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# VICTORY

## formerly DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

DECEMBER 23, 1941

VOLUME 2, NUMBER 51

### DEFENSE PROGRESS

**MANPOWER**

National labor force, Nov.....	53,300,000
Unemployed, Nov.....	3,900,000
Nonagricultural workers, Oct.....	*40,749,000
Percent increase since June 1940	14
18 defense industries, Oct.....	2,700,000
Percent increase since June 1940	69

**FINANCE** (In millions of dollars)

June 1940 to latest reporting date	
Authorized program, Dec. 15.....	*74,440
Obligations Nov. 30.....	*47,726
Total disbursements, Nov. 30.....	*13,299

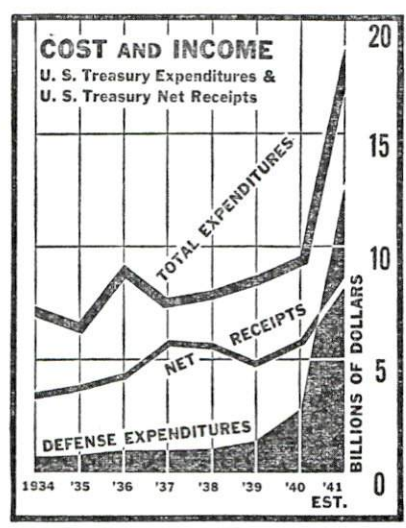
**PRODUCTION**

Paid on contracts, June 1940-	
November 30, 1941.....	\$10,488,000,000
Combat vessels in November	2
Merchant ships, November.....	*11
Week ended December 20	Strikes Workers
Significant defense strikes in progress during week.....	5 800
Number settled.....	3 300

\*Preliminary.

### In this issue

Review of the week . . . . .	2
Tires to be rationed . . . . .	3
<b>PRIORITIES</b>	
Materials requisitioned at ports . . . . .	4
<b>PRODUCTION</b>	
Warplanes and tanks roll off the lines . . . . .	8
<b>CIVILIAN SUPPLY</b>	
Local boards to apply rationing . . . . .	10
<b>PRICE ADMINISTRATION</b>	
Stabilizing the rubber industry . . . . .	12
<b>MATERIALS</b>	
High ratings to speed new steel capacity . . . . .	23
<b>LABOR</b>	
Aid for rubber workers . . . . .	24
<b>MEDIATION BOARD</b>	
No strikes on the calendar . . . . .	25
<b>CONSERVATION</b>	
War compels immediate saving of "waste" . . . . .	26
<b>AGRICULTURE</b>	
Rubber planting stock arrives safely . . . . .	28
<b>CIVILIAN DEFENSE</b>	
Wing commanders for civilian air patrol . . . . .	30



## Review of the Week

The American public began last week to learn at first hand about our stake in the Pacific. Price Administrator Henderson, who also is director of the Division of Civilian Supply in the Office of Production Management, announced that rationing of new rubber tires would begin January 4. He said the present view of such rubber supplies as we can count on is that virtually none can be spared to manufacture tires for private owners of passenger cars. Mr. Henderson emphasized that the rationing would be by local boards set up through the defense councils, and in response to questions he said the local boards probably would be useful in case other items must be rationed.

### All tin under Federal control

At the same time the Federal Government moved through the OPM Priorities Division to take charge of all tin in the United States and en route. Tin, like rubber, comes largely from the Far East.

The Priorities Division took direct control of iron and steel alloys containing several elements for which we depend in various degrees on the Orient. Manufacturers of ferrochromium agreed to changes in specifications permitting the use of lower-grade ores. Tungsten allocation was prolonged.

### Ceilings put on wool prices

Action was taken on a number of fibers affected by the war with Japan. The Office of Price Administration put ceilings on prices of raw wool, wool tops, wool yarns, and wool floor coverings. Manufacturers of woolens pledged aid in conservation. Meanwhile, OPA announced it was preparing further emergency price schedules on a number of textiles.

A ceiling was placed on prices of kapok, a life-jacket filling of which 90 percent comes from the Netherlands East Indies. OPM put drastic restrictions on the sale of manila cordage, a Philippine product. OPA asked handlers of natural resins and shellac to keep charges at or below December 5 levels. Second-hand burlap bags,

as well as used cotton bags, were subjected to a schedule of maximum prices because of urgent Army and Navy needs for sandbags and the threat to burlap imports.

### First goods requisitioned

Meanwhile the Priorities Division, making the first use of new powers, requisitioned over a million dollars' worth of steel, copper, and teakwood waiting at American ports for forwarding to foreign owners to whom shipment can no longer be made.

On the production front, machine tool manufacturers were told in an OPM meeting that they might have to double their output. They promised to do everything necessary. The Production Division announced that the first Army bomber from parts fabricated by the automobile industry will be assembled soon after the first of the year, months ahead of schedule.

### OPM organization tightened

To speed decisions on war production and the conversion of plants to military output, industry branches of OPM were told to report directly to the Director General and Associate Director General, and to work more closely with management and labor.

A strike of welders on the West Coast interfered with huge war contracts while labor and management representatives prepared to resume their conference in Washington for uninterrupted production in all armament factories during the emergency.

The Office of Civilian Defense stressed that production should continue without interruption in arms plants during trial black-outs.

Further moves on iron and steel followed the addition, late in the previous week, of domestic stoves to the list of goods for which use of the metals is curtailed. OPA put a price ceiling on all resales of iron and steel products in quantities normally handled by jobbers, dealers and distributors. The OPM Materials Division announced that priority ratings

just below those accorded top military projects would be granted to speed expansion of capacity to make steel for our ships and tanks and guns.

Steps were taken to prevent, so far as possible, dislocations caused by restriction of the rubber supply. A ceiling was put on prices of reclaimed rubber, and the two principal American sellers of guayule rubber, made in small quantities from a shrub grown in Mexico and California, were asked to keep their prices down. OPM Associate Director General Hillman issued a five-point program that management and labor will be expected to follow in alleviating unemployment among rubber workers. Price Administrator Henderson asked makers of rubber soles and heels to avoid price increases pending completion of an OPA study.

### Stabilizing consumers' goods

Manufacturers of seven types of consumers' durable goods—china, glass, lamps, lampshades, clocks, watches, and silverware—were asked to curb their prices. Prices of bleaching powder, needed by the armed forces to combat poison gas and disease, were stabilized by voluntary agreement. More than 700 makers of paper products, from envelopes to straws, were asked to give a month's notice before increasing prices. The waste paper price schedule was revised.

Other price action or agreements concerned sulphuric acid, pyrophosphate (basis of cleaning compounds), benzol, toluol (starting point for T. N. T.), xylol, solvent naphtha, zinc oxide, and blast furnace beehive coke.

The Priorities Division removed red tape to speed up action on rated orders involving less than \$500 worth of material. Preference ratings for industrial repair, maintenance, and supply were liberalized.

### Don't wait—save now

Because of needs made urgent by the outbreak of war, the Bureau of Industrial Conservation asked householders the Nation over to start saving "waste" materials without waiting for the inauguration of the formal salvage program.

OPM authorized the setting up of a committee to determine over-all supplies necessary for preserving the health of the civilians and fighting men and to see that the supplies are made available.

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## Henderson outlines rationing system, virtual ban on new tires for private cars

Tires will be rationed after January 4, through local boards set up in cooperation with the defense councils, Leon Henderson, price administrator and director of Civilian Supply, told a press conference December 17. Excerpts from the conference appear on page 10. Mr. Henderson's prepared statement follows:

Spread of the war to the East Indies area threatens the future importation of rubber into this country. Approximately 50 percent of crude rubber comes from land areas already occupied or being invaded by the Japanese. Another 43 percent comes from the adjacent Dutch and British Islands of Sumatra, Java, and Borneo, all of which are threatened by the Japanese.

This means that consumption of rubber products already manufactured and of crude rubber must be conserved by every possible means until the outlook for future crude rubber imports is cleared up.

At the present time this country has on hand a substantial stockpile of crude rubber and large inventories of manufactured goods held by producers and dealers.

However, expanding needs of the military forces plus the uncertainty over the possibility of getting further imports make it imperative at this time that we cut down our civilian consumption to not more than 10,000 tons of crude rubber per month. This is taking a pessimistic view of the situation but no other attitude is justified in the present emergency.

Consumption of crude rubber for production of civilian goods in recent months has been running at a monthly rate of around 47,000 tons. It is obvious that we will have to reduce this consumption of crude rubber by nearly 80 percent.

### 75 percent normally goes into tires

Approximately 75 percent of crude rubber consumed in this country normally goes into tires. A small amount of the balance, aside from nontire military needs, goes into such products as golf and tennis balls, bathing apparel, stationers' goods, toy balloons, etc. Manufacture of such products can be eliminated entirely. But most of the balance goes into essential mechanical goods and other products such as fire hose, transmission and conveyor belts, packings, friction tape, jar rings, surgeons' gloves, hot water bottles, syringes,

protective clothing, and thousands of other products. Substantial amounts of reclaimed rubber are available but will have to be used in large part to replace crude rubber in the manufacture of mechanical goods and other products. Likewise, a substantial part of the 10,000 tons of crude rubber available per month for civilian goods will have to be

## RUBBER

**FURTHER EXPLANATION** of rationing, by Mr. Henderson—page 10.

**RECLAIMED RUBBER** put under price ceiling—page 12.

**GUAYULE SELLERS** asked to keep prices down—page 12.

**CARBON BLACK**, tire component, permitted price increase—page 12.

**EMPLOYMENT** program to meet dislocations due to restricted output—page 24.

**SAVING TIRES**—10 rules—page 12.

**PLANTING STOCK** reaches U. S. ahead of war—page 28.

used in manufacture of such products. Amounts of synthetic rubber available in the near future will be very small. This means that only a part of the 10,000 tons per month of residual supply will be available for tire production.

At the present time there are between 7,000,000 and 8,000,000 new tires in stock in this country. In recent months replacement tire sales have been running around 4,000,000 tires a month. It is obvious that existing stocks on this basis would be adequate to meet only about 2 months' normal requirements.

The Government moved to meet this situation on December 11 by imposing a ban on sales of new tires, except for those buyers having priority ratings of A-3 or higher. This ban was to extend to December 22, during which period it was hoped that a rationing plan could be perfected. Much progress has been made on development of this plan through the combined efforts of the Division of Civilian Supply of OPM and the Office of Price Administration. It will be necessary, however, to extend the ban on new tire sales through January 4 to complete preparation of the rationing plan.

## Framework of rationing

Basic framework of a tentative rationing plan has been worked out, however, and I want to review its principal features:

1. For the time being production of new passenger car tires will be almost entirely eliminated and production of new truck tires will be curtailed.

2. A monthly quota of tires which can be sold in the United States and its possessions will be determined on the basis of the amount of crude rubber which can be used in production of new tires.

3. These monthly quotas will be broken down into State and county quotas primarily on the basis of commercial vehicle registrations in each area.

4. State and local rationing boards are being set up by Frank Bane, director of Field Operations, OPA, through State defense councils. The State boards will serve largely as clearing agencies for information passing between the Federal Government and local boards.

