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Summary of the week in defense

Raw materials and prices drew particular attention last week as America broadened its national defense activities toward becoming an "arsenal of democracy" through administration of the Lend-Lease Act.

More manganese, rubber, tin, and other strategic materials, as well as tons of iron and steel, were released to defense industries by the automotive industry at the instance of William E. Knudsen, Director General of OPM. The industry agreed to reduce production for the year beginning August 1, 1941, by 20 percent or approximately a million units.

What this will mean in the making of ships, tanks, and guns is indicated in defense industries by the automotive industry. Defense industries will gain 200 million man-hours, 1,632,500 short tons of iron and steel, 18,830,000 pounds of manganese, 87,390,000 pounds of rubber, and 5,470,000 pounds of tin along with other vital materials.

Substitutions

Meanwhile, another approach was taken to the problem of increasing supplies of raw materials. It was to study the possibilities of substituting more plentiful materials for scarce metals both in defense and commercial manufacturing.

Heavy forgings producers began a study that may lead to a change in specifications and the consequent speeding up of production of ships and big guns.

The public will be urged to accept substitutes in the merchandising field so that aluminum and other vital materials may be released for defense. Mail-order houses and other merchandisers told the OPM Production Division they will cooperate.

Less tin in tin cans was foreshadowed as can makers said they would consent to a 10-percent reduction in the tin coating on cans if the Government asks it. Defense would gain 5,000 to 7,500 tons of tin by such a curtailment. Another 12,000 tons could be procured annually from used tin cans, the National Academy of Sciences told OPM.

Steel prices frozen

But national defense is not all a problem of providing raw materials. Prices must be kept down so that public morale will not be endangered by exorbitant living costs.

Leon Henderson, in his new role as Administrator of the Office of Price Administration and Civilian Supply, moved into this field by freezing steel prices. His aim, he explained, was to forestall general price increases or possibly inflation. Steel was singled out because the major manufacturers had just granted wage increases of 10 cents an hour.

Relief for bituminous-coal producers

Cooperative bituminous-coal producers, on the other hand, were given some relief from a similar price-freezing schedule to apply to mines where work has been resumed under retroactive wage agreements.

Priorities

A larger pool of slab zinc, an important component of military brass, was assured defense manufacturers by a priority order raising the required segregation from 5 to 17 percent. At the same time, the Priorities Division put teeth in its order governing aluminum by issuing an index to standardize distribution among non-military buyers. There will be no more juggling.

Wider use of low-grade aluminum in commercial manufacturing will be allowed, however, by the relaxation of priority restrictions. Unnecessary curtailment was corrected.

Army and Navy contracts

The defense program continued its climb in dollars and cents. The Bureau of Research and Statistics disclosed that Army and Navy contracts let from June 1, 1940, to March 31, 1941, totalled $13,922,000,000.

Labor

Better industry-labor cooperation was apparent as the Defense Mediation Board settled three more strikes. Sidney Hillman, OPM Associate Director General, told newspaper editors that, exclusive of coal, only 8,000 defense workers were on strike as of Friday. A labor reservoir meanwhile is growing. Some 1,216,000 men and women have been trained for defense jobs since July 1, last.

500 community leaders meet

The role of the private citizen in defense began to receive increasing attention as 500 community leaders met in Washington upon invitation of Paul V. McNutt, Coordinator of Health, Welfare, and Related Activities.

Defense housing

Recognizing the importance of the home in the defense effort, the Defense Housing Division spurred construction of houses for defense workers. Out of a total of 48,487 under construction, Coordinator Charles F. Palmer said, 25,507 will be occupied by civilians.

Ralph T. Seward appointed Executive Secretary of Board

The National Defense Mediation Board on April 15 announced the appointment of Ralph T. Seward of New York City as Executive Secretary. Mr. Seward, who is chairman of the Board of Immigration Appeals of the Department of Justice, entered his new position April 16.

Mr. Seward has had wide experience in the labor relations field, having served as executive secretary, and, later, as general counsel, of the New York State Labor Relations Board.

Before entering Government service, Mr. Seward was associated with a law firm in New York City.

Lumber demand greater than production, Commerce reports

The Department of Commerce reported the demand for lumber, increased by defense purchases, is substantially greater than the current rate of production. This is true, the Department said, even though lumber production reached an unusually high level in 1941. The consumption total for the first quarter of 1941, estimated at 7,465 million feet, is approximately 22 percent above the total for the first quarter of 1940, the Department stated.
PRICES AND CIVILIAN SUPPLIES . . .

Steel prices frozen at early 1941 levels

A schedule freezing steel prices at the levels which prevailed during the first quarter of 1941 was issued April 17 by Leon Henderson, Administrator, Office of Price Administration and Civilian Supply. This action was precipitated, Mr. Henderson explained, by recent wage increases in the industry.

Mr. Henderson pointed out that a steel price increase at this time might touch off a general increase in the cost of living and start the country off on the road to price inflation.

A thorough study of prices and costs in the steel industry will immediately be made by the Office of Price Administration and Civilian Supply, he said. Adjustments in the schedule will be made, he added, if these studies indicate that they are necessary.

"I have every confidence," Mr. Henderson said, "that the steel industry, which has so patriotically cooperated in the defense program, will continue to cooperate in the task of maintaining these ceiling prices."

Foundation for price spiral

"Steel is an element of cost in practically every item of the defense program. It is also an element of cost, direct or indirect, in virtually every item of civilian consumption. The market place looks to the price of steel as sheep look to the bellwether.

"A rise in steel prices would inevitably be followed by rises in prices of every other basic commodity. These increases would in turn be reflected in rising prices of manufactured goods. Presently the ultimate consumer would find that he must pay more for what he buys, and so the foundation would have been laid for a dangerous upward spiral of prices in general—which would mean, briefly, boosting the cost of living.

"There has not been time for accurate measurement either of production or distribution factors in the steel industry."

Price increase not justifiable

Despite the fact that published base prices have remained unchanged, conclusions have disappeared, extra charges have been increased, and in some cases premiums have been obtained. In addition, certain contracts have escalator clauses which enable producers to add certain additional costs to contract prices. The net effect of the defense program and the cost and price relationships in the industry thus cannot immediately be determined. Under such circumstances a general price increase cannot reasonably be justified at present.

"Cooling-off" period

"The action taken to freeze steel prices at levels prevailing during the first quarter of 1941 should not be interpreted as fixing summarily a steel price ceiling for the duration of the emergency, or for any set period. Rather, it is an effort designed to be as helpful to the industry and its customers, of which the Federal Government is the largest, and to the economy in general. The action establishes, if you like, a cooling-off period during which the effect of the defense program upon the industry and its cost factors may be rationally appraised.

Halts hasty action

"Estimates and guesses are not enough when the Nation's welfare may be at stake. This action also forecloses arbitrary or precipitate action on the part of any member or group of members of the industry looking toward price boosting, and eliminates premiums for advanced delivery which a few companies have already begun to exact.

"We are immediately taking steps to resolve the prevailing uncertainties as to cost factors, production requirements, and distribution, both as to defense and civilian needs. Meanwhile, prices should not be advanced.

"If facts are developed which show that an increase might be warranted, the necessary adjustments can be made.

"It cannot be too strongly emphasized that any steel price increase now can put us on the road to a series of economic maladjustments having their climax in a disastrous inflationary movement."

Base prices used

In fixing ceiling prices, Mr. Henderson explained, the Office of Price Administration and Civilian Supply made use of

(Continued on page 14)
PRIORITY...

Instructions issued for suppliers of aluminum

An index instructing suppliers of aluminum how to classify purchasers’ orders into various preference rating classes was issued April 18 by the Priorities Division of the OPM. The index lists industries by general categories and, therefore, affects distribution of the metal for all major civilian use.

The ratings given in the index will apply almost entirely to orders which fall into the nonmilitary or “B” classes, as distinguished from defense orders which generally bear ratings in the “A” class. The products listed will take higher ratings than those indicated, when defense orders are involved.

E. R. Stettinius, Jr., Director of Priorities, said the index classifications are to be the basis of aluminum shipments by producers, fabricators, and secondary smelters for May.

Varieties classifications

Under regulations previously issued, customers whose orders fall into the “B” classes may receive only certain stipulated percentages of their average 1940 orders. In the case of high-grade aluminum, these percentages range from 10 percent for B-8 to 80 percent for B-2.

In the case of low-grade aluminum, for which there is little defense use, the percentages range from 50 percent for B-8 to 100 percent for B-2 and B-3.

The only industry group given an A-class rating in the index issued today is “blast furnaces, steel works, and rolling mills,” which get an A-10 rating for dezoxidizing ingots. This rating is assigned so that the quantity of such dezoxidizing ingots will not be limited under the percentage formula.

Some other items mentioned in the index, and the preference ratings assigned are:

- Laboratory and hospital furniture, B-3. (B-3 is the rating applied to orders for products essential for the protection of public health or safety.)
- Lithographing plates, B-4. (This rating applies to orders for standard apparatus which cannot be redesigned to use for substitutes without serious disruptions and for which there is substantial use in defense channels.)
- Drugs, medicines, toilet preparations, insecticides and related products, B-3; industrial chemicals, B-4; petroleum refining, B-4; iron and steel foundry products, B-4; aluminum cooking ware: for hospitals, B-3; all other uses, B-8. (B-8, the lowest rating, applies to products in which a reasonably satisfactory substitute for aluminum is or can be made available.)
- Refrigerators, B-7 for evaporators, grids, and air-conditioning equipment; all other uses, B-8.
- Automobiles and automobile equipment, B-4.
- Aircraft and parts, B-8 for civilian uses (except as higher ratings or allocations may be provided in special situations).
- Professional and scientific instruments, B-3.
- Electrical appliances, including washing machines, vacuum cleaners, and toasters, B-7.

Under an order issued on March 21, suppliers of aluminum were placed under a general preference order and were furnished with a schedule of preference ratings. Since then, the suppliers have been required to fit their customers into these preference classes. The index announced today will regularize the classification of orders throughout the industry.

(Editors may obtain the letter to the industry explaining the new schedule, a copy of the form to be used by suppliers in making reports on shipments, and a copy of the index by communicating with the Division of Information, OPM, Washington, D. C.)

Additional low-grade aluminum obtainable under modified order

A Supplementary Order modifying the General Preference Order governing the distribution of aluminum was announced April 12 by E. R. Stettinius, Jr., Director of Priorities, OPM.

