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The following are extracts from the testimony of William S. Knudsen, Director General, Office of Production Management, before the House Military Affairs Committee on April 9, 1941:

**In the 10 months we have been at it—you probably know the figures—we have placed something over $12 billion worth of work through the Army and Navy all over the country. We have handled or supervised the placing of $22 billion of construction of plants, $1/2 billion of which was financed by the Government and the balance was privately financed on a Government guarantee. That comprises 784 projects. In addition to that, we have helped to place three quarters of a billion dollars worth of cantonments and camps; some 40,000 barracks, 44,000 tents, foundations of different sorts, with the facilities to go with them.**

So that today, the original program which we were given by the Army and Navy is practically all in work and we are now engaged in plotting out what is required under the Lend-Lease Bill.

**Machine tool production**

Now, as to the progress that we have made. The first thing we needed, of course, was machine tools—buildings and machine tools. Where we had buildings that could be utilized, we needed tools anyway, and the machine tool industry has done a very remarkable job for us. They have more than trebled their production of 1939; they doubled it last year and will more than treble it this year. They turned out about $200,000,000 in 1939; $400,000,000 in 1940, and we are running now at the rate of $750,000,000 for 1941.

**Plant expansions**

We have expanded every airplane plant and every motor plant that was in existence when we came down here. The expansion runs into many millions of square feet. I cannot quote it from memory, except that when it is finished there will be something like 27,000,000 square feet of floor space added to the airplane plants.

And I suppose you know, because Congress was kind enough to give us the authority, that we are building some plants for bombers, four of them; one in Fort Worth; one in Tulsa, Okla.; one in Kansas City, Mo.; and one in Omaha, Nebr. These four plants are laid out so that they can become service depots for the air force after the emergency is over. We are utilizing them now.

**Industry doing good job**

The only function that we really have down here is that we know where industry is located. We know where the management brains are to be found, the know-how, so to speak.

**Mr. Thomason. Are we to understand, Mr. Knudsen, that in your judgment, on the whole, industry has been doing a pretty good job?**

**Mr. KNUSDEN. Yes, I think so.**

**Strikes**

I do not think labor particularly wants to hinder the national defense program. They just get mad about something once in a while, and that, of course, you have to meet.

Now, you know there are three kinds of strikes. There is a strike for wages and working conditions, and I think that is a perfectly legitimate kind of a strike.

The second kind of strike is a strike for organisation purposes, where the shop is a little slow in getting organized. Then we just get the boys out and talk to them about it.

The third one is the jurisdictional strike, where two locals get to fighting about who is going to do what.

The first kind of strike I think has been pretty successfully dealt with, because they can generally be compromised.

The jurisdictional strike is just a plain stupid one, according to my notion.

**Mr. Thomason. What are we going to do about this labor situation? What is the best way to handle it? We want your advice and explanation. You have been an employee, and you have been a very large employer. Will legislation help any?**

**Mr. KNUSDEN. I do not think so. I was in Texas yesterday or the day before. They just passed a law that anybody who foments a strike gets 2 years in jail. The Governor told me about it, and I somehow did not feel that that was exactly it, although, of course, he knows best what is good for his State.**

**Mediation effective**

**Mr. Thomason. Do you think mediation will do the trick?**

**Mr. KNUSDEN. Yes, I do. I think the Board that has been set up now can do a great deal.**

**Spread the work**

We found when we came into the picture two schools of thought. Today we have no difficulty in selling the idea of subcontracting. And personally—and I am making this statement quite frankly—the more we can spread the work, the more chance we have for success in the program.

**Does not recognize Communist activities**

**Mr. Thomason. Were any of them (strikes), in your judgment, caused by Communist or subversive activities?**

**Mr. KNUSDEN. I do not recognize Communist activities. I do not think Communists amount to anything.**

**Mr. Thomason. You would not say that that was the main or producing cause of a single one of these strikes?**

**Mr. KNUSDEN. I could not say so; no. I do not recognize Communists. I recognize radicals and fellows who are too quick on the trigger, that want to get direct action. But Communism as such—I have not run up against it.**

**Mr. Emmison. You do not think that any of these labor leaders that are creating these strikes are in the employ of the German Government; that they are Nazis?**

**Mr. KNUSDEN. I hardly think so; no; sir; I doubt it. I can't get excited over any foreign government spending money in our country. There might be a few, yes, but on the whole, no. The Communist Party does not exist as far as I am concerned.**
Economic sanctions will be used to bring noncooperative industries into line, Mr. Henderson tells press

Leon Henderson, Administrator of the newly-created Office of Price Administration and Civilian Supply, stated at his first press conference on Saturday that he would employ economic sanctions, if necessary, to prevent increases in the prices of basic commodities.

In answer to questions, he stated that the agency has adequate powers to enforce its control of prices but would rely considerably on publicity and the withholding of supplies from noncooperative industries. The Office, he explained, intends to rely on economic rather than on legal sanctions, and its primary effort will be to gain such wholehearted support from industry and the general public that punitive measures will be needed only in rare cases.

Legal punishment last resort

"If we get to the place where reliance is on sanctions and on legal punishment, we will have reached, in my opinion, the top of our productive effort," he said, "and what that will be will not be a locust to be sounded for enlarging the jails or for taking any kind of aspirin. It will be for taking thought of what is back of it. We have, I expect, more information about price controls and sanctions, and things like that, than was ever gathered before."

First on slate for attention

Products which will receive first attention, Mr. Henderson said, are paper, textiles, steel, coal, drugs, chemicals, nonferrous metals, building supplies, machinery and equipment, and leather and hides.

He pointed out, however, that no immediate action is contemplated and that opportunity would be allowed for price levels on these items to correct themselves.

Efforts to date effective

At the outset of the conference Mr. Henderson discussed at length the history of price control efforts of the Government and the development of the country's productive capacities, particularly as to the availability of supplies.

Pointing out that while the wholesale price index had risen only from 78 to 82 while the production index had jumped from 110 to 145, Mr. Henderson said:

"There has never been a time in the history of American production that anything like that has taken place ... I think that the attention that was given to the supply factor is what was responsible."

Mr. Henderson emphasized that he thought no prices ought to go any higher and that prices of defense materials ought to come down.

Will watch wages as prime cost

Asked the relation of wages to price control, Mr. Henderson said: "There is nothing in this order which gives me the authority over wages. On the other hand, everything in its points to the fact that we will be watching wages as a prime cost, of course, and if there are unwarranted prospective wage rises, the same as there are unwarranted price rises, we will have a decided interest in them."

Questioned with regard to the justification for a possible increase in the price of steel, if a labor demand for a pay raise of 10 cents an hour is obtained, Mr. Henderson replied with a general statement that no prices should be increased at this time.

Mr. Henderson gave as a "reasonable estimate" a statement that the United States productive capacity must expand "another 15 to 18 billion dollars" within the next fiscal year. He recalled that he had made an estimate early in the defense program that 25 billion dollars represented "the easily attained use of America's capacity to produce."

Miss Elliott to continue consumer activities

Mr. Henderson announced that Miss Harriet Elliott, a member of the National Defense Advisory Commission, will continue as head of the consumers' activities, which were absorbed by the Office of Price Administration and Civilian Supply in the President's Executive Order.

Administrative set-up

David Ginsburg will be general counsel of the Office, he said, and John Hamm will be deputy administrator. The organization now being set up, he added, will include a Price Division, a Defense Economics Section, a Defense Finance Section, a Civilian Supply Division, as well as a Consumer Division.

Ceiling prices announced for nickel scrap and nickel alloy

The Government will fix ceiling prices on nickel scrap and nickel alloy scrap unless the prices of these commodities are brought into line with the price of primary nickel, Leon Henderson, Director of the Price Stabilization Division, National Defense Advisory Commission, announced April 8.

Prices of nickel scrap and nickel alloy scrap, he said, are "away out of line" compared with the 35 cents per pound of primary nickel.

Seek stabilized market

"We have received reports that nickel scrap is being sold up to $1 a pound," Mr. Henderson said. "Such ridiculous prices are completely unwarranted and have caused speculation and hoarding. They do not alleviate the shortage of nickel; on the contrary, they merely aggravate an already difficult problem. Only a stabilized market can best serve the interests of our national defense program."

"We intend to correct this situation in accordance with our general program of adjusting the prices of secondary materials in line with the prices of primary materials. To this end we have already established maximum prices for second-hand machine tools, aluminum scrap, secondary aluminum ingot, zinc-scarep materials, and secondary slab zinc."

Holders asked to release stocks

Mr. Henderson urged all persons engaged in the industry to cooperate to the utmost extent by bringing the prices of nickel scrap and nickel alloy scrap into line, and he asked holders of the scrap to release their stocks.

"We must get stocks of scrap into the hands of consumers as quickly as possible," he said, "in order to contribute properly to the defense program."

Textile prices should not rise, Miss Elliott declares

The cotton textile industry appears to be in a good position to meet all possible military and civilian needs without further increases in price, Miss Harriet Elliott, Consumer Commissioner, Office for Emergency Management, said April 9 in commenting on the price and supply situation in cotton textiles.

(Continued on page 14)
DEFENSE MEDIATION BOARD...

Agreements to end two defense strikes reached last week by Mediation Board

The National Defense Mediation Board during the past week, April 6–13, settled one strike, obtained an agreement for settling a second, and received certification of two additional disputes.

The strike settled was that of the Seas Shipping Co., New York City, which had held up three ships bound for South and East Africa—the Robin Hood, the Robin Lockley, and the Eldena. This strike began on March 22 and the case was certified to the Mediation Board by the Secretary of Labor on April 5. Meetings with a panel of the Board opened on April 9, and 2 days later it was announced that a settlement had been reached between representatives of the company and the Marine Engineers Beneficial Association (CIO).

The agreement calls for the employment of two instead of one Junior Engineer and a 50 percent war bonus for voyages into the South Africa waters.

Standard tool agreement

Late Saturday afternoon, April 12, the Board obtained an agreement for settling the 76-day-old strike at the Standard Tool Co., Cleveland, Ohio. The settlement is subject to ratification by Local 217, United Automobile Workers, CIO, the union involved. Terms of the agreement were not made public because the union negotiators wanted to be the first to disclose these terms to their membership.

The strike began on January 27, 1941, and involved 650 workers. It was certified to the Board April 5, and meetings with the Board began 2 days before the agreement was reached.

Two new cases

The two new cases certified to the Board during the past week were the Bayway, New Jersey, plant of the Phelps-Dodge Copper Products Corporation, and the J. Sklar Manufacturing Co., Long Island City, New York.

In the Phelps-Dodge case, local 441 of the United Electrical, Radio and Machine Workers of America (CIO) had gone on strike April 4. The company manufactures surgical instruments. The strike involves 495 workers. The case was certified April 9.

The National Defense Mediation Board held a full meeting Thursday morning, April 10, at which eight members and six alternates were present.

Status of all cases

The status of all cases so far certified to the Board follows:


4. International Harvester Co.—Two plants in Chicago, Ill., and one each in Rock Falls, Ill., and Richmond, Ind. Production resumed March 31 and agreement reached after meetings with the Board April 2. Board investigation pending.


6. Allis-Chalmers Manufacturing Co., West Allis, Wis. Strike settled April 7. Floyd C. Garrison, Dean, Law School, University of Wisconsin, was appointed arbitrator by the Mediation Board on April 11, in accordance with the terms of the agreement settling the strike. Case closed.


10. Phelps-Dodge Copper Products Corporation, Bayway, N. J. Meetings with the Board began April 10 and adjourned the same day. Meetings will be resumed April 14.

11. J. Sklar Manufacturing Co., Long Island City, N. Y. Meetings with the Board scheduled to begin April 14.

Two new appointees will assist on problems of minority groups

Sidney Hillman on April 11 announced the transfer of Robert C. Weaver, of the staff of the Labor Supply and Training Section of the Office of Production Management, to direct a new section dealing with the development of programs for the integration of Negroes into the defense effort.

In carrying out this function, Mr. Weaver will be directly responsible to Mr. Hillman. Before coming with the Office of Production Management, Mr. Weaver was in charge of racial relations in the United States Housing Authority. He performed similar duties with the Public Works Administration.

Consultant for minority problems

In addition to the question of Negro participation in defense, the Office of Production Management is likewise concerned with employment and training problems relating to all minority groups.

Will W. Alexander has been named special consultant to advise with Mr. Hillman on this question.

Mr. Alexander is on loan to the Federal Government from his position as vice president of the Julius Rosenwald Fund. He has recently served as advisor to Floyd W. Reeves, Director of the Labor Supply and Training Section of the Office of Production Management. Mr. Alexander was formerly administrator of the Farm Security Administration.

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TWO RADIO BROADCASTS

"Youth and Jobs in Defense" will be the subject of a radio broadcast on April 19, 12:45 eastern standard time, over the Columbia Broadcasting System. The program will consist of an interview between Mr. Aubrey Williams, Administrator of the National Youth Administration, and Dr. Floyd W. Reeves, Director of Labor Supply and Training.