5. Sales of new tires will be limited to individuals and agencies requiring them for the maintenance of industrial efficiency and civilian health. These will include the following broad classes: vehicles required for the maintenance of public safety and health; passenger transportation equipment, exclusive of private passenger cars; and a limited group of essential truck operators. Details of this list of users who will be permitted to buy new tires will be issued within a few days. In any event sales of new tires to owners of private passenger cars will be virtually prohibited for the present.

6. Would-be purchasers of new tires will be required to show to the local rationing boards that they fall within the eligible groups, and that it is essential for them to get tires for the safe operation of their vehicles.

7. Purchasers fulfilling these requirements will be given certificates permitting them to make purchases.

### Prices will be stabilized

8. Controls are also being developed over the sale of retreaded tires and the retreading of tires.

9. Appropriate price action to stabilize tire prices will be taken by the Office of Price Administration before the rationing plan is instituted.

10. The rationing plan will be issued as a priority order and will carry all the legal sanctions behind such orders, including the power to withhold priority assistance in replenishing stocks and criminal penalties incident to falsification of reports to the Government.

# PRIORITIES . . .

## OPM seizes over million dollars in scarce materials stored for foreign shipment

Priorities Director Nelson announced December 19 the requisitioning of more than a million dollars' worth of critical scarce materials being held in warehouses and railroad terminals for shipment to foreign countries.

The seizures were the first moves under the requisitioning authority extended to the OPM in the Executive order signed by the President on November 19.

### Steel stocks, other items seized

More than 13 million pounds of steel in bars, plates, and shapes, 3½ million pounds of electrolytic copper, 34,000 pounds of tin, and 70,000 feet of teakwood decking and squares, on order for shipment to European countries, have been taken over by the Navy Department, with the approval of the Priorities Director.

All of the stocks of steel seized had been located by the Bureau of Research and Statistics of the OPM, as a result of its survey of immobilized inventories. The copper, tin, and teakwood supplies had been reported directly to the Navy Department.

### Owners to be compensated

The owners of the seized materials, mostly firms in Holland, Switzerland, and Sweden, which had placed their orders before the outbreak of war, will be compensated according to the regulations promulgated by the Supply Priorities and Allocations Board on December 8. These require that immediately upon the seizure of any property, notice of the requisitioning shall be given by the requisitioning authority to all persons known to have, or claim, any interest in such property. Owners are directed to file claims with the requisitioning authority.

The requisitioning authority will make a preliminary determination of the just compensation to be paid for the requisitioned property and submit this determination to our owners. Provision is made for the holding of hearings in cases where disagreements arise as to the price to be paid.

### Further requisitions expected

The inventory and requisitioning section, which passed upon the Navy's requests to make the seizures, was set up in the Priorities Division on December 9,

the day after the President signed the declaration of war with Japan, and the first approvals were signed by the Director of Priorities on December 13.

Mr. Nelson pointed out that the materials requisitioned had become immobilized, as they had been set aside for shipment abroad before the outbreak of the war in Europe made this impossible. They were being held in a number of warehouses, yards, and other places of storage.

It is expected further requisitions of idle materials will be made by the Army, Navy, and Maritime Commission, following approval by the OPM, and by the OPM itself.

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## Alloying elements placed under strict control

To conserve scarce alloying elements used in the production of alloy iron and steel, an amendment to General Preference Order M-21-a has been issued, effective December 20, prohibiting producers from melting any alloy iron or alloy steel containing specified alloying elements in specified amounts, except to fill orders with rating of A-10 or higher, or by special direction of the Director of Priorities.

### More stringent January 1

Effective January 1 is a prohibition of delivery of such materials save on the same terms, with an added proviso that the Director of Priorities may issue orders directing or forbidding specific deliveries.

Under the terms of the amendment, the Priorities Director may also issue orders governing the amount of any alloying material to be used in the production of any alloy steel or alloy iron.

Alloy iron or alloy steel containing any one or more of the following elements in the following amounts, are covered by the restrictions:

Manganese in excess of 1.65%; copper in excess of 0.60%; chromium in excess of 0.60%; molybdenum in excess of 0.60%; nickel in excess of 0.60%; cobalt, tungsten, or vanadium in any amount specified or known to have been added to obtain a desired alloying effect.

## Drastic restrictions placed on sale of manila cordage

Drastic restrictions on the sale of manila cordage were ordered December 19 by OPM in a further amendment to General Preference Order M-36 covering manila fiber and cordage, which is imported from the Philippines.

The sale of manila cordage to the mining industry is eliminated.

Further manufacture of class C cordage is prohibited. Such cordage consists half and half of sisal rope and manila cordage. Stocks now on hand or in process of manufacture may be sold.

Under the latest amendment, manila cordage may be sold by processors and dealers only for the following categories of orders:

1. Defense orders accompanied by preference rating certificates (not including a Preference Rating Order) having a rating of A-1-j or better.
2. Commercial marine usages in vessels engaged in the carriage of cargo or passengers, or in towage, lighterage or fishing for commercial fish markets or canneries, and usages for shipbuilding. (Boats used in taking out sportsmen for hire are excluded.)
3. Oil wells and gas wells—for drilling cables only.

Sales of existing stocks have been further restricted. Previously such sale was permitted in lengths of 540 feet or less. Now it is limited to 200 feet or less, provided the rope has already been cut in such lengths.

With certain exceptions, manila fiber may be imported only by the Defense Supplies Corporation or the Navy. The exceptions are certain existing contracts with cordage manufacturers where shipping is scheduled between now and April 30, 1942.

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## Limits on methyl alcohol deliveries removed for three uses

Limits on the amounts of methyl alcohol which may be delivered for use (a) as a denaturant for ethyl alcohol; (b) for the production of formaldehyde; (c) for general chemical manufacture, have been removed by an amendment to General Preference Order M-31 issued December 19 by the Division of Priorities.

The purpose of this amendment is to promote these uses for methyl alcohol at the expense of less essential uses.

## Federal Government moves to take charge of all tin supplies in U. S. and en route

The Federal Government moved December 18 to take charge of all supplies of tin in the United States and all tin afloat.

General Preference Order M-33, issued by Donald M. Nelson, Director of Priorities, provides that:

1. All supplies of tin shall be subject to specific allocation by the Director of Priorities and the purposes for which tin is used shall also be specified.

2. No tin may be sold or delivered without specific permission of the Director of Priorities.

3. Future imports of tin may not be sold except to the Metals Reserve Company or other governmental agency.

4. Tin now afloat may not be sold except by special permission of the Director of Priorities.

The only exception to the order is that a distributor may deliver to his regular customers less than 5-ton lots of tin, subject to Priorities Regulation No. 1.

### No supplies to those who have plenty

Inventory provisions of Regulation No. 1 will be invoked and no deliveries of tin or tin products will be made to fabricators who have ample stocks on hand.

Purpose of the order is to conserve existing supplies of tin, which is used largely in the canning of food. Practically all our tin comes from Malaya and the Netherlands Indies.

Approximately a year's supply of tin, at normal demand levels, now is on hand in the United States. Careful conservation is expected to make this supply stretch through any possible emergency period. A conservation order, limiting the uses of tin and the uses of tin-lined cans, will be issued within the next few days, it was announced.

### U. S. produces little

The United States consumes more than 100,000 tons of tin a year and produces practically none. Bolivian ores to be refined in a new smelter now under construction in Texas cannot supply more than a third of our normal requirements.

According to tin experts in OPM, detinning of cans is an expensive process, but salvage operations in that field may be necessary.

## Iron and steel for home cooking appliances cut 35 percent beginning January 1

Use of iron and steel in the manufacture of a wide variety of stoves, ranges and other domestic cooking appliances will be curtailed sharply beginning January 1 under an order issued December 13 by Priorities Director Nelson.

The order calls for an average cut of 35 percent during the period from January 1 to April 30 below the monthly average of iron and steel used in the 12 months ended June 30, 1941.

Between now and January 1, use of these critical materials will be frozen at the level of average daily use during the 12-month base period.

### Quarterly saving of 58,000 tons

Producers affected by the order, numbering about 200, used approximately 500,000 tons of iron and steel in the year ended June 30, 1941. The initial curtailment is designed to result in savings of about 58,000 tons in the first quarter of 1942.

Curtaillment is based on size of firms, so that many smaller manufacturers located in little Southern towns where no defense work is obtainable will not be faced with too serious a labor displacement problem. The industry as a whole is not well adapted for conversion to arms production, lacking the equipment for precision work. The industry employs approximately 60,000 workers.

Cooking appliances covered by the order include all types of ranges, stoves, hot plates, combination ranges, camp and trailer stoves, and fuel oil conversion range burners, using gas, electricity, coal and wood, kerosene, fuel oil or gasoline, or any combination of coal and wood or fuel oil with gas or electricity.

### Companies classed by dollar volume

Companies are classed according to the factory sales value of products manufactured during the base period. The following table shows the percentage cut for each class during the first quarter of 1942:

Class	Factory sales value	Percent cut
A.....	\$3,000,000 or more.....	42
B.....	\$1,000,001 to \$3,000,000.....	35
C.....	\$1,000,000 or less.....	30

Government purchases of cooking appliances obtained on a competitive bidding basis for defense housing are ex-

cluded from the quota, as are lend-lease and certain other defense purchases.

### Iron and steel covers banned Dec. 15

Other important features of the order are:

1. Effective December 15, no manufacturer is permitted to use iron or steel to produce cover tops or lids to cover cooking surfaces of cooking appliances equipped with tops or lids containing these materials.

2. Beginning February 1, no manufacturer can use any bright work, bright finish, metal finish, or trim containing copper, nickel, chrome, or aluminum in producing the appliances.

3. Inventories of raw materials, semiprocessed materials or finished parts are restricted to minimum requirements.

4. Manufacturers cannot shift production between different fuel types, except by appeal to the Office of Production Management.

### Institutions not affected

The order, which does not affect institutional and commercial cooking appliances and does not cover repair and replacement parts, was drafted by the electrical products and consumers durable goods branch of the Division of Civilian Supply after meetings with industry representatives and after consultation with interested Government agencies.

### Urged to reduce number of models

In a letter accompanying the order, manufacturers were urged to reduce the number of models produced, concentrate on those making the most economical use of iron and steel, and adopt conservation measures such as substitutions, redesign, and respecification.

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## DISTRICT OFFICE OPENED IN ARIZONA

The Priorities Division of the Office of Production Management announced December 17 the opening of a priorities district office for Arizona, to be located in Room 408, Security Building, Phoenix.

C. S. Jamison will be acting district manager until appointment of a district manager for Arizona is announced.

## New preference order liberalizes policy on repair, maintenance, operating supplies

A new order which helps many thousands of manufacturers and producing plants to obtain repair, maintenance and operating supplies was announced December 18 by the Division of Priorities.

The new order is known as Preference Rating Order P-100. It takes the place of the old Repair and Maintenance Order, P-22, which is being revoked.

Main purpose of the new order, as was the case with the old, is to extend priority assistance to manufacturers and producers so that they can keep their plants and production machinery in good running order. This is in accordance with the policy set by the Supply Priorities and Allocations Board.