The Supplementary Order provides a formula for the distribution of low-grade aluminum, as defined in the Order, and makes it possible for non-defense industries requiring this grade of metal, for which there is little defense need, to obtain larger quantities than would otherwise be possible.

Under the terms of the General Preference Order, which remains in effect except as modified, consumers whose orders fall into preference rating classes from B-2 to B-8 could obtain quantities of the metal ranging from a high of 80 percent to a low of 10 percent of average 1940 shipments from the same producers for corresponding purposes.

The following table shows how these percentages are increased for consumers of the low-grade aluminum. The left column shows the percentages provided in the General Preference Order, which remains in effect for all classes of aluminum except the low-grade, and the right column shows the new percentages which apply for the low-grade metal:

<table>
<thead>
<tr>
<th>General preference order</th>
<th>Supplementary order for low grade</th>
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<tr>
<td>B-2</td>
<td>80</td>
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<tr>
<td>B-3</td>
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<td>30</td>
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<td>B-8</td>
<td>20</td>
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Zinc pool to be raised to 17 percent of production

The zinc pool from which the Priorities Division of the Office of Production Management may make mandatory allocations to meet urgent defense needs is to be raised from 5 percent of production to 17 percent for the month of May. It was announced April 18 by E. R. Stettinius, Jr., Director of Priorities.

For the month of April, producers of slab zinc were required to set aside an amount of the metal equal to 5 percent of January production. For May, the 17-percent pool will be based on March production and should amount to approximately 12,000 tons.

Although production of zinc is increasing, demand for the metal for all purposes is estimated to be running ahead of production at the present time.
PRODUCTION...

Used tin cans could yield 12,000 tons strategic metal annually

A committee of the National Academy of Sciences estimated April 16 that a maximum of 12,000 long tons of tin might be recovered annually from used tin cans in the United States but it advised against Government financing of new detinning plants for such operations "unless and until an emergency in the supply of tin renders it imperative to conserve tin without regard to its cost."

The committee's recommendations were made in a report to the Office of Production Management, which will consider them in formulating policies to be put into effect by its Unit of Conservation.

Tin cans from principal cities

Only about half of the used tin cans in this country could be collected economically for tin removal, the committee estimated. Under the program which the committee outlined for possible use in an emergency, such used cans would be collected only from the principal urban areas and, initially, in those cities where detinning plants now exist—New York, Pittsburgh, Chicago, and San Francisco.

Varied uses

In addition to its use in the preservation of food, both for military forces and civilians, tin is used in the manufacture of automotive vehicles, in bearings, solders, and gun metals. Principal producers of tin are the Malayan States, the Netherlands East Indies, Bolivia, Siam, and China. The United States Government is currently acquiring reserve stocks of tin for use in case an emergency disrupts imports.

Findings of the committee

1. The recovery of tin from used tinned containers is not an undertaking which "venture" capital would make if it is competently advised.

2. Of the 35,000 to 40,000 long tons of tin used annually in the United States for making tin plate for containers, not more than 12,000 long tons can be recovered at any cost by any procedure that the Committee feels is at all practicable.

3. Of the proposals submitted to the Advisory Commission to the Council of National Defense, one is a repetition of an old process not considered an economical practice; one presumably has just been started in operation and has not been investigated by this committee; the proponent of one has made no response to our request for information, and one gives complete and detailed experimental results and engineering plans for a pilot plant.

4. Two successful private enterprises are recovering tin from clean tin-plate clippings and other scrap from the fabricators. These enterprises have five plants, two in the New York area and one each in the Pittsburgh, Chicago, and San Francisco areas.

5. These companies have in some of their locations surplus plant facilities which could be converted for use in the recovery of tin from used tinned containers collected in the respective areas.

6. The principal problem, and the one most difficult to solve, is the economical collection of used tinned containers in the principal urban areas in a condition as to contamination with other refuse so that the tin can be recovered by existing and proven technology at a reasonable cost.

Committee recommendations

1. That the Government of the United States does not spend public funds for the erection of new detinning plants for the recovery of tin from used tinned containers unless and until an emergency in the supply of tin renders it imperative to conserve tin without regard to its cost.

2. That the Government of the United States, immediately upon the finding of such an emergency, enter into negotiations with the municipal authorities of the larger urban areas to the end that suitable methods of collection can, by such cooperation, be instituted, it being understood that the necessity requires it as a defense measure without regard to cost.

3. That, if and when the Government of the United States finds it imperative to conserve tin, that it immediately ask the detinning industries above mentioned to submit proposals for the use of existing facilities in their several plants in the four large metropolitan areas, namely, New York, Pittsburgh, Chicago, and San Francisco, and proposals for the erection of such other plants where the Government of the United States, through the cooperation of the municipal authorities, is able to set up effective methods of collection of used tinned containers.

4. Inasmuch as a practicable solution of the problem of collection of used tinned containers is a condition precedent to any undertaking by the United States Government to recover tin from used tinned containers, it is suggested that a survey of municipal methods and facilities for the collection and disposition of refuse be made by a competent commission.

Members of the committee of the National Academy of Sciences submitting the findings and recommendations are: Messrs. P. M. Ambrose, M. F. McConnell, W. K. Lewis, and F. W. Willard, chairman.

Copies of the complete report, and Supplements I and II, may be obtained on request to the Division of Information, OPM, Washington, D. C.

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Tin-can manufacturers consider various conservation measures

Representatives of can-making companies on April 17 told officials of the office of Production Management that, if the Government found it necessary to request a 10 percent reduction in the weight of the tin coating of cans, such a reduction could be made safely for about 95 percent of all tin can uses.

Their statements were made in response to an inquiry as to whether a reduction of about 17 percent in the weight of the tin coating of cans would be made for the defense and essential civilian needs.

Representatives of various can-making companies expressed the opinion that such a large reduction should not be made.

No reduction for baby foods

Can representatives opposed any reduction in the weight of the coating of cans used for baby foods, brunch, and high
acid fruits such as cherries. These products fill about 5 percent of the cans used in this country, it was estimated.

Paint industry conserves

Representatives of the companies reported that paint manufacturers were already switching from the use of tin-plated to terne-plated cans, with some exceptions. Terne-plate is made of tin and lead, requiring less tin than tin-plate. They said also that they were studying possible savings in many other lines. They expressed hope that all savings made would be without discrimination against any single group of can users.

Estimated saving

It was estimated that a saving of 5,000 to 7,500 tons of tin per year could be made by a 10 percent reduction in the coating of tin cans on which such a reduction could be made safely, and by savings now being accepted by industries using cans. Such a saving would compare with a total tin consumption of approximately 70,000 tons in the United States during the calendar year 1939.

OPM officials reserved judgment temporarily as to what reduction in tin can coatings, if any, they would recommend.

Supply sufficient at present

Mr. McConnell’s statement at the outset of the meeting follows:

"There is no emergency in tin. The meeting has been called primarily for the purpose of advising the canning companies on the situation regarding the present and future tin supplies and to initiate preparation of plans which could be put into effect for the conservation of tin in the canning industry, if an emergency should develop in the future.

"Current imports of tin are sufficient to meet current demands for defense and civilian requirements. Stocks now in the country are sufficient for about 14 months’ operation."

Immediate action unnecessary

"Ship masters regard tin a desirable cargo as ballast for bulkier shipments. As of today the situation as regards tin supplies is easy. Drastic action is not expected to prove necessary or desirable under present conditions.

"It is, however, well known that the Government is accumulating a stockpile of tin and that any conservation measures that could be put into effect which did not increase the burden of industry or disrupt business would be helpful."

Future is unpredictable

"It is also well known that the total world’s ship tonnage is declining and that the situation in the Far East is not stable.

"The canning industry requires over 50 percent of the tin consumed in this country. It would seem desirable now to explore the extent to which savings could be effected in nonessential uses, and to prepare plans or orders which would become effective in the event of an emergency.

Conservation possibilities

"Several approaches to the problems suggest themselves:

1. A savings on the order of 10 or 15 percent of the total requirements might be effected by reducing the gauge of the tin plate used.

2. Conservation of tin could be effected through curtailment of deliveries in tin cans to those customers who could most readily provide substitute containers. It is roughly estimated that approximately 20 percent of the total volume of the canning production is for the account of industries which could provide substitutes at no great hardship or inconvenience.

3. The Technological Committee of the National Academy of Sciences is working on the problem of substituting other alloys and surfacing materials. In the meantime, suggestions from the industry may be offered at this meeting for the guidance of that Committee.

4. Increase of average size of can will reduce amount of tin plate required—No. 10, 6 pounds 12 ounces, requires 53.6 percent of amount of tin plate for the same quantity of canned goods packed in No. 2 size, 20 ounces."

Manufacturers plan substitutes for some products, they report

Mail-order houses and other large merchandisers advised the Office of Production Management April 18 that they would intensify efforts already being made to substitute goods made of more plentiful materials for those made of scarce materials vital to defense.

Aluminum substitute

At a conference called by Robert E. McConnell, chief of OPM’s Unit of Conservation, the merchandisers heard Donald M. Nelson, Director of OPM’s Division of Purchases, declare that conservation was “imperative.”

Reporting that the Army and Navy and other Government departments were already changing their specifications in many instances to conserve scarce materials, Mr. Nelson mentioned that enough aluminum to build 16 bombers will be saved by using a substitute for aluminum in addressograph plates.

Representatives of mail-order houses and other large merchandisers informed Mr. McConnell that they had been working for months on the substitution of more plentiful materials for scarce materials in goods they sell by mail and through retail outlets. They all agreed to increase efforts in this field. Every company represented expressed willingness to assist the Conservation Unit in any way possible.

Conferees


Manufacturers agree to slash motor-vehicle production 20 percent

William S. Knudsen, Director General, Office of Production Management, on April 17 issued the following statement:

I have just concluded a meeting with the leaders of the entire automobile and truck producing industry, which I called to consider the growing defense production job that faces us.

The entire industry willingly accepted an initial 20 percent reduction in the production of motor vehicles for the model year beginning August 1 this year, in order to make available more manpower, materials, facilities, and management for the defense load now being made ready.

The reduction will amount to approximately one million units.
More expansion expected in forgings for ships and big guns

Manufacturers of heavy forgings for ships and big guns are exploring the possibilities of speeding up deliveries by changes in specifications and the substitution of more plentiful materials for scarce metals.