On April 26, over the same station, at 12:45 eastern standard time, Mr. Arthur S. Flemming, Commissioner, Civil Service Commission, will appear with Mr. Eric Sevareid, noted CBS commentator, in an interview, "Civilian Workers for Arsenals and Navy Yards."
LABOR DIVISION...

Zone standards to stabilize entire Pacific coast shipbuilding formally approved by Government

Formal approval of zone standards for the entire Pacific coast shipbuilding industry, designed to stabilize labor relations and secure maximum construction of ships for the duration of the defense emergency, was announced April 11 by the United States Navy, United States Maritime Commission, and by Sidney Hillman, Associate Director General of the Office of Production Management.

The standards are embodied in a tentative agreement that was worked out voluntarily, in the interest of national defense, by representatives of the shipbuilding industry and of organized labor for all private shipyards of the Pacific coast. These at present are working on $667,000,000 of shipbuilding orders, naval and maritime.

Provision for avoidance of strikes

The agreement provides uniform wage and working conditions, including full provision for the avoidance of work stoppages through industrial disputes throughout the Pacific coast shipbuilding area.

This is the first agreement to result from the establishment, on November 27, 1940, of the Shipbuilding Stabilization Committee in the Labor Division of the National Defense Advisory Commission now under the Office of Production Management. The chairman of this committee is Morris L. Cooke, industrial engineering consultant attached to the staff of the Labor Division.

Conferences began in February

By invitation of the committee, shipyard employers and labor organizations of the Pacific coast met in San Francisco February 3, as the Pacific Coast Stabilization Conference. The conference recessed from February 13 to March 10 and completed its tentative agreement April 2. In addition to Government approval, that of the various firms and labor organizations involved is now being obtained preparatory to the final meeting of the conference on April 21.

This action of approval by the Government was communicated to Mr. H. G. Smith, president of the National Council of American Shipbuilders, who presided over the conference as chairman; Mr. John P. Frey, president of the Metal Trades Department of the American Federation of Labor, its acting chairman; and Mr. John Green, president of the International Union of Marine and Shipbuilding Workers of America of the CIO.

Production shall not be curtailed

Following are the zone standards agreed upon:

Basic wage rates for standard skilled mechanics, for the period of the defense emergency proclaimed by the President of the United States. It is provided that existing wages above the standard are not to be reduced and that higher wages may be paid to premium men.

A standard schedule of hours for shift work, with 10 percent added wage for the second shift and 15 percent added wage for the third shift.

Arbitration machinery

Grievance machinery and arbitration are provided for as follows: All grievances or complaints shall be "promptly settled" between representatives of the employer and employees; where necessary, the services of the United States Conciliation Service will be "speedily secured"; should no agreement be reached, the dispute shall be submitted to arbitration machinery to be established by supplemental agreements, and to be binding upon all parties.

To insure an adequate supply of competent craftsmen, the employers are to establish apprenticeship training programs acceptable to the workers and (Continued on page 9)

Color and religious restrictions noted among some employers

The Social Security Board reported a study of labor shortages showed employers "are tending to relax their former specifications regarding upper age limits, previous experience and training, recency of employment, WPA status, and education * * * There is some willingness to employ women on jobs in which men were formerly preferred, and to retain women employees who marry." But "there does not yet appear to be any marked tendency to relax color and religious restrictions."

A restriction of recent origin, the report said, "which may be regarded as temporary, arises from the reluctance of some employers to hire men of draft age," particularly single men between 21 and 25. The report said "virtually every industrial State * * * employers are refusing to hire 'noncitizens' * * * going far beyond the legal requirements fixed by the Government * * * in industries directly or closely related to defense * * *"

"Farming Out Methods" released—fifth bulletin in series

"Farming-Out Methods," fifth in a series of farming-out bulletins prepared by the Labor Division of the Office of Production Management, was issued April 8. The series is designed to speed up defense production by describing practical methods by which idle machinery and idle skilled workers may be brought together, in cooperation with the program carried out by the Defense Contract Service, Morris L. Cooke, Technical Consultant stated.

Outlines successful techniques

The new bulletin contains information for Government purchasing agents, prime contractors, subcontractors, and community defense organizations.
Hire workers with needed skills regardless of racial identity

The following is the text of a letter which was sent by Sidney Hillman, Associate Director General of the Office of Production Management, to all holders of defense contracts:

Pursuant to the decision of the Office of Production Management, I wish to advise you as follows:

Current reports on labor market developments indicate skilled labor stringency in a number of fields vital to defense production. This threatens to become more general within the next 3 months. Artificial factors, however, are tending to aggravate this increasingly serious situation. In some of these occupations, we are informed there are good workers available who are not being hired solely because of their racial identity.

Utilize local labor

The Office of Production Management expects defense contractors to utilize all available local labor resources before resorting to the recruiting of additional labor from outside their local areas. Our programs of training and labor clearance are being established in accordance with such a policy. In many sections of the Nation there are today available labor reserves of Negro workers. Plans for their training and employment in capacities commensurate with their individual skills and aptitudes should be undertaken at once.

Negro workers excluded

In many localities, qualified and available Negro workers are either being restricted to unskilled jobs or barred from defense employment entirely. Because of this situation, Negro workers of skills and aptitudes are in many instances not being included in many of the training programs for defense. Such practices are extremely wasteful of our human resources and prevent a total effort for national defense. They result in unnecessary migration of labor, in high rates of labor turnover, and they increase our present and future housing needs and social problems for defense workers.

All holders of defense contracts are urged to examine their employment and training policies at once to determine whether or not these policies make ample provision for the full utilization of available and competent Negro workers.

Early scattered returns from labor registration program reveal many unused skills among American workmen

A widespread and highly encouraging response in almost all parts of the country to the national defense labor registration program now being conducted by the United States Employment Service and its affiliated State services was announced April 11 by Federal Security Administrator Paul V. McNutt. Many individuals who are skilled in the defense occupations most urgently needed are registering with State employment offices for the first time, he said.

Early scattered returns

Complete information is not yet available, but early scattered reports indicate a sharp increase in the number of workers registering at State employment offices, particularly in large metropolitan centers. In many areas, registrations during the first week of the program, March 17-22, were as much as 35 percent higher than the week before, with an even more striking increase in certain industrial cities.

Registration reaches far corners*

Reports from Massachusetts, for example, state that 3,600 workers qualified in skilled defense occupations registered during the first week. New York reported that 50,000 registered the first week and that in New York City alone, 3,800 workers who claimed metal trades experience appeared for registration on the first day. In the Detroit metropolitan area, 6,148 new applications were received during the first 11 days. Tulsa, Okla., had about 1,680 applicants the first day. In the same State, an Employment Service interviewer arrived at Duncan, a small town where part-time service is provided by traveling Employment Service officers, and found 30 men waiting to be interviewed; an indication that the appeal to register was reaching into outlying communities and rural areas, as well as the larger centers.

Minnesota reported 4,600 registrations the first day. Texas reported that registrations were "exceeding expectations" with 9,000 the first day. This was three times the average registration experienced in the past 4 years. Missouri reported no actual figures but indicated that there was an increase in the quality of the registrations with more experienced and higher skilled workers coming into the offices. Kentucky reported a 20 percent increase in the number of applicants with metal trades skills.

The experience of States on the west coast was similar. San Francisco reported a 60 percent increase in registrations the first week, but that only a small proportion of the new applicants were "good for immediate referral." Oregon and Washington also reported greatly increased registrations.

Hidden skills revealed

The success of the registration in uncovering urgently needed "hidden skills" among workers who have not previously registered with State Employment offices is indicated in a number of instances reported by State Employment Services.

Skilled workers from unskilled occupations

In Indiana, two highly skilled steel workers registered in a small town where they had been engaged in unskilled occupations. In Pennsylvania, a former superintendent of machinists of one of the largest printing press manufacturing companies in the world, came into an employment office to register. He had retired but said that since his Government apparently needed him he had decided to make his skill available.

Munitions worker from Glasgow, Scotland

In another State, a 45-year-old woman who had been employed as a houseworker came to an employment office to report that she had worked in a munitions factory in Glasgow, Scotland, during the last war.

Craftsmen lost jobs in early 30's

A very large proportion of those with "hidden skills" are salesmen who left their trades and went into sales work in the early thirties. Among them was a man who had formerly worked for an arms company for 17 years; another had for many years been manager of an aircraft company; still another had formerly been a foreman in charge of producing artillery shells during the last war.

April 15, 1941
Additional legislation unnecessary, Hillman reiterates, as he reviews labor relations and labor supply of Nation

Reporting to the House Military Affairs Committee, April 8, on the progress of OPM, with special emphasis on the Labor Division, Sidney Hillman, Associate Director General, said in part:

Most people have the erroneous impression that the only problem that the Labor Division is concerned with is that of labor relations. Our problem is primarily that of labor supply of which labor relations constitutes but one part, although the most publicized part.

During the past 11 months, the output of American industry has increased by 24 percent. But neither management nor machines could have brought these airplanes, ships, and guns into existence though the most publicized part. American labor has so patriotically made Nation some 2 million workers. This 2,000,000 workers added to force of employed workers in our country, but we have tended to forget that during the 10 years prior to the inauguration of our defense program, we had done virtually nothing to provide for the skilled employees without whom no defense program can be realized. We had virtually ceased training apprentices for our industries.

Complete reorganization was necessary

Our job was not merely one of taking unemployed people and putting them in touch with unused machines. Our job was rather one of helping to adapt the American economy to the production of things that it had not made for more than 20 years.

Defense training courses

To accomplish these things required the training of hundreds of thousands of workers. Under the auspices of the Labor Division of OPM (before that the Labor Division of the National Defense Commission) the services of the Civil Service Commission, the United States Employment Service, the United States Office of Education, the Work Projects Administration, the Federal Committee on Apprenticeship Training, and the National Youth Administration have been coordinated. Through them we have set up refresher courses for people who had lost their original skills; preemployment training for people who had never had an opportunity to acquire any skills. A total of over 816,000 have been or are currently enrolled in these various defense training courses.

Training-within-industry

Of course, it has long been realized that the most effective training is that done right "on the job," in the shop or factory. In this connection, we have greatly enlarged the number of apprentices in defense industries through the Federal Committee on Apprenticeship of the Department of Labor.

Program operates within 22 districts

To expedite this whole undertaking, the country has been divided into 22 districts, with a headquarters office in each under the supervision of a T. W. I. (training within industry) representative, each to be assisted by four advisors—one from the A. F. of L., one from the C. I. O., and two from industrial management.

250,000 aircraft workers required

Looking at the mobilization manpower, in terms of total-industry requirements, rather than those of a specific locality, studies made for the Labor Division indicate that 250,000 additional workers will be required this year for the aircraft industry. Almost 80 percent of these workers will be inexperienced newcomers. The program of recruiting and training them is under way.

5,000,000 men and women classified

At the request of the Labor Division, the United States Employment Service, through its 1,500 employment offices throughout the country, hastened its surveys to classify more than 5,000,000 unemployed men and women according to trades and skills. This information indicated that there were approximately 1,000,000 workers who, on the basis of their work histories, were suited for skilled jobs.

Under the impetus of the defense program, the clearance system of the United States Employment Service, which had only been used rarely in the past, was reexamined and streamlined. New "interlocking" methods were devised to transfer workers from areas where job opportunities were lacking to sections where the demand on the labor market could not be met from local sources.

Defense orders for small business

To quicken defense production, to bring economic aid to the "ghost towns" of America, and to ease the difficulties of readjustment when the emergency is over, the Labor Division sponsored a system of "farming out" defense orders among the thousands of smaller shops throughout the Nation.

A program of stimulating local communities to assess their idle resources in men and machines has been likewise launched by the Labor Division.

Stabilizing shipbuilding

To facilitate the most efficient production of vessels blueprinted for defense needs, Commissioner Hillman on November 27 appointed the Shipbuilding Stabilization Committee composed of representatives of organized labor, shipbuilding employers, the Navy, and the Maritime Commission.

Employer-employee aids

But the mere existence of a sufficient labor supply does not in itself guarantee the speedy accomplishment of our defense effort. Efficiency and speed require stable and continuous production in the factory and the mine. These in turn depend fundamentally on harmonious employer-employee relations.

In moving toward this goal the Labor Division, shortly after it was established, appointed a Labor Policy Advisory Committee to draw up a program to enlist labor's most effective and efficient participation in meeting the demands of defense. This committee is composed of 16 labor representatives from the AFL, the CIO, and the Railroad Brotherhoods.

Promptly after its formation the committee pledged to the President of the United States "the full and unstinted" support of organized labor to the National Defense program.

Additional legislation unnecessary

It is now 7 weeks since I appeared before the Judiciary Committee of the House. Since that time I have considered again and again the question of the advisability of legislation on this vital subject of employer-employee relations. After reviewing the developments that have occurred since that time I am still of the opinion that no additional legislation is required.
HOUSING . . .

