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PRICE STABILIZATION . . .

Bituminous coal prices fixed by schedule

Moving swiftly to prevent run-away or excessive prices due to the bituminous coal strike, Price Commissioner Leon Henderson of the National Defense Advisory Commission on April 2 issued a price schedule freezing bituminous coal prices at or below the March 28, 1941, prices. The ceiling prices apply to producers, distributors, retailers, and all other sellers of bituminous coal.

In the event of a substantial resumption of production of bituminous coal, these ceiling prices will be revoked as soon as practicable.

The move was made after consultation and in cooperation with the Bituminous Coal Division of the Department of the Interior, and the ceiling prices were issued by the Price Stabilization Division with the approval of Miss Harriet Elliott, director of the Consumer Protection Division of the Advisory Commission.

Fantastic World War prices must not be repeated

Mr. Henderson explained that he had acted expeditiously to make sure that coal prices do not get out of hand and to prevent repetition of the unfortunate experience of the World War, when bituminous coal prices soared to fantastic heights.

He added that he was keeping a vigilant eye on prices for other fuels, including anthracite coal, and would take appropriate steps to prevent excessive prices for such fuels.

Increasing coal prices might touch off spark

"Stabilizing bituminous coal prices is doubly important," Mr. Henderson said, "because bituminous coal has a dual character and is a basic industrial commodity, as well as a commodity entering into the cost of living of the average consumer. Because the price of coal enters into the cost of practically every other commodity and because it affects the cost of living, run-away coal prices might touch off a spark leading to other price increases and having spiraling and inflationary results."

The price schedule provides that no producer, distributor, retailer, or other person shall sell, deliver, or offer coal at prices exceeding those received by the seller on similar sales or deliveries made March 28, 1941. If no similar sale was made March 28, the seller is limited to the price received by him on the latest date prior to March 28, 1941.

State and local defense councils will cooperate

Mr. Henderson said that he is asking retail coal distributors to use their best judgment in allocating their limited supplies so as to prevent hardships to consumers. Through Frank Bane, director of the Division of State and Local Cooperation of the National Defense Advisory Commission, the aid of State and local defense councils has also been enlisted. The following telegram was sent by Mr. Bane to all State and local defense councils:

"In view of bituminous coal strike and in order to prevent run-away prices, Leon Henderson, of the National Defense Commission, has today issued price schedule freezing prices for bituminous coal at or below prices charged March 28. These ceiling prices will be revoked when production is substantially resumed. Ceiling prices apply to producers, distributors, retailers, and all other sellers. We should appreciate your cooperation in helping to publicize and enforce this price ceiling and to prevent any taking of advantage of the possible emergency. We suggest that you contact all coal distributors and retailers in your region and assist them in allocating their stocks in the interest of national defense and community needs."

Petitions for modification

Any seller suffering hardships or inequities in the operation of the schedule may present his case to the Price Stabilization Division by petition for modification, Mr. Henderson said. He added, however, that since the coal to be sold in the weeks to come has been produced or acquired prior to the stoppage of production, there is an absence of any increased cost and any price rise would therefore represent an attempt to take undue advantage of the emergency and to take large profits on existing stocks of coal.

Regulatory powers will be exerted

The price schedule provides that in the event of any failure to observe the ceiling prices, the Price Stabilization Division will "make every effort to assure (a) that Congress, the various Federal, State, and local agencies and committees, including defense organizations, and the public are fully informed of the instances of such profiteering or noncooperation; and (b) that the powers of the Government are fully exerted in order to protect the public interest in the maintenance of fair prices."

Persons who have evidence of violations of the ceiling prices, or of speculation or hoarding, are urged to communicate with the Price Stabilization Division.

Will be revoked when practicable

The coal price schedule does not prevent a producer from asking higher prices when selling or offering for sale coal to be mined after the mines resume operation and to be delivered after revocation of the schedule, Mr. Henderson stated. He explained that the "schedule will be revoked as soon as practicable after substantial resumption of production."

(Editors may obtain Price Schedule No. 5, dealing with bituminous coal, by communicating with the Division of Information, Office for Emergency Management.)

Sewerage system installed in Indiana boom town

WPA workers have installed 17,000 feet of sanitary sewer lines and a treatment plant at Charlestown, Ind., the village which mushroomed from a population of 900 to 5,000 with transient workers who came to build a $74,000,000 powder plant on 6,000 acres outside of town.


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Ceiling prices set for zinc scrap materials and secondary slab zinc

Maximum prices for zinc scrap materials and secondary slab zinc, pegged to the prices of primary slab zinc, were established today in the third price schedule, Mr. Leon Henderson, Director of the Price Stabilization Division, National Defense Advisory Commission.

The two earlier schedules fixed maximum prices for second-hand machine tools, aluminum scrap, and secondary aluminum ingot.

Exorbitant prices forestalled

Under normal conditions, Mr. Henderson said, prices for secondary slab zinc are below prices for primary slab zinc. For some time, however, in spite of the fact that the prices of primary slab zinc have remained stable, prices of secondary slab zinc, and of zinc scrap materials have risen to exceed and in some cases even to double the prices of primary slab zinc—levels which are fantastic in relation to the primary price.

"Such prices are not required to and do not draw out supplies of zinc scrap materials," Mr. Henderson said. "On the contrary, they tempt owners of zinc scrap materials to 'hold it for the rise' and build up a speculative demand, resulting in inflationary prices. There are supplies of scrap, and these supplies will be tapped at reasonable prices, once it is understood that the Government will not tolerate prices above a fair maximum."

Reasonable profit assured

Price Schedule No. 3 establishes maximum prices at which zinc scrap materials and secondary slab zinc may be sold by any person to any other person. "These ceiling prices," Mr. Henderson stated, "should give ample allowance for reasonable profit to the industry.

"We do not believe it necessary in this industry to fix margins for dealers in zinc scrap materials. Since a ceiling has been put on the prices at which dealers and any other persons may sell zinc scrap materials, dealers will naturally pay less than the ceiling prices for the scrap materials they buy. Dealer margins will thus be fixed in accordance with customary business practice."

Delivered or f. o. b. prices

The maximum prices established for zinc scrap materials are delivered prices or f. o. b. prices depending upon the kind and grade of zinc scrap material involved. They are, Mr. Henderson pointed out, the maximum prices per pound to be paid for zinc scrap materials, after free iron and other foreign materials are removed.

Maximum prices for secondary slab zinc in carload lots have been established on an f. o. b. East St. Louis basis, Mr. Henderson explained. Thus, for example, if secondary slab zinc of Prime Western grade is sold and delivered in carload lots to a buyer in New York, the maximum price may be charged regardless of where the seller is located, is 7.25 cents plus freight from East St. Louis to the buyer's custom railway receiving point in New York.

"This is the practice in the industry," Mr. Henderson declared. "Both primary and secondary slab zinc prices are quoted on this basis. This does not mean, however, that our action should be taken as indicating approval of the basing point system in the industry. Nor should this statement be taken as indicating disapproval. The purpose of Price Schedule No. 3 is to bring the prices of secondary zinc into line with the prices of primary zinc. For this purpose we took the practice of the industry as we found it."

Maximum prices for secondary slab zinc sold and shipped or carried away in less-than-carload lots are slightly higher than the prices for sales or shipments in carload lots. For example, the maximum price for secondary slab zinc sold to and trucked away by a buyer in New York, in less-than-carload lots, is 7.25 cents plus a flat premium of three-quarter cents, plus carload freight from East St. Louis to the seller's plant or warehouse, wherever it may be located. This maximum price is f. o. b. the seller's plant or warehouse and the buyer will pay for trucking the zinc away.

"We have been informed," Mr. Henderson explained, "that unless a premium is allowed for sales and shipments of secondary slab zinc in less-than-carload lots, sellers of secondary slab zinc, because of the extra expense involved in small lot business, would not sell secondary slab zinc in less-than-carload lots. This, of course, would seriously affect small consumers of secondary slab zinc who do not need and cannot afford to buy in carload lots. To protect the small consumer a premium has been allowed on sales and shipments in less-than-carload lots, sufficient in our opinion to encourage sellers of secondary slab zinc to continue to sell to small consumers. The issuance of this Price Schedule should not give anyone an excuse to discontinue sales to small consumers."

New schedule effective immediately

The new schedule, Mr. Henderson emphasized, will become effective immediately, regardless of any preexisting contracts. To avoid hardship, however, deliveries of secondary slab zinc may continue to be made up to and including Thursday, April 3, at prices higher than the established maximum prices but only if such deliveries are made under a firm commitment entered into prior to March 31, 1941, and are made to avoid loss in the disposition of zinc scrap materials required prior to March 31, 1941, or secondary slab zinc acquired in order to meet such commitment, at prices higher than the established maximum prices.

Complete records required

The schedule requires complete and accurate records of every purchase and sales of zinc, scrap materials, and secondary slab zinc to be kept. Furthermore, to keep the Price Stabilization Division informed as to the movement of zinc scrap materials into the hands of persons other than distillers and remelters, any galvanizer, brass mill, or foundry which purchases 4,000 pounds or more of zinc scrap materials in any single week is required to report such purchase to the Price Stabilization Division. Thereafter such galvanizer, brass mill, or foundry is required to make weekly reports of every purchase of zinc scrap materials, regardless of the amount involved.

"Price Schedule No. 3, as well as the other two Price Schedules we have issued, will be fully enforced," Mr. Henderson said. "The powers of the Government to compel the delivery to the Government of materials at the established maximum prices, to condemn or requisition properties, to issue priorities and to use other powers to carry out the defense program will be exerted to the utmost against any person whom we find to be disregarding these ceiling prices."

Prices of zinc scrap materials and secondary slab zinc have been subjected to inflationary pressures, Mr. Henderson explained, because there is an insufficient... (Continued on page 18)
LABOR . . .

Mediation Board settles
Allis-Chalmers strike

At 8 o'clock Sunday evening, April 6, after 22 hours of negotiations, the National Defense Mediation Board announced that agreement had been reached for settling the 75-day old Allis-Chalmers strike.

The agreement, the terms of which will be found on page 5, was signed by Max W. Babb, president of the company, all members of the union negotiating committee, and by members of the Board's panel.

"Let's roll up our sleeves and do our best to make up for lost time," William H. Davis, vice chairman of the Board and chairman of the panel, told the company and union men as the meeting broke up. Mr. Babb issued a statement saying that he looked forward to a period of amicable relations with the union and announced that preparations were being made to open the plant Tuesday morning, April 8.

The agreement is subject to ratification by the union—Local 248, United Automobile Workers, CIO—which, according to Harold Christoffel, president, planned to hold a meeting in Milwaukee Monday morning, April 7. If the agreement is ratified by the union, he added, the entire force will return to work Tuesday.

Vice Chairman Davi congratulated

After signing the agreement, the negotiators and members of the panel unanimously adopted a resolution thanking Mr. Davis for his "able, patient, and impartial work."

The case was the Board's sixth. It was certified by the Secretary of Labor shortly after midnight, April 3. Members of the panel, in addition to Mr. Davis, were Eugene Meyer and Cy Ching, representing employers, and Emil Rieve and Robert Watt, representing labor. C. A. Dykstra, chairman of the Board, and Roger D. Lapham, employer member, also took part in the negotiations.

Board alternates picked by President

Both Mr. Watt and Mr. Rieve were serving as alternates on the Board under terms of an amendment to the President's Executive order of March 19 establishing the Board. This amendment, signed by the President on April 4, provided for the appointment of alternates for regular members of the Board who would serve whenever the regular members would be unavailable.