### To clear up misunderstandings

The differences between P-100 and P-22 are largely technical. However, some provisions of the old plan have been liberalized and a number of clarifications have been made in order to eliminate misunderstandings and misapplications of the order which occurred in the past.

The assistance granted by the order is not available for retail operations. It is available, however, to the following:

1. Any governmental unit.
2. Any individual, partnership, association, corporation or other form of enterprise engaged in one or more of the following capacities to the extent that it is so engaged or so acts:
  - a. Manufacturing, processing or fabricating.
  - b. Warehousing—maintaining warehouses for storage or distribution of any material.
  - c. Wholesaling—acting as a distributor of products sold to manufacturers, wholesalers, retailers or other persons not consumers.
  - d. Charitable institutions—any charitable or eleemosynary institution which is recognized as such for purposes of the Internal Revenue Laws of the United States.
  - e. Carriers—urban, suburban, and interurban common or contract carriers of passengers or freight by electric railway, electric coach, motor truck or bus, including terminals of any of the foregoing; railroads, including terminals; shipping—commercial carriers of freight and passengers by ocean, lake, river or canal, including terminals.
  - f. Educational institutions (including vocational training).
  - g. Printers and publishers.
  - h. Radio—commercial broadcasting and communication.
  - i. Telephone and telegraph communication, including wire services.
  - j. Hospitals, clinics, and sanitoriums.
  - k. Petroleum and natural gas—discovery, development and depletion of pools of petroleum and associated hydrocarbons and derivatives thereof, and transportation of petroleum, associated hydrocarbons and derivatives thereof.
  - l. Irrigation systems, whether publicly or privately owned; toll bridges and toll canals.

3. Any person using tools or equipment to repair or maintain the property of any Producer as defined in the Order.

P-100, like the former P-22, continues the policy of protecting the health of the Nation and maintaining necessary services for its businesses and institutions.

### Inventory dollar allowance boosted

The former restriction on acceptance of materials for inventory of maintenance, repair or operating supplies by producers using the order has been changed to permit inventory and stores not exceeding 110 percent of the maximum dollar volume of such materials purchased during the corresponding calendar quarter of 1940. The previous figure was 100 percent.

This change has been made to allow for price increases. However, the Order now specifically states that no materials may be accepted for additions to inventories and stores of maintenance, repair and operating supplies until such inventories have been reduced to a practicable working minimum.

### Exemption broadened

The restriction on withdrawals from inventory or stores has also been changed to permit withdrawals up to 110 percent of the aggregate dollar volume of such withdrawals in the corresponding quarter of 1940, or, at the producer's option, up to 27½ percent of the aggregate dollar volume of withdrawals during the calendar year 1940.

Producers whose aggregate purchases of materials for maintenance, repairs, and operating supplies do not exceed \$5,000 in a calendar quarter, and whose withdrawals of such supplies from inventory or stores likewise do not exceed \$5,000, are exempt from the restrictions as to purchases and withdrawals. Under P-22 amended (the former order), the exemption was limited to producers whose purchases and withdrawals did not exceed \$2,500 in a calendar quarter.

### More aid for overtime factories

Allowances for inventory use will be made for manufacturers operating on an overtime basis as it is realized that overtime or extra shifts consume an abnormal amount of operating consumable supplies and that an extra allowance is necessary for maintenance and repair due to machine fatigue.

It is not permitted to purchase materials under the order for expansion or

betterment of property or equipment. The user in such a case should file form PD-1 when it is necessary to increase the operating capacity of his business. The producer should also use a PD-1 to obtain items that are capitalized and carried on his books as a fixed asset.

The rating cannot be extended by suppliers except to replace materials sold under P-100, and it must not be used to build up stocks in anticipation of filling rated orders.

### Ferrous parts for containers

Operating supplies have also been redefined in the new order to include ferrous parts required to manufacture containers. This change will assist producers in obtaining nails, barrel hoops, and other ferrous items necessary in the operation of their business.

A new provision forbids the application of the A-10 rating under P-100 where any other order of the Division of Priorities assigns some other rating to specific uses of a particular material. The purpose of this change is to prevent draining off of a number of materials, chiefly chemicals, for which "ladders of use" have been established by already existing E or M orders. The preference rating assigned by P-100 may not be used to obtain deliveries of any material to be used for purposes prohibited by any order or regulation issued by the Director of Priorities.

Producers and suppliers purchasing metal cutting tools as defined in order E-2—a must use the metal cutting tool certificate of inventory control, stating that the tools on the order will not increase stocks beyond a three-month period.

### Users of repair tools get help

Special attention is called to provisions of the order (in B-3) which grant priority aid to:

"Any person using tools or equipment to repair or maintain the property of any Producer as defined."

The above permits welding repair shops, blacksmith repair shops, small machine repair shops and other persons whose business is primarily a repair function to use this Order to keep in working order their own establishments. It also permits such persons to procure the necessary tools and other items consumed in the course of their repair business.

This also applies to the acquisition of mechanics' hand and fine mechanical measuring tools when purchased by a mechanic for use in his capacity as an employee of a plant engaged in defense work.

A mechanic, in order to obtain fine precision measuring tools such as micrometers, calipers, and other tools of this type may sign the P-100 certification by simply stating where he is employed and manually signing his name.

Operating supplies covered by the or-

der include files, hack-saw blades, grinding wheels and any other items abraded and consumed in the operation of the business.

#### May include office supplies (not paper)

Operating supplies may also include office supplies with the exception of paper products, but if those items are purchased under the P-100 order they must be included in the person's inventory.

Parts such as gears, bushings, and other items incorporated into final products cannot be purchased under P-100. These items can be purchased, however, if the item being manufactured is a repair or maintenance item. Example: a machine manufacturer producing new equipment could not purchase gears for new equipment, but if he had to furnish a repair part including a gear this could be purchased under the order.

A restriction under P-100 is the fact that nonferrous materials cannot be purchased under this Order as packaging supplies.

This order is not applicable to any utility defined in Order P-46 nor to any mine operator as defined in Preference Rating Order P-56.

The provision that the rating shall not be applied unless the material cannot be obtained without its use has been deleted from P-100.

The original copy of purchase orders placed under the terms of P-100 must be manually signed; all other copies must bear the special certification as indicated in the Order. The Office of Production Management requires that one copy be retained for inspection.

#### Method of use explained

Any plant or business qualified to use the rating can do so without making application for its use. If a manufacturer needs a repair part, for example, he simply places his repair order with a supplier and on the face of the order manually signs the following statement:

"Material for Maintenance, Repair, or Operating Supplies—Rating A-10 under Preference Rating Order P-100, with the terms of which I am familiar."

This constitutes legal use of the rating. Any order so rated must be accepted by the supplier in accordance with the terms of Priorities Regulation No. 1. The supplier may extend the rating in the same manner, if necessary to obtain materials going into the producer's order. Suppliers may use the rating for their own repair and maintenance needs, of course, if they are qualified to do so under the terms of the order.

A supplier who does not physically al-

## Contracting officer's signature eliminated in extending ratings to orders under \$500

Because of the outbreak of war and the need for speeding up production, the Division of Priorities moved December 18 to streamline and simplify regulations governing the extension of preference ratings on orders involving less than \$500 worth of material.

Such orders amount to approximately 60 percent of the total number of extensions handled in the field by the Army and Navy contracting officers, although these small orders amount to only about 2 percent of the total dollar value covered by all certificates.

#### Old system remains for large purchases

Under the previous system a manufacturer who wanted to extend a preference rating had to go to the appropriate contracting officer and have him fill out and authenticate a PD-3 form in order to extend his rating to a supplier.

This system still holds for extensions of ratings in transactions over \$500.

Under the new system, however, a manufacturer who wants to extend an Army or Navy preference rating to obtain material valued at less than \$500 may attend to the extension himself, without the necessity of having a contracting officer go through the previous routine requirements.

This new streamlining privilege, however, may be used only if the material to be obtained with the rating is to be physically incorporated in the finished product covered by the certificate being extended.

ter parts which he supplies to another is permitted to group several orders together so as to purchase in a minimum commercial quantity.

Purchase orders for repair, maintenance, and operating supplies bought under the order must be made up separately from all other orders.

#### Fuel eliminated

Misuse of the plan may result in punitive action.

Operating supplies have been redefined to eliminate fuel.

Questions about order P-100 should be addressed to the Maintenance and Repair Section, Office of Production Management, Washington, D. C.

To make such an extension, the manufacturer involved will certify on his purchase order the rating applicable, the name of the issuing bureau, the number of the prime contract, and the serial number of the certificate being extended; and will type on the purchase order the wording of Paragraph No. 3 of the PD-3 Form, which reads as follows:

"I hereby certify (a) that the material specified in this Certificate is essential for completion of the contract(s) cited herein, (b) that the specified quantities are not greater than required for said contract(s), and (c) that the specified *Delivery Date(s)* in the installment *Delivery Schedule* on the face of this Certificate (or appended hereto) are not earlier than actually necessary for completion on time of said contract(s)."

This endorsement on the purchase order must be signed by the manufacturer but need not be countersigned by a Government official where the amount is less than \$500 and the material is to be physically incorporated, as above described.

Copies of purchase orders so certified must be distributed by the manufacturer as follows:

One to the supplier of the material in question: 1 to the supply arm or bureau of the Army or Navy initiating the prime contract; and 1 to the Director of Priorities in Washington, D. C.

It is hoped that the new system will greatly speed up deliveries on all small purchase orders which, in the aggregate, are vital to rapid defense production.

The new system is described in a telegram sent to Army and Navy field officers.

## PD-73 forms on steel plates must be filed despite allocation

Allocation of steel plates does not relieve consumers of the necessity of filing PD-73 forms with suppliers and with the Office of Production Management, the Division of Priorities announced.

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## AVIATION FUEL CONTROLLED

Centralized control of all of the Nation's aviation gasoline by the Office of Petroleum Coordinator, as a means of insuring prompt and adequate filling of wartime needs, is provided in orders issued by that office.



## PRODUCTION . . .

### 6 plants turning out tanks, 7th to start; 30 percent of peak expected by January

American tanks have gone into battle on the wastelands of North Africa.

As they roar across the sand under the operation of British forces, these tanks give substantial evidence of the increasing flow of armored vehicles from the Arsenal of Democracy.

Already seven American plants are participating in a tank program for which contracts well past \$300,000,000 have been awarded. By the start of the New Year production of tanks will be going at 30 percent of its peak, and by the end of 1942 tanks will reach a rate of 2,800 a month.

#### Light model "on schedule"

Production lines of the American Car and Foundry Co. at Berwick, Pa., and St. Charles, Mo., are turning out "on schedule" the fast-moving, hard-hitting light tanks that are brothers-under-the-armor of the ones defending the democratic front in Libya.

In five other American plants and one in Canada, the larger, twice as heavy, medium tank M-3, which military observers have said surpasses any other in mobility and mechanical reliability, is being produced in ever-increasing numbers, doubling monthly figures set early in the fall. By spring the production of medium tanks will be on a considerably larger basis.