Eighteen heavy forgings producers are investigating this field as the result of a conference in Washington last week with representatives of the Army, Navy, Maritime Commission, and the Office of Production Management.

The producers will submit suggestions shortly to the affected Government departments and agencies, and these agencies will decide whether the suggestions shall be put into effect.

Less precise finishing

Relaxation of tolerances is one possibility being explored. This would mean less precise finishing in certain cases where efficiency would not be impaired by such methods. Substantial savings in both man-hours and machine-hours might result.

Substitutions

It is believed that deliveries can be speeded up also by substituting more plentiful materials for scarce materials when the plentiful materials will produce as good or better results.

Expansion needed

The need for a considerable further expansion of facilities to produce heavy forgings was confirmed at the conference of producers and Government officials.

There had been indications at a previous conference on Friday, April 11, that such an expansion would be required by increased needs of the Army and Navy, the lease-land program, and the Maritime Commission. It will be in addition to one now being made at a cost in excess of $40,000,000.

The additional expansion has now become a matter of negotiation between the individual companies and affected agencies of the Government. It is expected that financing will be arranged through Emergency Plant Facilities contracts. Under the terms of such contracts the Government reimburses the contractor for the full cost over a 5-year period and the contractor obtains the right at the end of the 5-year period to pass title to the facility to the Government or to repurchase it.

Save a billion man-hours in production schedule, Knudsen urges—equal to 10,000 medium sized bombers with guns

Excerpts from the address of Mr. William S. Knudsen to the Boston Chamber of Commerce, April 15, follow:

In plants, we had to start guaranteeing when we came down here because in certain branches of ordnance there weren't any plants. For instance, for powder and T. N. T. There were no plants that amounted to anything and we had to go out and build them.

In airplanes, we took the existing plants, particularly motor plants which the British and French had helped to build up to a certain size—very small at that. We had to expand them.

We had to go to a lot of people and ask them to put additions on their plants in order to get going quicker.

More than $2 billion in plant expansions

The net result today is that we have started and certainly within 60 days will complete 764 projects all over the United States at a total value of $2,138,000,000, about one-third of which is privately financed under Government guarantee, and the balance financed directly by the Government because the plants involved will have no commercial value to any extent after the emergency is over.

Amortization

We had a lot of trouble getting started with this amortization business. You probably remember some of the people insisted that if you amortize 20 percent a year, in 5 years you'd have given them the plant for nothing.

It took us a little while to make it clear to them that the tax bill didn't deal with anything but tax and what we were really dealing with was 20 percent of 20 percent, or 21 percent of 20 percent which means that after 5 years about 21 percent had been absorbed in actual cash. We had a terrible time with some of the brightest statesmen who said we were giving plants away.

Now I don't want to give anything away, but we had to do something to protect the manufacturer who was willing to invest his own money in a defense program. We couldn't have it all done by the Government.

Tool makers do job

The first thing we ran up against was the shortage of machine tools. I do want to say this for the machine tool industry.

(Continued on page 13)

Next 100 days vital—push production, employ subcontractors, make all-out effort, Biggers warns

Speaking before the Boston Chamber of Commerce, April 15, John D. Biggers, Director of the Production Division, OPM, said in part:

I needn't say a single word about the urgency of this task. Your reading of the newspapers—your listening to the radio—should give you the answers as to the question of time.

I think that the defense effort before us could truly be called at this moment the greatest job on earth. It is progressing well, but we can't be satisfied. The demand for speed, the demand for more and more is so great that we can never be satisfied.

I will tell you as to the magnitude of this job—I will give you two examples, if I may, to prove that the words colossal and stupendous are applicable if you wish to use them.

Automobile industry 30 years in growing

We all think of the motorcar industry as the industrial phenomenon of the twentieth century, and rightly so—it's growth was well-nigh miraculous, and it transformed our ways of living. Yet, gentlemen, please consider that the automobile industry grew from a volume of $229,000,000 annual sales in 1910 to $3,012,000,000 in 1940—a growth of something over 1,200 percent in 30 years.

Airplane production zooms

The Army, the Navy, the industrialists of America, guided in this program

(Continued on page 13)
**MEDIATION BOARD...**

Agreements to settle Mediation Board's eighth and ninth cases reached last week

The National Defense Mediation Board last week (April 14-20) received certification, and 3 1/2 days later obtained an agreement to settle its first prestrike case. Also, during the week, it settled the longest defense strike of the current emergency and received certification of 4 new cases. A total of 15 cases have been certified to the Board (see chart) and 9 of them have been settled. The rest are pending.

The prestrike case involved two plants of the Minneapolis Moline Power Implement Co. in Minneapolis and Hopkins, Minn., and locals 1138 and 1146 of the United Electrical, Radio and Machine Workers of America, CIO. The plants, which employ a total of 2,100 men, have defense orders for structural steel for airplane hangars and shell casings for the Army.

The Union on March 6 filed intention to strike 30 days later, in accordance with the provisions of the Minnesota law. A commission of three, appointed by the Minnesota Governor, investigated the issues involved, and, on April 4, filed a series of recommendations. These recommendations were accepted by the union but not by the company. The union then voted to strike in both plants at midnight, April 15.

**Strike deadline postponed**

Late in the afternoon of Tuesday, April 15, the case was certified to the Board. Working against a strike deadline that night, the Board immediately wired both parties to the dispute, informing them that the Board had taken jurisdiction over the case, that an early date would be set for a hearing and requesting them to refrain from any stoppage of work in the meantime.

**Negotiations start en route**

That evening both locals of the union met and agreed to postpone the deadline until midnight Friday. The hearing with the Board was set for Friday at 2 p.m., and representatives of the company and the union boarded the same train for Washington Thursday morning. While en route for the hearing, the two parties started negotiating. By the time they reached Washington Friday, they had made considerable progress.

Accordingly, just before the time set for the hearing, representatives of both groups called the Board and asked for an hour's postponement. In the interests of an early settlement of the dispute, the Board agreed, and later extended the postponement until 6 p.m. and again until Saturday morning at 10, on the understanding that there would be no strike in the meantime.

**Amicable agreement**

Both sides continued to negotiate into the night, and, at 3:45 a.m. Saturday, reached an agreement to end the dispute. Later in the morning they called at the Board's offices and signed a "memorandum of agreement," which provides for a contract running until December 31, 1942. Details of the contract will be worked out later.

The company and union negotiators then chartered a sightseeing bus and all went off together for a 3-hour tour of Washington and Mt. Vernon, after issuing public statements saying that a basis had been laid for "extremely harmonious relations and greater cooperation for national defense." The company paid for the bus, and the union for the refreshments at Mt. Vernon.

**Snoqualmie Falls lumber**

The other strike settled last week was that of the Snoqualmie Falls Lumber Co., Snoqualmie Falls, Wash., where 1,060 members of the Lumber and Sawmill Workers, AFL, had been on strike since October 38, 1940—the longest defense strike during the current emergency. During its course, the strike had resulted in a sympathy tie-up by the Brotherhood of Carpenters and Joiners, AFL, of a large Army airport under construction at Everett, Wash., and a threat by the Seattle's Union of the Pacific, AFL, to refuse to carry lumber from any of the other mills of the Weyerhaeuser Timber Co., parent company of Snoqualmie.

The case was certified to the Board April 1 and hearings began April 9 after the sympathy strike had been postponed at the Board's request. Five days later, the longest negotiations yet held by the Board, a complete agreement was reached. It was ratified by the union.

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**STRIKES CERTIFIED TO NATIONAL DEFENSE MEDIATION BOARD**

<table>
<thead>
<tr>
<th>Case</th>
<th>Location</th>
<th>Date of strike</th>
<th>Number certified</th>
<th>Date certified to Board</th>
<th>Date of back-to-work agreement</th>
<th>Date labor settled</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Universal Cyclops Steel</td>
<td>Bridgeville, Pa.</td>
<td>Mar. 11</td>
<td>1,400</td>
<td>Mar. 17</td>
<td>Mar. 28</td>
<td>Closed</td>
</tr>
<tr>
<td>3.</td>
<td>Condenser Corp.</td>
<td>South Plainfield, N. J.</td>
<td>Mar. 10</td>
<td>200</td>
<td>Apr. 2</td>
<td>Apr. 2</td>
<td>Closed</td>
</tr>
<tr>
<td>4.</td>
<td>International Harvester Co.</td>
<td>Rock Falls, III.</td>
<td>Jan. 21</td>
<td>200</td>
<td>Apr. 2</td>
<td>Apr. 2</td>
<td>Closed</td>
</tr>
<tr>
<td>5.</td>
<td>Chicago-McClure</td>
<td>Chicago-Tractor</td>
<td>Feb. 17</td>
<td>550</td>
<td>Apr. 3</td>
<td>Apr. 3</td>
<td>Closed</td>
</tr>
<tr>
<td>6.</td>
<td>Snoqualmie Falls Lumber Co.</td>
<td>Snoqualmie Falls, Wash.</td>
<td>Oct. 28, 1940</td>
<td>1,000</td>
<td>Apr. 1</td>
<td>Apr. 14</td>
<td>Closed</td>
</tr>
<tr>
<td>8.</td>
<td>Sea Shipping Co.</td>
<td>New York, N.Y.</td>
<td>Mar. 22</td>
<td>25</td>
<td>Apr. 5</td>
<td>Apr. 11</td>
<td>Closed</td>
</tr>
<tr>
<td>10.</td>
<td>Phelps-Dodge Co.</td>
<td>Elkhart, Ind.</td>
<td>Jan. 20</td>
<td>30</td>
<td>Apr. 8</td>
<td>Apr. 8</td>
<td>Closed</td>
</tr>
<tr>
<td>11.</td>
<td>J. Skirr Mfg. Corp.</td>
<td>Long Island City, N.Y.</td>
<td>Apr. 5</td>
<td>450</td>
<td>Apr. 9</td>
<td>Apr. 9</td>
<td>Closed</td>
</tr>
<tr>
<td>12.</td>
<td>Minneapolis Power Implement Co.</td>
<td>Minneapolis, Minn.</td>
<td>No strike</td>
<td>2,100</td>
<td>Apr. 15</td>
<td>Apr. 15</td>
<td>Meeting Apr. 21</td>
</tr>
<tr>
<td>13.</td>
<td>California Metal Trades Association</td>
<td>San Francisco, Calif.</td>
<td>Apr. 7</td>
<td>7,000</td>
<td>Apr. 9</td>
<td>Apr. 9</td>
<td>Meeting Apr. 21</td>
</tr>
<tr>
<td>15.</td>
<td>America Knitting Mills</td>
<td>Altoona, Pa.</td>
<td>Mar. 3</td>
<td>210</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In Snoqualmie Falls on Saturday by a vote of 9 to 1.