On April 5, the President appointed the following alternates:

Representing the public.—George Stocking of Texas, economist of the University of Texas (alternate for Clarence A. Dykstra); Charles E. Adams of Massachusetts, attorney at law (alternate for William Hammatt Davis); Walter P. Stacey of North Carolina, Chief Justice, Supreme Court of North Carolina (alternate for Frank P. Graham);

Representing employers.—Robert Watt of Massachusetts, special representative of the AFL (alternate for George M. Harrison); James Wilson of Ohio, special representative of the AFL (alternate for George Meany); Emil Rieve of Pennsylvania, president, Textile Workers Union, and vice president, CIO (alternate for Philip Murray); Clinton Golden of Pennsylvania, Steel Workers Organizing Committee, CIO (alternate for Thomas Kennedy);

Representing employers.—Gerard Swope of New York (alternate for Walter C. Teagle); John E. Connelly of New York (alternate for Roger D. Lapham);

Representing employers.—Charles Wyzanski of Massachusetts, attorney at law (alternate for William Hammatt Davis); Walter P. Stacey of North Carolina, Chief Justice, Supreme Court of North Carolina (alternate for Frank P. Graham);

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Representing employers.—Charles Wyzanski of Massachusetts, attorney at law (alternate for William Hammatt Davis); Walter P. Stacey of North Carolina, Chief Justice, Supreme Court of North Carolina (alternate for Frank P. Graham);
Text of Allis-Chalmers settlement—
Wage increases to be granted

I. The terms and conditions of the 1940 proposal to Local 248, U.A.W.A., placed in operation by the Company on April 29, 1940, as a Company policy shall be and remain in full force and effect for the terms of this agreement with the following changes:

A. There shall be added to the agreement exhibit G as follows: No employee will be permitted to engage in any activity in any way related to or connected with the work of a labor organization or of collective bargaining on Company premises, except as provided in the agreements with labor organizations certified as the exclusive bargaining agencies in the various bargaining units in the plant.

It is agreed that if or when the National Labor Relations Board shall find that these provisions are contrary to the National Labor Relations Act, then this provision shall be stricken from the agreement; and it is further mutually agreed that the parties will jointly submit, upon the request of either party, this question to the National Labor Relations Board.

Shop discipline to be maintained

B. The Company will maintain discipline on Company premises and to that end will strictly enforce the rules and regulations.

(b) Shop discipline is necessary for the orderly and efficient operation of the plant. An essential purpose of this agreement is to promote the maintenance of such shop discipline. Any employee guilty of an act which interferes with such shop discipline shall be subject to disciplinary action by the Company, which shall be applied to all employees.

Impartial referee to decide questions

(c) The Union may appeal to the impartial referee in all cases of such disciplinary action or alleged failure of the Company to take such disciplinary action. When the appeal is from the taking of disciplinary action, the referee shall specify what discipline the Company shall impose, unless he makes one or more of the following findings:

1. That the employee was not guilty of the act interfering with shop discipline, or,
2. That the result of such act, if established, was not interfering with shop discipline, or,
3. That the taking of such disciplinary action constituted discrimination against the Union or against the employee involved with respect to his membership or status in the Union. If the referee makes one or more of the foregoing findings, the Company's disciplinary action shall be set aside and the employee reinstated with full compensation for any time lost.

(d) When the appeal is from the failure of the Company to take disciplinary action as to any individual employee, the referee shall specify the discipline which the Company shall impose, if he makes one or more of the following findings:

1. That the employee was guilty of the act of interfering with shop discipline.
2. That the Company's failure to take disciplinary action as to the employee complained of was a discrimination against the Union or membership in the Union.
3. That shop discipline has been interfered with by the Company's failure to discipline an employee for interfering with the status of the Union. If the referee makes one or more of the foregoing findings, he shall specify what discipline the Company shall impose.

Union status not cause for discipline

(3) It is agreed that the fact that an employee is not a member of the union, or is not a member in good standing, shall not alone and in itself be cause for discipline in the absence of some other fact or facts showing that the status of and conduct on the company premises of such employee is interfering with shop discipline. It is expected that by union members remaining in good standing, such interference with shop discipline will be reduced.

C. In paragraph 14 and page 11 of the proposal in the fourth line the word "may" shall be changed to the word "shall."

D. All employees on the pay rolls on January 22, 1941, are to be restored to their jobs without discrimination. It is understood that any grievances that had been filed prior to January 22, 1941, may be proceeded with under the provisions of exhibit A, but that no additional grievances will be filed with respect to things that happened prior to the date of resumption of production.

No strike or lock-out clause

E. In view of the provision for final arbitration of all disputes arising under the contract, it is mutually agreed that there shall be no strike or lock-out or interruption of production or interference with production during the term of the agreement.

F. The choice of the referee shall be made as follows: The National Defense Mediation Board will submit to both parties a list of names and the parties will endeavor by mutual agreement to settle upon one of those names. If this fails, then the parties will accept a referee named by the National Defense Mediation Board. The submission of the list shall be made within 5 days; and if the agreement is not reached within an additional 5 days, the appointment shall be made by the Board. It is mutually understood and agreed that the decision of the referee shall be final and binding upon both parties. The expense of the referee shall be shared equally by the parties.

G. The Company will submit to the Union a full list of the rules and regulations relating to discipline, and those rules and regulations shall be incorporated in the contract. Thereafter, the Company will make no rule or regulation inconsistent with the terms of this agreement and no rule or regulation of a discriminatory character. It is understood and agreed that if any dispute arises as to whether any rule or regulation in the submitted list of any proposed new rule or regulation is inconsistent with the terms of the agreement or is of discriminatory character, that dispute shall be treated as a grievance under the contract.

Wage increases to be granted

H. Within 2 days after the signing of the agreement and the resumption of production, negotiations will be entered upon between the parties for a blanket increase in wages and those negotiations will be carried forward to a completion as promptly as possible; and it is understood and agreed that any wage increase granted shall be retroactive to take effect as of the day of the resumption of production.

I. The agreement shall remain in force for 1 year from the date when it is signed and thereafter from year to year, unless one party or the other gives notice in (Continued on page 17)
Next 4 months may be crucial in history of world, says Mr. Knudsen

Addressing the Military Order, Veterans of Foreign Wars, New York, April 8, William S. Knudsen, Director General, OFM, said in part:

"Over across the ocean a battle of life and death is being fought—in the field, in the air, and in the shop. Over here, thank God, we have only the battle of the shop, but it is just as serious, just as important, just as indispensable, that we may not be in the same position here. We must plan and work to help the men who are fighting for their liberty and when we do that with all our might, we are getting in shape to protect ourselves for what might come later if it becomes necessary.

I sometimes am afraid that we haven't quite realized the seriousness of the battle against time. The next four months might be crucial in the whole history of the world and if we can only save part of a month in these four, it might mean everything in our future and the future of our children.

Largest production job ever undertaken

The launching of our program was last June. Previous to that time small quantities of British and French orders had been placed in the United States but mostly for aircraft, machine tools, and base materials. With the American defense program instituted in June it was possible to place over 12 billion dollars worth of contracts promptly. Congress giving final authority in early September so that we have only save part of a month in these four, it might mean everything in our future and the future of our children.

784 new factories more than 60 percent completed

We have done a lot of plant construction in the last 8 months and we will have to do a great deal more, particularly on explosives, but the main job of metalworking in this added program will and must be to find existing factories where, by piecing out or "farming out," so-called, we can use tools we now have, to do machine and assembling work. We just haven't time to build all the new factories necessary and supply new tools. You might be interested to know that during the last 7 months we have actually started and more than 60 percent completed 784 new factories at a cost of over 2 billion dollars of which a billion and a half dollars was furnished by the Government and the balance privately financed.

New plants practically ready for production

All these plants will be in operation within the next 4 to 6 months. They cover everything from gunpowder to airplanes and are only a percentage of what is in work today.

Aircraft production must double by August

On aircraft we got a pretty fair production, in January and February quite close to schedule, but to meet our goal these monthly figures have to double by August and keep on doubling until the end of the year.

Machine guns close to schedule

Thirty-caliber machine guns are close to schedule. Fifty-caliber are right up to the notch but in the former case we are striving for a 500-percent increase in monthly production by the end of the year and in the latter case nearly a 1,000 percent. These figures roll off one's tongue pretty easily but just try to increase something tough a thousand times.

Tank production held up

The medium tank program, as you probably know, has been deliberately held up because of the necessity of giving machine tool priority to other more critical items. Nevertheless, we will start making a few of the 26-ton tanks in April or May and are now turning out the 15-ton tanks, which is the so-called light tank, at a fair rate. Even so, our present schedule must be doubled by the end of the year.

Explosive plants on schedule

Powder production and TNT have been big jobs and for that matter still are, but, nevertheless, a vast area of new explosive plants are going into production right on schedule, which is a great credit to all who have been concerned with their construction and equipment.

Small arms ahead of schedule

Small arms, such as rifles and submachine guns, are, I am happy to say, running ahead of schedule, but one can never be satisfied, for here again the production of the one has to be stepped up a hundred percent before the end of the year and of the other about 500 percent.

Aluminum production increasing rapidly

Next to the management problem in production there is a raw material problem as well. Fortunately, most of the needed [strategic] products can be produced here at home. Great increases in domestic production have already been effected. Greater increases are under way. A year ago we were producing 25,000,000 pounds of aluminum ingots a month. Today, the monthly production exceeds 40,000,000 pounds. Great additional plants are under construction and by the end of the year the American output of aluminum should approximate 70,000,000 pounds a month.

Magnesium capacity doubled

Similarly, there is a great increase in the demand for magnesium, partly due to the increased production of airplanes, but chiefly because of the development of the incendiary bomb. Capacity of this industry has already been doubled and plants now under construction should further increase it sixfold.

Housing

Army and Navy construction is better than half behind us. Group housing—three quarters of a million dollars worth—44,500 buildings and 96,000 tent frames and utilities are in the final stages of completion. Much of the basis work for the Naval base facilities, air fields, storage depots, has been completed and, during the next few months, many of these new facilities will be available for service.

Shipbuilding urgency extreme

And now, just a word about ships. Over 5,400 ships, ranging from small boats and patrol craft to large tanker cargo vessels and on to battleships are to be built. Along with this is the conver-
sion and modification of hundreds of existing craft. A gratifying start has been made—some new ships already are being delivered ahead of schedule. On the other hand, it is only a start—this program outstrips anything ever attempted as to time, volume, and complexity. The urgency for speed is extreme. Skilled workers—materials—machinery—apparatus and management are the essential components. Even though the time elements in shipbuilding are long, the outlook is encouraging.

**Must get over strike epidemic**

The labor situation during the last month has grown worse mostly due to organizational and jurisdictional strikes. Strikes like the Lackawanna, International Harvester, and Bethlehem at Johnstown, and Ford are purely for the purpose of speeding up the union organization effort in the plants. The Allis-Chalmers strike, after starting out as a closed shop strike, wound up as a union security strike after a lot of confusion in wording a so-called referee clause which, to say the least, was ambiguous.

The Conciliation Service of the Labor Department, the OPM, and the union tried for 2 months to find a way of settling the argument, only to find at last that the original strike vote was fraudulent and that the strike was called without the consent of the membership. A thing like this is very hard to deal with. The fact that the strike vote was fraudulent was gone over lightly. The fact that a large number of men came back to work in support of the defense job was given no consideration. The fact that 4,000,000 hours of time are lost in order to find out what happens to a union man who isn't paying his dues was not even important—the important part was that the leaders with the help of other unions in Milwaukee and vicinity could show the State and the Nation where to get off—and have both our friends and their foes across the water have this wonderful piece of morale builder served with their next morning's breakfast.

Many small strikes in specialty shops often tie up production in large factories. Recently, a strike in a small foundry on the coast threatened the whole airplane production in that area. We have just got to get over this strike epidemic which we have had since January. The hours lost can never be made up and they are precious. Let us settle the disputes, large and small, around the table and keep the plant going. The larger percentage of the men went to work and helped defense.

The new Mediation Board will undoubtedly perform a great service if it can induce the disputing parties to work while the dispute is being analyzed. The OPM had some early successes along this line, but, as soon as the parties to the dispute found out that there were no penalties behind the effort they soon began to delay and hinder the efforts of the OPM in order to get more concessions.

**Strike votes should be supervised**

I do not believe that legislation against strikes is necessary or enforceable, but I do believe that during the emergency period a definite procedure should be followed in order that strikes can be held to a minimum. For instance, I believe that strike votes should be taken under the supervision of the Labor Department; I believe a certain minimum of time should be allowed to sift the dispute both by the Conciliation Service and the Mediation Board; that after the Board gives its findings a period of time should be allowed before the strike is actually called. With a procedure like this, 90 percent of the strikes will be eliminated—and they must be or our program will fail.

**Increased wages and cost of living**

That wages may rise in a period of high industrial activity is an accepted fact. The problem is to hold the rise in proportion to the rise in living cost, and prevent a spiral from which it is extremely hard to recover. The desire on both sides to hold wages and prices in the proper relationship is the number one problem in economics and requires goodwill in extreme measures.