Meanwhile a later model is to go into production. The new medium tank will have, among other improvements, a cast steel hull that will replace the majority of riveted plates being used in the production of the medium M-3. Welding will further eliminate the use of rivets.

#### 18 months' progress

Although production of this latest model is expected to begin shortly, its introduction will in no way affect the scheduled flow of medium M-3's.

From spring, 1940, when the first light tank rolled from the production line at the American Car and Foundry Co.'s Berwick plant, to the 1941 Battle of Libya, was only 18 months. But it was long enough for American arsenals to build tanks enough to fill preliminary requirements of the United States Army's five armored divisions and tank battalions and have a considerable number left over for shipment to the British forces.

The story of American tank production is one of long-range planning, by the Army's Ordnance Department, and of speedy, efficient operation by the automotive and locomotive industries.

It was not until the fall of 1940 that large appropriations from Congress became available to put the tank program into operation. Immediately there began a series of transformations from cornfield to tank arsenal; from idle factory to humming production line.

It was to the locomotive industry that the Army first turned for production because many problems of tank construction were more closely associated with it. So it was that with the light tank being produced by the American Car & Foundry Co., four other locomotive plants began turning out medium tanks. These were the Baldwin Locomotive Works at Chester, Pa., the American Locomotive Co., at Schenectady, N. Y., the Pullman Standard Co. at Hammond, Ind., and the Pressed Steel Co. at Chicago. A sixth plant—that of the Lima Locomotive Co. at Lima, Ohio—soon will start its production of medium tanks. In Canada the same medium tank is being produced by the Montreal subsidiary of the American Locomotive Co.

#### Auto industry is producing tanks

The automotive industry entered tank production last summer upon the completion of the Detroit Tank Arsenal. This huge plant, operated by Chrysler Corporation, is turning out a larger number of tanks than any other single industrial unit. Even this capacity will be enlarged greatly when existing facilities are expanded. Also scheduled for construction are tank arsenals to be operated by Ford and General Motors.

Lessons learned from the battlefields of Europe and Africa are being translated into better armament, more protection, and other improvements for American tanks that already outstrip similar-sized tanks used by other nations. The pressing need for quantities of tanks for Russia and Britain has resulted in higher priorities for the steel and equipment that goes into the manufacture of these vehicles.

The light tanks of the kind now in action in Libya weigh 13½ tons.

### 50 to 100 percent gain needed, OPM tells machine tool makers; they'll do "everything necessary"

A production increase of from 50 to 100 percent over the 1941 volume was tentatively set for next year by OPM officials at a meeting December 17 with representatives of manufacturers of machine tools making critical items for the armed forces.

Nearly two dozen tool makers talked over their problems with William S. Knudsen, Director General of OPM; William H. Harrison, director of Production of OPM, and members of the Production Division staff. A similar meeting with another group of twenty representatives was to be held December 18.

In reply to Mr. Knudsen's observation that "the heat's on—we are going to demand a great many more tools," the manufacturers pledged to do "everything that is necessary to do the job."

#### More hours, better spirit reported

The visiting tool makers reported that since the outbreak of war many had stepped up the number of man-hours worked and that there was a "very great difference in the frame of mind" of the men at the machines. This change, it was reported, was toward getting more production in the same length of time.

"We ask all of you men to take another survey, take another look," Mr. Knudsen said. "It's your home, your institutions, that are being attacked. We ask you to give the job another push."

Mr. Harrison estimated that between \$1,250,000,000 and \$1,750,000,000 would be spent for tools in 1942. This would mean a volume half again as large as for 1941 and a "fair possibility it will be double that of this year."

"Machines now on the books for delivery in the future are needed right now—today," he said.

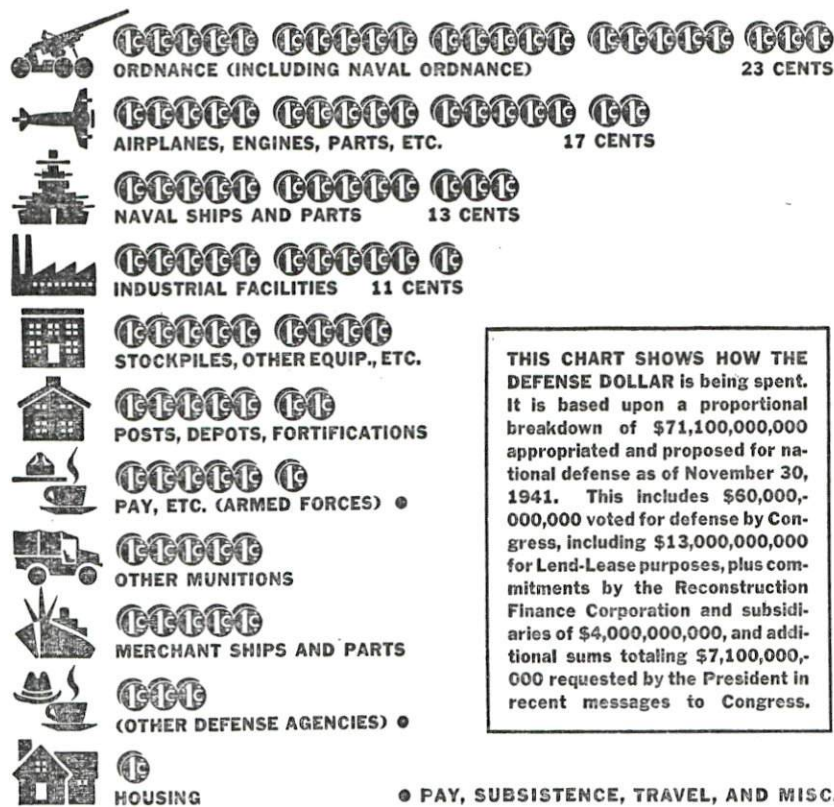
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#### Spates to direct OPM personnel

OPM announced December 16 the appointment of Thomas G. Spates as director of personnel.

Mr. Spates has been loaned to OPM by General Foods Corporation. He has had approximately 20 years' experience in industrial relations and personnel administration.

# HOW WE ARE SPENDING THE DEFENSE DOLLAR



**THIS CHART SHOWS HOW THE DEFENSE DOLLAR is being spent.** It is based upon a proportional breakdown of \$71,100,000,000 appropriated and proposed for national defense as of November 30, 1941. This includes \$60,000,000,000 voted for defense by Congress, including \$13,000,000,000 for Lend-Lease purposes, plus commitments by the Reconstruction Finance Corporation and subsidiaries of \$4,000,000,000, and additional sums totaling \$7,100,000,000 requested by the President in recent messages to Congress.

## First bomber from parts made by auto companies to roll from line months ahead of schedule

The first Army bomber assembled from parts fabricated by the automobile industry will roll from the production line of a new \$11,000,000 plant at Kansas City, Mo., shortly after the first of the year, several months ahead of schedule. Tentative plans had been made for a ceremony to mark the beginning of production in the plant that will make the B-25 two-engine bomber. But the ceremony has been cancelled and time that would have been devoted to preparing for opening exercises will be spent in assembling the first plane. It is expected to be finished ahead of the day set for its coming-out party.

### Subassemblies from auto companies

Built and partly equipped by the Government, the plant will be managed by North American. Special jigs and tools were supplied by the company which has its main plant in Inglewood, Calif.

Under the Mid-western bomber assembly program, wing, tail, and other subassemblies will be fabricated in plants operated by automobile companies and assembled in other plants managed by aircraft companies.

Subassemblies for the Kansas City plant will be made in the Fisher Body plants at Detroit and Memphis. These parts will be shipped to Kansas City for final assembly. About 35 percent of the parts, however, will be made from raw materials in the plant there.

### Other plants to produce in 1942

Meanwhile, work is being speeded on other plants included in the program under construction at Tulsa, Okla., Fort Worth, Tex., Omaha, Nebr., and Willow Run, Mich. Production is scheduled to begin in 1942.

Four-engine Consolidated B-24 bombers will be assembled in the Tulsa plant. Douglas will be in charge of operation and Ford will furnish the parts. Ford also will make parts for the B-24's to be assembled at the Fort Worth plant under the management of Consolidated, and for the Ford plant at Willow Run.

Chrysler and Goodyear will supply parts for the Omaha plant where the Martin two-engine B-26 bombers will be assembled under the management of Glenn L. Martin.

## Self-seal plane fuel tank plant sped by priorities

In order to speed the production of bullet sealing fuel and oil tanks for airplanes, a high priority rating covering the construction and equipping of a plant in Los Angeles has been given the United States Rubber Co.

Self-sealing tanks are part of the equipment of military aircraft and the company has orders to produce a large number of them. With the A-1-d rating given for structural and reinforcing steel, floor mesh, sheet iron and electrical supplies, the plant will be completed before the end of spring.

The special tanks are far superior to the old-type metal containers that leaked when pierced by bullets. Such leaks wasted valuable fuel supplies and often caused fire. The self-sealing tanks constructed of rubber products are designed to close the hole caused by the bullet immediately after being punctured.

## Victory production should go on in test black-outs, OCD says

Continuous operation of defense industrial plants, without interruption for test black-outs was urged by the plant protection division of the Office of Civilian Defense December 18, following conferences with Army and Navy officials.

"All industrial plants should progressively participate in black-out drills until such time as they have demonstrated to the responsible local authorities that their plans for black-out are workable and satisfactory," OCD declared.

"When the tests are satisfactory, the plants having defense contracts should no longer be asked to participate. In no case should any plant having defense contracts be required to stop production."

OCD has adopted the policy that industrial plants should not be evacuated. It suggests that every plant should provide temporary places of safety during an actual air raid.

# CIVILIAN SUPPLY . . .

## Emphasis in rationing will be placed on administration by local people—Henderson

In announcing that tires would be rationed after January 4, OPA Administrator and Civilian Supply Director Henderson told a press conference December 17 that the emphasis would be on neighborhood administration set up through the defense councils. The local boards, he said in response to a question, could be useful also in case other items are rationed.

Mr. HENDERSON. I think most of you have the press release. I'd like, however, to run through it.

"Spread of the war to the East Indies area threatens the future importation of rubber into this country. Approximately 50 percent of crude rubber comes from land areas already occupied or being invaded by the Japanese. Another 43 percent comes from the adjacent Dutch and British Islands of Sumatra, Java, and Borneo, all of which are threatened by the Japanese."

My understanding is that the remaining amount to make up the 100 percent is somewhere in that area and might all have to pass through the Japanese infested waters.

### Local administration stressed

Now, that in the handout is intended to compress as much of the mechanics as possible, the general outlines of the plan. What I was anxious to point out in addition to what I feel the complete necessity of taking this step is that really local citizens are the determining agencies for the issuance of such tires as are available. In other words, whether or not a man gets a tire will in the main depend upon his own neighbors and I feel that this is above all and in essence a democratic reliance.

### Some tires for new cars

Q. Are you allowing any tires to be made in conjunction with new passenger cars?

A. The available stocks of the automobile companies are not known, but it is obvious that we must allow some equipment in order to do what we are doing with automobile curtailment—permit a gradual tapering off.

Q. Then the exception to this order is that there will be stocks that are existing that may be used to put on new cars that are manufactured in the time from

February on, or any time from January on?