Certifications

In addition to Minneapolis Moline Power Implement Co., the new cases certified to the Board were a strike since April 7 by Lodge 68 of the International Association of Machinists, AFL, against approximately 50 machine shops in and around the San Francisco area affiliated with the California Metal Trades Association, in which 1,500 men were directly involved and 9,000 indirectly; a strike since April 4 by the Steel Workers Organizing Committee, CIO, against the Birdsboro Steel Foundry & Machine Co., Birdsboro, Pa., involving 1,209 employees, and a strike since April 3 by the Federation of Dyers, Finishers, Printers and Bleachers of America, CIO, against the Arcadia Knitting Mills Co., of Allentown, Pa.

The California Metal Trades Association case was certified to the Board April 15 and a hearing was set for 10 a.m. Tuesday, April 22. The Birdsboro Steel Foundry & Machine Co. case was certified April 17 and a hearing was also set for Tuesday at 10 a.m.

Other developments

Other developments during the week included an agreement to go back to work in the Phelps-Dodge Copper Products Co. case while the Board would continue negotiations. This agreement, which was reached April 14, failed to be ratified by the union involved, local 441, United Electrical Radio and Machine Workers of America, CIO, at a meeting the following day. The panel reconvened Friday, April 18, and met all day and all Saturday with representatives of the company and the union. The meetings were then adjourned until Wednesday to give a special representative of the Board opportunity to investigate certain issues and report facts to the panel.

The Board also learned that the agreement settling the Standard Tool Co. case, which had been reached Saturday, April 12, was ratified by the union (UAW-CIO) at a meeting in Cleveland Tuesday night.

In the case of the Cowles Tool Co., also of Cleveland, which involved the same local of the United Automobile Workers, efforts by the United States conciliator in Cleveland last week failed to bring about an agreement and the case was set for further hearings with the Board on Monday, April 21 at 10 a.m. Previous meetings with the Board had been held in Washington April 11.

Addressing the American Society of Newspaper Editors, April 18, Sidney Hillman, Associate Director General, OPM, stated in part:

We are all engaged in a historic struggle to preserve the kind of world in which a free press is possible, and no force in our national life can make a greater contribution to the success of that struggle than our own press. I want to speak today about cooperation. It is the story of how American labor and American management are helping to defend America.

You perhaps more than any other group perceive that to meet the totalitarian challenge both from without and within, the latent productive strength that is in democracy must be mobilized more speedily and more effectively than ever before. This strength, as I believe, is rooted not only in our physical resources, our industrial equipment, and our labor energy, but also in a spirit of cooperation.

Only through teamwork can we achieve the greatest possible output of defense materials.

We in the Labor Division, first in the NDAC and now in the OPM, are seeking daily—in a variety of ways—to enable management, Government, and labor to work together to achieve the utmost limit of our productive capacity.

Strikes small part of picture

Let us consider the highly publicized question of strikes.

I wonder how well known is the fact that most industrial disputes are settled without any stoppage. Every week hundreds of labor contracts expire and are renewed without evoking even a ripple. I have had occasion in recent months to report on the strike situation—first, before the House Judiciary Committee. At that time, I detailed the facts about strikes and urged that no additional legislation was called for to handle the strike situation. I said that the problem rather was one of enabling management and labor to improve and perfect their arrangements of voluntary cooperation.

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Fair appraisal of labor relations shows strikes are overemphasized; many disputes settled peaceably

Fair appraisal urged

In the strikes which have occurred, surely we have no right to place the blame upon labor without informing ourselves as to the underlying reasons. When large profits are reported in the press, labor justly feels it is entitled to some fair share of them. When labor is denied various rights guaranteed to it by law, labor cannot be expected to sit by without protest.

An honest and fair appraisal of any strike requires careful diagnosis. No one can reasonably assume that these stoppages are entirely the fault of labor. The mere fact that a picket line is more dramatic than a decision of a Board of Directors does not relieve us of the obligation for clear and fair analysis.

Probably more adjectives of an unrestrained character have been used in connection with strikes than about any other subject in recent days. Those who have been engaging in that kind of rhetoric may think that they are serving the cause of defense but they are sadly mistaken.

General harmony in labor relations

The great majority of American employers share with the great majority of American labor union the credit for the unusually small number of strikes in the last year.

Among the chief reasons for the present harmonious state of affairs, which prevails by and large between labor and management, is the widespread growth of collective agreements in American industry during the recent years. This has been particularly true in the industries that are today concerned with defense. Issues which in former years gave rise to strikes are now settled through machinery set up in collective agreements between organized labor and management.

Even more important in this connection is the patriotism and vision of the leadership and the rank and file of organized labor. They have unstintingly given their support to the defense program.
PURCHASES...

Price situation critical; Purchases Division working closely with new price control agency—Nelson

On April 16, the press "went to market" with Donald M. Nelson, whose agency, the Division of Purchases, OPM, to date has cleared $1.5 billion in defense orders.

Regarding prices, Mr. Nelson replied to the press as follows:

Q. Do you see any prospect at any time in the near future of having to put into effect stricter price control than we have now?
A. Let me say this on prices. In my opinion the whole price situation is in a rather critical shape. Unless we can prevent the spiraling by other means, price control may have to be put in. Maximum prices may have to be set.

Q. By that you mean to say that an order will be issued fixing all prices as of a certain date?
A. Well, I don't think there is a necessity yet for fixing all prices. I think we will have to fix those that are definitely running out of line.

Q. But ultimately do you see any possibilities of fixing all prices by arbitrary order as of a certain date?
A. I hope not. I hope it can be prevented by other means, because price control definitely involves a lot of other things.

Specific price problems

Q. Would you care to be specific on what fields are critical?
A. Well, that is a matter of just common sense. If you find a scarcity, if the total demand in this country for both defense and civilians is so great that it causes scarcity and building up unnecessarily of prices for those things, it may be necessary as in the case of aluminum, zinc, copper; the textile fabrics may require it.

Let's make it plain—we don't mean to prevent price increases. Price increases may have to be made. Just as in the case of steel there may be certain grades of steel that may have to have price increases, but what we want is to try to prevent prices and wages from chasing each other by the tail in an every widening circle. That can be prevented in my opinion by maximum price controls.

Hides and leather

Q. Would you include hides on this list of possible commodities which might be subject to control?
A. Not hides but maybe certain grades of leather, particularly where the Army uses a very large percentage of total of retanned leather. There is plenty of black but to get the tan leather it may be necessary.

Food prices all right for present

Q. How about foodstuffs, Mr. Nelson?
A. I don't see any reason for foodstuffs at the present time.

Close cooperation on prices

Additional excerpts from Mr. Nelson's press conference follow:

Q. Do you anticipate working with Mr. Henderson's new office?
A. Very definitely. In the past we have worked very closely together and we will work closely with him in this. We have found his office, before, extremely helpful in making awards. We have, in many cases, where we felt they were at all interested cleared through his office and through the Consumer's Division and through the Labor Division. Then we used our best judgment as to what we should do. Leon Henderson's Division has been extremely helpful to us where prices were out of line.

Q. Mr. Nelson, have you found your attempt to profitize in any specific industries? Say, for the case of cotton?
A. Profitizing is a word like hoarding that I don't like to use. I think both words are extreme words. Now, there has been some evidence that some manufacturers have, what I thought, tried to get too much insurance for contingencies that may or may not happen in their prices. So far—I will say this very definitely—we have been able to get the goods at what I consider fair prices even though some of the prices asked were higher than I thought they should be.

Purchasing assistance

Q. Will your office assist the manufacturers holding Government contracts to buy materials at the right price?
A. We'll do anything that's necessary to get these goods at the right price. I mean we would prefer, of course, to buy the finished articles. In other words, we would prefer to buy a finished shoe. If, however, through any combination of circumstances, the manufacturers can't get their upper leather or can't get their sole leather at the right price, I believe it's a good buying practice to go in and buy that material ourselves if we can get it cheaper than they can and in some cases we can. I am perfectly prepared to recommend to the Army that we buy the material ourselves or do anything that may be necessary to get these things at what I consider the right price.

Coordinated buying

Q. I understand that some unit of OPM has asked the Treasury Procurement Division not to make any more purchases of textiles for the Government, cotton textiles, until after the defense requirements have been placed?
A. No, that isn't true. What we have asked them to do, we have asked a number of Government agencies to do the same thing, is to allow us to coordinate those purchases. For instance, if it is bed sheets, we go into the market and try to buy one lot of bed sheets rather than have a lot of lots coming out. If possible, use the same specifications in order that you can get longer runs and greater products in a mill, to see that we don't unnecessarily buy too much at one time where we don't need it for a long time.

Defense goes to market

Q. Can you give us an idea of new purchasing procedures that you have developed in connection with the Army's fresh foods?
A. What we have done primarily—looked forward to one thing. What we want to do is to spread those purchases all around the country so that we aren't draining some particular locality of all of the fresh goods or all of canned food or all of any of a particular kind of food.
New plants under Lend-Lease program

Q. Are there going to be many new plants built as a result of the Lend-Lease program?
A. Probably as a result of additional programs which are necessary for our Army.
Q. There will be additional plants built? Have you any ideas—
A. I think of straight-out Government plants there will not be more than 15 as far as I know at the present time. There will be other plants, of course, that we will have to help finance the expansion of.

Diamonds from South America

Q. I may say that I am interested in the South American situation.
A. Yes, let's look at our policy of purchasing industrial diamonds, for example. Now we are buying diamonds for stockpile; we have appropriation Public 117 for the buying of industrial diamonds. Now whenever we can get those diamonds at anything like the right price from South America we want to take South American diamonds before we get them from any other section of the world, here again increasing the money that goes in there; the more that we can buy from them, the more they can buy from us.

It so happens that Brazilian diamonds are the best for industrial use. They are harder, and it is a very logical thing to buy Brazilian diamonds. So that in our buying program for the stockpile we are attempting wherever it is possible to get them and at a reasonable difference in price, a difference in price justified by the difference in quality.