I am getting all out of patience with all this talk about money. This is no time to ask for quotations on the defense of the United States. If we are going to put it on a dollars-and-cents basis, how much more per day or per share is this defense job worth, how much of a down payment do we all want on the protection of our shores and our homes and our democratic institutions. This job can't be handled with money. It must be handled with our hearts.

**Waste material dealers may organize committees**

The Conservation Unit of the Office Production Management has suggested to the National Association of Waste Material Dealers, Inc., that each branch of the industry it represents form small defense committees to meet from time to time with the Conservation Unit. Such meetings would be for the purpose of suggesting means of maintaining adequate supplies of metals and materials in which shortages might develop. The industry represented by the National Association of Waste Materials Dealers, Inc., includes dealers in secondary nonferrous metals—aluminum, copper, red and yellow brass, zinc, nickel, lead, and tin; rubber, paper, woolen rags, and cotton rags.

**Representative committees**

R. E. McConnell, chief of the Conservation Unit, suggested in a letter to Charles Haskins, of New York, secretary of the Association, that each of the suggested committees have the pledged support of the group they represent "so as to speak authoritatively for their branch of the industry." A similar arrangement is said to have produced close cooperation between the Government and the industry during the World War.

Mr. Haskins was asked to work out an arrangement whereby independent groups and individuals in the industry would be represented properly on the committees. Emphasis was placed upon the desirability of appointing committee members in such a manner that suppliers in the east, midwest, south, and west would all be represented.

**New labor consultant appointed**

Sidney Hillman, Associate Director General, Office of Production Management, on March 29 announced appointment of J. C. Lewis of Des Moines, Iowa, as a labor consultant on the staff of the OPM's Labor Division.
Canada takes title to plant expansions—

Britain uses same procedure where necessary

In an address before the Practising Law Institute, New York, March 24, on defense amortization procedure in the United States, Mr. David Ginsburg, legal adviser, Price Stabilization Division, NDAC, included a brief summary of foreign experience.

Of this Mr. Ginsburg said: "It is extremely difficult to get accurate, detailed information regarding the tax experience abroad. Accordingly, the information contained in this section is not to be relied upon as a definitive statement of Canadian or British experience. It merely embodies a summary of the often conflicting information we have been able to gather.

Of the experiences of Britain and Canada, Mr. Ginsburg stated:

Foreign experience was helpful but offered no ready-made solution to the basic problems that arose out of our own World War experience. Canada's legislation resembles our own 1918 statute, but private financing of plant expansion is not very important in Canada.

90 percent Government-owned

Almost 90 percent of all plant expansion has been financed and is owned by the Government, although operated and managed by private industry. The question of amortization, therefore, is important only as to relatively few cases which are privately financed.

Depreciation rates get individual attention

No statute in Canada fixes allowable rates of depreciation. Rates are established in the discretion of a War Contracts Depreciation Board, composed of a tax expert, an industrialist, and a judge, which operates in conjunction with the income tax division of the Department of National Revenue. Applications are made to the Board and the Board acts on each individual application, making recommendations to the minister of national revenue regarding the period of amortization applicable in each case.

War contracts only

The name of the Board is significant—the War Contracts Depreciation Board. No one is entitled to a special amortization allowance unless he has a "war contract," which is defined to include subcontracts and letters of intent. The Board determines whether a particular applicant has a "war contract." The Board also determines before a manufacturer is entitled to the special amortization allowance, the amount of the capital expenditures, and whether they are necessary in order to enable the manufacturer to fill his war contract.

Post-war value determined now

Most interesting of all, the Board further determines what part, if any, of the capital expenditures incurred have no reasonable post-war value. Special depreciation or amortization is allowed only on the amount of capital expenditures determined to have no post-war value.

After making these several determinations, the Canadian Board issues a Certificate of Special Depreciation to the Minister of National Revenue, embodying its conclusions.

The Canadian procedure thus seems to be the very opposite of our World War legislation. Under the Revenue Act of 1918 the amount of amortization allowances to be made depended upon post-war determinations of post-war useful value.

The Canadian procedure, however, imposes upon the Depreciation Board the difficult task of making an immediate determination of post-war value. To me that task seems impossible. I asked a faculty member of the University of Toronto, who is our consultant on Canadian defense matters, how the Board made its determinations. He replied that, as best he could tell, the Board simply granted the applicant's request as to the rate of depreciation to be fixed. Often as short a time as 2 years is allowed as the amortization period.

Canadian procedure not adaptable to U.S.

From our point of view the Canadian procedure is unsatisfactory. It is difficult enough to estimate post-war value at the end of the war, let alone attempt to estimate post-emergency value now. In fact, from all indications, the Canadian Board is not attempting any such determination. It merely assumes that every capital expenditure today is made for war purposes and seems to allow amortization over the contract period.

But as I have said, tax amortization isn't very important in Canada. As of February 15, 1941, the Board handled only 150 cases. One hundred and twenty-five applications for the special amortization deduction were allowed, and 25 were denied. The great majority of applicants were companies engaged in making machine tools, gauges, and basic steels.

The principal defect of the Canadian procedure, it has been found, is that the Board cannot act legally until the contract is executed or a letter of intent is issued. The difficulty is that manufacturers naturally will not invest their money in plant expansion unless they know whether they will be allowed a special amortization deduction and what the rate of deduction will be. As a practical matter, therefore, the Board has been forced to give unofficial opinions before expansion is begun.

Government guarantees to make up unamortized balance

Whether Canada permits rapid amortization for the purpose of determining costs and fixing prices of war supplies, is uncertain. I have been informed that the distinction between amortization for tax purposes and amortization for price purposes is not clearly recognized, so that probably in many cases amortization in price is permitted.

Moreover, Canada has taken the position that if none of the measures I have mentioned enables the manufacturer to recoup his full outlay, the Government will guarantee to make up the unamortized balance. If this is done, Canada bears the risk and actually pays for the facilities, yet so far as I have been able to ascertain, no attempt is being made to identify or protect the Government's resultant interest. Business, in Canada, therefore, is being extraordinarily well paid for financing 10 percent of the new plants.

British government steps in after "Battle of Britain"

The British experience proved extremely helpful. Private financing of plant expansion is encouraged in England but if a manufacturer has no financial resources or is unwilling to use them, or if very high rates of amortization or other unacceptable conditions are demanded from the Government as a purchaser, the British Government will finance plant expansion itself. Unfortunately, this policy was not established until after France had fallen and the "Battle of Britain" had begun.

Title to the new facilities is retained by the Government but the plant is operated by private manufacturers. Sometimes the entire cost of operation (Continued on page 12)
Cooperative plan to conserve vital materials

A three-point plan to conserve essential defense materials through voluntary cooperation by manufacturers, merchandisers, and the public was announced April 4 by the conservation unit of the Office of Production Management.

Three-point plan

The three points of the plan are as follows:
1. Conferences with committees representing manufacturers and processors to discuss possible substitutions and other savings to be made voluntarily in event of materials shortages.
2. Conferences with representatives of merchandisers to explore the possibility of featuring goods made from plentiful materials.
3. Appeals to consumers to use substitutes in cases where shortages exist or are imminent.

Robert E. McConnell, Chief of the Conservation Unit, expressed belief that all interested groups would be glad to cooperate so that more of the vital materials would be available for defense industries.

Immediate steps to enforce plan

Taking steps immediately to put the plan into effect, Mr. McConnell sent letters to a number of tin-can manufacturers and to mail-order houses and other large merchandisers, asking them to attend separate meetings here shortly.

Two meetings scheduled

He invited the tin-can manufacturers to attend a meeting in his office at 10 a.m., Wednesday, April 16, to discuss these subjects:
1. Nonessential civilian uses of tin-can containers in which a reduction might be effected with the least hardship in the event that an emergency creates a tin shortage.
2. Possible substitutes that might be used to accomplish such reductions.
3. Changes that would be necessary in related industries if tin consumption of can manufacturers were reduced by various percentages.

4. General suggestions.

Mr. McConnell wrote also to Mr. Sewell L. Avery, of Chicago, president of Montgomery Ward & Co.; Mr. M. J. Spiegel, Jr., of Chicago, president of Spiegel, Inc.; Mr. T. J. Carney, of Chicago, president of Sears, Roebuck & Co.; Mr. W. W. Humphrey, of Kansas City, Mo., president of the Western Auto Supply Co.; Dr. Paul H. Nystrom, of New York City, president of Sears, Roebuck & Co.; Mr. W. W. Humphrey, of Kansas City, Mo., president of the Limited Price Variety Stores, and Maurice L. Strauss, of Philadelphia, president of Pep Boys. These merchandisers were asked to send representatives to a meeting in his office at 10 a.m. Thursday, April 17, to explore the possibility of reducing civilian consumption of articles made from critical and strategic materials in which shortages might develop.

"It may be possible through a voluntary shift of merchandising emphasis to obtain highly desirable savings," Mr. McConnell said.

Efforts should prove adequate

He expressed belief that voluntary cooperation by manufacturers, processors, and merchandisers would go far toward accomplishing the necessary conservation. Appeals to consumers to direct their buying to goods made of plentiful materials will ordinarily be made, he added, only in the event that results of the other cooperative efforts prove inadequate.

The possibilities of conservation by voluntary cooperation will be explored concerning other materials, such as aluminum, nickel, neoprene, tungsten, zinc, chromite, graphite, manganese, quartz crystals, rubber, bauxite, and copper.

** **

Plane deliveries for March

The Office of Production Management announced April 4 that during March, 1,216 airplanes were delivered by United States manufacturers to the Army, Navy, British, other governments, and commercial airlines. 1,974 were delivered to the Army, Navy, and the British.

Steps to minimize shortage of measuring instruments

The Office of Production Management suggested to manufacturers April 1 that a shortage in the supply of micrometer calipers, delicate measuring instruments used to measure bearings and other machine parts, can be minimized by two methods.

First, in cases where micrometer calipers are essential to accurate work, it was suggested that the use of available instruments be spread among more workers.

Second, when caliper gages or other tools of secondary precision will result in satisfactory workmanship, such instruments, which are more plentiful, should be used.

Wider use of available instruments

In factories where more men are being added and where each old employee owns a micrometer but does not use it constantly, the operating company should purchase or borrow these tools and issue them to the men when needed.

"This would eliminate the necessity of additional purchases and the company could release the micrometers or replace them at a later date," said a statement from the Industrial Supply Section of the Production Division, OPM.

Micrometer calipers are used to measure ball bearings, connecting-rod bearings, pistons, and many other machine parts. Some of them are graduated to one ten-thousandth of an inch.

Twenty-five percent increase

Officials of the Industrial Supply Section said that production of micrometers had increased about 25 percent in the last 90 days, due largely to the training of additional employees. Further expansion, both through the training of more workers for additional operating shifts and the acquisition of additional equipment, is scheduled.

** **

Defense orders revive beehive coke industry

Samuel E. Hackett, chief of the Iron and Steel Unit in the Production Division of the Office of Production Management, made a survey April 4 of additional beehive coke ovens that can be
brought into operation in the Latrobe, Connellsville, and Undontown areas of Pennsylvania.

Defense orders placed with the steel industry have already brought about the revival of a large part of the beehive coke-making industry.

Old-style ovens restored for use

Approximately 10,000 of the old-style beehive coke ovens in Pennsylvania, West Virginia, Maryland, Alabama, and Colorado have been rehabilitated and returned to service in recent months. The object of Mr. Hackett's trip, and of surveys to be made later in other States, is to determine how many of the additional 4,000 beehive ovens known to be in existence can be brought into operation.

Puts men to work

Defense officials believe it may be possible for beehive coke production to reach 9,000,000 tons per year. The revival of the industry thus far is estimated to have provided employment for from 15,000 to 18,000 men, not including miners required to get out the coal fed into the ovens. Additional employment will be provided in proportion to the number of additional ovens found subject to rehabilitation.

Beehive ovens provide a quick but less efficient means of producing coke. In recent years they had been practically abandoned in most areas, due to the introduction of byproduct coke ovens at the steel plants.

The revival of the beehive industry thus far has been gratifying to the Office of Production Management. It has been helpful also to the communities directly affected. Previously, the decline of the ovens had produced unemployment and material decreases in real estate values.

The ovens are owned by a large number of different companies.

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New chief in Production Division

Appointment of Samuel Richard Fuller, Jr., as chief of the Materials Branch, Division of Production, Office of Production Management, was announced April 3 by John D. Biggers, director of the Production Division.

Mr. Fuller replaces W. A. Harriman, former chief of the branch, who is now on duty in London as a special representative of the President.