A. Well, we have the automobile allocations which extend up to February 1. I don't know what we will do beyond that point.

### SPAB must decide on exports

Q. Will you permit any tires for export?

A. When that question comes up it will have to be resolved by SPAB, in other words, we will treat this question of a limited supply on the same basis that we do a determination by SPAB as to which of the four main claimants are to get the material. As you know, SPAB was intended to represent the Army, Navy, Lend-Lease, and the economic warfare.

Q. It is quite possible that the shortage of tires will limit production of new cars to some extent?

A. It is quite possible. We will have to consider that matter anew next month.

### Situation after February 1

Q. Mr. Henderson, while we are talking about automobile production, Sheridan Downey said on the Hill today that he had been advised there would be no passenger car production for civilians after February 1. Is that true to your knowledge?

A. I don't believe a determination has been made.

Q. Is it likely?

A. Well, I think it depends on what the situation is on January 15 when we have our regular meeting. The last meeting I think was on December 12, and I must say that the industry and labor came forward with the suggestion of the additional curtailments for December and January in a very fine cooperative spirit.

### Mounting war demands expected

Q. To get back to your figures on rubber here, it seems to indicate that your curtailment has just about cut out that part of the rubber supply that normally went into tires. What happens if the war demands for rubber and all sorts of military vehicles increases, or do you expect that?

A. I expect it, yes, and two things will,

of course, happen. First of all we will meet that demand from the stock pile. That is what we have it for. Secondly, we will keep up as we have been for quite some time, a canvass of the essentiality of all civilian uses of this and other products.

I talked informally with the Army and Navy yesterday as to their specifications, which were made, as you know, at a time when there was no question as to the supply of rubber and we have hopes that we can get some saving out of a redefinition of the specifications.

### Question of expanding capacity

Latin American countries claim that if we are willing to pay for it, we can get tremendous quantities of rubber from down there.

There are several potentials, not in the rubber so much as in the raw material like guayule, and these are being canvassed along with all the other questions of synthetic production.

I'd like to point out that each one of these potential expansions also calls for the building of facilities which in themselves use up other critical and strategic materials, that is, we are at a tight supply situation on many things that would go into them—stainless steel and other items. I have no doubt, however, in fact there is every evidence that the possibilities of these alternative supplies will be greatly expedited.

### Program based on worst possible future

Q. Mr. Henderson, in this on the first page I notice you point out that a small amount of the balance, aside from non-tire military needs, goes into such products as golf, tennis balls, and so forth, then you say a manufacture of such products can be eliminated entirely. Does that mean that is a decision?

A. Let me put it this way. In canvassing all the items that are imported for civilian account, we have had a very critical analysis made and our program was geared as to what the military situation was likely to be. Now you know just as much as I do as to what the threat to Singapore and the Dutch East Indies is and I indicated that the pessimistic attitude and the drastic position that we have taken is based on the worst possible situation. That if that changes we are in a position to modify what we do on civilian account. We have obviously no commitments, but if we got additional supplies we might consider using a part of that in the maintaining of our stock

pile intact and using a part of the increase to resume production of these items.

Q. In other words, for the time being they are out?

#### Frankly a rationing plan

A. Well, there is a freeze order covering practically all of this production of rubber products, and again I'd like to say for the rubber manufacturing industry and for the Industry Labor Committee, we had to get them together very hurriedly last week and they were fully prepared, and, in fact, these suggestions that they made were in the nature of helping this situation. I mean, the attitude was extremely fine, although the first people that get hit, of course, with the freeze order or the curtailment order, are the workers. Between the time of curtailment and conversion your civilian using the passenger car has a considerable amount of fat, to put it frankly, to carry them on. This is obviously the time to go into a rationing plan and I want you to notice I have called it a rationing plan instead of thinking of some spiffy title that would disguise the fact that it is a rationing plan. It is one and it is one I have entered into with prayer and advice because I think I know as well as anybody what this step means.

We canvassed all the possibilities as to what would be the danger of alternative plans or of letting this thing go free, but the transportation by means of automobiles is such an essential item in keeping the wheels of this economy going that there was no other course that was available.

#### The private owner's hopes

Q. What are you going to do about supplying tires to new cars coming off the assembly lines during this period of suspension?

A. They will be supplied. That would cover only about 150,000 at the most, I think, and there is a possibility that the fifth tire will not be from the virgin rubber.

Q. Mr. Henderson, your statement says that sales of new tires to owners of private passenger cars will be virtually prohibited. Does that mean there will be a few permitted, or none at all?

A. Well, virtually means that after we get into our experience with these categories of essential uses for which you can get a coupon, we will determine how much else can be allowed to percolate out. \* \* \*

The essential categories that we have laid out will take on this rationing basis all that we see available for distribution now.

## Local tire-rationing boards to be formed; 10 OPA consultants sent to help organize

Machinery for the organization of local tire-rationing boards was set in motion December 19 with the departure to the field of 10 Office of Price Administration consultants who will handle this work in about half of the States.

The local boards are being established through State and local defense councils to handle applications of individuals and companies wishing to purchase new tires under the rationing plan scheduled to go into effect January 5. Frank Bane, director of field operations for OPA, was to meet in Chicago December 20 with a second group of consultants who will direct formation of the local boards in the balance of the States.

The men now in the field and the States in which they will arrange with State defense councils for creation of the local boards include:

*Dudley Harmon*—executive director, The New England Council, an organization composed of business and governmental officials in New England, will work in Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, and Vermont.

*David W. Robinson*—director, Interstate Commission on the Delaware River Basin, will work in Pennsylvania and Delaware.

Q. Mr. Henderson, don't you anticipate there will have to be a tremendous increase in motor bus construction? In Washington, probably half the people will go to work on the motor buses.

A. What I anticipate is that even these boards will be taking charge of the situation locally and finding means for the conservation of transportation space and will be urging doubling up and will also be bringing to our attention the crowded situations. In other words, I expect that we will get out of this particular plan not only this rationing of this highly essential item, but that the community which has, as we know, been telling us how eager they are to participate, they will really in this particular happening give us a great wealth of advice and suggestions.

#### Boards could ration other products

Q. Will these rationing boards be available for any additional rationing we might have to undertake in other scarce materials—products?

A. It will depend on the commodity

*Paul Morton*—for many years city manager of Lexington, Ky., and Petersburg, Va., will work in Ohio and Michigan. His home is in Alexandria, Va.

*Alexander Harris*—formerly director of public service, City of Knoxville, Tenn., and for many years vice president and general manager of the Tennessee Marble Co., will work in Alabama, Tennessee, and Kentucky.

*L. L. Gravely*—formerly mayor of Rocky Mount, N. C.; State Senator of North Carolina; vice president Chinese-American Tobacco Co.; and was for some time general consultant in the Southern States for the National Defense Advisory Commission, will work in North Carolina, South Carolina, Georgia, and Florida.

*W. T. Ellis*—assistant director of the budget, State of Virginia, and assistant director of the Virginia State Council of Defense, will work in Virginia, West Virginia, and Maryland.

*James J. Harrison*—chairman of the Arkansas State Planning Board and chairman of the State Council of Defense in Arkansas, will work in Arkansas, Louisiana, and Mississippi.

Formation of local committees in New York and New Jersey will be under the direction of Sylvan Joseph, New York regional director of OPA.

but we expect to get some experience out of this.

Q. I mean, could they serve as general rationing boards for something else?

A. I think they could serve for many items, as a matter of fact, that is one of the considerations that we had in establishing a formal plan.

Q. For all rubber products?

A. Sure.

#### Companies have some on hand

Q. You talk about 150,000 cars being supplied at the present stocks of tires and tubes. For what period is that? All the way through to February?

A. I made a guess, Al, from what would be manufactured in December and January. I said I didn't know how many they actually had on hand. My impression is that some of the automobile companies have their tires on hand for that amount.

Q. That just covers the allocation for production already authorized under the revised order, that is, the balance of December and January?

A. Yes.

# PRICE ADMINISTRATION . . .

## Reclaimed rubber ceilings established at November 5 to December 5 levels

Ceiling prices for reclaimed rubber, most important substitute for crude rubber, are established at the levels that prevailed between November 5 and December 5 in a price schedule issued December 17 by OPA Administrator Henderson.

The new schedule was to become effective December 20. Pressure for higher reclaimed rubber prices is growing more acute with the threat to continued crude rubber supplies from the Far East, Mr. Henderson said. OPA has determined after investigation that further price advances will not increase supplies. It is of vital importance to the Nation's war effort, the Administrator added, that substitution of reclaimed rubber for crude rubber be encouraged by keeping the cost of doing so at a minimum.

### Has many uses

Reclaimed rubber is made from scrap rubber of all kinds. It is used in a wide variety of products.

In 1940 consumption of reclaimed rubber reached an all-time peak of 190,000 tons, as compared with crude rubber consumption of 650,000 tons. Output and use of reclaimed rubber has expanded sharply this year and is now running at an annual rate of approximately 300,000 tons.

The principal products in which a high percentage of reclaimed rubber to crude rubber is used are such goods as rubber hose, mats, moulded goods, cushions and bumpers, as well as insulation for wire and cable, hard rubber goods, rubber heels, and rubberized fabrics. Reclaimed rubber used in automobile tires varies from little or nothing in first line tires to a fairly high percentage in third and fourth line tires. Despite the low percentage use of reclaimed rubber in the average tire, the overwhelming importance of tire production in the rubber industry makes this product the major consumer of reclaimed rubber.

On and after December 20, according to the new schedule no sales of reclaimed rubber may be made at prices higher than the maximum price level that obtained between November 5 and December 5, 1941, for reclaimed rubber of the same grade, quality, and comparable amount.

Every person who sells reclaimed rub-

ber is required to file with the Office of Price Administration on or before January 15, 1942, complete price lists for the period between November 5 and December 5 and a record of the prices he actually received for all reclaimed rubber sold during that period. Affirmations of compliance must be filed on or before January 10, 1942, and monthly thereafter by all persons who make any sales of reclaimed rubber during the preceding month whether for immediate or future delivery.

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## 10 rules to make tires last

Inaugurating a Nation-wide rubber conservation campaign, the Office of Production Management today called upon the country's 27 million car owners to observe 10 rules to make tires last longer.

1. *Have worn tires retreaded instead of buying new ones.*—Cost of retreading tires is usually about half that of a new tire, and will give you about 80 percent as much wear.

2. *Cut out high speeds.*—Your tires will last twice as long at 40 miles per hour as at 60 miles per hour.

3. *Inflate tires weekly to recommended levels.*—Never let pressure fall more than 3 pounds below recommended minimums.

4. *Don't stop short or make jack-rabbit starts.*—Every time you ignore this rule you burn up the tread.

5. *Avoid striking curbs, road holes, rocks, etc.*—This can result in broken cords or blowouts. Drive slowly and carefully over paved roads.

6. *Check wheel alignment twice a year.*—Misalignment causes scuffing and uneven wear. A tire a half inch out of line will be dragged sidewise 87 feet every mile.

7. *Repair all cuts, leaks, breaks, promptly.*—Delay may cause damage that can't be repaired. Breaks and cuts should be vulcanized whenever possible; blowout patches should only be temporary.