Compilation of defense contracts cleared and awarded April 16 through April 30

Defense contracts totaling $104,160,640 were awarded by the Army, Navy, and Maritime Commission and cleared by the Division of Purchases, Office of Production Management, during the period April 10 through April 16.

This compares with $166,645,661 for the previous week and $109,956,285 for the week ended April 2.

Cleared contracts awarded by the War Department during the latest period totaled $23,053,245, by the Navy Department $56,600,245, and by the Maritime Commission $22,567,150.

CONSTRUCTION

WAR DEPARTMENT

American-Friedman-Bitulithic Associates, Houston, Tex., construction of advanced pilot training school at Victoria, Tex., $1,525,000.

A. Farrell Blair, Decatur, Ga., construction of 14 warehouses at Atlanta, General Depot, Ga., $4,271,584.

Navy

General Machinery Corporation, Hamilton, Ohio; construction and installation of additional plant facilities, tools and equipment, at Hamilton plant; $1,499,000.

Cooper-Bessemer Corporation, Mount Vernon, Ohio; construction of propelling machinery for 15 motor minesweepers of YMS45-134 class; $1,263,000.

Thompson-Starrett Co., Inc., New York, N. Y.; foundry and extension to structural shop at Navy yard, N. Y.; $1,650,000.

Willamette Iron & Steel Corporation, Portland, Oreg.; plant expansion for shipbuilding; $542,000.


MARITIME COMMISSION

California Shipbuilding Corporation, Los Angeles, Calif.; six shipways; $4,-330,000.

Oregon Shipbuilding Corporation, Portland, Oreg.; three shipways; $1,-538,000.

Richmond Shipbuilding Corporation, Richmond, Calif.; six shipways; $4,-878,000.

Houston Shipbuilding Corporation, Houston, Tex.; three shipways; $1,-693,000.

North Carolina Shipbuilding Corporation, Wilmington, N. C.; three shipways; $2,492,000.

Bethlehem-Fairfield Shipyard, Inc.; (Continued on page 22)
STATE AND LOCAL COOPERATION ...

Fifteen States now have legislative provisions for Councils of Defense

Thirteen of the forty-three State legislatures meeting this year have now enacted measures providing for a State Council of Defense. Laws on this subject have been approved in 1941 in Delaware, Indiana, Iowa, Kansas, Montana, Nebraska, New Hampshire, New York, Pennsylvania, Rhode Island, Washington, West Virginia, and Wyoming.

Two State Defense Councils were established by law in 1940 (Maine and New Jersey).

Other legislation considered

Other important defense legislation considered in the legislatures has been concerned primarily with the "Legislative Program for Defense" drafted by State officials upon the recommendation of the Federal-State Conference on Law Enforcement Problems of National Defense which met in Washington, D. C., August 5 and 6, 1940. This program, which includes model bills on Sabotage Prevention, Explosives, Interstate Public Property, State Guard, and Fresh Pursuit by Military Forces, has met with favorable consideration in most of the current sessions.

Field staff expanded to assist State defense councils

Appointment of five new field representatives in the Division of State and Local Cooperation has been announced by Frank Bane, Director of the Division. These additions bring to nine the representatives in the Field Section, of which Mr. Allen Moore is chief, who are available to assist State and local defense councils on problems of organization and coordination of defense activities, particularly civilian defense.


Mr. Farley has been director of the Massachusetts Committee on Public Safety, which has been active in developing plans for civilian defense in that State and the surrounding area.

Mr. Gravely was for a number of years a member of the North Carolina State Senate.

Mr. Barringer was city manager of Flint, Mich., for 3 years.

Mr. Bull was formerly director of region V of the Public Works Administration, with headquarters in Fort Worth, Tex.

Mrs. Evans has been director of the North Carolina State Employment Service and was at one time a faculty member at the Woman's College of the University of North Carolina.

Home guards

To date 20 States have enacted laws providing for a State Home Guard Unit to serve in the absence of the National Guard. These States are: Delaware, Indiana, Iowa, Kansas, Maine, Maryland, New Hampshire, New Mexico, North Carolina, North Dakota, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, West Virginia, Wisconsin, and Wyoming.

Other laws enacted

Four States have enacted laws patterned after the model Sabotage Prevention bill: Arkansas, New Hampshire, Tennessee, and Vermont.

Legislation to regulate the manufacture, sale, and possession of explosives has been enacted in five States: Georgia, New Hampshire, New Jersey, New York, and Vermont.

Other types of legislation related to the defense program which have received favorable consideration are in the fields of housing, zoning and planning, civil rights, firearms, un-American activities, eminent domain, recreation and welfare, health and education.

Cooperate with Defense Contract Service, Bane urges councils

Close association between the State and local defense councils and representatives of the Defense Contract Service Section will aid the Federal Government in obtaining detailed information concerning State industrial resources, Frank Bane, Director of the Division of State and Local Cooperation, has pointed out.

Such contact will effect a more widespread utilization of State resources in the defense program, he stated.

Where the situation warrants, the District Manager of the Defense Contract Service will designate one person to work with the State defense council to develop arrangements for such information service, reports, recommendations, suggestions, advice and assistance as may
be rendered by the State and local defense councils.

**Two-way help**
Many State defense councils have already conducted comprehensive industrial surveys or have obtained, in cooperation with the State's industrial commission, detailed information regarding industrial facilities within the State. These data, and similar information compiled in the future, are to be made available to the district office of the Defense Contract Service Section. The councils of defense will also submit any reports and recommendations which might assist in proper interpretation of the information.

In areas where there is no Federal Reserve bank or branch, it may be possible for the State or local defense council to develop, under guidance of the District Manager of the Defense Contract Service Section, informational data and reports which would be of assistance to the District Manager and which otherwise would not be available to him.

**Biggers ...**
*(Continued from page 7)*

very largely by Mr. Knudsen's own superb knowledge and personal direction, have to take an industry which in 1929 totaled $278,000,000 and in 3 short years build it to an annual productive total of over $4,000,000,000 so that what was done in 30 years in the automotive business has to be more than repeated in 3 years.

**Ordnance greater job than aircraft**

Second, in giving you an idea of the magnitude of this job I would like to turn to ordnance. Ordinance, as you know, includes guns and ammunition and bombs and tanks and cannon and such like.

It is difficult—it is complicated, it is very different from the manufacture of the products of peace time, as many of you manufacturers know. The task before us in ordnance percentage-wise is far greater than the task before us in aircraft, if you can believe such a thing.

**Ordnance funds increase 14,000 percent**

The appropriations of the last 20 years for ordnance have averaged $28,-000,000. The appropriations now passed exceed $4,000,000,000, and that means an increase in ordnance production of 14,000 percent.

**Machine tools**

The machine-tool industry has multiplied its productivity 300 percent above any previous year in its history in the World War years, yet that is not enough. There are not enough new machine tools to equip the factories that are needed for this program.

**Subcontracting**

Take the work so far as you can by the subcontracting processes to the unemployed labor, wherever it may be found. Don't rely solely upon the expansion of your own facilities in the industrial centers and the drawing away of labor from its homes into these centers.

Subcontracting is not easy—we don't think so. It is always easier to do things yourself than to teach somebody else to do them. You have to organize to subcontract intelligently. As Mr. Knudsen says, you have to "mother" the job. You have to supervise. You have to help your subcontractors find themselves and adapt their facilities to your problem and you have to help them with inspection—you have to help them all along the line. If you do it, it will be a contribution to the Nation and it will be a satisfaction and profit to yourselves.

**Subcontracting profits prime contractor**

You may say you can't make the same percentage of profit on subcontracting work. In some cases I think that is true. In all cases that I know of where it has been done conscientiously, effectively, it has resulted in increased net profit to the parent company—to the prime contractor. After all in an emergency we shouldn't worry about percentages of profit.

**Real mass production**

Some mention was made by your chairman of my recent reference to the fact that to my own honest belief we are within 100 days of the beginnings of real mass production—that is my belief.

**Cut 10 days from effort**

I appeal to you men of New England who have achieved the impossible in times past to help your country once again. I think by an all-out effort, by working harder than we have ever worked before in our lives, harder than we ever thought we could work, we can cut 10 days off these next 100 days and those 10 days may tip the scale our way. I plead for that kind of patriotic devotion and effort.

**Knudsen ...**
*(Continued from page 7)*

that you have done a magnificent job. You made $200,000,000 worth of tools in 1939. You made $40,000,000 in 1940, and we are now running at the rate of $750,000,000 worth of tools.

The men are working 6 and 7 days a week and a magnificent job has been done.

**Anticipating demands**

On materials, we are beginning to feel the pinch; on zinc, nickel, and tungsten, aluminum, and magnesium, and probably there will be other places where we will feel it in civilian consumption. I imagine that within 6 months or so, maybe a year some of us are going to be awfully unpopular when we have to conserve materials, but I can assure you that we are trying to analyze the demands so that we can, as far as possible, anticipate them and create more capacity.

**Save a billion hours**

I don't like to talk about money. I like to talk about hours. I think you heard me say before that in our original program we started last June or July with 16,000,000 man-hours to be included in the British orders at that time. With what is projected ahead of us now at least 60 percent are right in sight and we might even go beyond that.

There will be about a billion man-hours a month expended in the program as we know it now. A billion man-hours is a lot of hours. If you could save a billion hours or if we could save a billion hours, that would make 10,000 medium sized bombers with guns and equipment and, gentlemen, that is worth trying for.

**New chairman appointed for Production Planning Board**

Appointment of Robert E. Doherty, president of the Carnegie Institute of Technology, as chairman of the Production Planning Board was announced April 15 by John D. Biggers, Director of the Division of Production, Office of Production Management.

Dr. Doherty will replace Samuel R. Puller, Jr. Mr. Puller was recently appointed chief of the Materials Branch, OFM.
Coal . . .
(Continued from page 3)
son said, "the actual prices on March 28, 1941, which constitute the maximum prices contained in Price Schedule No. 5, approximate the minimum prices fixed by the Bituminous Coal Division. The industry is practically unique in that these prices, generally speaking, do no more than to return to producers their average charges.
"Consumer protection will not be diminished by the supplement, since the March 28 price ceiling is maintained for all coal above ground. Collateral agreements are not permitted unless the coal is newly mined under a retroactive wage agreement. Moreover, future compensation is limited to actual increases in cost at the normal rate of production."