Engineers discover tungsten ore in Idaho—vital material for high-speed cutting tools

A high-grade deposit of tungsten ore, vital defense material, has been discovered jointly by engineers of the Bureau of Mines and geologists of the Geological Survey.

The ore was found in the Yellow Pine District, Valley County, Idaho.

Since the maximum dimensions of the ore deposit have not yet been determined, no estimate of the reserve tonnage of this strategic mineral is available now, but sufficient information already has been secured to indicate that the discovery may be one of great importance.

Antimony ore in same region

In addition, the presence of large reserves of antimony ore in central Idaho has been determined. The limits of the antimony ore deposit, according to the Bureau of Mines, have not been determined as yet, but enough already has been learned of its extent and grade to warrant the belief that it comprises an important strategic reserve of this vital mineral.

Tungsten and antimony are listed by the Army and Navy Munitions Board as strategic materials.

The United States is dependent largely upon foreign sources for adequate supplies of tungsten and antimony, both of which have highly important military and civilian uses.

Tungsten for cutting tools

Tungsten has the faculty of imparting great hardness to steel and for this reason its principal use is in the manufacture of special alloy steels of which the most important are high-speed cutting tool steels containing up to 20 percent tungsten. Such steels are self-hardening and retain their cutting edge even at high temperatures. Other alloy steels, containing smaller amounts of tungsten, are used in the production of a wide range of industrial products and military equipment such as projectiles, ordnance, and armor plate. Most of the world's tungsten ore has been coming from China, and minor percentages have been supplied principally by British India and British Malaya.

Antimony for bullets and shrapnel

Antimony has many uses which are essential from a military point of view. It is used in bullets and shrapnel. Large quantities of the metal alloyed with lead are used in the manufacture of storage batteries. It is used also in many other alloys, such as type metal, babbitt, and other bearing metals, and in antimonial lead which is important in chemical plant construction. The United States formerly obtained a very large portion of its antimony from China but with the establishment of smelters in the United States dependence has shifted to the Western Hemisphere.

Other mineral surveys progressing

In addition to the ores of tungsten and antimony, the Bureau of Mines, working in cooperation with the Geological Survey, has examined domestic deposits of chromium, manganese, mercury, nickel, and tin. As of March 15, exploratory operations have been conducted on 32 deposits in 12 States, of which 7 projects have been completed, 3 have been recessed because of weather conditions, and 22 are still active. The Bureau of Mines plans to start work in 6 other areas at an early date.

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30,000,000 additional pounds of aluminum to be produced with Bonneville power

Columbia River power has taken on an added share of the national defense. The Department of the Interior has announced that the Bonneville Power Administration will deliver 27,600 kilowatts under existing contracts to the third unit of the Aluminum Co. of America’s metal reduction plant near Vancouver, Wash. Delivery will be made through the Bonneville Power Administration’s recently expanded substation near the Aluminum Co. site and through its huge power distribution station at Ampere, just north of Vancouver.

Present production total of 90 million pounds

The new power delivery will increase the Aluminum Co.'s Pacific Northwest production of pig metal from a little over 60 million pounds per year to 90 million pounds per year. Although first delivery of the new power will be 27,000 kilowatts, the company will rapidly increase its demand until its new unit will be taking 32,500 kilowatts.
TRANSPORTATION . . .

Freight traffic shows increase this year

Based upon the best information available, it is apparent that both the railroad and motor carrier industries are enjoying substantial increases in traffic volume. Ralph Budd, Transportation Commissioner, declared today.

Accurate record of the volume of transportation service the railroads are being currently called upon to render is available in the weekly carloading reports compiled and published by the Association of American Railroads. These figures show that during the first quarter of 1941 (the 13-week period ending March 29) the railroads originated a total of 3,862,201 carloadings as compared to 8,170,530 in the corresponding period of 1940, an increase of 14.8 percent.

Railroad carloadings

Railroad carloadings in recent weeks have shown greater increases over corresponding weeks in 1940 than is represented in the cumulative figures for the year to date. For example, in the week ended March 29 total loadings were 792,125 as compared to 792,125 cars, representing an increase of 25.9 percent over the corresponding week in 1940, with increases being recorded in all major commodity classifications as follows:

<table>
<thead>
<tr>
<th>Commodity Classification</th>
<th>1941</th>
<th>1940</th>
<th>Percent of Increase</th>
</tr>
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<tbody>
<tr>
<td>Grain and grain products</td>
<td>26,854</td>
<td>26,549</td>
<td>1.1</td>
</tr>
<tr>
<td>Live stock................</td>
<td>16,295</td>
<td>9,689</td>
<td>7.4</td>
</tr>
<tr>
<td>Coal.......................</td>
<td>109,227</td>
<td>127,819</td>
<td>-14.5</td>
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<tr>
<td>Coal.......................</td>
<td>13,785</td>
<td>9,549</td>
<td>43.1</td>
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<tr>
<td>Forest products...........</td>
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<td>9.4</td>
</tr>
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<td>Ore.........................</td>
<td>16,102</td>
<td>20,175</td>
<td>-20.2</td>
</tr>
<tr>
<td>Merchandise, l. f. l. .....</td>
<td>101,119</td>
<td>117,412</td>
<td>-13.8</td>
</tr>
<tr>
<td>Miscellaneous.............</td>
<td>244,568</td>
<td>246,723</td>
<td>-0.9</td>
</tr>
<tr>
<td><strong>Total</strong>..................</td>
<td>625,701</td>
<td>688,902</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Cumulative 13 weeks........ 9,862,201 9,382,800 5.0

Motor traffic

Reports compiled by the American Trucking Association showing the situation with respect to motor-carrier traffic volume cover monthly periods and, by reason of the large number of individual companies involved, do not purport to cover the entire industry. However, the reports received show a comparison of the particular companies reporting and provide a measuring stick which undoubtedly is representative of the entire industry. For February, reports were received from 198 motor carriers operating in 33 States. These carriers reported an aggregate of 1,189,775 tons in February as compared to 921,058 tons in February 1940, or an increase of 22.2 percent.

Effects of coal strike

Coal is a very important item, as will be noted, in the total railroad volume, and the cessation of mining operations will, if prolonged, result in a reduction in coal volume which will be reflected in the subsequent weeks’ total loadings. Based on earlier records, it is possible that total weekly coal loadings might recede to a figure as low as 59 to 60 thousand cars weekly so long as mining operations are affected by strike. However, shipments from stock piles, which are now larger than usual, may result in maintaining loadings at a somewhat higher level.

Great Lakes traffic

The loss in coal loadings which may result from present coal stoppage, Mr. Budd pointed out, may be partially offset by heavier ore loadings during April set by heavier ore loadings during April than were recorded during April of 1940. Steps are under way which are calculated to permit opening of lake navigation earlier than in 1940, and with the program set up calling for maximum transportation of ore via the Lakes in order to meet the demands of the steel industry for capacity production, no time will be lost in getting ore shipments under way at the maximum rate which can be handled by the fleet operating on the lakes. These lake ore shipments are reflected in rail loadings because of the rail movement from Minnesota mines to head of the lakes and in some instances, subsequent rail movement from lower lake ports.

Peak demand expected in fall

A danger in evaluating the present rail loadings, according to Mr. Budd, is failure to appreciate that later on in the year we will be comparing with a level of loadings in 1940 after the defense program got under way which is relatively higher than the 1940 level with which we are now comparing. It is not to be assumed because carloadings at the end of March are approximately 28 percent over 1940 that they will show a similar percentage increase during the peak period in the fall. The first and second quarters of 1940 were not heavy loading periods.

The relationship between car supply and demand is constantly a subject of study, and estimates of total loadings received from various sources are being currently reviewed and information given to the railroad industry upon which they can act where necessary to the end that an adequate supply of cars and locomotives may be made available to take care of the peak transportation demand which will be experienced in the fall. An enlightened study of the present trend of carloadings does not indicate any present danger of serious transportation difficulties of any kind during the peak loading period this fall providing cars are not used for storage purposes. All activities of the Transportation Division are directed to the prevention of any such misuse.

Last of contracts awarded for 200 cargo vessels

Contracts for all of the 200 standard design cargo vessels in the Maritime Commission's emergency shipbuilding program have been cleared with the Office of Production Management and signed, it was announced April 4 by the Commission.

The last contract to be cleared and signed is for 25 ships to be built by Delta Shipbuilding Co., Inc. on the facilities of the Louisiana Shipyards, Inc., at New Orleans, La. Delta Shipbuilding Co. is a Louisiana corporation and a subsidiary of American Shipbuilding Co., Cleveland, Ohio.

Under the terms of the contract the company will produce the first ship within 389 days from the effective date, March 18, and the last of the 25 vessels is to be completed within 800 days.

Construction cost

The base construction cost of the 25 ships is to be $37,500,000, the contractor to receive a fee of $110,000 a vessel, which can be reduced to $60,000 in event of late delivery or excessive costs, or increased to $140,000 per ship for expedited delivery and reduced costs.
Plant expansions
(Continued from page 8)

is paid by the Government and the manufacturer acts only as agent, receiving a management fee.

Sometimes the Government plant is operated on what is known as "a modified commercial basis" under which the manufacturer contributes the working capital and pays all maintenance charges. The Government enters into ordinary supply contracts but the prices exclude any charge for depreciation or amortization of the capital assets owned by the Government. If the Government assets are used for non-Government orders, a rental is paid by the contractor.

Deduction allowed for excess profits tax only

To encourage private financing the British Government allows a rapid amortization deduction but only for purposes of computing the 100 percent excess profits tax. Under this deduction, a manufacturer who has financed plant expansion after January 1, 1937, may obtain an amortization allowance equal to the difference between the original cost of the facilities and their value as of a date to be determined by Parliament. The loss in value, however, must be due to the fact that the facilities on such date have wholly or partially become obsolete or unnecessary as a result of conditions caused by rearmament and war.

Britain not lenient

The English legislation, as I understand it, like our World War legislation, thus postpones to a subsequent date a determination of the amount of capital loss suffered. The same difficulties of valuation which were experienced by us during the last war will doubtless be experienced by England.

But special amortization allowances in England are granted only for purposes of computing the excess profits tax and not in computing the normal income tax and, most important of all, the English Government does not permit new facilities to be amortized in price at a rate in excess of the normal charge for depreciation. The English Government, therefore, is not giving plants away.

Inducement for private aircraft financing

There is one other aspect of British financing I should like to mention. During the rearmament period before the war, England, in order to encourage expansion of aircraft facilities, permitted an aircraft firm, which could show that it expanded its plant to meet Government orders in excess of the capacity needed to fill orders from any source over a given two-year period, to submit a claim for the difference between the depreciated value of the excess plant and its market value as of the time the claim was filed. The contracts generally provided that such claims were not to be filed until after the emergency was over. This arrangement, known as the "capital clause," raising as it does difficult problems of valuation, has been little used since the outbreak of the war.

Complacency is Public Enemy No. 1

Under Secretary of War Patterson, addressing the Washington Rotary Club, April 2, said complacency is "Public Enemy Number 1—a daughter of any fifth column, foreign agent, or saboteur."

Mr. Patterson stated: "You have heard much of the delays in the defense program. You have heard little of the projects that are ahead of schedule. The delays are serious to the extent that any lost moment is serious, and when I have said that I have said the worst. But the most serious of all delays is the slowness • • • to comprehend the extent, the importance, and the objectives of the defense program."

The defense program is a completely national program, aimed at the defense of all States, cities, and people, Mr. Patterson said. "If we have placed a small-arms plant in the city of X instead of the city of Z, it is because we felt that the larger and paramount interest of the Nation would best be served by such an award."

Soldier's shoe allowance increased

Effective July 1, 1941, the allowance of shoes for each soldier in the Army will be increased from two to three pairs for each man. When current stocks of garrison shoes are exhausted, only service shoes will be issued on allowances. The service shoes are heavier than the garrison shoes, and therefore are more practicable and more durable for maneuvers and field service.

SHOE PRICES TO BE CURBED

Predictions of an immediate general increase of 10 percent in shoe prices, attributed to Maxey Jarman, president of the General Shoe Corporation of Nashville, Tenn., are not warranted by his statements, according to a telegram from Mr. Jarman to Miss Harriet Elliott, consumer commissioner of the Office for Emergency Management, Miss Elliott announced April 7. The predictions of a shoe price rise were based on a statement by Mr. Jarman, interpreting the results of a conference with shoe manufacturers held by Miss Elliott on March 27.