8. *Change wheel positions every 5,000 miles.*

9. *Always get the tire made to fit the rim of your car.*

10. *Don't speed around curves.*

## Two U. S. sellers of guayule rubber asked not to raise prices over those of December 6

The two principal American sellers of guayule rubber—the Intercontinental Rubber Co., and American Cyanamid & Chemical Corporation—were asked December 16 by OPA Administrator Henderson to refrain from raising prices above those prevailing on December 6.

### Increase demand for other types

Guayule rubber is secured in small quantities from a shrub grown in Mexico and California. In letters to presidents of the two companies, Mr. Henderson pointed out that continuity of imports from the Far East, our principal source of crude rubber, is threatened and that as a result the demand for other types of rubber will be greatly increased. The letter read in part:

It is of vital importance to the Nation's war effort that this process of substitution should be facilitated in every possible manner and that the cost of such substitution be held to a minimum. In view of this fact, I request that your company refrain from advancing the price of guayule rubber beyond the level prevailing on December 6, 1941.

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## Carbon black price rise allowed; costs no longer absorbable

Because of cost increases which have gone beyond the point where they could be absorbed by a relatively depressed industry and because of reduced revenue from export sales, producers of carbon black are being permitted to raise prices by slightly less than 5 percent above present levels on deliveries made beginning January 1, 1942, OPA Administrator Henderson stated December 16.

Carbon black is produced from natural gas by 3 large and 14 smaller companies. Approximately 85 percent of the output is used in the production of automobile tires. The balance is used largely in the manufacture of ink, paints, and plastics.

Prices on standard domestic grades which may be charged beginning January 1 are as follows:

Ordinary carbon black in bulk, 3.30 cents per pound; carbon black in bags, compressed or dustless, 3.55 cents per pound; carbon black in light bags, suitable for ink or paint, 3.625 cents per pound.

## 700 paper product makers asked not to raise prices without notifying OPA

More than 700 makers of a long list of converted paper products, ranging from envelopes to drinking straws, have been asked not to raise prices above December 15 levels without 1 month's advance notice to OPA, Administrator Henderson announced on that day.

The request was contained in letters telling manufacturers that any notice of a price increase should be accompanied by a "detailed factual statement of the reasons believed by you to justify the proposed increase, including quarterly profit and loss statements and balance sheets for the current year." Mr. Henderson also asked for price lists in effect since 1936, including discounts, and financial statements from that year through 1940.

Products affected by the December 15 request include: envelopes; drinking straws; tags; gummed paper; cups and liquid-tight containers; glazed and fancy papers; dishes, spoons, and plates; lace paper; milk caps, sanitary closures, and paper milk containers; and tissue products, such as toweling, napkins, patterns, crepe paper, and facial paper.

A similar letter, asking for a month's advance notice prior to any proposed increase over December 1 prices, was sent last week to more than 100 manufacturers of waxed paper.

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## Prices stabilized for 4 grades of kraft paper

Stable producer prices for four grades of kraft wrapping and bag paper are assured for the first quarter of 1942 as result of individual agreements reached between the Office of Price Administration and 16 principal manufacturers, OPA Administrator Henderson announced December 15.

Under the agreements, producers will not charge more than 4¾ cents a pound for "imitation kraft" and "standard kraft" wrapping paper, nor more than 5 cents a pound for "No. 1 kraft" wrapping paper. Standard kraft bag paper, it was agreed should not sell above \$87.50 a ton.

For other types of kraft paper the producers agreed to retain the price differentials in effect during the period immediately preceding July 1, 1941.

## Waste paper amendments shift 2 prices, add 4 new grades; other changes

Several important changes in Schedule No. 30 dealing with waste paper prices were announced December 16 by OPA Administrator Henderson. One increase and one decrease in the maximum prices for two grades of waste paper, abolition of one grade, addition of four new grades and several changes in language are included in the new amendment.

The maximum price for "No. 1 mixed paper" is raised by \$1 to \$14 a ton. The new amendment also abolishes the separate grade for "super-mixed paper" and the definition of "No. 1 mixed paper" is revised to cover types formerly classed as super-mixed. The new definition includes, among other items, dry-goods waste, department-store waste, printers' waste, container manila, print manila, country packing and so forth, in addition to the "clean, dry wastepaper" previously defined as "No. 1 mixed paper."

### Maximum prices for 4 new grades

*Second*, the new amendment establishes maximum prices for four additional grades of waste paper not previously covered. The new grades and their price ceilings per ton are: Manila tabulating cards of plain manila color, free from ground wood, \$45; colored manila tabulating cards, free from ground wood, \$30; ground-wood manila tabulating cards of plain manila color, \$27; and ground-wood manila tabulating cards, colored, \$20.

*Third*, the maximum price for the "new 100-percent-kraft corrugated cuttings" grade has been reduced from \$49 to \$45.

*Fourth*, the amendment changes the definition of "new corrugated cuttings" by eliminating kraft cuttings. The new definition limits this grade to jute corrugated cuttings. Definitions of several other grades of waste paper have been clarified.

### Additional charge for transportation

*Fifth*, the amendment permitting a maximum additional charge by jobbers or producers of \$1 a ton for loading on freight cars has been revised to make it clear that only the actual cost per ton of transporting waste paper from the seller's door and loading it on freight cars or barges may be added to the maximum prices established by the schedule and that in no case may this extra charge exceed \$1 a ton. A provision permitting jobbers or producers to charge the actual

cost of transporting waste paper for export to the ship on which it is to be loaded and baling it for maritime handling is also added. The maximum additional charge allowed for this service is \$3 a ton.

### Must keep records

*Sixth*, in no case may any jobber or producer charge for the costs of transporting and loading waste paper on freight cars or barges, or for transportation to ships for export, unless he has kept the records required by Section 1347.4 of the Schedule and filed the affirmation of compliance required of him by Section 1347.5. A jobber is also prohibited from charging a jobber's allowance unless he has met these two requirements. Though not a requirement of the schedule, a written statement by the jobber or producer making such a charge on the invoice or otherwise that he has kept the records and filed the affirmations of compliance required by the schedule, will afford protection to the buyer, Mr. Henderson stated.

*Seventh*, the amendment limits allowance for tare in all instances to not more than 2 percent of the gross weight per bale of waste paper.

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## Restore old flashlights, Henderson urges

Take a look around the attic, make a tour through the cellar, and find that old flashlight that can be made to work again for a few cents, Leon Henderson, Director of the Division of Civilian Supply, recommended last week.

Disturbed by reports that thousands of Americans are trying to buy new flashlights, Mr. Henderson obtained from one of the country's largest manufacturers a survey which showed that a vast majority of families need not fear blackouts if they will only put discarded flashlights to use.

"I am told," Mr. Henderson said, "that 70 percent of the families of this country possess one or more flashlights. Millions of these flashlights are forgotten, apparently—tucked away in the attic or the cellar.

## News for Consumers

### Seattle Fights Inflation

The outbreak of war heightened consumer problems in many communities throughout the Nation as unfounded rumors of shortages brought consumer hoarding and rising prices in their wake.

One such locality was Seattle, Wash., a Pacific Coast defense area where there has been a great expansion of aircraft and shipbuilding industries, with resulting housing shortages, rent raising and price boosting. In Seattle the first news of war was followed by runs on flour and sugar, price increases of essential commodities, and profiteering in black-out materials.

On Monday night, December 8, heavy buying of flour kept groceries open in several sections of the city. About 9 in the evening, one group of stores raised the price of a 49-pound sack of flour from \$2.15 to \$2.30.

Two consumers who were in the store at the time reported this on the following morning to Mrs. Edward H. Lauer, consumer representative of the Seattle Defense Council.

### Mayor Obtains Reduction

Consumer representatives conferred with Seattle Mayor Earl Millikin, the price increase was confirmed, and the store manager agreed to withdraw it. The price dropped back to a level of \$2.10 for this brand of flour. Prices in many other stores stayed at \$2.15, though some advanced to \$2.25.

Meanwhile wholesale flour prices began to rise. Flour millers advanced their price of flour 40 cents a barrel on Monday, and one miller announced a further increase of 40 cents two days later. (Wholesale flour prices in Seattle had already increased almost 50 percent since September 1, 1939.) In the face of this increase, the consumer representatives and the mayor received assurances from chain grocery managers that they would not raise the price of their present stocks.

The Mayor made requests through the press and radio that prices be held steady during the emergency. A telegram from the OPA, in support of this plea, cited President Roosevelt's assurance that there were adequate food stocks. The OPA wire stated that advance buying should not be resorted to, and that there was no justification for the raising of prices.

Uniting to fight the problem of rising

prices, Seattle women representing State and local women's organizations met on December 13, to form the Seattle Consumer Representatives Council.

### Many Groups Represented

Among those present were members of women's clubs, labor union auxiliaries, welfare and professional societies.

Mrs. Frederick Davidson, State president of the League of Women Voters, was named chairman of the group.

Mrs. Bertram Thomas, State president of Federated Women's Clubs, and chairman of the consumer interest division of the State Defense Council, outlined plans for State-wide action.

### Price-Reporting Service Set Up

A price-reporting service was set up whereby women throughout the city could report price increases for investigation.

A committee was appointed to call upon millers, wholesalers and retailers of flour, asking them that prices hold steady on a wholesale level and that retailers make only their customary mark-up.

A resolution was passed condemning profiteering in black-out goods. The resolution cited an instance where black yardage goods increased from 50 cents to \$1 a yard overnight.

Women were asked to report increases in sugar prices above the December 6 level. Note was taken of the OPA action on wholesale prices of coffee, tea, pepper and fats and oils, and wholesalers and retailers were requested to sell present stocks at pre-war prices.

### Flashlights

Elaborating on OPA's request that householders refrain from unnecessary purchase of flashlights, the Consumer Division has released the following information on methods of conserving flashlights and batteries:

1. The purchase of flashlights when they are not needed wastes plastics and electrical material which are needed for the Victory effort. Scour the basement and attic for flashlights which can be rehabilitated. A flashlight consists of three main parts—case, batteries and bulb—with reflector, lens, switch and other minor parts. Any one of these may be damaged in an old flashlight, or new batteries may be needed. Bring the flashlight into an electrical supply store,

a hardware store, or a 10-cent store, where parts may be bought separately. The girl behind the counter can help restore the flashlight to use.

2. Do not stock up on batteries. Batteries lose power as they stand, and it is useless to attempt to stock up beforehand. Buy only as your old batteries wear out.

3. Heat reduces the life of the battery. Keep the flashlight where it will not be near heat or hot water pipes. Moisture also is destructive of batteries. Like canned goods, the flashlight should be kept "in a cool, dry place."

4. The flashlight will find its greatest use in the home. It may become necessary to use the flashlight out of doors, but this is to be guarded against as defeating the purposes of blackout. In England during black-outs, pedestrians are allowed the use of small flashlights with dark red transparent materials (like cellophane) or with several sheets of paper pasted over the lens, so that only a very tiny glow is emitted. And the flashlights are pointed down when out of doors—never up.