Workers in $1,800 to $3,000 income group to get defense housing

President Roosevelt acted April 10 to provide defense housing for workers in the $1,800 to $3,000 income group by approving 146 localities in 41 States and Territories as defense areas where homes could be financed under Title VI of the National Housing Act. The President's action followed a recommendation by Defense Housing Coordinator C. F. Palmer.

The Act provides 90 percent mortgage insurance by the Federal Housing Administration in localities "in which the President shall find that an acute shortage of housing exists or impedes which would impede national defense activities."

Coordinated defense housing programs have been completed or are under way in each of the communities approved, but these houses, built under direct Federal appropriation, are for an income group which cannot take advantage of Title VI.

Aid for local builders

In his letter to the President requesting approval of these areas, Mr. Palmer pointed out that national defense activities in these places have caused needs for housing beyond the capacity of the local building industry under existing methods of financing.

Construction under the new measure will complement, not supplant, the existing FHA facilities in the home financing field, Mr. Palmer said.

Provisions of title VI

1. It will be restricted to localities (including a normal reasonable commuting area) "in which the President shall find that an acute shortage of housing exists or impedes which would impede national-defense activities" and will be limited to commitments to insure entered into on or before July 1, 1942, unless the President shall declare the emergency terminated prior to that date.

2. In contrast to the provisions of section 203 limiting 90-percent mortgages to owner-occupied new homes, the new title authorizes insurance of mortgages of up to 90 percent of FHA valuation of new properties in cases where the builder is the mortgagor.

3. Mortgages insured under title VI will have a maximum term of 20 years.

4. Mortgages will be limited to a maximum of $4,000 on a single-family home, $5,000 on a two-family home, $8,000 on a three-family home, and $10,500 on a four-family home.

5. Mortgages eligible for insurance under title VI are limited to those on new dwellings on which construction was started after January 1, 1940, and which were approved for mortgage insurance or for defense-housing insurance prior to the beginning of construction.

Approved areas

The following areas were approved:

- **Alabama**—Birmingham, Florence, Sheffield-Tuscumbia, Gadsden, Mobile, Montgomery.
- **California**—(Northern District) Richmond, San Francisco and East Bay Cities, Vallejo; (Southern District) Los Angeles, San Diego.
- **Colorado**—Denver.
- **Delaware**—Wilmington.
- **District of Columbia**—Washington.
- **Florida**—Jacksonville, Key West, Pensacola, Tampa.
- **Georgia**—Columbus, Macon, Savannah.
- **Illinois**—Alton-East Alton, Chicago, Joliet, Rock Island-Moline-Davenport, Iowa, Waukegan.
- **Indiana**—Anderson, Fort Wayne, Gary-Hammond-East Chicago, Indianapolis.
- ** Iowa**—Burlington, Council Bluffs, Davenport.
- **Kansas**—Junction City, Kansas City, Wichita.
- **Kentucky**—Louisville.
- **Louisiana**—New Orleans.
- **Maine**—Bath-Brunswick, Kittery, Portland.
- **Maryland**—Aberdeen, Annapolis, Baltimore, Elkton, Hagerstown, Laurel.
- **Massachusetts**—Boston-Quincy, Greenfield, Springfield-Chicopee, Worcester.
- **Michigan**—Battle Creek, Bay City, Detroit, Midland, Muskegon, Pontiac, Saginaw, Ypsilanti.
- **Missouri**—Kansas City, Lebanon, Rolla.
- **Nebraska**—Omaha.
- **New Hampshire**—Portsmouth-Kittery, Maine.
- **New Jersey**—Camden, Metropolitan Dist. of N. J. in N. J., Trenton.
- **New York**—Bethpage-Farmingdale, Buffalo-Niagara Falls, Elmira, Massena, Rochester, Schenectady, Staten Island, Syracuse, Utica.
- **North Carolina**—Fayetteville, Wilmington.
- **Ohio**—Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Hamilton, Middletown, Sandusky, Steubenville, Warren, Youngstown.
- **Oklahoma**—Lawton, Tulsa.
- **Oregon**—Pendleton, Portland-Vancouver, Wash.
- **Pennsylvania (Eastern District)**—Allentown-Beilheim, Harrisburg, Philadelphia-Chester, Williamsport; (Western District, Beaver County)—Beaver Falls, Rochester, Ambridge, Erie, Pittsburgh.
- **South Carolina**—Charleston, Columbia.
- **Tennessee**—Knoxville-Alcoa, Nashville.
- **Texas**—Beaumont-Port Arthur, Corpus Christi, Dallas-Grand Prairie, El Paso, Fort Worth, Galveston, Houston, San Antonio.
- **Utah**—Ogden.
- **Vermont**—Springfield-Chester.
- **Virginia**—Alexandria, Newport News, Norfolk-Portsmouth.
- **Washington**—Bremerton, Seattle, Tacoma, Vancouver.
- **West Virginia**—Charleston, Morgantown, Weirton.
- **Wisconsin**—Beloit, Manitowoc-Two Rivers, Milwaukee, Oshkosh, Racine-Kenosha.
- **Alaska**—Kodiak.
- **Hawaii**—Honolulu.
- **Puerto Rico**—aguadilla, San Juan.
- **Virgin Islands**—Charlotte Amalie, St. Thomas.

Recreational camps open

The War Department announced the opening of two Army recreational camps at Mobile, Ala., and Pascagoula, Miss., for the use of soldiers on weekend leave from nearby training camps. Each camp can accommodate 500 men at present.
Defense housing units increase steadily

1,999 more dwelling units were added the week ended April 5 to the already mounting total now available for occupancy under the Defense Housing Coordination program, C. F. Palmer, Coordinator, has announced. 6,633 units are now ready for occupancy, of which 4,075 are for industrial workers in private and Government plants, and 2,558 for the married enlisted personnel.

Virginia leads

Norfolk and Portsmouth, Va., were in the lead with the completion of 553 dwelling units reported. 346 of these units will house the families of enlisted personnel and industrial workers employed at the Naval Operating Base in Norfolk. The other 208 units are also for the families of enlisted personnel and civilian workers located at the navy yard in Portsmouth. Both housing projects are expected to continue as Local Authority low-rent housing developments after the emergency.

Other areas reporting increases for the week ended April 5 were Long Beach, Calif., 2,944 units; Great Lakes, Ill., 300; Fort Knox, Ky., 64; Columbus, Ga., 46; Squantum, Mass., 40; Yorktown, Va., 20; and Piney Point, Md., 5; all for enlisted men. The 47 units at Indian Head, Md., and 16 at Vallejo, Calif., are for civilian industrial workers employed by the Government.

Construction awards

An advance was also noted in the number of construction contracts awarded. 750 having been let the week ended April 5: The total number of construction contracts now awarded has reached 45,907 units, of which 27,677 are for civilian industrial workers and 18,290 for married enlisted personnel.

Areas affected by new construction contracts are East Alton, Ill., with 150 units, and Cincinnati, Ohio, 350 units, both for housing civilian industrial workers. Savannah, Ga., will receive 250 units to house enlisted personnel.

Another item reflecting the progress of the defense housing program was the allocation of funds for 5,545 units for single persons, 3,601 of which have already received construction contracts.

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

<table>
<thead>
<tr>
<th>Week ended Apr. 5, 1941</th>
<th>Previous week</th>
</tr>
</thead>
<tbody>
<tr>
<td>New homes started</td>
<td>4,006</td>
</tr>
<tr>
<td>New home mortgages selected for appraisal</td>
<td>3,704</td>
</tr>
</tbody>
</table>

PROBLEMS OF PAINT AND VARNISH INDUSTRY WILL BE STUDIED

Specific problems of the protective coatings industry arising from the defense program will be analyzed by subcommittees now being set up as a guide to the Protective Coatings Section of the Purchases Division, OPM. Director Donald M. Nelson announced April 11.

Members of the thirteen subcommittees will include representatives of the manufacturers of protective coatings and technical experts from raw materials manufacturers and the Government.

The purpose of the enlistment of manufacturers in the study of protective coatings problems in relation to national defense, Mr. Nelson explained, is threefold: (1) To see that defense needs are met; (2) To avoid making an unnecessary impact on industry; and (3) To obtain products needed in defense contracts as economically as possible.

Zone standards

(Continued from page 5) conforming with Federal or State apprenticeship laws.

Period of emergency or longer

While this agreement is expressly made for the emergency period or, should that period terminate earlier, for a minimum of 2 years, it is contemplated that it shall continue in force thereafter, unless either management or labor gives a 30-day notice of a desired change. The wage scale may be reviewed on the demand of labor at the end of 1 year and on the demand of either party at each 6-month period thereafter. A cost-of-living basis for wage revisions is provided.

Stimulus for similar agreements

"This agreement," commented Director Hillman, "is calculated to release the full productive capacity of the Pacific coast shipyards."

"The action here taken has been designed to place the industry on a sound production basis by anticipating difficulties rather than allowing labor relations to reach entangled stages when corrective measures and adjustments would be necessary."

"It should serve as an inspiring stimulus for the formulation of similar agreements, not only in the other shipbuilding zones where stabilization conferences are at present scheduled, but in industries other than shipbuilding where maximum production is essential."

Other conferences

Other Shipbuilding Stabilization Conferences are scheduled to begin as follows: East coast, to and including Charleston, April 28, in Washington, D. C.; Great Lakes, tentatively fixed for April 30, place undetermined; Gulf coast, including the east coast of Florida, on or about May 5 at New Orleans.

Commerce report for March

Commerce Secretary Jones reported that during March construction activity increased, electric power output reached the highest sustained volume in the industry's history, carloadings exceeded any comparable period in more than 10 years, retail trade maintained exceedingly favorable sales volume. Mr. Jones attributed the increases to defense orders. He also reported that during the month prices of 29 commodities rose 1 percent.
PRIORITY... 

Tight nickel supply brings priorities control to nickel-bearing steel

All producers of nickel-bearing steel, and distributors of such steel from warehouse stores, on April 11 were placed under a general priorities system.

E. R. Stettinius, Jr., Director of Priorities, said that industry-wide control was made necessary by the needs of the national defense program and the tight situation in the supply of nickel.

Because of the nature of the nickel-steel industry, the mechanics of the controls provided are more detailed than those applied so far in other industries, and producers and distributors are subject to separate provisions.

Defense orders first

Among the major provisions of the General Preference Order and the Supplementary Order, however, are these points:

1. Defense orders are to be filled ahead of civilian and nondefense orders.
2. Defense orders, including British defense orders, will automatically take a preference rating of A-10 (unless higher ratings are specifically assigned), thus coming ahead of orders with lower ratings or no ratings.
3. An over-all formula, similar in form to that provided for the aluminum industry, is set forth. It includes a specific schedule of preference ratings, ranging from those in the A class down to those in B-8, but the distributors from warehouse stores may not, until further notice, fill orders falling in classes below B-3. This provision is added because of the necessity of conserving warehouse stocks for defense purposes.
4. All producers and distributors are required to keep accurate and detailed records of their inventories, shipments, orders, and operations.

The order also provides that preference ratings of A-1 to A-10, inclusive, are assigned to defense orders, and to all other orders to which a Preference Rating in the A classification has been or may hereafter be assigned by the Director of Priorities.

Schedule

The Preference Rating Schedule set forth in the Supplementary Order states:

A. Preference Ratings of A-1 to A-10, inclusive, are assigned to Defense Orders • * •, and to all other orders to which a Preference Rating in the A classification has been or may hereafter be assigned by the Director of Priorities.

B. Preference Rating BB is hereby reserved for emergency assignment by the Director of Priorities to provide for special cases of immediate urgency.

C. Preference Rating B-1 is hereby assigned to orders (a) for the manufacture of parts for the repair or replacement of existing apparatus, equipment, and devices, and (b) for the manufacture of new apparatus, equipment, and devices, in either case under (a) or (b) used directly or indirectly in connection with the manufacture of material which enters in substantial quantity into the fulfillment of Defense Orders, although such orders may not bear specific Preference Ratings.

D. Preference Rating B-2 is hereby assigned to orders for the repair of replacement of existing apparatus, equipment, and devices which must continue to operate in order to preserve essential production and services.

E. Preference Rating B-3 is hereby assigned to orders for new apparatus, equipment, and devices used directly in operations which must continue in order to preserve essential production and services.

F. Preference Rating B-4 is hereby assigned to orders for products essential to the protection of public health or safety.

B-5. Preference Rating B-5 is hereby assigned to orders for customers of each producer or distributor, to whom shipments have been made during 1940 by such producer or distributor, requiring less than a total of one ton of nickel-bearing steel per month. This rating is temporarily assigned pending further investigation.

B-6. Preference Rating B-6 is hereby assigned to orders for customers whose use of nickel-bearing steel does not exceed two pounds per $100 of final sales value of the article or articles produced by such customers, of which it is an essential component.

B-7. Preference Rating B-7 is hereby assigned to orders for the material used in products in which no reasonably satisfactory substitute for nickel-bearing steel is available.

B-8. Preference Rating B-8 is hereby temporarily assigned, until such time as a substitution shall be effected, to orders for the material used in products in which a reasonably satisfactory substitute for nickel-bearing steel is available or can be made available.