"Mr. Jarman has informed me," Miss Elliott said, "that he was astonished to see the statement attributed to him since he did not say that he anticipated an immediate advance in shoe prices, and mentioned 10 percent only as a maximum increase which might possibly occur in some extreme cases."

It was the consensus of the manufacturers attending Miss Elliott's conference that shoe prices will not advance beyond increases in costs, and that the present outlook is for not more than moderate increases. Miss Elliott stated that Mr. Jarman's views as now clarified are in agreement with those expressed at the shoe conference.

Machine replaces man in signing Army checks

The long period of time required by Army finance officers in signing thousands of checks in the larger Army posts, has been enormously lessened by the use at 31 posts and stations of, a special machine for affixing signatures. Machines are used only in finance offices which issue 10,000 or more checks every month, and may be used only with the specific authority and approval of the Secretary of the Treasury.

With the machine, signing any number of checks from 10,000 up has been reduced to a matter of minutes, where signing any like number previously was several days' work for the finance officer.

The machine operates somewhat on the principle of a postage stamping machine. After the meter has been set to a given number of checks, the finance officer obtains the die containing the signature from a vault. Three different keys are necessary to unlock the various parts of the machine to permit setting the die in the proper place.
Million pounds of synthetic rubber allocated to 250 industrial users

A general preference order providing for the April allocation of nearly 1,000,000 pounds of neoprene was announced April 1 by E. R. Stettinius, Jr., Director of Priorities, Office of Production Management.

The neoprene will go to approximately 250 companies and industrial users and will be used almost entirely for defense work. Neoprene is a synthetic rubber valuable in defense because of its chemical and physical characteristics.

Mr. Stettinius announced that, in addition to the April allotments, a small quantity of neoprene is to be set aside by the E. I. du Pont de Nemours Co., Inc., sole producers of neoprene, for labora-
tory and experimental purposes.

Neoprene was brought under manda-
tory control March 7. The action taken April 1 strengthens and regularizes that control and, in addition, provides for the first case by case allocation of the product to industrial users.

Under the March 7 order, the produc-

ing company was instructed to give all defense orders a preference rating of A-2 (thus putting them ahead of civilian orders without ratings), except as higher ratings might be assigned by the Priorities Division.

The action taken today, however, fixes specifically the amount each user will get.

It is stipulated that British defense orders are to be accorded the same treatment as United States defense orders, and orders for Great Britain requiring neoprene are included in the allocations.

Organizational changes in Priorities Division

Several organizational changes within the Priorities Division, Office of Production Management, as well as the addition of key personnel to the staff, were announced April 6 by E. R. Stettinius, Jr., Director of Priorities.

Because of the number of problems which have arisen in the minerals and metals field, the Minerals and Metals Group will now have four branches, one for iron and steel, one for nonferrous metals, one for ferrous minerals and alloys, and one for aluminum and magnesium.

The ferrous minerals and alloys branch is wholly new. Priority committees have been functioning in the other fields, and these committees will continue within the branch organizations.

Technical experts

In addition to the priority committee, each branch will have the services of technical experts.

Dr. Ernest M. Hopkins, head of the Minerals and Metals Group, will serve as chairman of the nonferrous priority committee and of the aluminum and magnesium priority committee. Arthur D. Whiteside, who will continue as head of the Commercial Aircraft Group, will also serve as senior consultant in the Minerals and Metals Group and will be chairman of the iron and steel priority committee and ferrous minerals and alloys committee.

The new ferrous minerals and alloys branch will handle problems concerning iron ore, iron and steel scrap, chrome, manganese, tungsten, vanadium, molyb-

R. L. Suhl, manager of the Nickel Sales Department of the International Nickel Co., Inc., New York, will be producers' representative on the priority committee of the ferrous minerals and alloys branch, and H. G. Batcheller, president of the Allegheny-Ludlum Steel Corporation, has been appointed to the committee as the industrial users' representative.

Mr. Stettinius announced that the tools and equipment group, headed by Dr. Dexter S. Kimball, will have two branches, one for machine tools, and one, a new unit, for general equipment. Dr. Kimball will be chairman of both priority committees.

The general equipment branch will handle problems in connection with en-
gines, boilers, and power-plant equip-
ment. The priority committee for this group will include P. A. Schaff, president of the Superheater Co., New York, as producers' representative, and J. C. Parker, vice president of the Consolidated Edison Co., New York, as industrial users' representative.

New personnel

New personnel added to the staff recently includes:

L. E. Scriven, managing director of the British subsidiary of the A. C. Nielsen Co., Chicago, and vice president of the parent company, who will serve as deputy assistant director of the Priorities Division, in charge of liaison with other Government departments and foreign government.

E. A. Locke, Jr., of the Chase National Bank, New York, who will work in close association with Mr. Scriven as principal liaison officer of the liaison unit.

Geoffrey S. Smith, assistant general counsel, Office of Production Management, has been assigned as head of the legal staff of the Priorities Division.

L. K. Strauss, sales manager of the New York branch of the Shaw-Walker Co., will serve as secretary of the Division, succeeding Dr. W. S. A. Pett, who has had to return to his post as president of Elmira College.

First-aid for the Army

Because of the wide expansion of recre-

tional facilities in connection with the growing Army, action taken by the War Department on April 1 made available to all posts, camps, and stations instruction and services of the American Red Cross in connection with training in first-aid, swimming, and life-saving.

In every case where the need arises, safety precautions and measures will be established and strictly applied to protect soldiers, particularly in connection with recreational activities.

Commanding generals of all corps areas, chiefs of arms and services, and department commanders have been in-

structed that unit commanders are au-

thorized to contact the nearest field di-

rector, American Red Cross, for any aid they consider necessary along first-aid training lines.
CONSUMERS...

District of Columbia rent control bill

The primary aim of any law to maintain fair rents during the emergency should be to prevent serious rent increases rather than to attempt to remedy such increases once they have occurred, according to a statement by Consumer Commissioner Harriet Elliott on April 3, at the House subcommittee hearing on H. R. 3736, the Rent Control Act for the District of Columbia. The full text of Miss Elliott's statement follows: "Mr. Chairman, I have come to testify on H. R. 3736, the Rent Control Act for the District of Columbia. You of course recognize that the maintenance of fair rents is of vital concern to consumers. The Consumer Division, OEM, has suggested fair rent legislation for States where rent problems have become acute because of the defense program. "The question naturally arises as to my attitude on this bill."

Rent increases impede defense program

"The Consumer Division suggested rent legislation to the States for the following reasons: (1) The defense program, by bringing an influx of people into centers of defense activity, has created a situation likely to lead to sharp rent increases. Already, reports of such increases have come from many parts of the country. (2) Rent increases impede the defense program for they threaten to set off a price spiral by raising living costs. At least a fifth of the average consumer's total living costs consists of pay for shelter. (3) The only real remedy for the housing shortage resulting from an influx of workers is the construction of new houses. But this takes considerable time, and action in the interim is necessary to keep rents within bounds."

District of Columbia rents

"These conditions obtain in the District of Columbia. Defense activity has already drawn an estimated 30,000 new workers to Washington; another 28,000 are expected before the end of the next fiscal year. All reports indicate that there are virtually no fit quarters available for newcomers at less than $50 per month. Rents in the District have for some time been very high in comparison with other cities."

"In suggesting legislation to the States, the Consumer Division has stressed the preventive character of sound rent legislation. The aim of any law to maintain fair rents should be to prevent serious rent increases rather than to attempt to remedy such increases once they have occurred. It is better to lock the stable door while there is still time. "I shall not attempt to comment on the details of the bill which is before you for consideration. Its essential characteristics are very similar to those of the bill which my Division has suggested. The major differences between this bill and ours grow out of the difference in the situations to which the two bills are designed to apply. (1) H. R. 3736 applies to a single administrative area; the Consumer Division bill applies to State jurisdictions, and calls for a State-local administrative set-up which would be inapplicable in the District. (2) H. R. 3736 is designed to deal not only with the immediate emergency but with conditions producing high rents in the District over a long period. The Consumer Division bill is conceived as applying to an emergency situation of comparatively short duration. This difference is perhaps the basis for the greater administrative discretion and consequent flexibility provided in H. R. 3736, as compared with the inclusion in the Consumer Division bill of certain specific exemptions and of obvious limitations on repose by landlords."

"I trust that questions of detail in administration and other particulars can be ironed out quickly in order that the measure may be brought before the House of Representatives for prompt consideration. May I stress again the preventive aspects of sound rent legislation and urge that the proposed measure be carefully considered from this point of view. Any bill will, in my opinion, be in the public interest and in the interest of national defense if it provides a procedure that will protect tenants from exorbitant rents, prevent disruptive rent increases, assure fair and reasonable rent to landlords, and permit the construction of new housing at levels which the majority of incoming workers can pay."
Cotton Textiles

Following the recent upward movement of prices in the cotton market, the question has arisen as to whether or not this advance will be sustained. Here are some of the basic facts concerning the present situation:

The recent price increases have given the mills margins as high as they enjoyed in 1937 and in general have put them in a favorable position. Current prices allow a margin for increased labor and material costs.

The reassuring factors in the situation include an abundant supply of cotton and a tremendous production capacity both for yarns and finished goods. In addition, there has been a wide covering of needs prior to the existing prices and at lower than current prices. The cotton textile industry has repeatedly shown an ability to correct sudden and sharp price increases such as those which have recently occurred. It should be pointed out that spindle consumption of cotton is at an all time high.

Defense orders have been repeatedly cited as the reason for price increases, yet most of the recent heavy trading was in constructions not used or in demand by the defense forces. While completely accurate figures are not available as to total cotton consumption by the Government, estimates for the year 1940 range from a minimum of 500,000 bales to a maximum of 1,000,000. These figures include not only military but WPA and other Government uses. Consumption of cotton in the 1940 crop year was about 8,000,000 bales. Annual production is in the neighborhood of 12,000,000.

There was recently a tightness in cembed yarns. Total Army orders are in the neighborhood of 66,000,000 pounds. Of this, 10 percent or more has been delivered. This compares with an annual production of approximately six times that amount.

Coffee

Recent increases in coffee prices have put this commodity into the news. The basic facts about this situation are as follows:

1. The minimum export price policy of Colombia.
2. The Colombian quota.
3. A fear of a shipping shortage.
4. Speculation in coffee.

Net imports of green coffee which may be used roughly as consumption figures are as follows for the last 3 years: 1940—2,640,582,600 pounds; 1939—1,985,147,600 pounds, and 1938—1,977,549,000. The quota for imports of green coffee for the year beginning October 1, 1940, is 2,102,188,400 pounds. There is some question as to whether the quota provision for this year will completely cover the possible increase in consumption which may be expected with increased employment.

Existing stocks of coffee in the United States are almost double those of a year ago. The figures for visible supplies as of March 28 of this year and last year are as follows: 1941—388,771,602 pounds and 1940—216,747,112. One of the factors complicating the situation is the fact that supplies of mild coffees which come from one group of South American countries are likely to be more difficult to get unless action is taken under the provisions of the Inter-American Coffee Agreement. Under this agreement, for instance, imports of coffee from Colombia, one of the chief suppliers of mild coffees, the quota was set lower than for any of the years of 1937, 1938, and 1939. Generally speaking, the following factors now enter into the price situation:

1. Speculation in coffee.
2. The Consumer Division is working with the United States Maritime Commission to assure the necessary shipping facilities. There is no bullish factor in the coffee price situation that cannot be handled by direct Government action.

Shoes

Army orders of men's shoes have been an element much discussed in connection with the price and supply situation on shoes for civilian use. Here are the latest facts:

Since the beginning of the defense program, orders have been placed for nearly 8,000,000 pairs of Army service shoes and funds for the purchase of 3,000,000 more pairs have been provided in a recent appropriation. The best obtainable estimates as to the productive capacity of men's and youths' and boys' shoes (all methods of construction) put total annual production at 137,000,000 pairs. The Army buys only well construction. Possible production of men's and youths' and boys' shoes of this type are put at the figure of 88,000,000 pairs annually. Army orders to date constitute, in other words, 12 percent of annual production of men's, youths' and boys' welt shoes and but 7 percent of all production of such shoes. Exports constitute a negligible factor in the shoe situation.

Expansion of plants would be relatively easy in case this becomes necessary as the most important machines in shoe manufacturing are to be obtained on a royalty or lease basis. Two-shift operation, however, is probably not feasible.