5. If you do not use the flashlight often, check occasionally to make sure the batteries are in good condition.

If your and your friends' storerooms fail, and you find it necessary to go out to buy, keep the following rules in mind:

1. Buy a flashlight with fresh batteries that are cheap and easily replaceable. Do not buy trick, novelty, or freak flashlights (pencil affairs, flashlights concealed in compacts, etc.) as these are not economical in the long run, and batteries are not so easy to get. Buy a standard type. Small flashlights which use one or two regular-size batteries are preferable to large, powerful ones, which use up critical materials in greater quantity, give unnecessarily powerful light, cost more in upkeep (batteries) and repair, and constitute a hazard to black-out, in that the light may penetrate black-out curtains and guide enemy aircraft. Look for an inexpensive case with good batteries and bulb. "De Luxe" cases and focusing features are not essential and cost more.

2. A flashlight that will stand by itself on the table or floor is preferable to one that must be supported or held in the hand.

3. In most cases the manufacturer will have a bulb in a flashlight that is adapted to that particular flashlight. Make certain, however, that the bulb is not high-current, as such a bulb will throw an unnecessarily high light and will drain the batteries more quickly.

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### Economic Defense Board now Economic Warfare

Vice President Wallace announced December 18 that the name of the Economic Defense Board has been changed to the Board of Economic Warfare, by Executive Order No. 8982, of Dec. 17.

## Kapok prices under ceiling at pre-war levels

Kapok, a Far Eastern vegetable fiber used in life jackets, sleeping bags, and other articles of military and civilian importance, is brought under a price ceiling at levels prevailing between November 15 and December 6 in a new schedule issued December 19 by OPA Administrator Henderson.

About 90 percent of the kapok used in this country is imported from the Netherlands East Indies. The remainder comes from South America, the Philippine Islands, and British India. In the 12 days following the outbreak of war, kapok prices have risen around 12 percent, reflecting fears of a shortage. Further price increases cannot bring out additional supplies in any great quantities, Mr. Henderson stated.

The present schedule becomes effective December 22. Like others issued recently affecting imported commodities, it is temporary in character. After the completion of studies of the situation and accumulation of additional data, a longer range program will be developed.

Sellers of kapok are required by the December 19 schedule to file with OPA by January 10, 1942, the details of all sales and deliveries made between November 15 and December 6. Records must be kept of all further sales and of inventories on hand at the end of each calendar month.

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## Dan A. West appointed deputy director of Consumer Division

Appointment of Dan A. West as deputy director of the Consumer Division of the Office of Price Administration was announced December 16 by Administrator Henderson.

Mr. West will conduct the program of the division under the general direction of Mr. Henderson.

Prior to joining the Consumer Division, Mr. West was in the wholesale and retail food business in the States of Washington and Oregon and was president of the West Dependable Stores of Washington, operating 20 units in that State.

## Harriet Elliott on advisory council

Mr. Henderson also announces the appointment of Miss Harriet Elliott and Dr. Mabelle Blake as members of the director's advisory council in the Consumer Division.

## News for Retailers

### Price request on 7 types of consumer goods

Manufacturers in seven important consumers' durable goods industries—china, glass, lamps, lampshades, clocks, watches, and silverware—have been asked by OPA not to raise prices on current items above the levels prevailing December 1, 1941, Administrator Henderson announced December 19.

Letters to manufacturers in these industries state that programs regarding prices of their products are being developed and that assistance and cooperation of the companies involved is hoped for by OPA.

The letters read in part:

While our study is in progress, we urge you not to increase your prices on current items above the levels prevailing on Decem-

ber 1, 1941, and to price new items at the same relative level. In cases where you feel it impossible to comply fully with this request, we also ask that you inform us of contemplated price changes and of the prices of new items well in advance of their effective date. May we have an expression of your willingness to cooperate with our request as soon as possible?

### Rubber soles, heels

Manufacturers of rubber soles and heels were requested December 20 by OPA Administrator Henderson not to raise prices above present levels, pending the results of a price study now being made by his office.

Manufacturers are asked to refrain from modifying discount schedules, and to notify OPA in advance of any contemplated changes in size, design, style, or proportion or quality of materials used which might affect the quality of rubber soles and heels.

## Fort Dodge, Iowa, firm admits violations of steel scrap schedule, refuses refunds

Profiteering at the expense of America's war effort was denounced December 19 by OPA Administrator Henderson, as he cited publicly the Fort Dodge (Iowa) Iron & Metal Co. as a "frequent and persistent" violator of the OPA iron and steel scrap maximum price schedule.

The Fort Dodge firm is the third important middle western dealer in iron and steel scrap to be publicized by OPA to other Government agencies, to the industry and the public for flagrant violations of the ceiling on iron and steel scrap within the last 2 weeks. The two other dealers were the Capital Iron & Metal Co. and the Pioneer Iron & Metal Co., both of Oklahoma City, Okla.

### Most buyers, sellers cooperating

"America is fighting for its life and for its future," Mr. Henderson said. "We need every pound of steel we can produce for the weapons with which to fight. Steel is the backbone of war production and scrap is a vital raw material of steel. Any person who deliberately tries to profiteer in scrap at such a time does so at the expense of the safety and welfare of his country.

"There are few members of the iron and steel scrap industry who are thus attempting to exploit their country's danger. Most of the buyers and sellers are loyally cooperating in our country's

war effort and with the terms of the price schedule, by which we seek to assure an orderly and sufficient flow of scrap to the consuming mills at fair prices. But those who do profiteer deserve public exposure and condemnation. America at war has no place for such profiteers."

### Admit violations, refuse refunds

The repeated violations of the iron and steel scrap schedule by the Fort Dodge Iron & Metal Co. were unearthed by OPA field investigators. The partners of the firm, Sidney R. Robinson, Arthur Robinson, Tom Robinson, and Hyman Robinson, all of Fort Dodge, were invited to Washington to explain their actions. They did not appear. A second invitation was extended and finally one of the partners, accompanied by an attorney, presented himself. Although they admitted the violations they refused to refund what had been paid them in excess of what they should have received under the ceiling, nor would they agree to comply with the schedule.

Notice of their proved and admitted violations of the schedule has been given to the Office of Production Management, to other Federal agencies, and to Iowa authorities for further action. OPA itself also will take additional measures to enforce compliance.



## Jobber, dealer, distributor-sized resales of iron, steel products put under ceiling

All resales of iron and steel products in quantities normally handled by jobbers, dealers, and distributors are brought under a price ceiling at levels prevailing April 16, 1941, in a new price schedule announced December 15 by OPA Administrator Henderson.

### Almost every stage now covered

Taken in conjunction with Price Schedule No. 6, which applied to sales by primary producers, the December 15 action means that maximum prices now have been established by OPA for iron and steel products at virtually every stage of distribution—mills, warehouses, jobbers, distributors, dealers, exporters, agents, and brokers.

### To end profiteering

"Object of the new schedule is to end the profiteering which has developed in certain quarters of the steel distribution trade and which is threatening to disrupt the entire steel price structure," Mr. Henderson stated.

"Jobbers, dealers, and distributors of iron and steel play an important part in American industry. Through them, manufacturers and other users of steel are able to obtain a great variety of products in comparatively small quantities. Many small businesses filling contracts directly or indirectly connected with the victory program are entirely dependent on the distributing industry for their supplies of steel.

"Because the nature of their business requires them to maintain extensive stocks in their warehouses and to be prepared to make quick deliveries, distributors' prices always have reflected the special character of their services.

### Leading jobbers have cooperated

"When maximum prices were established by my office several months ago for iron and steel products sold by the primary producers, it was expected that jobbers, dealers, and distributors would keep their prices in proper relation. The leading jobbers have cooperated admirably, but certain others have profiteered. Manufacturers urgently in need of steel have been forced to pay prices from 50 percent to 200 percent and more above normal.

"Here are typical excerpts from complaints received by my office:

"... Since January 1 of this year sheet metal prices have been increased

by the jobbers about 7 times. The price to them from the mill has not been increased. This is plain unadulterated profiteering and is causing a complete upheaval in the sheet metal using industry...'

"... Within the last 10 days the prices here in \_\_\_\_\_ have increased 100 percent on sheet metal...'

"There are many others, some citing increases of as much as 270 percent above the mill price.

"In many instances 'seconds,' 'wasters,' and 'rejects'—steel containing imperfections—and used steel have been sold at prices well above those which should be charged for steel of first grade.

### Severe hardship on purchasers

"Carload lots bought from producers at or under the OPA ceiling are being sold to manufacturers at warehouse prices ranging from \$20 to \$30 a ton above the mill price, yielding to the distributor inordinate profits and imposing severe hardship on the purchasers, many of whom are working on defense orders.

"Effect of this profiteering has been to offset in large part the cooperative efforts of the steel industry and OPA to keep steel prices stable, an objective that must be attained if our war effort is to be successful and if we are to avoid runaway inflation."

### SCOPE OF SCHEDULE BROAD

Both schedules, No. 6 and the latest, No. 49, use the same ceiling date, April 16, 1941, and the same list of iron and steel products. However, in addition to "prime" products, the resale schedule covers "seconds," "rejects," and "used" products.

While the maximum resale prices are intended to apply primarily to jobbers, dealers and distributors of iron and steel products, the schedule forbids a resale by anyone at a price higher than the ceiling.

This provision extends the scope of the schedule over various businesses which distribute iron and steel products in the course of their general operations. Plumbing-supply houses, hardware jobbers and dealers, industrial supply firms, oil field suppliers and mail order houses are in this category.

To exclude resales of small quantities by hardware stores and other retail outlets, the schedule provides that the maximum prices do not apply to sales of iron and steel products by retail merchants in quantities smaller than those which jobbers, dealers, or distributors normally deal in or quote prices on.

For example, sale by a hardware store of a few pounds of nails out of an open keg, or of a short length of pipe, or of a small amount of wire fencing out of a broken bundle are exempted from the maximum prices. However, should the needs of a customer of this same hardware store call for a full keg of nails, a standard length of pipe, or an unbroken bundle of fencing, the store must not price the sale at more than the OPA schedule allows.

Individuals or companies possessing stocks of steel must conform to the price ceiling upon any resale.

### HOW PRICES ARE FIGURED

To achieve its objective of establishing the resale ceiling at April 16 levels, the schedule uses the price lists for heavy line and merchant wire products publicly circulated in the trade by leading distributors in 23 cities or metropolitan free delivery zones. These are termed "listed cities." Separate sections explain the methods by which maximum prices are to be computed under various circumstances, such as sales on the Pacific Coast or for export, and for specific products, such as nails, annealed smooth wire and galvanized smooth wire, pipe, and tubing.

A seller located in any city or free delivery area may not charge more for an iron or steel product than he charged on April 16, 1941. However, sellers in "listed cities" whose April 16 prices were below those of the published listed prices applicable to such "listed cities" may apply to OPA for permission to adjust their prices upward to the "listed prices."

Provisions are made to calculate maximum prices for sales in places other than the "listed cities"; for sales by persons having no prices on April 16; and for "dislocated tonnage." "Dislocated tonnage" is a term applied to sales in areas not normally served by a particular distributor, but which he is now serving because of the emergency.