Additional provisions

Deliveries by any producer on orders with preference ratings from B-4 to B-8, inclusive, may not exceed the following percentages of the customers' monthly average of 1940 shipments from the same producer for corresponding purposes:

B-4, 70 percent; B-5, 50 percent; B-6, 40 percent; B-7, 30 percent; B-8, 10 percent.

Customers who use nickel-steel for two or more different types of products bearing different preference ratings, however, shall have their orders for each type treated separately.

As defined in the order, nickel-bearing steel is steel in which the nickel content is 6.4 percent (four-tenths of 1 percent) or more, or any steel containing less than 0.4 percent, if nickel has been specified by the customer or is known to have been added to obtain a desired physical quality in the steel.

The order also provides that preference ratings in the B class, above B-8, shall not apply to customers who can readily use substitutes for nickel-steel.

NEW TYPE HYMNALS ORDERED FOR ARMY

The War Department has announced that a new-type hymnal will be secured for the Army. It will be the first of its kind so adapted for field service that even a layman may, if necessary, conduct religious devotions. Entitled, "The Song and Service Book, Army and Navy, for Field and Ship," 100,000 copies have been ordered.
STATE AND LOCAL COOPERATION...

New York Defense Council enlists local cooperation in labor recruitment, health, recreational and housing facilities

As chairman of the New York State Council of National Defense, Governor Herbert H. Lehman has notified city and county defense councils of particular need for cooperative action in the State labor recruitment drive, and in the provision of health, recreational, and housing facilities for defense workers.

Labor recruitment

The Governor has urged all unemployed workers and men and women skilled in defense industries, but not now using those skills in their present employment, to register at once with the New York State Employment Service.

Local defense councils are cooperating through publicity and otherwise in this labor recruitment drive.

Health and recreation

Governor Lehman has pointed out that manufacturing plants working on defense contracts are finding it increasingly necessary to operate on a two- or three-shift basis. Living and working conditions, as well as recreational facilities comparable to those on the regular daytime shifts, must be provided for the employees working on the late shifts.

Although the responsibility for seeing that they are provided rests primarily on plant management, local defense councils can offer valuable advice and assistance.

It is emphasized that adequate dispensary and cafeteria service should be maintained for those working on late shifts. Plants having recreational facilities such as gymnasiums and bowling alleys should keep them open for second and third shift employees. One large manufacturer has found it necessary to keep such facilities open 24 hours a day. Others should do the same where it is found necessary.

Local defense councils should enlist the cooperation of private, fraternal, and church institutions which provide health and recreational opportunities to make them available for longer periods of time so that late shift workers will not be deprived of them.

Some of these activities may involve additional expense to plant management and to public and semipublic institutions which serve the community. But, the Governor points out, any additional expense is fully justified by the public responsibility for the welfare of the large number of employees engaged in defense production.

Housing survey

With the acceleration of the defense program in the State, the problem of available housing is becoming of great importance. The State defense council points out that there are some communities in the State which have already felt the pinch of shortage, and similar situations are developing in other centers. However, in most communities a sufficient supply of adequate housing is still available.

Thirty-five municipal and six county defense councils are undertaking, as promptly as possible, a thorough survey in their communities of existing vacancies in the several rental ranges. Physical condition of all available dwellings is also to be reported.

Mr. Edward Weinfeld, State Commissioner of Housing, has been designated by the Governor to cooperate with all communities in the making of such vacancy studies, and he is responsible for housing matters under the State Council of Defense. He has prepared the necessary forms of assistance.

Homes registration service

The State Council of Defense points out that it has been requested by the Defense Housing Coordinator in Washington, D.C., to call attention to the establishment of a Homes Registration Division in the Federal Government. This division is available to aid communities in the establishment of homes registration service where the requirements of defense industry make such a service of major importance.

The purpose of the Homes Registration Service is to make readily available at one or more central points in a community a complete listing of all available dwelling units both for families and single persons. In this way, the finding of suitable dwellings for incoming defense workers can be simplified and expedited.

Defective teeth, eyes, ears, and nerves cause many rejections

The War Department has announced results of a preliminary study of the causes for rejecting 18,971 citizens out of the first group of approximately 100,000 who were examined for Army training by induction boards throughout the country prior to February 1, 1941. Defective teeth, eyes, and ears, and mental and nervous conditions accounted for 52.57 percent of the disqualifications.

Rejections by age groups

Those rejected are separated into three age groups as follows:

<table>
<thead>
<tr>
<th>Age group</th>
<th>Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 yrs</td>
<td>5,430</td>
</tr>
<tr>
<td>26-30 yrs</td>
<td>3,454</td>
</tr>
<tr>
<td>31-35 yrs</td>
<td>18,054</td>
</tr>
</tbody>
</table>

In 17 cases, or 0.9 percent, ages were not reported.

Total rejected: 18,971

The total number accepted and rejected in each age group has not yet been determined exactly. However, the men in group 1 constituted approximately 50 percent of the total examined.

Included in rejection group No. 1 (ages 18-25 years) were 379 men under the minimum draft age of 21 years who volunteered for service with their parents' consent but were found physically unfit. The men in the youngest age group represented 53.08 percent of the total number rejected. Group 2 represented 28.62, and group 3 came to 18.21 percent. Theoretically, it might be expected that each group would contribute like percentages under each cause of rejection. However, this did not hold true, as indicated by the table below:

<table>
<thead>
<tr>
<th>Defects</th>
<th>Age group No. 1 (18-25 years)</th>
<th>Age group No. 2 (26-30 years)</th>
<th>Age group No. 3 (31-35 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teeth</td>
<td>44.3</td>
<td>27.6</td>
<td>29.7</td>
</tr>
<tr>
<td>Eyes</td>
<td>61.4</td>
<td>27.4</td>
<td>21.6</td>
</tr>
<tr>
<td>Ears</td>
<td>62.1</td>
<td>24.4</td>
<td>19.6</td>
</tr>
<tr>
<td>Nerves</td>
<td>52.3</td>
<td>30.1</td>
<td>17.4</td>
</tr>
<tr>
<td>Heart</td>
<td>56.9</td>
<td>29.2</td>
<td>21.1</td>
</tr>
<tr>
<td>Heart</td>
<td>55.2</td>
<td>26.1</td>
<td>21.1</td>
</tr>
<tr>
<td>Vaginal</td>
<td>55.8</td>
<td>50.1</td>
<td>15.7</td>
</tr>
<tr>
<td>Mental and nervous</td>
<td>51.3</td>
<td>28.1</td>
<td>20.3</td>
</tr>
<tr>
<td>Muscular-skeletal</td>
<td>51.8</td>
<td>30.6</td>
<td>18.2</td>
</tr>
<tr>
<td>Feet</td>
<td>70.1</td>
<td>21.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Underweight</td>
<td>69.5</td>
<td>35.8</td>
<td>38.0</td>
</tr>
<tr>
<td>Overweight</td>
<td>69.5</td>
<td>33.2</td>
<td>20.0</td>
</tr>
</tbody>
</table>
INTER-AMERICAN COOPERATION . . .

Outstanding selection of American art will tour American republics—inaugurates interchange program

Three groups of paintings by contemporary artists of the United States will be sent on tours of Central and South America in June, it was announced April 10 by Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics. The three groups, comprising more than 200 oil and 100 water colors, are now being assembled at the Metropolitan Museum of Art in New York City where they will be previewed April 19-27 before being sent on tour.

Itinerary

The first exhibition will be on the east coast of South America, opening in Buenos Aires at the end of June. After shows at Rosario, Argentina, and Montevideo, Uruguay, it will stop at Rio de Janeiro and Sao Paulo in Brazil. The second group will open about the same time in Mexico City. From there it will go to Santiago, Chile, for a September opening in conjunction with the festival of the four hundredth anniversary of the founding of Santiago. After Santiago, this exhibition will be shown in Lima, Peru, and Quito, Ecuador. The third group will open in Bogota, Colombia, on July 20, and will then go to Caracas, Venezuela, and Havana, Cuba.

Inter-American art

"At this time," said Mr. Rockefeller in making the announcement, "a grave responsibility faces the countries of the Western Hemisphere. At a moment when the creative artists of Europe are engulfed by war it is imperative that in at least part of the world there be preserved an order in which the arts can thrive. An important foundation for our scheme of hemispheric defense must be a social order in which there is balance and perspective. In no better way can this be aided than by encouragement and free interchange of the art of each American Republic."

Many museums represented

The paintings have been drawn primarily from the permanent collections of the Brooklyn Museum, the Whitney Museum of American Art, the Metropolitan Museum of Art, and the Museum of Modern Art, as well as from private collections and museums outside of New York.

Interchange expected

"Our hope is that these exhibitions will, in their journey south, be crossed by similar exhibitions coming north to be shown in the United States," Mr. Abbott said. "This interchange will be followed by further exhibitions of the art, past and present, of the South and Central American Republics as well as other exhibitions from the United States. In addition, the committee on art is planning future exhibitions in the field of the graphic arts, photography, industrial design, and architecture."

Pan American Day observed

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, gave a luncheon in honor of the Governing Board of the Pan American Union on Pan American Day, April 14, in the "Hall of Heroes" of the Pan American Union. Vice President Henry A. Wallace was guest speaker.

The Mexican Ambassador, Dr. Francisco Castillo Nájera, who is vice chairman of the governing board, introduced Vice President Wallace.

Appointment of Executive Assistant

Nelson A. Rockefeller announced the appointment of John C. McClintock, formerly in charge of the Commodities and Natural Resources Section of the Commercial Development Division, as his Executive Assistant.

American Republics need U. S. goods to maintain living standards

Nelson A. Rockefeller, speaking at the launching ceremonies of the M. S. Rio de Janeiro, said "American Republics are almost completely dependent on the United States for semifabricated and manufactured goods . . . essential to the maintenance of their standard of living . . ." and "there is grave danger these goods will not be available for export because of tremendous demands upon the Nation's facilities brought on by the defense program."

If the American Republics "do not get such products as steel, machines, and agricultural equipment, there will follow drastic economic contraction, social unrest, and eventually political upheaval. . . ." long awaited by the Axis-controlled minorities . . ., of the Western Hemisphere.

Lack of shipping facilities

Another inter-American trade problem is lack of shipping facilities, Mr. Rockefeller said.

He said this problem might be solved by Maritime Chairman Land's suggestions by which: (1) A method may be found to place the recently seized foreign ships, aggregating a total of more than a million tons, under United States or British operation; (2) Transfer of 600 old vessels now in domestic service, grossing slightly under four million tons, for convoy work in an emergency; (3) Better coordination of operations of shipping facilities; (4) Expansion of ship construction.

Latin American naval officials invited to visit the United States

Secretary of the Navy Knox announced April 2 that Admiral Harold R. Stark, U. S. Navy, Chief of Naval Operations, has sent invitations to the chiefs of the existing naval services of the Latin American countries, inviting those officials and an aide for each officer to visit the United States in May, as guests of the Navy. The countries concerned are: Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, Paraguay, Uruguay, and Venezuela.
TRANSPORTATION...

Ice breakers open Soo Canal to early transportation of iron ore

Ninety percent of the Great Lake fleet of iron-ore boats was in commission by April 10, and navigation now is open through the Soo Canal—earlier than at any time in the history of lake transportation, Ralph Budd, Transportation Commissioner, Office for Emergency Management, announced.

"Full cooperation of everyone in the lake transportation industry in the interests of national defense brought about this earliest opening of lake transportation," Mr. Budd said.

Two ore boats which left Escanaba, Mich., on April 5 were unloading at Cleveland on April 9, and five ore boats have already been loaded at Marquette and four at Duluth.

Perfect shipping month

For the fifth consecutive year April has been designated as "Perfect Shipping Month." The principal program will be one of education of all those interested in the handling of freight or in the results of its handling. Numerous meetings will be held all over the country at which industrial traffic executives and other shipper representatives—down to shipping clerks and others actually handling freight—will meet with railroad representatives to discuss packing methods, containers, stowing, and handling.

These campaigns, sponsored by the shippers of the country through the 13 Regional Shippers Advisory Boards in cooperation with the railroads and the Association of American Railroads, have as their purpose a reduction of the loss of traffic in transit. During last year's campaign, no less than 482 shipper meetings were held with a total attendance of 49,560. Almost 350,000 pieces of literature were distributed through the medium of the 13 Shippers Advisory Boards.

Freight claims decrease

Total freight claims paid naturally fluctuate as volume of traffic changes. Therefore, the best method of comparing the performance in different years is to relate the claim payments to the volume of traffic handled. On this basis, there has been a tremendous reduction in the last 20 years. Payments during 1940 amounted to only 54 cents per car of revenue freight handled compared to $2.66 per car in 1920. Even this small item of 54 cents per car, however, represents more than $19,000,000.

The cooperation which the shippers have freely given in this particular campaign and in other ways is a most important factor in keeping rail transportation fluid and free from congestion or car shortage.