Imports of hides, principally from South America, have been proceeding in recent months at the rate of 500,000 a month. This plus domestic production will cover civilian and military needs. Tanners have been proceeding on a rather cautious basis but are now understood to be increasing production. One reason for their unwillingness to push production faster is that the hides this season are relatively poor and they were not for this reason anxious to build up their inventories. Future supplies of hides will depend upon the adequacy of shipping facilities, on which problem the Consumer Division is working with United States Maritime Commission officials.

There is a more active demand just now for men's shoes than for women's since an increasing number of men are going back to work. While complete figures on inventories are not available, figures of the Department of Commerce with reference to inventories of chain shoe stores show that for January the total value of inventories rose 8 percent to a level slightly below that in January of the preceding year.

Foods

In next week's issue the food supply situation, with particular reference to the requirements of Great Britain, will be discussed in detail. Data will be presented on basic supplies of leading foods and the country's capacity to send supplies abroad.
STATE AND LOCAL COOPERATION . . .

Additional training needed in police, fire, health, and public works departments

New or additional municipal in-service training programs should be launched immediately to meet personnel needs of municipal departments concerned with civil protection, the Committee on Public Service Training in the Emergency has recommended in a progress report to Mr. Frank Bane, Director of the Division of State and Local Cooperation, Office for Emergency Management.

Need for in-service training

Urgent need for in-service training of personnel in such municipal departments as police, fire, health, and public works led the Committee to present a brief preliminary report at this time, the chairman stated.

Only about one-seventh of State and local employees, exclusive of school employees, are now reached through in-service training programs. Although such programs are most advanced in the fire-fighting and police services, the Committee regards even these as inadequate in all but a few cases.

Preliminary findings are based on data gathered by State leagues of municipalities, State and Federal vocational education authorities, estimates from the Federal Bureau of Investigation, and other sources.

Recommended action

The eight recommendations made by the Committee follow:

1. Immediate consideration should be given by Federal, State, and local agencies to the present and potential impact of the defense program on their respective fields of public service. The initiative in urging such consideration might come appropriately from the Division of State and Local Cooperation.

2. There should be Federal-State-local cooperation in the formulation of training programs to meet defense-connected public service needs.

3. Training under the defense program should be opened immediately to certain public service occupations essential to civil defense.

4. Primary responsibility for training municipal officials and employees for defense, as well as for regular activities, rests on local authorities and citizens, but advice and assistance should be made available by Federal and State authorities.

5. Because the defense emergency emphasizes the importance to the Nation of trained personnel, the Federal Government should provide financial and other assistance to States and localities for those aspects of public service training definitely related to defense.

6. State governmental agencies should cooperate in sponsoring or conducting in-service training programs related to defense activities.

7. In development of local training programs for defense activities, consideration should be given to such phases of the problem as: Training for immediate responsibilities as well as those that may have to be assumed later, training in basic knowledge and skills, training at the management and supervisory levels before training at the operating level, and training of instructors and others who will exercise leadership.

8. Insofar as possible, existing agencies should be used in preference to the establishment of special defense training agencies.

Committee personnel

The following committee was appointed at a conference called by the Division last November: Mr. Roy Owsey, of the American Municipal Association, chairman; Mr. Paul V. Betters, United States Conference of Mayors; and the Honorable Daniel W. Hoan, former mayor of Milwaukee and Associate Director of the Division of State and Local Cooperation. Dr. Katherine A. Frederic, staff member of the Division, is consultant to the Committee.

Local civilian defense plan announced in Massachusetts

A plan for local civilian defense organization has been sent to committees throughout the State by the Massachusetts Committee on Public Safety, it has been announced. This plan is to avoid "eleventh-hour improvisation and hasty organization that would probably be hysterical and inefficient," it was said.

The Massachusetts Committee on Public Safety, of which the Honorable Channing H. Cox is chairman, serves as the State defense council. Local public safety committees are already established in 333 cities and towns.

"The organization best suited to meet the needs of civilian defense," states the Committee on Public Safety, "is one which will combine central help and guidance with a large measure of local decentralization and which will also allow sufficient elasticity to meet the varying needs of the communities within the Commonwealth.

"It is both necessary and advisable that the cities and towns should work out the details of their own organizations with due regard to local conditions. Nevertheless, if all local organizations are set up as nearly as possible on the same basis, it will simplify both making and carrying out any plans, and greatly expedite forming an effective State-wide organization."

The Committee has recommended that all localities concentrate responsibility in a chairman, with an executive committee of not more than five, and in the various divisions fix responsibility definitely either upon one person or a small committee.

Separate women's division not necessary

The State Committee believes that there should be no separate women's division, unless one proves desirable later to help in enlistment of women volunteers. The State policy is that each field of local activity "should be handled by men and women working together in proper proportion to evident needs."

Suggested plan for local units

The suggested organization plan for local units of the Massachusetts Committee on Public Safety calls for a chairman and an executive committee composed of chairmen of the following divisions: Planning, Publicity, Protection, Health and Social Services, and Services and Supplies.

The Executive Committee will encourage coordination of community agencies, such as the American Legion, Red Cross, and other groups.
Twelve States have legal provision for defense councils

Ten of the 1941 legislatures have now enacted measures providing for a State defense council. Laws on this subject approved since those reported in the March 18 issue of Defense are: Indiana (Senate bill 85), approved March 10, 1941; Montana (Senate bill 196), approved March 11, 1941; West Virginia (House bill 389), approved March 14, 1941; Pennsylvania (House bill 225), approved March 19, 1941; Washington (House bill 596), approved March 21, 1941.

Since two State defense councils were established by law in 1940 (Maine and New Jersey), 12 States now have made legal provision for defense councils or similar agencies.

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Local defense councils launched in Florida

Organization plans for local defense councils throughout Florida were launched in Tampa on April 1 at a meeting of local government officials and other leaders of the First Congressional District, called by Governor Speer. L. Holland, chairman of the State Defense Council.

Purpose of the meeting was to outline the State defense program and to work out details of organization for civilian defense in each county. Those called to the district meetings are expected to assemble immediately leaders of civic, fraternal, veteran, and other organizations in their communities for the purpose of establishing county and local defense units.

Additional meetings will be held at Jacksonville for the Second Congressional District, Tallahassee for the Third, West Palm Beach for the Fourth, and Orlando for the Fifth.

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State Guard units

With the induction of the National Guard units into the Army of the United States nearing completion, reports made by various States indicate that work of organizing State Guard units to serve during the absence of the National Guard units has been progressing rapidly.

In twenty-eight States, organization of State Guard units either already is well under way or will begin soon.

Strike settled ...

(Continued from page 4)

Pending a recommendation for settlement by the Board, which will proceed with an investigation under section 2 (d) of the President's Executive order; (2) the Board will ask the National Labor Relations Board for speedy determination of the appropriate bargaining agencies; (3) employees returning to work promptly will not lose seniority rights; (4) each employee will receive not less than his average earnings during 4 weeks preceding the strike until such time as his former regular work or its equivalent is available to him; and (5) employees agree that proper shop discipline will be maintained during the period of investigation and fact-finding by the Board.

This agreement was signed by members of the panel, the company and the AFL. Allen Haywood, who was appointed a member of the panel at the request of Philip Murray, filled the following reservations: (1) A dissent from the words "or its equivalent" in section (4), and (2) "I have suggested that pending the proposed investigation that means be provided for employees to have grievances adjusted by representatives of their own choosing, this to apply to all groups in order to guard against discrimination."

In response to telegrams received from the union and the company on April 3, charging and denying violations of the agreement, the Board appointed Don Leschow as a special representative to investigate. (5) Snoqualmie Falls Lumber Co., Snoqualmie Falls, Wash., certified April 1. Agreement reached April 7.

(6) Allis Chalmers Mfg. Co., West Allis, Wis., certified April 5. Meeting with Board opened April 5. Agreement reached April 7.

(7) Cowles Tool Co., Cleveland, Ohio, certified April 5.

(8) Standard Tool Co., Cleveland, Ohio, certified April 5.

(9) Seas Shipping Co., New York City, certified April 5.

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Aircraft appointment

Appointment of H. R. Boyer as chief of the manufacturing unit, Aircraft Section, Office of Production Management, was announced March 28.

Text of settlement ...

(Continued from page 5)

writing to the opposite party at least 30 days prior to the expiration of the agreement that it does not want to renew the agreement or that it proposes certain changes therein. If a new agreement cannot be reached within the 30 days, then the existing agreement shall be automatically extended for a period of not more than an additional 30 days during which the negotiations shall be continued before the United States Conciliation Service.

Agreed for the Company: Allis Chalmers Mfg. Co.

By MAX W. HABER,

President.

Agreed for the Union subject to ratification:

FRED MCINTYRE,

GEORGE S. NORDSTROM,

Reg. Director.

C. H. HAFFERKAMP,

Barg Committee.

FRANK BOLKAI.

H. CHRISTOFFEL.

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Retailers ...

(Continued from page 14)

St. Louis. Restraint in price increases and in advertising which induces the consumer to make speculative advance purchases is essential if price spiralling and panic buying is to be avoided, Miss Elliott said.

"The maintenance of living standards requires increasing production of consumer goods as far as that is consistent with military production requirements," Miss Elliott emphasized. "It also requires extensive cooperation between consumers and retailers in resisting unjustified price rises, preventing buying hysteria and in learning to use substitutes for items which are temporarily restricted because of urgent defense requirements."

Advisory committee

Commissioner Elliott commenced the work of the Retailers' Advisory Committee and the Advisory Committee on Wholesale Distribution which have been cooperating with her office in promoting measures for consumer protection among the retailing and wholesaling trades.
Zinc scrap . . .

(Continued from page 3)

supply of zinc to satisfy both defense and civilian demand and because effective steps have been taken by producers of primary slab zinc, at the request of the OPM Priorities Division, to facilitate the flow of primary zinc into defense channels.

Maximum prices for other products imminent

Unwarranted price increases in various other industries have been reported during the past few days.

"Should these movements continue, price ceilings will have to be established in these industries," Mr. Henderson said.

(Editors may obtain "Price Schedule No. 3—Zinc Scrap Materials and Secondary Slab Zinc"—by communicating with the Division of Information, Office for Emergency Management.)

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Stabilization of secondary copper and brass markets considered

Leon Henderson, director of the Price Stabilization Division of the National Defense Advisory Commission, announced that a meeting was held April 3 by the officials of the Price Stabilization Division, who have been studying the current market situation in copper and brass, and a large group representing different branches of the secondary copper and brass industry. The meeting was attended by persons representing ingot makers, custom smelters, dealers, brass mills, and founders, and other consumers. Under discussion were the salient facts in the brass market situation and ways and means to stabilize these markets.

A small advisory committee representing the various branches of the industry is being formed. This committee will meet with officials of the Price Stabilization Division early next week to furnish technical advice on a different program to stabilize these markets.

Iron and steel scrap prices stabilized

A price schedule establishing ceiling prices for iron and steel scrap was issued April 3 by Leon Henderson.

This action was made necessary, Mr. Henderson explained, by speculative activity which has put inflationary pressure on iron and steel scrap prices during the last few months.

"For more than 6 months, the Price Stabilization Division has been making a survey of the iron- and steel-scrap industry, and in the course of its study representatives of all branches of the industry have been consulted," Mr. Henderson said.

"In January, I asked the industry to cooperate with the Government in its effort to prevent run-away prices. For the most part, the response to my request has been wholehearted. Some persons in the industry, however, have been continuing their speculative practices at the expense of those who have cooperated. This price schedule is our answer to the speculators.

"The ceilings fixed in this schedule are established at a level which will insure a fair return to all persons in the industry, requiring the maker to stand a reduction from the prices which have prevailed."

Three schedules of maximum prices

The new price schedule establishes three schedules of maximum prices: The first, for iron and steel scrap other than railroad origin; the second, for iron and steel railroad scrap; the third, for iron and steel scrap for export.

For iron and steel scrap other than scrap of railroad origin, the ceiling—using No. 1 Heavy Melting as an example—is $2.00 per gross ton, Pittsburgh, with differentials below that base fixed for each point of major consumption, and with corresponding arrangements made for the various other grades.

The maximum price for unpurchased yard scrap is established at $2.50 less than the prices fixed for each grade. The ceiling applies to any sale to the consumer.