### PACIFIC COAST, GULF PORTS, AND EXPORT SALES

In the case of resales in the Pacific Coast States of California, Oregon, and Washington, the schedule permits the addition of 35¢ per hundredweight to the April 16 prices for a restricted list of products. This is designed to overcome transportation problems created by the shipping shortage. Pacific Coast sellers are required to file with OPA information on tonnage received both by rail and by water for the first and third quarters of 1941. Forms will be provided for this purpose.

Until the collection and analysis of adequate data no special provision is made for sellers located in ports on the Gulf of Mexico, which also are affected to some extent by the shipping shortage. Forms designed to provide OPA with the information necessary to arrive at a decision will accompany the schedule to sellers at these points.

Export sales, it is stipulated, shall not be priced above the applicable maximum domestic price, f. a. s. the port of shipment. However, on sales made by export brokers, an addition of \$3 a net ton is permitted on less-than-carload quantities. Limited extra charges for packing are allowed.

### NAILS, WIRE, PIPE, AND TUBING

The schedule contains a formula for computing the maximum delivered prices for standard wire nails, annealed smooth wire, and galvanized smooth wire. Under this formula, in the city or free delivery area in which the seller is located, he may charge for less-than-carload lots the mill carload price after deducting the regular jobber allowance of 15¢ per cwt. plus (a) carload freight from mill basing point to warehouse and (b) one of the following: for standard wire nails, 50¢ per cwt.; for annealed smooth wire, 60¢ per cwt.; for galvanized smooth wire, 68¢ per cwt.

To arrive at maximum selling prices for less-than-carload quantities of these products at any other place, the seller is instructed to use the lowest delivered price that is the result of the less-than-carload price (as computed above) of any seller located in any "listed city" plus the less-than-carload freight from such "listed city."

Maximum delivered prices for all other merchant wire products, it is stated, shall be computed on basis of April 16 prices. Jobbers and dealers shall charge the same extras on merchant wire products as regular

published mill extras in effect on April 16 and shall grant customary deductions on the same basis. A special form will be sent to dealers in merchant wire products on which they shall file required price information.

Separate methods are set forth in the schedule for calculating ceiling prices for the following pipe and tubular products: Standard pipe, seamless pipe, water well casing, large O. D. pipe, line pipe, wrought iron pipe, oil country tubular goods, boiler and other pressure tubes, and cold drawn seamless and other mechanical tubing.

Tool steel ceiling prices are based upon those listed in the April 16 price list of Crucible Steel Company.

#### CARLOAD PRICES LIMITED

To bring to an end the profiteering that has taken place on resales of iron and steel products in carload lots, the new schedule provides that prices in excess of mill prices established in Price Schedule No. 6 (Iron and Steel Products) shall not be charged for direct mill shipments of any quantity of iron or steel products; for shipments of any quantity diverted from delivery to warehouse; or for shipments of any quantity not put through the operation commonly known as "warehousing."

Carload shipments out of warehouse stock made up of a variety of items shall not be sold above the maximum delivered price for a 500-pound quantity, minus a discount of not less than \$7 per net ton.

Mixed carloads of merchant wire products, however, cannot be sold above the published mill base prices set forth in Price Schedule No. 6, but sellers in this case are allowed to retain the regular jobber allowance given by mills. A similar provision is made for sellers of mixed or straight carloads of pipe and tubular products, with a special exemption for sellers of oil country tubular goods out of distributors' stocks.

#### RECORDS, COMMISSIONS, AND FORMS

Records on any sales of 40,000 pounds or more of any wire or steel products to a single customer in any calendar month must be filed with OPA on or before the 15th day of the following month. This record must include a sworn statement giving the names and addresses of the buyers, the product and quantity sold, and the price for each quantity.

Commissions in effect on April 16, 1941, may continue to be collected by brokers, agents, etc., except that such commissions must not increase the selling price above the OPA ceiling.

Mr. Henderson stated that copies of the schedule and the various forms required to be filed under its provisions would be mailed to jobbers, dealers, and distributors within the next few days.

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#### CANNING SUBCOMMITTEE

The Bureau of Industry Advisory Committees announced, December 18, the formation of a technical subcommittee on conservation, substitution, and simplification for the fruit, fish, and vegetable canning industry advisory committee.

Committee members are:

Carl Scudder, John S. Mitchell, Inc., Windfall, Ind.; Henry P. Taylor, Taylor & Caldwell, Inc., Walkerton, Va.; Harold Humphreys, Snyder Packing Corporation, Rochester, N. Y.; H. F. Cannon, H. P. Cannon & Son, Inc., Bridgeville, Del.; H. M. Riley, H. J. Heinz Co., Pittsburgh, Pa.

## OPA lists approved prices for zinc oxide, effective Jan. 1; will ask producers to agree

A list of maximum prices for all grades of zinc oxides to which producers will be asked to agree individually was made public December 16 by OPA Administrator Henderson. These prices are to become effective January 1, 1942.

The proposed agreement is now being drafted and copies will be sent to producers for acceptance in the near future.

Zinc oxide is a pigment with a great variety of uses, ranging from printers' ink to adhesive tape. Industry use, in the order of consumption, is as follows: Rubber, paint, ceramics, floor coverings, and textiles.

The OPA-approved ceiling prices per pound for the various grades of zinc oxide delivered in bags in carload lots are as follows:

Lead-free American process oxide, 7.25 cents.

Leaded zinc oxides containing 35 percent or more lead, 6.75 cents.

Leaded zinc oxides containing less than 35 percent lead, 7.125 cents.

Lead-free French process oxides, other than U. S. P., made from slab zinc or secondary metal (including any oxides made partly from slab zinc, partly from secondary metal), 9.50 cents.

NOTE.—The price as announced for these French process oxides is the maximum price for all grades other than U. S. P. and the producers may wish to sell their less select grades at appropriate differentials below the maximum price.

French process U. S. P., oxide, 10.50 cents.

To determine the maximum prices for any other oxides which customarily have sold below the price of lead-free American process oxide, producers should deduct from the new "American process" price a differential at least as large as that which prevailed on October 1, 1941.

To the foregoing maximum prices may be added ¼ cent per pound for less-than-carload lots.

#### ½ cent more on West Coast

Sellers on the West Coast—California, Oregon, and Washington—may add ½ cent a pound to any of the maximum prices. In the case of less-than-carload sales on the West Coast, the ceiling prices may be applied f. o. b. warehouse, instead of on a delivered basis. Excluding this single exception, all of the OPA-approved prices are delivered prices.

For oxides sold in barrels, ¼ cent a pound may be added to any of the prices.

## Nickel scrap dealer willing to refund excess over ceiling

The first refund under action taken to enforce maximum ceiling prices on nickel scrap was announced December 16 by OPA Administrator Henderson.

An important dealer in New Jersey has agreed to refund amounts received in excess of the maximum prices on Monel metal (nickel) scrap established in Price Schedule No. 8. This dealer sold scrap to a consumer, who needed it for defense orders, on a contract made at the speculatively high price levels prevailing before establishment of the ceiling on June 2. No permit had been sought or obtained for completing the contract at the inflated prices it called for.

Mr. Henderson stated that action was taken on basis of the language of Schedule No. 8 which specifically stated that after June 2, 1941, no person without special permission could either sell or buy nickel scrap or the related scrap materials covered by the schedule at prices higher than the maximums, "regardless of the terms of any contract of sale or purchase, or other commitment, entered into prior to such date."

## Ferrochromium makers agree to use of lower grade ores

All American manufacturers of ferrochromium, meeting in Washington December 16, voluntarily agreed to changes in specifications which will permit the use of lower-grade chrome ores and conservation of higher grades, OPM announced December 17.

Present specifications of 68 to 69 percent chromium, 4 to 6 percent carbon and 1 to 2 percent silicon will be changed to 60 to 63 percent chromium, 6 to 8 percent carbon, and 4 to 6 percent silicon, by the agreement.

The agreement affects the type of ferrochromium used in making engineering steels running up to about 3 percent chromium and does not affect stainless steel and heat-resistant alloy steels in which a larger amount of chromium is used.

The new specifications are a return to those in common use 20 years ago and are approximately the same as the ones in use during the World War.

The Orient has been supplying about 30 percent of our annual supply.

## OPM order limits sugar inventories; amendment relieves hardships in December

The Office of Production Management on December 20 amended the sugar conservation order of December 13 (General Preference Order M-55) in order to give manufacturers and distributors of direct-consumption (refined) sugar an opportunity to adjust their operations between now and the end of the year.

The order issued December 13, 1941, restricted delivery of direct-consumption sugar to the quantity delivered to a particular manufacturer or distributor in the corresponding month of 1940. Thus, the amount of sugar that any manufacturer or distributor could receive during this month was the same amount he received during last December.

Inasmuch as large quantities of sugar had been sold or used during the early part of the month prior to the issuance of the order, many manufacturers and wholesalers found themselves in a position where the quantity of sugar they had on hand was inadequate to meet their requirements for the remainder of the month.

In order to avoid loss of employment or undue hardship due to this condition, the amendment permits such manufacturers and distributors to receive additional supplies of sugar up to 15 percent of the average of their monthly use or resale during the months of September, October, and November 1941.

In determining the amount the manufacturer or distributor may receive, he must of course, deduct from this 15 percent of his average use in September, October, and November of 1941 the stocks he now has on hand, and must file a statement with his primary distributor in a form prescribed in the amended order indicating that he is entitled to the deliveries of the sugar applied for.

Beginning January 1, 1942, manufacturers and distributors will be required to regulate their operations so as to comply with the sugar allotments fixed in the original sugar order.

The amendment also defers until January 15, 1942, the deadline for filing reports.

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## Chlorine to be allocated

All chlorine produced in the United States will be subject to direct allocation after February 1, 1942, in accordance with the terms of an amendment to General Preference Order M-19 issued December 20 by the Director of Priorities.

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## Vanadium under allocation

Vanadium was placed under a complete allocation system December 20 by the Director of Priorities.

## Bleaching powder prices stabilized by agreement

Prices of bleaching powder, vitally needed by America's armed forces in increasing quantities for protection against poison gas and disease, have been stabilized by a series of individual agreements with producers, OPA Administrator Henderson announced December 19.

The agreements set maximum prices for 1942 deliveries. They were concluded in anticipation of more formal ceiling action later.

The temporary maximum prices for bleaching powder set by the agreements are as follows (all prices are per 100 pounds in drums f. o. b. at the producers works):

	800-pound drums	333-pound drums	100-pound drums
Carload lots.....	\$2.25	\$2.50	\$3.10
5 drums or more.....	2.50	2.75	3.35
Less than 5 drums.....	2.75	3.00	3.60

## Tungsten orders extended

General Preference Order M-29, which provides for the control and allocation of tungsten metal powder, ferro-tungsten, and tungsten compounds, has been extended six months to June 30, 1941, by the Director of Priorities.

Supplementary Order M-29-a, which exempts purchasers of 100 pounds or less of contained tungsten in any month from filing reports required of larger users, has been similarly extended. Both orders would have expired December 31, 1941.

## OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *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: Wm. H. Davis, *Chairman*.

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OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

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