Mr. Budd suggested that the Perfect Shipping Month campaign this year might include consideration of such questions as: (a) Heavier loading of cars; (b) prompt loading and unloading; (c) observance of car-service rules, and other related subjects.

Carloadings drop due to coal strike

Railroad carloadings during the week ended April 5 totaled 683,402 cars as compared to 602,835 cars during the corresponding week in 1940, an increase of 13.4 percent. Due to the reduction in coal loadings, by reason of the stoppage of mining operations, the loadings were 108,723 cars less than in the preceding week. The reduction in coal loadings alone was 109,986 cars, indicating that other commodities as a whole maintained previous levels. The details follow:

WEEKLY CARLOADINGS AS OF APRIL 5, 1941

<table>
<thead>
<tr>
<th>Description</th>
<th>1941</th>
<th>1940</th>
<th>Percent of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain and grain products</td>
<td>68,841</td>
<td>85,906</td>
<td>21.4</td>
</tr>
<tr>
<td>Livestock</td>
<td>10,841</td>
<td>10,639</td>
<td>1.9</td>
</tr>
<tr>
<td>Coal</td>
<td>10,160</td>
<td>9,251</td>
<td>9.8</td>
</tr>
<tr>
<td>Forest products</td>
<td>70,001</td>
<td>60,352</td>
<td>15.4</td>
</tr>
<tr>
<td>Ore</td>
<td>74,002</td>
<td>74,002</td>
<td>1.4</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>124,903</td>
<td>124,903</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>683,402</td>
<td>602,835</td>
<td>13.4</td>
</tr>
</tbody>
</table>

Troop movements

During the month of March, according to figures just made available by the military transportation section of the Association of American Railroads, the railroads handled a total of 327,183 passengers for the Army, Navy, Marines, and the Civilian Conservation Corps.

In addition to 133,841 selective service men moved from induction stations to reception centers in regular train service, the following movements occurred:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Persons</th>
<th>Number of Special Trains</th>
<th>Number of Regular Trains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>853</td>
<td>9,400</td>
<td>75,8</td>
</tr>
<tr>
<td>Navy</td>
<td>812</td>
<td>5,892</td>
<td>5,134</td>
</tr>
<tr>
<td>Marines</td>
<td>187</td>
<td>3,247</td>
<td>3,705</td>
</tr>
<tr>
<td>CCC</td>
<td>36</td>
<td>30,685</td>
<td>30,685</td>
</tr>
<tr>
<td>Total</td>
<td>1,086</td>
<td>17,340</td>
<td>179,903</td>
</tr>
</tbody>
</table>

Horses and mules inducted into Army have high rating

Resumption of purchasing of horses and mules by the Quartermaster Corps, has resumed. Purchases began south of a line running across the United States through Colorado Springs, Colo., and Kansas City, Mo. On May 1, 1941, purchases of horses and mules will start north of this line. Approximately 7,500 horses and mules are to be purchased this spring by the Remount Division, bringing the total purchases for the year to 28,000. Reports made by the using arms indicate that the animals procured during the present expansion program have a very high rating as to suitability for Army use.
PRICES AND CIVILIAN SUPPLIES . . .

New agency created to check price rises and facilitate adequate supplies of materials

On April 11, the President issued an Executive order establishing the Office of Price Administration and Civilian Supply in the Executive Office of the President and defined its functions and duties. On the same day, Mr. Leon Henderson, who had been Commissioner of Price Stabilization, was named Administrator of the new agency.

The text of the Executive order follows:

By virtue of the authority vested in me by the Constitution and the Statutes, and in order to define further the functions and duties of the Office for Emergency Management with respect to the national emergency as declared by the President on September 8, 1939, for the purpose of avoiding profiteering and unwarranted price rises, and of facilitating an adequate supply and the equitable distribution of materials and commodities for civilian use, and finding that the stabilization of prices is in the interest of national defense and that this Order is necessary to increase the efficiency of the defense program, it is hereby ordered:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Price Administration and Civilian Supply, at the head of which shall be an Administrator appointed by the President. The Administrator shall receive compensation at such rate as the President shall determine and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

Duties of Administrator

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, and with such advice and assistance as may be necessary from the other departments and agencies of the Federal Government, and utilizing the services and facilities of such other departments and agencies to the fullest extent compatible with efficiency, the Administrator shall:

a. Take all lawful steps necessary or appropriate in order (1) to prevent price spiraling, rising costs of living, profiteering, and inflation resulting from market conditions caused by the diversion of large segments of the Nation’s resources to the defense program, by interruptions to normal sources of supply, or by other influences growing out of the emergency; (2) to prevent speculative accumulation, withholding, and hoarding of materials and commodities; (3) to stimulate provision of the necessary supply of materials and commodities and competing civilian demands; (4) to provide for the equitable distribution of the residual supply of such materials and commodities among competing civilian demands.

b. Make studies of the Nation’s civilian requirements for materials and commodities, the supply of goods and services, the status and trend of prices and factors thereof, and the impact of the defense program upon civilian living standards; exercise the powers of the President in requesting such studies pursuant to Section 336 (a) of Title III of the Tariff Act of 1930 (Title 19, U. S. C., Sec. 1336 (a)); and conduct such investigations, hold such hearings, and obtain such reports as may be necessary or desirable to carry out this Order.

determine maximum prices

c. Determine and publish, after proper investigation, such maximum prices, commissions, margins, fees, charges, or other elements of cost or price of materials or commodities, as the Administrator may from time to time deem fair and reasonable; and take all lawful and appropriate steps to facilitate their observance.

d. Advise and make recommendations to other departments and agencies, whenever the Administrator deems it appropriate, in respect to the purchase or acquisition of materials and commodities by the Government, the prices to be paid (Continued on page 16)
This material, which will appear weekly in DEFENSE, is designed to help merchandise managers and buyers for retail stores. It is prepared by the Consumer Division, OEM.

Foods

The food price and supply situation is complicated by two factors:

1. Increased consumption as a result of rising employment and increased purchasing power.
2. Shipments of foods abroad under the terms of the Lend-Lease Act which will be made to the democracies resisting aggression.

There has been much speculation as to the amounts of food products which would be required by other countries. No announcement can be made, at least at this time, as to the quantities on the grounds that this information constitutes a military secret.

It is possible to state, however, that the foods shipped abroad will be principally those containing proteins, minerals, and vitamins and will consist of pork and lard, milk and eggs, and some vegetable products.

It is estimated that this additional demand will constitute in the next 15 to 18 months not more than 3 to 4 percent of the United States' total food bill. All purchases for foreign accounts will be made through the Surplus Commodities Corporation and they will simply be reported as part of the total purchases by the Surplus Marketing Administration without breakdown.

These total purchases, of course, can be used for domestic relief distribution programs; to meet requests from the Red Cross for shipment to war refugee areas; for release upon the market in case of unwarranted speculative price increases; or for transfer to other democracies under the provisions of the Lend-Lease Act. The purchases for warri ng countries would therefore, not be separately identified.

It develops that such estimates as have been made will be frequently revised. The amounts of products annually shipped abroad will depend not only on our own production during the current season but upon the rate of sinking of ships carrying foods.

The United States has a stored food surplus of sizable quantities only in wheat, yards of worsted cloths. The items included are shirtings, serges, and elastique cloth. These contracts were awarded under the Deficiency Appropriation Invitation Bids.

These purchases bring the total for the current fiscal year to the figure of approximately 87,000,000 yards of worsteds and woollens. This figure is equivalent to 27.3 percent of the total 1939 production of woven cloth for apparel purposes. Data on deliveries made to date are not immediately available but all deliveries will be completed in November of this year.

Aluminum

The amount of aluminum which will be made available to the manufacturers of utensils for consumer use will not be definitely known until the Division of Priorities, OPM, has finished its review of reports from producers of aluminum as to their intended allocation. Upon the completion of this analysis, producers, fabricators, and smelters of the metal will be told what quantities they may ship to each of the classifications, ranging from B-1 to B-8.

It is now indicated that amounts of low grade remelted aluminum available for civilian use will not be as limited as the supplies of virgin metals. Consequently, manufacturers of utensils using the low-grade remelted material will be able to get larger quantities than those who rely chiefly or exclusively upon virgin aluminum.

Each month the intended shipment of aluminum to all users will be reviewed by the Division of Priorities. The producers will then be informed of the number and extent to which the intended delivery schedule may be followed.

It follows, therefore, that the amount of both virgin and remelted aluminum which will be allocated to manufacturers of utensils or for use in other civilian goods may vary considerably from month to month, depending upon the defense demands and the total production.

Just when aluminum production will catch up with military and civilian requirements cannot yet be indicated. Expansion of production facilities is being constantly urged by the Consumer Division so that all reasonable consumer requirements as well as all defense needs can be filled.

Woolen Textiles

On April 4 the Army awarded additional contracts for a total of 17,087,000 yards of worsted cloths. The items included are shirtings, serges, and elastique cloth. These contracts were awarded under the Deficiency Appropriation Invitation Bids.

These purchases bring the total for the current fiscal year to the figure of approximately 87,000,000 yards of worsteds and woollens. This figure is equivalent to 27.3 percent of the total 1939 production of woven cloth for apparel purposes. Data on deliveries made to date are not immediately available but all deliveries will be completed in November of this year.

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Just when aluminum production will catch up with military and civilian requirements cannot yet be indicated. Expansion of production facilities is being constantly urged by the Consumer Division so that all reasonable consumer requirements as well as all defense needs can be filled.
In any and all cases of noncompliance. May 10 deadline that any person who had bought and did not have sufficient time to complete transactions begun before the calling of time, enclosing affidavits to support his plea.

Paragraph 6 of the schedule provided that any person who had bought and taken possession of scrap before April 3, at prices above the ceiling, and who had before April 3 contracted to sell that scrap at a price above the ceiling would have until April 10 to complete deliveries under that contract.

The amendment extends that date to May 10, and provides two exceptions to the rule that the dealer must have taken physical possession of the scrap before April 3. The exceptions are:

1. If the scrap originated from a demolition operation begun, but not finished, before April 3; or,
2. If the scrap was bought before April 3 and accumulated at a point of shipment, but not delivered because of the lack of transportation facilities.

The amendment also provides that if, in either of these contingencies, the dealer cannot get possession of the scrap in time to complete his contract by May 10, he may apply for a further extension of time, enclosing affidavits to support his plea.

(Editors may secure copies of Amendment to Price Schedule No. 4 by addressing the Division of Information, Office for Emergency Management, Washington, D. C.)
Exceptions to zinc price schedule

In response to many inquiries, Leon Henderson, Director, Price Stabilization Division, Office for Emergency Management, on April 9, called attention to the fact that Price Schedule No. 3, which establishes maximum prices for zinc scrap materials and secondary slab zinc, permits persons complaining of hardship or inequity in the operation of the schedule to apply to the Division for exception therefrom.

Mr. Henderson explained that Price Schedule No. 3 became absolutely effective on March 31, 1941, regardless of preexisting contracts. However, the schedule permitted deliveries of secondary slab zinc to be made at prices higher than the established maximum prices up to and including April 3, 1941.

It appears, however, that some dealers in zinc scrap materials were caught on March 31, 1941, with stocks of materials, acquired at prices higher than the established maximum prices, and ready for shipment under a firm commitment, made prior to March 31, 1941, for the sale of such materials at such higher prices.

Previous commitments allowed

"To avoid loss in the disposition of such stocks of zinc scrap materials," Mr. Henderson stated, "we are prepared to permit such firm commitments to be carried out. The conditions under which permission will be granted should be carefully noted."

In the first place, the dealer must have a firm commitment, made prior to March 31, 1941, for the sale of zinc-scrap materials at prices higher than the established maximum prices. Secondly, the dealer must have had on hand on March 31, 1941, or under firm purchase commitments made prior to March 31, 1941, quantities of zinc-scrap materials sufficient to meet such commitments, and acquired at prices higher than the established maximum prices.

However, Mr. Henderson cautioned, firm purchase commitments for scrap will be the basis for exception only if the scrap was already acquired by the seller by March 31, 1941, for delivery to the dealer.

"We have also been informed," Mr. Henderson continued, "that some distillers and remelters had on hand on March 31, 1941, quantities of zinc-scrap materials which they acquired at prices higher than the established maximum prices to meet firm commitments, made prior to March 31, 1941, for the sale of secondary slab zinc at prices higher than the established maximum prices for secondary slab zinc. These distillers and remelters were unable to complete deliveries of the secondary slab zinc made from such zinc scrap materials before April 4, 1941.

"To avoid loss in the disposition of such inventories of zinc scrap materials we are ready to permit such commitments to be carried out. The same criteria for exception will be followed in the case of producers of secondary slab zinc as will be followed in the case of dealers in scrap materials."

Further exceptions

Furthermore, Mr. Henderson stated, if a distiller or remelter secures permission to sell secondary slab zinc at prices higher than the established maximum prices, and its purchaser is a dealer, the dealer will, in turn, be permitted to deliver the zinc at higher prices to meet a firm commitment for the sale of the zinc, made prior to March 31, 1941.