For iron and steel railroad scrap, ceiling prices are established at which each of six specified grades may be sold to or purchased by a consumer. Formulas are set up by which prices of other grades of railroad scrap may be computed, based on a railroad's past experience.

Maximum export prices from Atlantic coast ports are the maximum prices established for the domestic consumer at the nearest consuming point, less transportation charges free alongside point of export and plus a charge of $1 to cover various expenses incident to exporting. Persons who acquired scrap before April 3, 1941, at prices higher than the maximum prices established by the price schedule, for carrying out contracts entered into before April 3, are given 1 week to complete their contracts. On and after April 10, 1941, the price schedule will apply to all such transactions.

Brokers' allowance

A commission not exceeding 3 percent of the maximum prices established is the limit allowable to agents or brokers. Thus the ceiling price remains available for transportation handling, and purchase from the maker and the dealers.

Rigorous enforcement

"The price schedule for iron and steel scrap will be rigorously enforced," Mr. Henderson said. "The powers of the Government to place compulsory orders, to condemn or requisition properties, to issue priorities, and to use other powers available for carrying out the defense program will be exerted to the utmost."

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Warning issued to lead industry

A declaration that it may soon be necessary to establish a price ceiling on lead was issued April 3 by Leon Henderson, Commissioner of Price Stabilization, NDAC.

Leading producers report an unexpected large increase in demand, and there are indications, Mr. Henderson said, that this excessive demand is due in great part to unnecessary, large forward buying and stocking up. Domestic production plus available supplies of foreign lead from Mexico, Canada, Australia, and South America are much more than adequate to meet real consumption at current levels, he asserted.

In view of this situation, Mr. Henderson said, he has requested the leading producers to refrain from further increases in the price, which has advanced from 5.50c per pound to 5.85c per pound since February 10.
Purchases...

Contracts for Government-financed plant expansion over billion dollars

Contract awards for Government-financed plant expansions in the national defense program through February totaled $1,350,445,281, the Office of Production Management announced April 2. In addition, letters of intent covering plant facilities estimated to cost $244,000,000 have been issued. Plants for which certificates of necessity have been issued, but which are being financed by private borrowing, will cost $383,000,000.

Plus British financing

Add to this $171,000,000, which is the cost of plants financed by the British Government, and a total of $7,098,000,000 is arrived at as an overall cost of defense plant financing in the United States under Government supervision as of the end of February.

Privately financed

In addition, several hundred millions of dollars is being spent privately on defense plant facilities without Government supervision. There is, as yet, no reliable estimate of this amount.

Contract awards for 8 months

The following table shows the total of contract awards by the Army, Navy, and Maritime Commission on Government-financed projects by months:

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<thead>
<tr>
<th>Month</th>
<th>Amount</th>
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<tbody>
<tr>
<td>July</td>
<td>$32,249,746</td>
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<tr>
<td>August</td>
<td>40,389,111</td>
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<tr>
<td>September</td>
<td>222,772,245</td>
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<tr>
<td>October</td>
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<tr>
<td>November</td>
<td>114,240,922</td>
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<td>December</td>
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<td>January</td>
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<td>141,280,590</td>
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U.S. will buy 10,000,000 cases fruits and vegetables for armed forces and CCC

Canned fruit and vegetable requirements that may be needed from the 1941 pack for the armed forces of the United States and for the Civilian Conservation Corps reveal that about 7,900,000 cases of canned vegetables and 2,260,000 cases of canned fruits will be purchased, according to the latest available estimates compiled by the Food Supply Section of the Agricultural Division of the National Defense Commission.

"Requirements of canned fruits will represent about 5 percent of the 1935-39 average annual pack of the fruits listed, while the cases of vegetables represent 8 percent of the 5-year annual average pack," George Livingston, chief of the Food Supply Section, said.

This estimate includes the combined requirements of the Civilian Conservation Corps, Coast Guard, and Marine Corps, as well as the Army and Navy.

The itemized estimate of the canned fruits and vegetables to be purchased from the 1941 pack is subject to change due to the availability of stocks and relative prices, as well as the necessity of maintaining balanced rations and variety in diet for men on active duty. However, the total estimated consumption is based on actual Army and Navy feeding experience as applied to present estimates of the number of men to be fed over the period July 1, 1941—July 1, 1942.

Army and Navy contract awards pass 10-billion mark

Contracts awards of the Army and Navy in the national defense program totaled $11,884,000,000 as of March 8, according to a compilation made by the Bureau of Research and Statistics, Office of Production Management, and released March 31.

Army

Army contract awards in the defense program as of March 8 totaled $5,983,500,000 against an authorized program of $7,098,000,000. Contracts covered 83.1 percent of the program. The lag in Navy awards is due to the fact that authorizations cover completion of ships in 1942 and 1943.

A break-down of these figures by classification of award follows:

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General counsel appointed for export control

Appointment of Maj. Arthur N. Ziegler as general counsel of the office of the Administrator of Export Control, was announced March 31 by Brig. Gen. Russell L. Maxwell, Administrator of Export Control.

Major Ziegler has served with the office of the Administrator of Export Control since its organization on July 2, 1940, and previous to his designation as general counsel, was chief of the administrative division.
Compilation of defense contracts cleared and awarded, March 27 through April 2

Defense contracts totaling $180,956.265 were awarded by the Army, Navy, and Maritime Commission and cleared by the Division of Purchases, Office of Production Management, during the period March 27 through April 2.

This compares with $306,221,863 for the previous week and $107,604,237 for the week ended March 19.

Cleared contracts awarded by the War Department during the latest period totaled $76,496,661, by the Navy Department, $13,059,604, and by the Maritime Commission, $19,500,000.

CONSTRUCTION

WAR DEPARTMENT

Four contractors: Alfred B. Friend, the Volz Construction Co., The Rock City Construction Co., and the Flint-Jordan Construction Co., Inc., all of Jackson, Miss.; construction of airbase facilities at Meridian, Miss.; airport; architectural and engineering services, Burge & Stevens of Atlanta, Ga.; $1,406,535. Hardaway Contracting Co., Columbus, Ga.; construction of Air Corps Flying School at Albany, Ga.; $2,884,000. Curtiss Propeller Division, Curtiss Wright Corporation, Beaver, Pa.; construction of building including machinery and equipment at Beaver for manufacture of airplane propellers; $5,221,100.

Wright Aeronautical Corporation; construction of buildings, machinery, and equipment for new engine plant at Lockland, Hamilton County, Ohio; $43,037,490.

Otis Elevator Co., Harrison, N.J.; construction of plant and equipment for manufacture of crankcases; $6,954,735.

Cleveland Pneumatic Tool Co., Cleveland, Ohio; expansion of Cleveland plant to manufacture aircraft struts and other airplane parts; $3,739,000.

Republic Aircraft Division, Republic Aviation Corporation, Detroit, Mich.; construction of new plant at Detroit; $1,500,000.

Wyman-Gordon Co., Harvey, Ill.; machinery and equipment to expand its facilities for manufacture of forgings; $1,133,495.

NAVY

Crucible Steel Co. of America, Harrison, N.J.; extension of present buildings, machinery, machine tools, and facilities; $2,465,512.20.

General Motors Corporation, Pontiac Motor Division, Pontiac, Mich.; acquisition of machinery and equipment for manufacture of ordnance material; $5,700,000.

American Bosch Co., Providence, R.I.; expansion of shipbuilding facilities; $825,000.

Barrett & Hilp, San Francisco, Calif.; administration building and miscellaneous buildings at the Navy Yard, Mare Island, Calif.; $850,000.

Barclay White Co., Philadelphia, Pa.; pattern shop extension, battery storehouse, quay walls, and services at Navy Yard; $915,000.

SHIP CONSTRUCTION

MARITIME COMMISSION

Alabama Dry Dock & Shipbuilding Co., Mobile, Ala.; construction of 13 emergency cargo ships; $19,500,000.

ORDNANCE

WAR DEPARTMENT

Metal Specialties Co., Cincinnati, Ohio; artillery ammunition components; $700,972.

Scovill Manufacturing Co., Waterbury, Conn.; artillery matériel; $2,100,060.

NAVY

Ford Instrument Co., Inc., Long Island City, N.Y.; supply of certain items of ordnance equipment; $1,887,300.

EQUIPMENT & SUPPLIES

WAR DEPARTMENT

Ford Motor Co., Dearborn, Mich.; trucks, 11/2-ton for CCC; $1,417,673.22.

International Harvester Co., Chicago, Ill.; trucks, 21/2-ton; $1,400,852.25.

Studebaker Corporation, South Bend, Ind.; trucks, 21/2-ton; $1,373,171.80.

Fargo Motor Corporation, Detroit, Mich.; cars, 5-passenger sedan; $599,500.

Singer Manufacturing Co., Elizabeth, N.J.; machinery and equipment for manufacture of artillery parts; $869,000.

American Bleached Goods Co., Saylesville, R.I.; cotton cloth, 1,600,000 yards; $803,040.00.

J. P. Stevens & Co., Inc., New York, N.Y.; cotton cloth, 1,700,000 yards; $654,250.00.

Seneca Textile Corporation, Barrowsville, Mass.; mosquito netting, 2,784,919 yards; $508,846.03.

Navy

Strathers Wells Titusville Corporation, Titusville, Pa.; gears, steering electric hydraulic type; $655,742.00.

Defense contracts cannot be "bought"

A blunt warning against individuals or organizations who give the impression that employment of certain agents or "contacts" will help anyone to get a contract under the defense program was issued March 31 by Donald M. Nelson, Director, Division of Purchases, Office of Production Management.

Sell Army and Navy direct

"Any businessman who wants to sell goods or services to the Army or Navy can make his contacts direct with the Army and Navy purchasing officers," Mr. Nelson said, "We do not need to join any special organization or take space in a commercial exposition in order to get in touch with these officers or in order to enhance his chance of getting a contract from them."

"The businessman is simply foolish if he thinks paying a fee of any sort to any person or organization will make it easier for him to get a defense contact. If any person or organization makes the flat claim that payment of such a fee will expedite the securing of a contract, we would like to know about it. The Department of Justice will be asked to look into all such claims, and will also be asked to investigate any persons who pay the fees."

Mr. Nelson pointed out that the Government has set up several offices through which a prospective contractor can obtain full information about the steps that are necessary in selling to the armed services.

Use Defense Contract Service

The Defense Contract Service, established by the Office of Production Management in cooperation with the Federal Reserve System, was set up for this very purpose. Regional offices of this service are maintained at all Federal Reserve Banks and all Federal Reserve branch banks. The location of the regional Reserve bank or branch bank can be learned from any bank. Defense Contract Service offices already have officers to advise on contracting and financial problems, and they are adding technical staffs to aid in engineering problems.
HOUSING . . .

Housing expansion needs outlined by coordinator

The growing defense effort has called for an expansion in the program to provide adequate housing for families of workers in defense industries and the enlisted personnel, it was stated by C. F. Palmer, Coordinator of Defense Housing, in a Nation-wide broadcast over the Mutual System.

Mr. Palmer stated that the first measure for expansion is another $150,000,000 for Government-constructed houses which he hoped would be available in the near future. The measure has already been passed by the House of Representatives and reported favorably by the Senate Buildings and Grounds Committee.

Two additional measures, already passed by Congress, would provide the necessary impetus to complement this direct appropriation for present needs, according to Mr. Palmer. One provides $100,000,000 by giving more liberal FHA terms in guaranteeing mortgages in defense areas, and the other provides $5,000,000 for trailers, dormitories, and other temporary shelters to be used for piecing out in places where the defense work is running ahead of housing construction.

Present provisions

In reviewing the initial defense housing program, the Coordinator stated that at the start the United States Housing Authority was able to put in more than $30,000,000 of its regular funds for housing in defense areas, much of which is now built and occupied. Next, the President allocated $10,000,000 of his general defense fund to be used by the Defense Homes Corporation as a feeder for private enterprise. $100,000,000 was appropriated by Congress for use by the Army and Navy for housing other than the construction of barracks. The final measure was the Lanham Act providing $150,000,000 for the housing of the families of industrial workers.

All of this money, Mr. Palmer said, now has been allocated.