Steel prices . . .
(Continued from page 3)
the steel industry's existing basing point, price leadership, and extras system. Thus the first-quarter price for a given type of steep product is simply the sum of three things—the basing point base price, extras (both as defined in the price schedule) and transportation charges. For products on which there are no base prices, the ceiling price is to be the price as of March 31, 1941.

Evasion not possible
The schedule provides that price ceilings may not be evaded by additional charges for prompt delivery, or by other direct or indirect methods. Contracts entered into before issuance of the price schedule, containing escrow clause clauses which might send prices above the ceiling, may be carried out unchanged.
The schedule requires manufacturers to retain copies of all invoices, dated January 1, 1941, or later, relating to sales to warehousemen, jobbers, brokers, and all other persons purchasing for resale. The order further states that reports on such sales will be required by supplements to the schedule.

Additional action if necessary
"If the information gained through this procedure and from other sources reveals that middlemen in the industry are profiting inordinately at the expense of consumers of iron and steel products, further action will be taken to remedy the abuse," Mr. Henderson asserted.
The price schedule, Mr. Henderson said, was issued after it had been submitted to and considered by the Price Administration Committee.

Stabilize rents now and avert legislative control, consumer chief urges housers

Both voluntary and legal controls are necessary to maintain fair rents in vital industrial areas, Joseph P. Tufts, chief of the housing section in the Consumer Division of the OPACS, said on April 18 in an address before the National Association of Housing Officials, Cincinnati, Ohio. Mr. Tufts' speech in part follows:
"Much of the labor beginning to be employed in defense industry has been unemployed or underemployed for years. Current wage scales are naturally higher than WPA wages or relief benefits. But if these wages are an excuse for rising living costs, rising rents, rising prices, and still higher living costs, the spiral will be under way and we will be repeating the unfortunate experience of the last war. Since all factors in the cost of living are interrelated, the stabilization of rents now is of the utmost importance.

Sharp increases
"Since the declaration of the emergency, defense localities large and small have shown sharp increases in the total number of tenants reporting rent rises. In cities such as Norfolk, Mobile, Jacksonville, and Birmingham the number of increases has run from 20 to 33 out of every 100 rental units.

For units below $30 the total rent bill in cities such as Indianapolis, Pittsburgh, Detroit, Jacksonville, Norfolk, Mobile, Memphis, and New Orleans has shown a substantial increase. According to the March collections of the Bureau of Labor Statistics the same tendency is spreading to Baltimore, Philadelphia, Seattle, Portland, Ore., and Buffalo.
"Last September the Consumer Division requested the Bureau of Labor Statistics to measure the effect of the defense program on rentals by special surveys of typical defense areas. Shipbuilding centers such as Camden; middle western industrial centers such as South Bend; aircraft centers such as San Diego; New England industrial centers such as Bridgeport, have been surveyed and resurveyed. On the basis of a carefully chosen sample it was concluded that the number of rental units showing an increase often hit between 25 and 50 out of every 100 tenant families. Elizabeth, N. J., gives a clear indication of how much more substantial is the frequency of increase for units under $30 for the city as a whole it was 29 out of every 100; for units under $30, it was 60.

Tenancy changes
"The rise occurred most often when there was a tenancy change. In some cities, such as Gadsden, Ala., and Akron, Ohio, nearly 100 percent of the rises in the sample which had a tenancy change showed an increase. The dollar average of each increase tended to be between $2 and $3, or about 10 percent, but for many areas there have been individual reports of far more exorbitant increases. One family reports an increase from $8.50 to $11 per week between January and March 1st, for a third-floor cold-water flat, located in a midwestern industrial town. It is quite common to receive reports of increases from $20 to $30 or $35 per month on old houses where no repairs have been made.

"We must realize, as indicated by the Bureau of Labor Statistics surveys, that rent is a total community problem—not simply a problem of the in-migrant defense worker. Its effects are more serious on the permanent worker who has lived and intends to live in his community. It affects the worker who has come off WPA and relief rolls. What happens to a worker who, after years of partial employment or unemployment finally gets a job only to see one-third to one-half of his weekly wage vanish because of extortionate rents?

Relief families
"But rent increases most seriously affect families still on relief. They are caught between their inability to pay and the demand by workers with jobs who want and need housing. Reported evictions of relief families are mounting—another definite indication that even our worst housing is again on the market and is again paying dividends. There is no answer to this problem except a more realistic public-assistance policy with respect to the payment of fair and reasonable rents for fit dwellings and a vigorous effort to keep rents in line with reasonable housing standards.

Fair rent committees
"Where rent problems have arisen or are threatening, we are requesting local defense councils, or, in the absence of such councils, the mayors to appoint fair-rent committees. These committees, composed of equal representation from
(Continued on page 16)
News for Retailers

This material, which appears weekly in DEFENSE, is designed to help merchandise managers and buyers for retail stores. It is prepared by the Consumer Division, OEM.

**Beef**

The Purchases Division of the Office for Emergency Management has just announced that the United States will be in the market soon for canned corned beef, particularly from South America. The background of this development is as follows:

Canned corned beef is largely used as an emergency ration. With the increase in the size of the Army since last June, the Army had to augment its purchases of all kinds of beef. In February the Purchases Division held a conference with representatives of the American Livestock Association at which it was agreed that some purchases of South American canned beef are necessary to provide canned meat requirements for use by the armed forces in the field.

In addition to this, an amendment to a recent Army appropriation bill provided that purchases in South America may be made when adequate supplies at reasonable prices cannot be obtained here.

It is understood that Army purchases of imported canned beef are not to exceed 20,000,000 pounds for the fiscal year 1941. Purchases by the Army since June 1, 1940, to date, of canned beef are as follows: Canned beef, canned, 6,600,000 pounds; beef dried, canned, 400,000 pounds; hashed corned beef, canned, 16,400,000 pounds.

It is estimated that the Army will use about 6 ounces of fresh beef per day per man. With an Army of 1,440,000 men the annual consumption of fresh beef will be approximately 200,000,000 pounds.

Army purchases of all kinds of beef, however, will remain at a small percentage of total annual production. The figures given above, should be judged in relation to the total annual production of beef which ranges from 8 to 9 billion pounds.

**Canned Vegetables**

Increased domestic consumption of canned vegetables makes it appropriate that the latest facts with reference to supplies and current rate of use be presented. The following facts are made available through the cooperation of the Bureau of Agricultural Economics of the United States Department of Agriculture.

There was a large production of canned vegetables in 1940 but shipments have been unusually heavy, partly because of the increase in consumer purchasing power. Carry-overs at the beginning of the 1941 season, which begins August 1, will therefore not be much larger than normal. As a result of the improving domestic demand, it is probable that still larger packs will be needed in 1941.

**Tomatoes**

The total pack of tomatoes for the 1940 season, beginning August 1, was 29.1 million cases which, plus a carry-over of 2.2 million cases, gave a total supply of 31.3 million cases. Stocks of canned tomatoes in canners' warehouses on March 1 totaled 10.1 million cases as compared with 6.2 million for the previous year. Shipments to that date were larger by 10 percent, however, than in the corresponding season of 1939. The larger shipments reflect an improved domestic demand. Since the consumption of tomato juice apparently is on the up-trend, it is likely that a larger quantity of tomatoes will be needed for juice production in 1941 than last year.

At the beginning of the year the wholesale price of tomatoes was 55 cents a dozen of No. 2 cans. It later advanced to 60 cents and for the last few weeks has been at 65 cents per dozen. This price is above the level of 1939 and 1940 for the same periods.

**Snap Beans**

The total supply at the beginning of the 1940 marketing season was 10.2 million cases. Stocks in canners' warehouses on March 1 totaled 2.1 million cases. Shipments for the first 7 months were 12 percent larger than during the same period of 1939. Assuming a continuation of the same demand, the carry-over at the end of the season will be negligible. Processors of snap beans reporting to the Agricultural Marketing Service on the acreage intended for 1941 indicate an increase for this season of 13 percent over the 1940 plantings for canning or other manufacture.

**Sweet Corn**

The total supply including carry-over at the beginning of the 1940 marketing season was 18.4 million cases. Stocks of canned corn held by canners on March 1 totaled 6 million cases compared with 9.7 million a year earlier. During the first 7 months shipments were 2 percent more than in the corresponding period of the previous season.

The carry-over, at the current rate of consumption, will be about 12 million cases, all sizes. Late March acreage intentions of sweet-corn processors point to an acreage increase in 1941 over the 1940 plantings of about 22 percent. If these plans for 1941 are carried out, it is indicated that this year's acreage for processing will total 400,900 acres, compared with 327,170 acres in 1940.

**Green Peas**

At the beginning of the 1940 marketing season the total supply, pack and carry-over, was 27.7 million cases. This total was 4.2 million cases larger than that of the previous season. On March 1 stocks of canned peas in canners' warehouses totaled 6.6 million cases. Shipments during the 9 months from June 1 to March 1 totaled 21.2 million cases, compared with 16.6 million cases during the same period of the previous year. If shipments continue at the same rate, the carry-over into the 1941 season will be 2.2 million cases.

**Coffee**

The Inter-American Coffee Agreement has been put into effect through the signing of the protocol of the agreement. This means that the Inter-American Coffee Board will be set up immediately so that various urgent problems can now be considered regarding the coffee situation, including recent trends in wholesale green coffee prices.

**Next week**

An article on prices and supplies of men's summer clothing will appear next week: also, information on defense orders in relation to the flow of consumer goods.
Stabilize rents . . .

(Continued from page 14)

landlords, tenants, and the public, will publicize the facts about rent increases in their area; will call upon real-estate boards for self-discipline; will appeal to the reason, civic pride, and fairness of their communities; will point out the dangers inherent in rent rises; the evils of a large labor turn-over which may result from unwarranted rent increases, and the hazards of a general price spiral. Fair-rent committees will resort to conciliation and negotiation to restore fair and reasonable rents. They may make use of all the legal sanctions available in a community against landlords who increase rentals without obeying the local sanitation and safety ordinances. They will, when the case warrants it, publicize specific instances of extortionate rental practices.

Legislative action

"We hope that the fair-rent committees will succeed in eliminating some of the most outstanding grievances. If the voluntary measures fail, it will be their duty to turn to the proper authorities for legislative action.