Dealers in secondary slab zinc may also apply for exception if on March 31, 1941, they held stocks of secondary slab zinc acquired at prices higher than the established maximum prices for delivery under a firm commitment, made prior to March 31, 1941, for the sale of secondary slab zinc at higher prices.

To aid dealers, distillers, and remelters seeking this type of exception from Price Schedule No. 3, Mr. Henderson announced that forms on which application for such exception can be made have been prepared and are available for distribution upon request made to the Price Stabilization Division, NDAC, Washington, D.C. Though the use of these forms is not mandatory, their use will be helpful to the Division and will speed its determinations.

Amendments announced for used machine tool prices

Two amendments to Price Schedule No. 1, establishing ceiling prices for used machine tools, were announced April 11 by Leon Henderson, Commissioner of Price Stabilization, Office for Emergency Management.

"This Division is appreciative of the cooperation given it by the vast majority of used machine tool dealers," Mr. Henderson said. "We believe that these amendments will help to clarify a portion of the schedule and will be of aid in its administration."

Amendments

The amendments, which became effective upon issuance, provide:

1. Hereafter, every report of the sale of a used machine tool must include the name and address of the purchaser. This information need be noted on only one of the two sales reports which the dealer is required to fill out within 1 week of the transaction. Dealers are warned that the Division may make requests for invoices at any time.

2. Dealers are instructed that the offering price of a used machine tool must be the offering price of the basic tool exclusive of extras, which are defined as supplementary material furnished by the manufacturer at an added cost. The extras must be listed separately. In the reports which dealers make to the Price Stabilization Division, second-hand extras are subject to the same maximum price percentage which is applicable to the basic tool to which the extras are added.

3. Dealers may obtain a copy of amendments by communicating with the Division of Information, Office for Emergency Management, Washington, D.C.

Cadmium prices too high, Henderson warns trade

Extortionate prices for which the supply and demand picture contains no justification are being charged for cadmium by some dealers and producers, Leon Henderson, Commissioner of Price Stabilization, Office for Emergency Management, said April 11.

Cadmium is being sold by certain dealers at prices as much as 100 percent above the smelters' quoted prices, Mr. Henderson said, and the smelters' quoted prices are themselves from 12 to 15 percent above the level of a year ago. The metal is used for electroplating, as an alloy of copper in telegraphic, telephonic, and power transmission wire, and in automobile bearings.

If cadmium prices do not return quickly to a reasonable level, the Price Stabilization Division will take drastic action to make them do so.

"Should such action result in the elimination of dealers from the marketing of cadmium, they will have only themselves to blame," said Mr. Henderson.
3,000-year oil supply could be developed from coal reserves by special process

Experiments in applying the hydrogenation process to American coals indicate that this country can develop enormous amounts of gasoline and oil from its coal reserves, the Bureau of Mines reported, April 10, to Secretary of the Interior Harold L. Ickes.

The Bureau's process, if applied to the total coal reserves of the United States, could yield enough oil to supply the Nation's needs for almost 3,000 years at the present rate of consumption.

With the Nation's petroleum reserves limited by nature, the hydrogenation process in the Bureau of Mines' Pittsburgh laboratories gives assurances for the future of the gasline age.

Coal studies in progress

In anticipation of the day when America's petroleum reserves are exhausted or in serious danger of depletion, the Bureau of Mines is making an intensive investigation of all major types of domestic coals to determine their ability to yield gasoline and other oil products. Dr. R. R. Sayers, Director of the Bureau, said.

Chemical engineers of the Bureau, said Director Sayers, have just completed studies of various coals from four different regions of the United States, bringing to 13 the total number of coals that have been tested at the Bureau. These 13 coals represent typical, American varieties, ranging from high-volatile bituminous coal down to the lignites.

Two tons of oil from 3 of coal

In a report presented April 10 by four Bureau of Mines chemists before the American Society, meeting in St. Louis, Mo., it was shown that the bituminous coals such as those obtained from the Pittsburgh bed, Pennsylvania, the Black Creek bed, Alabama, and the Lower Sunnyside bed, Utah, can yield an average of 2 tons of oil for each 3 tons of coal mined; and that the plentiful lignite coals, such as those found in North Dakota, can yield about a ton of oil for each 3 tons mined.

The crude oil produced from coal, Dr. Sayers declared, is similar to crude petroleum, and yields a relatively high percentage of gasoline and various oils. Some of these oils are of possible industrial significance as sources of phenolic compounds and solvents used in the lacquer and plastic industries. Other applications of these oils will develop as their properties are more thoroughly determined.

Reports from the laboratory, he added, show that in the first stage (after the coal has been liquefied and before the products are "cracked" to produce various compounds) the oil products obtained contain about 20 percent gasoline, 70 percent of an oil of medium viscosity and boiling range, and 10 percent of a heavy oil of high viscosity and boiling range. The yields of crude oil range from 67 to 31 tons per 100 tons of coal, or 108 to 78 gallons per ton of coal as mined. This spread in yield is largely due to variation in moisture and oxygen content of the coals.

The ultimate yield of gasoline may be easily estimated, for the conversion of the medium oil into gasoline is readily accomplished by well-known methods, and the yields of gasoline are about 100 gallons for each 100 gallons of oil.

Will continue studies

The Bureau of Mines, it was stated, plans to continue these studies so that when the commercial need arises American industry will be in a position to select the most suitable coals and make rapid progress in establishing this new industry. Although the United States has large deposits of both petroleum and coal at present, there is little doubt that the petroleum reserves are much smaller than the coal reserves and that at some future date the "hydrogenation of coal" to produce gasoline and bulk organic chemicals will be essential to our progress. When production costs permit, coal hydrogenation probably will serve as an auxiliary source of gasoline, diesel oil, tar acids, and solvents.

Compilation of defense contracts cleared and awarded April 3 through April 9

Defense contracts totaling $166,645.66 were awarded by the Army, Navy and Maritime Commission and cleared by the Division of Purchases, Office of Production Management, during the period April 3 through April 9.

This compares with $169,658,265 for the previous week and $306,221,863 for the week ended March 26.

Cleared contracts awarded by the War Department during the latest period totaled $59,836,538, by the Navy Department $37,500,000, and by the Maritime Commission $71,309,123, and by the Maritime Commission $37,500,000.

**CONSTRUCTION**

**MARTIAL COMMISSION**

McCarthy Brothers Construction Co., St. Louis, Mo.: construction outside continental limits, United States, $607,975.

Robert E. McKee, Los Angeles, Calif.; construction outside continental limits, United States; $581,565.

Tennessee Production Corporation, Chattanooga, Tenn.; additional plant facilities at Chattanooga, Tenn., for manufacture of coke necessary in production of aluminum and other supplies for aircraft; $1,816,800.

Wright Aeronautical Corporation, East Paterson, N.J.; additional plant and equipment at East Paterson, N.J.; $1,025,000.

Allegheny Ludlum Steel Corporation, Dunkirk, N.Y.; construction of plant, necessary machinery and equipment for production of bullet core and other steel; $2,500,000.


George A. Puller Co., Los Angeles, Calif.; construction of temporary buildings, Fresno air base, Fresno, Calif.; $872,855.

Vickers, Inc., Detroit, Mich.; construction of building and equipment for manufacture of hydraulic controls, etc.; $893,000.


T. L. James & Co., Inc., Ruston, La.; construction of temporary housing, Oklahoma City Airbase; $1,458,628.


**SHIP CONSTRUCTION**

Delta Shipbuilding Co., Inc., on facilities of Louisiana Shipyards, Inc., at New Orleans, La.; construction of 25 ships; $375,000.

**EQUIPMENT AND SUPPLIES**

**WAR DEPARTMENT**

**MARITIME COMMISSION**

Delta Shipbuilding Co., Inc., on facilities of Louisiana Shipyards, Inc., at New Orleans, La.; construction of 25 ships; $375,000.

Robert E. McKee, Los Angeles, Calif.; spare parts; $1,013,333.33.

J. P. Stevens & Co., Inc., New York, N.Y.; 600,000 yds. of flannel shirting; $1,075,800.

Pacific Mills, Philadelphia, Pa.; 1,000,000 yds. of flannel shirting; $1,768,000.

Lorraine Mfg. Co., Pawtucket, R.I.; 400,000 yds. of flannel shirting; $727,500.

Botany Worsted Mills, Passaic, N.J.; 700,000 yds. of flannel shirting; $1,243,000.

American Woolen Co., New York, N.Y.; 2,200,000 yds. flannel shirting; $4,034,800.

Guerin Mills, Inc., Woonsocket, R.I.; 300,000 yds. of serge cloth; $840,000.

American Woolen Co., New York, N.Y.; 1,300,000 yds. of serge cloth; $3,990,200.

J. P. Stevens & Co., Inc., New York, N.Y.; 425,000 yds. of serge cloth; $1,224,525.

Pacific Mills, Philadelphia, Pa.; 209,000 yds. of serge cloth; $595,400.

Stillwater Worsted Mills, Harrisville, R.I.; 300,000 yds. of serge cloth; $825,000.

Samuel Hird & Sons, Inc., Garfield, N.J.; 250,000 yds. of serge cloth; $692,500.

Southern Worsted Corporation, Boston, Mass.; 175,000 yds. of serge cloth; $513,000.

Lorraine Mfg. Co., Pawtucket, R.I.; 400,000 yds. of serge cloth; $1,035,000.

Botany Worsted Mills, Passaic, N.J.; 1,000,000 yds. of serge cloth; $2,027,200.

American Woolen Co., New York, N.Y.; 1,200,000 yds. of serge cloth; $3,464,800.

Nash Kelvinator, Detroit, Mich.; 1-ton trailers; $1,029,915.

Bendix Aviation Corporation, Pioneer Instrument Div., Bendix, N.J.; maintenance parts; $609,474.86.

**NAVY**

Reynolds Metal Co., Louisville, Ky.; alloy aluminum; $2,963,566.05.


General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio; propelling machinery for 70 motor minesweepers of YMS9—134 class; $8,641,000.

General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio; propelling machinery for 20 minesweepers AM100—131 class; $12,100,000.

United Aircraft Corporation, Pratt & Whitney Aircraft Division, East Hartford, Conn.; installation of machinery and equipment at plant; $5,606,520.

Eclipse Aviation Division, Bendix Aviation Corporation, Bendix, N.J.; hand and electric starters; $1,193,167.

General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio; 158 sets of minesweeping, diesel-engine driven generators for minesweepers; $12,324,000.

United Aircraft Corporation, Pratt & Whitney Aircraft Division, East Hartford, Conn.; construction of additional improvements and buildings at plant; $3,522,800.

Lakenweld, Inc., Coatesville, Pa.; construct and install plant facilities; $2,400,000.

**ORDNANCE**

**WAR DEPARTMENT**

Mesta Machine Co., Pittsburgh, Pa.; barbette carriages; $8,211,800.

Wellman Engineering Co., Cleveland, Ohio; barbette carriages; $7,924,600.

Training youth for defense jobs

NYA Administrator Williams announced 585 workshops and 89 resident centers were under construction March 1 to provide additional facilities for training youth for defense jobs.

Mr. Williams also reported 274 farm shop buildings under construction, which will be turned over to local school systems to train young people from rural areas, and 311 other workshop buildings to provide out-of-school youth with practical work experience.
PRODUCTION...
Expanded production of heavy forgings for ships and big guns under consideration

Indications are that the United States capacity to turn out heavy forgings for ships and big guns must be expanded considerably more to meet increased requirements of the Army and Navy, the Maritime Commission, and the lease-lend program, it was agreed April 11 at a conference in the Office of Production Management.

Arrangements will be made to provide whatever facilities are needed, it was decided.

The conference was attended by representatives of 18 companies, the Navy Department's Bureau of Ordnance and Bureau of Ships, the Ordnance Department of the Army, the Maritime Commission, and the OPM.

Another meeting April 16
Details will be worked out at another meeting to be attended by Government officials and representatives of the same companies at the conference room of the Navy's Bureau of Ordnance on Wednesday, April 16.

Expansion began last fall
Any further expansion of facilities will be in addition to an expansion of heavy forgings capacity begun last fall which will cost in excess of $40,000,000. Under the previous expansion program, which was designed to accommodate needs in sight at the time it was undertaken, some additional facilities are already in operation and the remainder are all expected to be in operation before the end of 1941.

Methods of speeding up both expansion and production were discussed at the April 11 meeting, and many of them will be adopted.

Companies represented

Substitutes for aluminum outlined as conservation aid to defense

Substitutes which might be used to conserve the supply of aluminum for defense needs and essential civilian products were suggested to the OPM April 13 in a preliminary report from an advisory group of the National Academy of Sciences.

The report cautioned that generalities with respect to substitutions were hazardous and emphasized that the suggestions must be taken only as guides.