Decent housing for all of America

The Coordinator said: "We are concentrating on housing of defense workers because of the emergency. But before I tell about that job, I want to make it clear that no one who is working in defense housing has forgotten the other Americans who also need decent houses but who do not have defense jobs. One thing, in fact, has been proved by the war in Europe. The health and working power and security of every family are important in the total defense of our country. "We are glad to realize now that because this crisis came up, this country had begun to protect and improve the homes of America. Eight years ago, the American people decided not to take their troubles lying down. Ever since, you have supported the many different efforts of your Government to do away with slums, to keep people from losing their homes, and to build up decent housing conditions in cities, in villages, and on farms."
INTER-AMERICAN COOPERATION ...

Women leaders cooperate on Inter-American relations

Executive heads and representatives of leading women's organizations in the United States conferred April 1 with Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, to plan for more effective cooperation between the Coordinator's Office and organizations interested in inter-American relations.

Miss Mary Winslow, adviser for civic projects to the Coordinator in connection with the activities of women's organizations, served as chairman of the meeting.

The assembled women heard Mr. Rockefeller outline the necessity for cooperative action involving women's organizations in the field of inter-American relations—and describe the efforts of the Coordinator's Office to implement the cultural and economic defense of the Americas.

Mr. Rockefeller reemphasized the necessity for the maintenance of adequate shipping facilities in the inter-American trade and for priority consideration of vital orders from the other American Republics.

Concerning the role of women's organizations in the program of the Coordinator's Office, he said in part:

Poll of public opinion

"A few months ago a poll was made of public opinion in the United States in regard to the other American Republics. The information secured from this poll showed us several very significant things that will help to direct our program. Perhaps the most important thing shown by the study is the very definite relation between the opinions of people and the amount of information they have. For instance, when the question was asked whether the United States should lend money to Central and South American countries to help them build up their industries, railroads, and defenses, 69 percent of those who were well informed answered in the affirmative.

Need for closer relations

"The well-informed were practically unanimous in thinking that the United States should make an effort to bring about better understanding and closer relations with the other American Republics, and a very large majority wanted this done even if it cost the United States a great deal of money.

"The result of this poll of public opinion indicates clearly one of the most important fields of action that must be covered if any program such as the one we are embarked on is to produce results. To put it bluntly—we must have a well-informed people. We can arrange for radio broadcasts, concerts, and lectures, but we must have listeners. We can stimulate the production and import of commodities from the other American Republics, but we must have buyers for those commodities. We can arrange for teaching of Spanish and Portuguese, but we must have students.

Fields of action

"As I see the needs of the present situation, the most important fields of action for the people of the United States are:

"First: As a part of the Nation's defense effort and as a permanent extension of the Good Neighbor program, stimulate a general movement for popular education about Central and South America in every community of this country. Only so will we have a well-informed people.

"Second: We should have concerted community action to provide for the study and teaching of Spanish and Portuguese in schools and in classes established for adults;

"Third: We need concerted community action to increase purchases of products imported from the other American Republics; and

"Fourth: It would be most helpful to have concerted action among women's and other organizations to provide suitable hospitality for visitors and to establish direct and friendly contacts with similar groups and organizations in the other American Republics.

"There are many ways of carrying forward this program; but it seems to me that the best and most democratic way is for the men and women of the United States, acting through their many organizations, to play a responsible part in interpreting and furthering that part of a national program that most immediately affects them. You who are taking part in this conference today represent many thousands of women, your organizations extend into almost every part of the United States, your membership includes every type of woman and every variety of women's activities.

"In conclusion I do not need to tell you of the urgency of the questions we are considering. Our entire defense program is intimately related to the question of hemispheric solidarity. We in the American Republics stand alone at peace in a world at war. We must defend the principle of peaceful international relations, and each one of us must be strong so that together we can withstand the shocks and strains of the present conflict in Europe. We must prevent the infiltration of totalitarian methods and ideals. Only if we are successful in doing this can we be sure that we may look forward to a future in which we will be able, to build a stronger and finer democracy for ourselves and our children."

Miss Winslow opened the detailed discussion of methods for intensifying cooperation on the part of women's organizations in the hemisphere defense program.

Use existing organizations

She said, in part:

"We do not need any new organizations of women nor any significant changes in the programs of the existing organizations to make it possible for the women of the United States to play an important role in that part of our defense program that deals with improved relations with the other American Republics.

"Practically every organization represented here today is working actively on this matter. Many of them have been doing this for years. The only problem now is how to intensify these programs and how they can be extended so as to reach the entire community."

Chilean journalists to make coast-to-coast tour

The Publishers' Reciprocal Program has arranged for seven Chilean journalists now working on newspapers in this country to make a tour of the United States beginning April 12.
Chile and Bolivia organize industrial councils

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, has announced membership of the Chilean and Bolivian National Councils, the fifth and sixth of 21 councils being established by the Inter-American Development Commission in its program for the stimulation of trade among the American Republics. Mr. Rockefeller is chairman of the Development Commission.

Chilean Council

The Chilean Council is headed by Dr. Guillermo del Pedregal, who is vice president of the Confederación de Pomeño of Chile. Other members include:
- Senator Hernán Videla Lira, as vice chairman. Senator Videla Lira represents the Liberal Party in the Chilean Senate and is president of the Sociedad Nacional de Minería.
- Luis Aníbal Barrios, president of the Junta de Exportación Agrícola.
- Gastón de Goyeneche, president of the Camara de Comercio.
- Alberto Cabero, former Chilean Ambassador to the United States and president of the Caja de Amortización.
- Carlos Campbell del Campo, former member of the Development Commission and former Commercial Counselor of the Chilean Embassy in Washington.

Bolivian council

The Bolivian Council is headed by Jesús Lozada, of the Bolivian Ministry of Finance. The other members include:
- Carlos Guachalla, as vice-chairman, representing the Cámara Nacional de Comercio; René Gutiérrez Guerra, of the Asociación de Industriales Mineros; Alfonso Jáuregui, of the Cámara Nacional de Industria; Carlos Montes, of the Sociedad Rural Boliviana; René Ballivian, Under Secretary of Ministry of National Economy.
- Emilio Díaz Romero, chief of the Departamento de Política Económica del Ministerio de Relaciones Exteriores, secretary.

Councils in other countries

Similar councils composed of outstanding business, professional, and technical men have been formed in Brazil, Argentina, Uruguay, and Paraguay.

The Inter-American Development Commission is an outgrowth of the Inter-American Financial and Economic Advisory Committee organized following the Conference of Panama.

American Republics will advertise travel attractions in newspapers

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, announced this week the formation of an Inter-American Travel Committee and made public the committee's plans for a program of advertising in 350 of the larger daily newspapers of the American Republics designed to stimulate travel and contribute to broader understanding among the peoples of the Americas.

The board of directors of the travel committee is composed of: J. W. Chapman, vice president, Grace Lines; A. V. Moore, president, Moore-McCormack Lines; J. J. Kelheimer, vice president, United Fruit Co.; C. H. C. Pearse, vice president, Atlantic Gulf and West Indies Steamship Lines; and V. E. Chenea, vice president and general traffic manager, Pan-American Airways.

Travel American

Advertisements sponsored by the Inter-American Travel Committee began appearing in some newspapers in the other American Republics late last week, and it is expected that similar advertisements will appear in the newspapers of all the American countries this week.

"The Inter-American Travel Committee plans through advertising to tell the story of the great possibilities of Inter-American travel," Mr. Rockefeller said. "While the advertising will be directed primarily to the stimulation of travel, it is hoped that it will make a broader contribution to mutual understanding among the peoples of the Americas. The Committee believes this latter objective will be accomplished by the fact that the advertising will be devoted in part to the ways of life and the institutions in the United States as seen through the eyes of travelers from the other American Republics.

Recent reduction in travel rates for teachers, students, and their families will facilitate Inter-American travel, and we know that the more visitors who come to the United States from the other American Republics and the more of our citizens who visit Latin America, the better will be the understanding among all Americans and the greater the appreciation which they will have of each other's values and hopes and ways of life."

Americas warned of totalitarian propaganda

Stating that the front line of home defense will guard this hemisphere from the intellectual imperialism and economic sabotage of the war being waged by the totalitarian powers, Mr. Nelson Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, on March 29 addressed the graduating class of the Sixteenth Session of the National Police Academy, FBI.

Describing the tragic fate which had overtaken the democracies of Europe and pointing out that this hemisphere has been for some time subject to increasingly violent attacks on the economic and ideological fronts, Mr. Rockefeller declared:

"I have seen no more convincing statement of our common danger than that made by President López Contreras of the United States of Venezuela. He warned all of the Americas against a propaganda which he aptly described as a tool of a new intellectual imperialism. He declared that the imperialism of ideas destroys the conscience and creates a moral and political slavery among the nations which fall subject to its influence.

"Mindful of this warning we must do everything possible to preserve the economic stability of the hemisphere because there is a very real possibility that a drastic economic contraction would result in widespread misery and human suffering—suffering which would inevitably produce social unrest and political upheaval. This is the situation which the Axis-controlled minorities have long awaited—minorities which are to be found in all of the countries of the Western Hemisphere.

"If, working from within, they can get control of even a single country, the mechanism for joint Inter-American action, for hemisphere defense, will be disrupted. We will then have to pay the price many times over in men and machines to regain what has been lost.

"Aware of this common danger, the American Republics assembled at Havana resolved to exchange information so that the pattern of totalitarian action uncovered in one republic could be brought to the attention of all the republics. • • •"
Army will mend its own gear

The War Department announced April 1 that it is authorizing the establishment of shops at various Army stations to repair certain items of clothing and equipment.

Machinery and supplies entering into the repair work will be modern and complete. The items of clothing and equipment to be repaired include coats, trousers, breeches, overcoats, raincoats, rubber and leather footwear, blankets, mosquito bars, barricade bags, mattresses and mattress covers, pillows, and tentage.

Labor from Civil Service

Supervision will be in the hands of an Army officer. All classes of the necessary labor will be obtained from United States civil-service registers. It is expected that the minimum staff, working one shift, will approximate 50 people for a one-unit shop to serve 20,000 soldiers and will consist of a shop superintendent, an under clerk typist, an under stockkeeper, 20 shoe repairmen, 2 mattress and pillow repairmen, 2 baling press operators, 18 power-sewing machine seamstresses, 2 hand-sewing seamstresses, and 1 lauber. There will be added 25 employees for each additional 10,000 troops to be served.

Tunney to go on active duty for physical training of Navy

The Navy Department has announced that Lt. Comdr. J. J. Tunney, U. S. N. R., reported March 26 in the Navy Department preparatory to his entry later in April on active duty in the Bureau of Navigation in connection with the physical training and development program of the Navy.

Great Douglas firs to fill defense orders

Great forests of Douglas fir and other valuable trees on 2,500,000 acres of re-vested Oregon & California Railroad grant lands in western Oregon, once threatened with wasteful depletion but preserved by a conservation program, have been made available for national defense. The Secretary of the Interior, Harold L. Ickes, reported March 26.

With the sale during March of more than 167,000,000 board feet of timber from the tracts breaking all records for any single month's operations on the lands, approximately 30 percent of the timber from the O. & C. lands has been devoted to the filling of national defense orders. Among the items furnished for defense purposes were more than 6,000 plies cut from the O. & C. lands for use in the construction and expansion of shipways on the Columbia and Willamette Rivers.

New adviser for Mr. Rockefeller

Nelson A Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, on April 3 announced the appointment of Ralph Hetzel, Jr., as a member of the Advisory Committee on Policy to the Coordinator's office.

Mr. Hetzel is director of the Economic Division of the Congress of Industrial Organizations and editor of the Economic Outlook, the CIO's monthly survey of business and economic conditions.

Prices of canned goods should not be affected by Army demands

Army demands for canned fruits and vegetables should be met easily by the canners, without any danger of scarcity or artificially high prices, Mr. John Baxter, Division of Purchases, OPM, stated in a speech at the University of Maine, March 25.

Consumption of canned foods in the Army will be between four and five times the average for the Nation generally. It is estimated the Army will consume between 8,000,000 and 10,000,000 cases of such foods from the 1941 pack, Mr. Baxter said.

To make it easy for canners to do business with the Army, an additional safeguard has been provided against rejection of foods whereby canners will be allowed to send type samples with their bids, he stated. Should the samples meet specifications, the goods themselves will be inspected before shipment.

Service men for airports

Seventeen training schools for airport service men have been opened to help place WPA workers in private jobs at airfields all over the country. With these schools it is planned to increase the number of students, now 1,800, until several thousand men have been trained in ground service work.

Men who complete the course will be qualified for maintenance and service duties ranging from taxiing and fueling of planes to care of parachutes and crash procedures.