"Today only three States have introduced fair-rent legislation. Again facing realities, it is doubtful whether many State legislatures will pass or even consider such measures before they adjourn this year. It is natural for them to wait until a situation has become acute and even threatening before taking legal action. Because of this the Consumer Division of the Office of Price Administration and Civilian Supply plans to enlist every citizen and every official in each defense center in an attempt to prevent rent increases through voluntary means."

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Pulp and paper manufacturers aim to maintain price stability

Prices of paper should remain stable for some time to come, Leon Henderson, Administrator, Office of Price Administration and Civilian Supply, announced April 12 after a conference with representatives of some of the foremost pulp and paper manufacturers in the country.

"The estimated surplus of paper capacity in the United States and Canada over the estimated consumption for 1941 will amount to approximately 5,103,000 tons," Mr. Henderson said. "This surplus exists in all but a few relatively unimportant grades of paper. Accordingly, the pulp and paper industry would appear to be concerned concerning which the Office of Price Administration can reasonably hope that it will not need to take any drastic action.

"It is gratifying to receive the assurance of the representatives of the pulp and paper industry attending this conference that the industry will cooperate with this office in its effort to maintain price stability. Such cooperation should make it unnecessary for the Price Administration to take more direct measures to guard against price spiraling in the pulp and paper industry."

Among those present at the conference were the following representatives of the pulp and paper industry: R. A. Hayward, Kalama Vegetable `Partmienl Co.; Cola G. Parker, Kimberly Clairk Corporation; R. E. Canfield, counsel, American Paper & Pulp Association; W. J. Dixon, St. Regis Paper Corporation; Clyde Morgan, Rayonier, Inc.; J. L. Riegel, Riegel Paper Corporation; R. J. Culien, International Paper Co.; and E. W. Tinker, American Paper & Pulp Association.

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Pricing recommendation on consumer goods

Miss Harriett Elliott, Consumer Commissioner, Office of Price Administration and Civilian Supply, warned manufacturers and distributors of consumer goods, April 18, that the practice of selling merchandise at the "price prevailing" at time of shipment rather than selling at a specific quoted price at time of sale, will encourage upward price spirals.

Miss Elliott's statement was in reply to Roscoe R. Rau, executive vice president of the National Retail Furniture Association, who had notified her that some manufacturers of refrigerators, ranges, and other household appliances were instituting "price prevailing" methods of selling.

The uncertainty resulting from use of the "price prevailing" practice would have a disruptive effect on markets and might lead to the hoarding of supplies and speculative price increases, Miss Elliott said.

Full text of the letter to Mr. Rau follows:

"Thank you for your letter of April 1, concerning the "price prevailing" method of pricing. I consider this practice to be against the best interests of consumers and a direct encouragement to an upward spiraling of prices. There may be cases in which the uncertainty concerning future costs makes it impossible to quote firm prices for distant deliveries. For the greatbulk of transactions in most industries, however, this is not important.

The refusal of manufacturers to quote a specific price at the time of sale, and their insistence that goods be sold on the basis of prices prevailing at the time of shipment, is harmful in three important respects. The uncertainty concerning future prices has a disruptive effect on markets and may lead to the hoarding of supplies and speculative price increases. On the other hand, there is the danger of inefficiency in production resulting from the knowledge that cost increases can more easily be passed on, and the opportunity may be created to charge unjustified prices because of the difficulty of determining the general prevailing price.

There is the further tendency when goods are sold on a price-prevailing basis to eliminate the bargaining which is necessary to the maintenance of fair prices. Buyers are forced to place orders and leave to the seller the final determination of the price.

The dangers of such a procedure are obvious. This type of arrangement between buyer and seller has been called "blank check buying." The attempt of certain clothing manufacturers to impose this practice in the fall of 1939 and was finally abandoned.

Several weeks ago I recommended the general adoption of three pricing policies which should be followed by both manufacturers and distributors of consumer goods, in the present emergency. To this I should like to add a fourth, that all orders between manufacturers and retailers should quote a specific price and that no order should contain a price prevailing provision. With the cooperation of your organization and of the other members of the Retailer's Advisory Committee, I am sure that a solid front can be presented to support my recommendation."

Previous recommendations

This is the fourth price policy recommendation made by Miss Elliott to manufacturers and distributors of consumer goods, in a general program to maintain consumer prices at fair levels, and to prevent price spirals. Previously, Miss Elliott urged them to avoid price advances based on anticipated cost increases which have not yet materialized, to average the cost of stocks on hand with the cost of new goods when prices advance, and to avoid rigid adherence to traditional rates of mark-up.

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MOVIES FOR THE TROOPS

The War Department has announced that construction will be started immediately on 36 motion-picture theaters to assure adequate facilities for the entertainment of troops at 29 posts and camps in various parts of the Nation.

Designated as temporary types, the theaters are scheduled for completion in 90 or 100 days. They will then begin showing regular feature films, shorts, and newsreels supplied by the United States Army Motion Picture Service. It is estimated that the theaters will cost more than $1,500,000.
INTER-AMERICAN COOPERATION . . .

U. S. purchases from southern neighbors running 40 percent higher than in 1940

The economics of the good-neighbor policy were discussed by Joseph C. Rovensky, Director of the Division of Finance and Industry, Office for Coordination of Commercial and Cultural Relations between the American Republics, before the New York Chapter of the American Institute of Banking, April 17. Mr. Rovensky said in part:

The freedom of every nation in the Americas is at stake. If the powers that have made Europe a shambles are ever permitted an entering wedge into the Americas, the democratic free life of all the American Republics will be threatened and the procedure of joint inter-American action dangerously menaced.

Flexibility of operations

Our approach to the economic and financial problem has been complicated by three factors:

First, the situation is fluid, shifting, dynamic. It requires great flexibility of operations, in the absence of anything to which you can tie as a continuing base.

For instance, the continued revamping of our production schedules entails frequent alterations in commodity situations. The case of copper might be cited. Where 6 or 8 months ago, prospects for moving Latin American copper were extremely poor, hundreds of thousands of tons have now been bought and production is at a high level. In other cases, surpluses have melted away to become serious deficiency problems.

As the theater of war expands, there is pressure to divert ships from inter-American trade lanes, with serious effect on the movement of goods. For instance, only recently the extension of the war to Yugoslavia caused the withdrawal of certain Yugoslavian ships, at a time when the shipping situation is already acute.

Again, changes in British purchasing requirements from time to time necessitate revision of estimates of the foreign exchange and commodity positions of individual countries: on the east coast, for example, any changes in the purchase of cereals or pastoral products strike home with serious consequences.

Detour from economic guideposts

A second element to be taken into account is the fact that we cannot always be guided by strictly economic lines. An emergency demands fast, decisive action. It may well be that in speeding into production a new source of strategic materials we shall be complicating the post-war situation. But today nothing can be allowed to hold up our production lines—there are too many uncertainties in the situation and too much pressure for immediate results to set up and adhere to strictly economic guideposts that would be possible in an orderly and leisurely pursued peacetime program.

The primary problem since the war broke out has been to maintain the purchasing power of American countries so that they might continue to import their minimum requirements for a healthy level of economic activity.

War struck blow at markets

The first solution was financial. Since continental Europe had taken 1 out of every 11 or 12 dollars worth of goods produced in Central and South America, the loss of these markets hit these countries with terrific force.

While the American Republics marshalled their forces to meet the situation, the United States stepped in with financial assistance. Around $125 million in credits was made available by the Export-Import Bank to some 10 countries to ease the exchange situation, and the Treasury entered into a stabilization-fund operation to the extent of $90 million.

Trade increases

Our buying from Central and South America has increased steadily as purchases have been diverted to the southern republics, defense requirements have grown, and our businessmen have vigorously explored potential sources of complementary commodities that can be marketed in the United States.

Shipping problems

But once the bases for an expanded trade had been established, the problem of ships arose. As British shipping losses have increased, and as the expansion of our Army and Navy has required more auxiliaries, as well as more tonnage to carry material and personnel to our newly acquired bases, the temptation to withdraw ships from the inter-American lanes has been great. Less than half the ships in regular service between United States ports and the East and West Coasts of South America are United States flag vessels.

Freight rates have risen heavily to constitute still another problem. The various governmental agencies are enlisting the cooperation of the shipping companies to keep on inter-American shipping lanes enough tonnage to carry our purchases from Central and South America and to deliver their essential requirements.

U. S. sole source of supply

Beyond the shipping problem, lies an even more crucial situation. Today we alone can supply the manufactured and semimanufactured goods which the southern republics need.

We must deliver to our neighbors their minimum requirements, whatever priorities it may require over less essential needs in our own market. The need is immediate. The relation to our defense effort is urgent.

NEW COMMUNICATIONS DIRECTOR

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, announced April 12 the appointment of Don Francisco as director of the Communications Division of the Coordinator's Office, succeeding James W. Young.

Mr. Francisco has served in the Communications Division of the Coordinator's office, in charge of radio activities, since October 1940. He has recently completed a 3 months' tour of Central and South America, during which he surveyed problems in connection with the work of the Communications Division.
HOUSING . . .

New defense housing units total 2,580 in one week—Pennsylvania leads

Construction contracts for 2,580 new dwelling units were awarded under the Coordinated Housing Program for the week ending April 12, C. F. Palmer, Coordinator, announced. 48,467 units in 295 localities of 47 States and Territories are now under construction contract, of which 29,507 are for families of defense workers, and 18,950 for the married, enlisted personnel.

Pennsylvania leads

Philadelphia and Erie, Pa., both rapidly expanding under defense contracts, received 1,020 of these units for civilian industrial workers. Elwood City, Pa., received 100 units. Other areas to be awarded construction contracts were Birmingham, Ala.—300 units; Pedricktown, N. J.—100 units; Ravenna-Warren, Ohio—200 units all for civilian industrial workers. Quonset Point, R. I., with 202 units; Corpus Christi, Tex.—500 and Port Buchanan, San Juan, Puerto Rico—88 units; are for married, enlisted personnel.

Total units completed

There are now a total of 6,761 dwelling units ready for occupancy, of which 2,035 units were completed the week ending April 12. 4,143 of these units are for families of workers in defense industries and 2,618 for families of enlisted personnel. Areas with newly completed units are: Rantoul, Ill. 30; Norfolk, Va. 36; both for enlisted personnel, and Newport News, Va. 36; Portsmouth, Va. 32; for civilian workers.