Substitutes for aluminum foil
"Each case must eventually be considered on its own merits," it said, adding:
"The known substitutes for aluminum are, in general, those materials that were originally replaced by aluminum. Such materials as brass, zinc, and chromium for chrome-plating, as well as nickel for nickel-plating, are themselves so scarce as to be questionable present-day substitutes. Substitutions for existing aluminum uses, therefore, should generally come from materials not at present subject to priorities. For instance, aluminum foil in many of its uses can be replaced by oiled paper, glassine, tinfoil, leadfoil, or cellophane. These substitutes will not be as satisfactory as aluminum foil, but may be improved sufficiently to meet commercial conditions temporarily.

Bottle caps
"Bottle (including milk) caps that have been made of aluminum may be replaced by paper or by some form of sheet steel properly protected by paint and plastics, or plastics alone.

Pots and pans
"Cooking utensils may be replaced by some form of sheet steel, with or without enamel, with some form of plastic application, as for example, for handles, cast iron, glass, or pottery.

In general, it may be stated that under existing conditions plastics alone, cast iron, steel, with or without combination with plastics, wood, paper, glass, and ceramics, may be substituted for aluminum where it is absolutely essential (to make a substitution).

Methods

The advisory group recommended that the following methods of conservation by manufacturers using aluminum should be considered:

1. Toll fabrication of market scrap. (This means that the manufacturer, instead of selling his scrap on the scrap market, returns it to an aluminum producer who reworks it for him for a certain fee.) Authorization by the Priorities Division of the OPM is now required for the toll fabrication of aluminum scrap.

2. Use of thinner gages (less thickness in aluminum sheets for some purposes, for example).

3. Use of aluminum dross, aluminum sawdust, etc., in place of aluminum ingots in the production of steel requiring this metal.

4. Use of more 38 (manganese alloy aluminum) in place of 2S (pure aluminum metal) for greater strength and thinner gages.

5. Preparation of regulations governing classification and segregation of scrap, plus designation of secondary alloys which may be made from specified scrap alloys.

6. Increased education among fabricators and their employees to reduce spoilage and scrap. This applies particularly to aircraft companies.

Increased supplies

The metals conservation and substitution group said it was estimated that primary gross aluminum production by the Aluminum Co. of America would increase from 42,648,000 pounds in March this year to 53,065,000 pounds next December.

It was estimated that there would be around 75,000,000 pounds of old metal scrap, the preliminary report said. It was estimated that there would be approximately 100,000,000 pounds of secondary metal in the form of new metal scrap.
OPM geared to speed mass production—no time to lose

In a statement presented before the House Military Affairs Committee on April 7, John D. Biggers, Director, Division of Production, Office of Production Management, declared:

The United States has undertaken to produce speedily complete equipment for an Army of 1,200,000 men; also critical items, such as airplanes, tanks, guns, ammunition, and explosives for an additional 800,000 men. Paralleling this is the task of building a two-ocean Navy and of carrying out the purposes of the Lease-Lend Act.

Progress to date has been good, but the task is so tremendous and the urgency so great that one can never be satisfied.

Small arms
Small arms, such as rifles and submachine guns are running ahead of schedule, but here again, the production of the one has to be stepped up to 100 percent before the end of the year and of the other approximately 500 percent.

Powder
Powder production, T. N. T., toluid, and other components have been big jobs and still are but, nevertheless, a number of vast explosive plants are going into production right on schedule.

Small arms' ammunition
Small-arms ammunition has recently become a crucial item: Our production of important types has been increased over 1,000 percent during the past 9 months but further great increases are demanded and every effort is being bent to their accomplishment.

Light tanks
The 13-ton tanks—so-called light tanks—have been in substantial production for some months. A new, improved model has just gone into production and more than 100 of them will be turned out this month. Even so, that rate of production must be doubled by the end of the year.

Medium tanks
The story of the medium tank—weighing 20 tons—is really an inspiring chapter in the history of the Army. The Ordnance Department had a medium tank in operation last summer. However, the experience in Flanders and France indicated that modern warfare required much heavier armor and armament. This meant complete redesigning, for the increased weight, of course, required a heavier transmission and the strengthening of many other parts. The Ordnance Engineers, with the whole-hearted assistance of selected companies in industry, worked out this problem in record time with the result that a number of us, who were at the Aberdeen Proving Grounds, saw this highly efficient, new medium tank in operation—giving a great demonstration of speed, maneuverability, and fire power. This was the accomplishment of 6 short months from drafting table to finished product. During those same months, three great companies were at work, tooling up and training men to make these tanks in quantities. They all promise to have their first models out this month and will soon be in real production. Two other companies were added to the list subsequently so we shall eventually have five good and widely dispersed companies manufacturing the important medium tank.

Airplanes
Airplanes are the most spectacular and, in some respects, the most difficult part of the job.

That program is moving forward amazingly well but it must move faster.

Between last May and this March, plane production almost tripled and the weight and horsepower of our planes increased far more because the emphasis on combat planes means heavier, bigger types. Nevertheless, the current rate of production has to be doubled long before the end of the year and even then the program demands that we keep increasing month by month.

Speed production
Our great problem—ours and yours—is to get the American people to understand the fact that time is precious—to comprehend clearly the colossal magnitude and serious urgency of our Nation’s task. We should not waste a day or an hour.

Control of inventories, restriction of labor—all such things—in my opinion, are unnecessary if we can banish selfishness and put the interests of our country above our own.

How, when, and where of defense training outlined on new chart

A condensed chart-guide to defense training opportunities in programs sponsored by six Federal agencies has been compiled and issued by the United States Office of Education.

More than 1,500,000 persons, it is estimated, will receive instruction this year in the various emergency training programs for civilians financed in part or in full by the Federal Government.

“Defense Job Training,” the chart-guide to the Government’s efforts to supply skilled workers, covers 24 training programs including vocational training for persons who have never had a job, advanced training for persons now at work, training of engineers, specialized instruction in radio and in cooking and bakers’ schools, pilot training of military—airport attendant preparation, and training for merchant marine ships’ crews and officers.

Six training agencies
Six agencies administering training are the United States Office of Education, Department of Labor, Civil Aeronautics Administration, Army Air Corps, aeronautical organization of the Navy, and the United States Maritime Commission.

Six other Federal agencies are assisting in various phases of the training programs—WPA, CCC, Departments of War, Agriculture and Interior, and United States Coast Guard—as well as units of the 48 State governments, Puerto Rico, and Hawaii, and more than a thousand colleges and universities.

All in a nut-shell
Information which the chart-guide presents to persons interested in a defense job includes (1) number to be trained or in training in fiscal year 1941; (2) wages in training, (3) fees in training, (4) wages on job, (5) purpose of training, (6) persons eligible, (7) length of courses, (8) where offered, (9) where to apply, and (10) jobs for which training qualifies.

“Defense Job Training” has been issued as part of the April number of School Life, official magazine of the United States Office of Education. Individual copies of the chart are 5 cents. Bulk prices are $2 a hundred, $15 a thousand. Payments should be made to the Superintendent of Documents, United States Government Printing Office, Washington, D. C.
PURCHASES...

<table>
<thead>
<tr>
<th>Purchase Description</th>
<th>Vendor/Location</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>Itffe, Ohio; overhead traveling cranes, and electrical equipment</td>
<td>$13,000</td>
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<tr>
<td>York, N. Y.; chromium plating</td>
<td>$36,000</td>
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<tr>
<td>Automotive wheels and hubs</td>
<td>$2,212,000</td>
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<tr>
<td>Denser papers</td>
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<tr>
<td>Blrdsboro, Pa.; steel castings</td>
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<tr>
<td>Parts</td>
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<td>Shells</td>
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<td>$11,000</td>
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<tr>
<td>Battle ships</td>
<td>$1,417,000</td>
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<tr>
<td>Aircraft engine parts for vessels and airplanes</td>
<td>$300,000</td>
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<tr>
<td>Denison Engineering Co., Columbus, Ohio; hydraulic equipment for aircraft and ammunition</td>
<td>$270,000</td>
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<td>The Duriron Co., Inc., Dayton, Ohio; high silicon iron castings for munitions</td>
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<tr>
<td>Edgecombe Steel Co., Philadelphia, Pa.; cold finished steel castings and tools</td>
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<tr>
<td>Elwood City Forge Co., Elwood City, Pa.; thick steel tubes</td>
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<tr>
<td>Elm Manufacturing Corporation, El Monte, Los Angeles, Calif.; and nonconductive gas masks</td>
<td>$141,000</td>
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<tr>
<td>Elron Screw Machine Products Co., Inc., Brooklyn, N. Y.; precision machine parts for aircraft and instruments</td>
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<tr>
<td>Eureka Vacuum Cleaner Co., Detroit, Mich.; training and nonconductive gas masks</td>
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<td>The Fafnir Bearing Co., New Britain, Conn.; bearings for propellers, aircraft and gunfire controls</td>
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<td>Fairfield Engine &amp; Airplane Corporation, New York City, N. Y.; aircraft engines</td>
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<td>Fairfield Manufacturing Co., Lafayette, Ind.; gears</td>
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<td>The Farrel-Bingham Co., Inc., Ansonia, Conn.; main gear drive propulsion units for vessels and airplane turrets</td>
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<td>Farrell-Cheek Steel Co., Sandusky, Ohio; machined steel castings</td>
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<td>Federal Bearings Co., Incorporated, Poughkeepsie, N. Y.; ball bearings</td>
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<td>Galveston, Houston &amp; Henderson R. Co., Galveston, Tex.; transportation</td>
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<td>General Chemical Co., New York, N. Y.; concentrated pyrophoric ore and sulphuric acid</td>
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<td>General Electric Co., Schenectady, N. Y.; generators and electric turret control for aircraft and reduction gears for vessels</td>
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<td>General Motors Corporation, Pontiac, Mich; tactical motor vehicles</td>
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<td>General Tire &amp; Rubber Co., Akron, Ohio; barrage balloons</td>
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<td>Globe Steel Tube Co., Milwaukee, Wis.; airplane steel tubing</td>
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<td>The Hall Planetary Co., Philadelphia, Pa.; millers</td>
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<td>Hannan Mfg. Co., Chicago, Ill.; reel mechanisms and equalizers</td>
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<td>Harsfell-Blobeck Co., Chicago, Ill.; gray iron machine tool castings</td>
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<td>Heil Co., Milwaukee, Wis.; refrigeration tanks</td>
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<td>Heppenstall Co., Pittsburgh, Pa.; machined steel forgings</td>
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<td>The Hercules Motors Corporation, Canton, Ohio; gasoline on Diesel 6-cylinder engines</td>
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<td>Bogdon Rubber Co., Framingham, Mass.; rubber products</td>
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<td>Hyde Windlass Co., Bath, Maine; deck machinery, steering gears for naval vessels</td>
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<td>International Industries, Inc., Ann Arbor, Mich.; optical apparatus</td>
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<td>Jacks-Evans Manufacturing Co., St. Louis, Mo.; metalic hot links</td>
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<td>Byron Jackson Co., Huntington Park, Calif.; recoil mechanisms</td>
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<td>The Kempsin Machine Co., West Allie, Wis.; machine tools</td>
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<td>Kirby Steel Company, Inc., Anniston, Ala.; forgings for shells</td>
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<td>Kolmorgen Optical Corporation, Brooklyn, N. Y.; submarine alitoparoscopes</td>
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<td>L. O. Osten &amp; Bros, Inc., Jersey City, N. J.; exhaust manifold and other parts for Diesel engines for submarines</td>
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<td>Ladish Drop Forge Co., Cudahy, Wis.; forgings for airplane parts, machine tools and tractors</td>
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<td>Leach Co., Oshkosh, Wis.; used accessories, depth charge release track extension and parts</td>
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<td>Lebanon Consolidated Water Co., Bethlehem, Pa.; water supply</td>
<td>$142,000</td>
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<td>Lefere Forge &amp; Machine Co., Jackson, Mich.; projectiles</td>
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<td>Lehigh Co., Lyndhurst, N. J.; pressure reducing valves, pump governors and whistles</td>
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<td>Lindberg Steel Treating Co., Chicago, Ill; commercial metal heat treating</td>
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<td>Loganport, Ind.; hydraulic presser</td>
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<td>Louisiana Ice &amp; Electric Co., Inc., Alexandria, La.; electric energy</td>
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<tr>
<td>Louisiana Power &amp; Light Co., New Orleans, La.; transporting electric energy</td>
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<td>Luders Marine Construction Co., Stamford, Conn.; tugs for Navy</td>
<td>$41,000</td>
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<td>Marka Basement Treating Corporation, Long Island City, N. Y.; transmission control and drive assemblies for tanks</td>
<td>$205,000</td>
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<td>Manufacturers Machine &amp; Tool Co., Inc., New York, N. Y.; machined parts for aviation</td>
<td>$263,000</td>
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<tr>
<td>The Glenn L. Martin Co., Baltimore, Md.; improvement and expansion of airport</td>
<td>$453,000</td>
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<tr>
<td>Maxim Silencer Co., Hartford, Conn.; exhaust and intake silencers for main and auxiliary engines for vessels</td>
<td>$18,000</td>
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<td>W. L. Masco, New York City, N. Y.; telescope micuna, range quadrants and stops</td>
<td>$309,000</td>
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<tr>
<td>May Oil Burner Corporation, Baltimore, Md.; hydraulic pumps and motors</td>
<td>$12,000</td>
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<td>Messinger Bearings, Inc., Philadelphia, Pa.; roller path assemblies for gun mounts</td>
<td>$50,000</td>
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<td>Mezito Chemical Co., St. Louis, Mo.; dinitrochlorobenzene</td>
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<td>National Bronze &amp; Aluminum Foundry Co., Cleveland, Ohio; aluminum and magnesium castings</td>
<td>$92,000</td>
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<tr>
<td>Norden Tool Co., Pittsburgh, Pa.; alloy steel aircraft tubing</td>
<td>$96,000</td>
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<tr>
<td>Norrie Grain Co., Chicago, Ill.; storage of grain</td>
<td>$306,000</td>
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<tr>
<td>Northern Equipment Co., Erie, Pa.; pumping facilities</td>
<td>$16,000</td>
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</tbody>
</table>

