, Jr.

As aluminum, magnesium, Neoprene, and nickel. Allocation of such products by the Priorities Division will take precedence over ratings assigned by the Army and Navy field staffs when shortages are so acute as to make necessary a diminution of quantities flowing to military channels.

OPM—priorities authority

Authority for the priorities system is vested in the Director of Priorities and the Priorities Division of the OPM, and all priorities certificates will go out over the signature of Mr. Stettinius, but will be actually distributed by the Army and Navy field services when the material involved is on the Priorities Critical List.

Ratings for noncritical items

The Division will continue to handle directly the assignment of ratings for items not on the critical list (including raw materials not on the list), for important civilian projects, and the priority actions for the allocation of certain materials which must be handled on an industry-wide basis. Such direct allocations by the Priorities Division may modify individual priority certificates.

Ratings for Britain

Provisions of interest in connection with the revised system include:

1. The Army and Navy Munitions Board will assign ratings to prime contracts of certain foreign governments, including Great Britain and Canada, and provision is made for the extension of these ratings to subcontracts.

2. Only an official preference rating certificate will be binding, but manufacturers will be encouraged to inform their subcontractors and suppliers as to what ratings may be extended to their work if a priority certificate is requested and issued. This will enable subcontractors to plan for lend-lease items which might be work, or in case of special urgency. In connection with a particular defense project, the Priorities Division is prepared to grant authority for the automatic use of limited blanket ratings which will be valid for a limited period only. Such limited blanket ratings will include a list of the specific items to which the rating is applicable. A blanket rating of this type was issued to nine crane builders on March 12.

Civilian needs observed

In administering the system, the Priorities Division can give priority aid to important civilian projects, as well as military projects or foreign orders, and will continue to see to it that civilian needs are carefully balanced with defense needs at all times.

Various priorities techniques

1. The preference rating certificate will continue to be the principal administrative mechanism in the operation of the system. These certificates or ratings may be applied "automatically" to Army and Navy orders by the Army and Navy Munitions Board and its agents for items on the Priorities Critical List. The Priorities Division, however, may also issue specific certificates for individual contracts, whether the items involved are or are not on the Priorities Critical List, and may also use such techniques as blanket ratings and industry-wide priorities for allocations in order to accomplish desired objectives.

2. The Priorities Critical List will be subject to revision once each month. Items on the list are deemed to include all fabricated parts necessary for the completion, maintenance, or operation thereof, which are designed to meet military specifications, and as designed are not commercially useful for ordinary civilian purposes.