A total of 154 Certificates of Necessity were issued to 139 corporations from March 16 to March 31, inclusive. The total cost of facilities covered to date was $642,423,000. The following is an enumeration of firms for the last half of March, and estimated cost of facilities, follows:

- Alabama By-Products Corporation, Birmingham, Ala.; production of coke: $715,000.
- Allied Products Corporation, Detroit, Mich.; aircraft engine parts: $66,000.
- American Car & Foundry Co., New York City, N. Y.; shell forgings, light armored tanks and spare parts: $7,304,000.
- American MoneRall Co., Cleveland, Ohio; handling and conveying equipment: $67,000.
- The American Ship Building Co., Cleveland, Ohio; net towers: $1,211,000.
- American Steel Castings Co., Chicago, Ill.; steel castings: $17,000.
- The Autocar Co., Ardmere, Pa.; scout cars and personnel carriers: $182,000.
- Birdcage Steel Foundry & Machine Co., Birdcage, Pa.; steel castings: $600,000.
- Bridgeport Brass Co., Bridgeport, Conn.; cartridge cases: $43,000.
- Buick Wheel Co., Philadelphia, Pa.; steel wheels and hubs: $2,212,000.
- Carnegie-Illinois Steel Corporation, Pittsburgh, Pa.; forged armor plate and ship shafts: $1,085,000.
- Carnegie Corporation, Syracuse, N. Y.; parts for turret guns and mountings: $6,000.
- The Clark Controller Co., Cleveland, Ohio; electrical equipment: $13,000.
- Cleveland Crane & Engineering Co.; Wickliffe, Ohio; overhead traveling cranes, and transmission systems: $57,000.
Norton Co., Worcester, Mass.; abrasive products and machine tools; $162,000.
Arthur J. O'Leary & Son Co., Chicago, Ill.; steel forms and trusses; $70,000.
Clower Bros. & Steel Corporation, Pittsburgh, Pa.; eye bolt lifting clips and fuse hole nose plugs; $65,000.
Oregon Union Line Railroad Co., Omaha, Nebr.; transportation; $5,000.
Oregon-Washington Railroad & Navigation Co., Omaha, Nebr.; transportation; $31,000.
Peco Manufacturing Co., Philadelphia, Pa.; forgings; $100,000.
Pennsylvania Forge Corporation, Philadelphia, Pa.; steel drops; $3,000.
Pilots Dodge Copper Products Corporation, New York, N. Y.; copper strips, magnets wire, condenser tubes and signal wire; $590,000.
Pilico Corporation, Philadelphia, Pa.; forging components; $10,000.
Potomac Electric Power Co., Washington, D. C.; electric service; $476,000.
Puget Sound Pulp & Timber Co., Bellingham, Wash.; unbleached sulphite wood pulp; $1,693,000.
Pump Engineering Service Corporation, Cleveland, Ohio; pumps, valves, and cylinders; $691,000.
The Queen City Steel Treating Co., Cincinnati, Ohio; structural production; $33,000.
The Randolffd Corporation, Chicago, Ill.; radio transmitters and receivers; $16,000.
The Rochester Nut & Manufacturing Co., Cleveland, Ohio; nuts; $8,000.
Rockford Drop Forge Co., Rockford, Ill.; steel drop forgings; $80,000.
Rodey Milling Co., Kansas City, Mo.; grain storage; $145,000.
Santa Maria Gas Co., Santa Maria, Calif.; pipelines; $16,000.
The Schott Manufacturing Co., Poughkeepsie, N. Y.; aircraft bearings; $56,000.
Scrivani Manufacturing Co., Waterbury, Conn.; fuses and boosters; $894,000.
Scripto Manufacturing Co., Atlanta, Ga.; metal components for boosters; $183,000.
The Shemans Furnace Co., Pittsburgh, Pa.; pig iron; $415,000.
The Southern States Equipment Corporation, Birmingham, Ala.; booster metal components; $122,000.
Standard Parachute Corporation, San Diego, Calif.; parachutes and parts; $12,000.
Steel Plate & Shape Corporation, Detroit, Mich.; hangars for aircraft and gunfire carriage parts; $6,000.
Stewart-Warner Corporation, Chicago, Ill.; projectiles; $73,000.
Texas Steel Co., Fort Worth, Tex.; manufacture and storage of wood patterns; $24,000.
Thomas-Johnson Co., Jackson, Mich.; riveter and clincher machines; $60,000.
Trenton Transit Company in Receivership of Bankruptcy, Elmer J. H. Lee, Trenton, N. J.; transportation; $125,000.
Triumph Explosives, Inc., Elkin, N. C.; percussion element assembly and phosphor bombs; $35,000.
Unexcelled Manufacturing Co., Inc., New York, N. Y.; ground signal cartridges and phosphor bombs; $36,000.
Union Pacific Railroad Co., Omaha, Nebr.; transportation; $1,473,000.
The Union Switch & Signal Co., Swarsville, Pa.; spindles and barrels for propellers; $1,249,000.
Universal Crusher Co., Cedar Rapids, Iowa; machine-gun cradles and elevating mechanisms; $87,000.
United States Rubber Co., New York, N. Y.; plant protection and rubber products; $5,000.
United States Stoneware Co., Akron, Ohio; acid-proof stoneware; $168,000.
Updike Grain Corporation, Omaha, Nebr.; storage of grain; $65,000.
The Virginia Railway Co., Kertol, Va.; transportation; $274,000.
Wallace & Co., New York, N. Y.; valves and fittings; $132,000.

The Warner & Swasey Co., Cleveland, Ohio; turret lathes and parts; $5,000.
Warren Webster & Co., Camden, N. J.; metal parts for boosters; $51,000.
Weaver Manufacturing Co., Springfield, III.; towing box, cabinets and hoods; $10,000.
The Western Automatic Machine Screw Co., Elyria, Ohio; screw machine parts for aircraft and tanks; $450,000.
Western Electric Co., Inc., New York, N. Y.; announcing equipment; $21,000.
The Wheland Co., Chattanooga, Tenn.; guns with extra parts; $92,000.
David White Co., Milwaukee, Wis.; sextants and balloon theodolites; $11,000.
The Wichita Flour Mills Co., Wichita, Kans.; storage, handling and shipping of grain; $145,000.
Whiley Machine Co., Los Angeles, Calif.; aircraft parts; $34,000.

Naval procurement authorized by open purchase or contract

In furthering efforts to expedite the national defense program, Secretary of the Navy Knox informed the commandants of all naval districts, that, under section 3709 of the Revised Statutes, the commandants have full authority, when immediate delivery or performance is required by the public urgency, to procure articles or services by open purchase or contract, at the places and in the manner in which such articles are usually bought or sold, or such services engaged between individuals.

"Farming-out" permissible

During the present emergency, whenever the commandant finds that the conservation of facilities and/or the essential time element of national defense can best be furthered by "farming-out" of work normally done in navy yards, it shall be considered as emergency work, contracts for which may be made locally in advance of the approval from the Navy Department.

Three basic problems

In connection with the "farming-out" process that affects the Navy, there are three basic problems:

(a) The location of unused commercial productive capacity together with a survey of the facilities, capacity, and labor market.
(b) The location and character of work which can be transferred from basic defense contractors to such unobligated plants or facilities.
(c) The means by which available unused facilities may be utilized in the farming-out of naval work to supplement existing navy-yard capacity.

The question of what should be "farmed out" will remain in the hands of the commandants and the navy-yard management. All contracts and preliminary negotiations between the navy yards and private concerns will be handled by the navy yards directly.

The location of the unused facilities is to be handled through the Defense Contract Service. For organization purposes, the 12 Federal Reserve Banks, with their 24 branch offices, will be used as centers for the collection of information regarding unused industrial capacity.

Defense Contract Service

The Defense Contract Service, recently organized within the Office of Production Management, is to be fully utilized. The Defense Contract Service, headed by Robert E. Mehornay, is charged, among its other duties, with expediting the execution of defense contracts in the interest of national defense by bringing small facilities appropriate for subcontracting in contact with prime contractors.

Wool growers to benefit more directly from Government buying

Arrangements to enable American wool growers to benefit more directly from defense program purchases of woolen cloth were announced April 10, by Donald M. Nelson, Director, Division of Purchases, Office of Production Management. These arrangements were worked out at a meeting of wool growers' representatives, wool merchants, Army quartermaster officials, and officials of the Division of Purchases.

Keep wool growers informed

"The growers have felt that if the Government places its orders after the wool clip has been marketed, the grower does not get the benefit he should from the Government programs," Mr. Nelson said. "I think their position is fair, and we intend to do everything we can to help the domestic wool grower know how much and when the Government is going to buy."

The arrangements agreed upon include the following points:

Public announcement of wool needs

In order that the domestic growers may know before they sell their clip how...
much wool the Government is going to buy, the Division of Purchases will survey the needs of the armed services and other Government organizations and will state publicly, at an early date, the total amount of wool that will be needed for the balance of the year.

Tenders for bids for cloth using that amount of wool will be put out by mid-June or sooner, so that the mills can arrange for the domestic wool they will need while the wool is still in the growers’ possession.

Seek fair price level

The Government will confer with the wool growers’ representatives and will agree with them on a method of determining a fair price for domestic wool at the time that the bids are being placed. They will also discuss the differential between foreign and domestic wool in an effort to find a level which would mean a fair and reasonable price to the domestic grower.

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America of the future

The National Resources Planning Board issued a report on “Regional Development Plans” for conservation and use of resources throughout the United States.

The “preliminary statements of objectives as seen by the regional officials of the Board have been prepared with the cooperation of State planning boards, regional planning commissions, special advisory groups, and with the assistance of the field representatives of many Federal agencies,” the NRPB stated. The report was ordered printed by Congress, following a message from President Roosevelt stating “we must seek a wider understanding of the possibilities for that future we prepare to defend.”

Emergency food reserves may be stored in Hawaii

The Agriculture Division NDAC has been holding conferences with Samuel W. King, Delegate to Congress from Hawaii, and officials of the Department of Agriculture on the question of establishing emergency food reserves in the Territory.

A special committee has been appointed by Gov. J. B. Poinsett to work on this problem in the Territory and under the direction of the Governor, is now en route to Washington.

Dr. Galbraith, of the Agriculture Division, reports that in normal times the islands have a food supply which would last only some 45 days without replenishment. The islands depend upon outside sources for three-quarters or more of their normal food supply.

In view of possible shipping shortages or other developments, the question of maintenance of larger stocks seems urgent. Steps are being taken to ascertain the willingness of private enterprise on the islands to invest in additional warehouse space and arrangements for financing storage of nonperishable foods are being studied.

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Doctors urged to fill vacancies in Medical Corps Reserve

Selective Service registrants who are qualified physicians and surgeons are urged to apply for commissions in the Medical Corps Reserve, it was announced by National Headquarters, Selective Service System.

Portable laundries will be tried out on Army washday

A portable laundry unit which will be able to take care of the weekly laundry requirements of about 1,500 soldiers is being developed by the Quartermaster Corps, the War Department announced.

This unit will be mounted on a 4-wheel semitrailer and will contain machinery and equipment required to do field laundering. Included in it will be a washing machine, an extractor to remove surplus water from the washed materials, and two steam-heated tumblers for use in drying them.

Laundry companies to operate these units will consist of 153 enlisted men and 5 officers. Each company will have 10 laundry units to operate. The dry weight of the clothing and other materials which an enlisted man needs to have washed each week averages about 4 pounds. Since the laundry units are expected to be able to take care of about 1,000 pounds of laundry in an 8-hour day, or 6,000 pounds during the week—enough to care for the laundering requirements of about 1,500 men—each laundry company is expected to be able to serve about 15,000 soldiers.

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BIBLIOGRAPHY FOR CONSUMERS

An annotated bibliography of pamphlet material covering subjects of interest to consumers and entitled “Consumer Knowledge Builds Defense,” was released this week by Miss Harriet Elliott, Consumer Commissioner of the OEM.