Allocations for the week ending April 12 were made for 150 units to the Defense Homes Corporation for defense workers engaged in shipbuilding yards at Orange, Tex., raising the total number of units for which funds have been allocated to 72,953 units. 46,955 are for civilian industrial workers and 26,022 are for the married enlisted personnel.

Louis Scarborough appointed

Asst. Regional Coordinator

Appointment of Louis Scarborough as Assistant Regional Coordinator of the Division of Defense Housing Coordination was announced by C. F. Palmer, Coordinator.

Mr. Scarborough will have a permanent office in San Francisco or Berkeley and will cover the territory included in region 5 which takes in all of the United States and possessions west of western Missouri, except Texas and the city of Tacoma.

Baltimore defense workers to get 1,000 additional housing units

A request to proceed with construction of an additional 1,000 dwelling units to house defense workers in Baltimore, Md., was made April 14 by Charles F. Palmer, Defense Housing Coordinator.

In a letter to John M. Carmody, Federal Works Administrator, Mr. Palmer requested that work begin as soon as possible on the defense homes which represent the final portion of a 2,000-unit program for the Baltimore locality, submitted to the President and approved by him February 3, 1941.

Construction will be financed with funds provided for under the $150,000,000 Lanham Act.

The letter to Mr. Carmody follows:

A. 10, 1941.

Mr. JOHN M. CARMODY,
Administrator, Federal Works
Agency, Washington, D. C.

DEAR Mr. CARMODY: Reference is made to Special Locality Program Report No. 1 for Baltimore, Md., prepared January 23, 1941, and authorized by the President on March 2, 1941, providing for 2,000 family dwelling units.

Subsequently, we requested that you proceed with the forwarding of the part of this program involving the erection of 1,000 dwelling units, but that the second 1,000 be held in abeyance until further notice.

You are now requested to proceed with the construction of the second 1,000 units but with the following modification as to location recommended in the Special Locality Program Report:

Seven hundred and fifty units are to be erected near the factory of the Glenn L. Martin plant, Essex, Baltimore County, Md. We understand that you now have under advisement the purchase of land for this project from the Glenn L. Martin Co. We have requested that consideration be given to the availability of this land.

Two hundred and fifty family dwelling units at an approximate shelter rent of between $25 and $35 per month are to be located in the vicinity of Sparrows Point, Md., in order to provide housing for families of defense workers in the Bethlehem Shipbuilding Co. Since the issuance of the Special Locality Program
Post-war slum clearance will help prevent business collapse, Mr. Palmer tells meeting

Excerpts from the address of C. F. Palmer, made to the National Association of Housing Officials, April 18, follow:

Speed has been the watchword, and I think you will agree with me that we have had action.

During the past 3 weeks public defense housing units have been made available for occupancy at the rate of 1,000 a week. During the next few weeks this tempo will be stepped up.

At the same time private industry has raised its best with the result that small home construction is showing gains of approximately 30 percent over last year on average, while in some defense areas this margin has even attained 200 percent.

Thus far, we have allocated public funds for the construction of more than 75,000 homes, accounting for substantially all of the money thus far made available to us by Congress. These 75,000 houses are more than all the nonfarm dwelling units built in the United States public and private combined in either the year 1932 or 1933 or 1934.

Why are we doing all of this building? We are doing it because one of the great problems of the defense effort is to assure a continuity of employment in the factories and plants which turn out the material that will protect our lives, our homes, and our institutions.

Negligence of the past

Outside of the defense picture how do we stand, anyway? Was our present job made more easy by previous accomplishments, or is the truly critical situation today the result of our failure to provide when we might have been able to do so more easily.

I have some figures here with which you may be familiar. The statistics answer these questions all too graphically. They indicate we in the United States haven't been on our job. They spell out only too plainly our present task.

For example, in the 6 years 1932 through 1937, our private building industry supplied little more than enough housing units to take care of one year’s normal requirements. In 1932, there were 74,000 nonfarm units constructed; in 1933 and 1934 slightly more than 50,000 for each period; in 1935, 144,000; in 1936, 261,000; and in 1937, the really amazing total of 282,000! Even in 1940—considered by many people a very good year—there were only 458,494 nonfarm dwelling units constructed by the building industry. These remarkable totals are related to an estimated annual need of approximately 600,000 units with which to offset obsolescence, demolition, and increase in population.

Beginning of Government housing

In addition, we find, over a 7-year period, that FWA and the United States Housing Authority have built a total of 127,258 units, some of which are still under construction. This building has helped in our present situation, but obviously it could not possibly measure up to normal needs. It could not come up to normal needs even if we forgot entirely for the moment the requirements precipitated by the dislocation of populations brought about by the defense effort.

Advice welcome

The Federal housing agencies now working on the defense program welcome advice from well-informed local sources on the probable future growth of the community under normal peacetime conditions, and accordingly, on the policies to adopt as to permanent or temporary construction.

Post-war slum clearance

The possibilities of slum clearance as an instrument of future adjustments are much greater today because of the enlarged responsibilities of the Federal Government. We all know that after the war there must be a public works program to prevent the post-war collapse of business. There will be money for slum clearance and reshaping of our cities. Here, too, the instruments will be at hand, if we have our plans in shape and know what we need to do.

Priority given British warships

Secretary of Navy Knox told his press conference that British warships in need of repair would be arriving in American shipyards in ever-increasing numbers and would affect the U. S. naval construction program “to some extent.” Secretary Knox stated, “We’ve given priority to them over everything else,” but added he hoped the repair program would not delay completion of the expanded U. S. fleet.
Speed up private building; watch rents, Coordinator Palmer urges realtors

In a radio address, April 17, in connection with the National Association of Real Estate Boards' program, C. F. Palmer, Coordinator of Defense Housing, said in part:

We have to supply defense housing to meet a great emergency and there is not time to bicker.

When private industry can and will do the job, that is fine. That solves the problem. When private industry cannot do the job, for any reason whatsoever, then the Government is going to build. The swift tide of world events leaves no time for argument.

Private construction increases

But what is private enterprise actually doing in the $3,000 to $8,000 field? During a recent 7 months' period it was up 29 percent over the comparable period of the previous year for the country as a whole, and in some defense areas the increase was 150 percent to 200 percent. This survey covered 89,000 units for the 7 months' period and yet didn't get them all. The total actually is much greater. Yes, private enterprise is doing a real job.

Public building record

Now how about public enterprise? It, too, is getting results. Some 5,000 dwelling units in 259 projects in 136 localities, scattered through 47 States and Territories, are under construction or in contract negotiations.

Housing a vital part of democracy

Housing is more than just furnishing a shelter for a worker and his family when he moves into a new community to help make airplanes or tanks or battleships. This worker is essential in our rearmament. He is on the industrial firing line day and night. Properly housed he can and will produce. Badly housed, disease and worse afflicts him, and he may possibly become a dangerous clog in the defense machinery.

Speed building

If you approach the task in the patriotic spirit of giving your time and effort to your country, there is much you can contribute. First, please keep on producing homes and speed it up! The Defense Housing Insurance fund, which we arranged to have set up, will help. Mr. Ferguson will tell you more about that.

Secondly, when our regional coordinators visit your towns and cities to analyze the defense housing needs, give them all the accurate information at your disposal. And, in making appraisals, remember that it's Uncle Sam and all he stands for, who is your client.

Watch rents

Finally, there is one aspect of this housing program that you are in a position to control, for better or worse. I mean the maintenance of fair rental schedules.

There are instances, perhaps, where a slight increase in rents is warranted to offset sharp reductions brought on by the depression. But the temptation is to push the pendulum too far in the opposite direction, especially when the demand exceeds the supply and consumer purchasing power is rising.

No one wants rent control legislation. It proved impractical in this country in the World War, and similar experiments in Canada right now are having their troubles.

As most of you know, model legislation for rent control has been drawn up, and any abuse in the direction of exploitation is apt to be and should be dealt with summarily.

Psychiatric advisors aid in selecting men for service

Extensive dissemination of information to all members of the medical profession associated with the Selective Service System by teams of psychiatric advisors is expected to insure the "wisest selection" of men for the Army, Col. Leonard G. Rowntree, chief of the medical division, Selective Service System, declared.

Speaking before the Psychiatric Institute, meeting in New York, Colonel Rowntree pointed out that teams of psychiatrists are working throughout the country to acquaint all doctors interested in the recruitment of military manpower with the essential mental requirements of the armed forces of the present day.

Lesson from World War I

The medical division of the Selective Service System, scanning the record of World War mobilization, found an excellent story of accomplishment but also, as a result of the induction of mentally unqualified recruits, a record of "innumerable broken men and shattered lives, not in small and inconsequential numbers, but literally in the thousands," according to Colonel Rowntree.

In view of this experience and the obvious need for selecting qualified men for military service, Colonel Rowntree said the System had initiated a program designed to insure the induction of soldiers of the highest mental qualifications.

Will cover the country

"It was decided to send out teams of specialists to spread the necessary information throughout the country as a whole," Colonel Rowntree said. "These teams have traveled to various centers, to meet the local psychiatrists and doctors, the local and induction boards for the purpose of disseminating vital information bearing on the selection of men for the Army.

"In each locality visited a new center of interest is created. Other psychiatrists become intensely activated and when these men are deemed ready they are also grouped into teams and sent forth to carry the message to still other groups. By such a procedure it is hoped that the whole profession of medicine, and psychiatrists in particular, will become imbued with the proper spirit and will bend additional effort in each and every locality to the wisest selection of those men for the Army who can serve to best advantage to themselves, their families, and to their country."

The fact that men inducted under Selective Service will be required to serve in the Reserve forces after completion of their year of training makes it increasingly essential that they are of the highest mental caliber, Colonel Rowntree declared.

Hens will expand production

Secretary of Agriculture Wickard has urged farmers to increase Nation-wide egg production during the next 15 months by about 6 percent, or approximately 10 million cases of 30 dozen eggs each, in an effort to assure ample food supplies for the United States and Great Britain. The production goal can be achieved, the Secretary said, by ample feeding and by filling poultry houses to capacity this fall and next spring with laying hens.

The Secretary stated the Department of Agriculture will support long-term egg prices at an average of approximately 22 cents (Chicago basis) a dozen until June 1943. Supported prices should enable producers to go ahead with plans for feeding for maximum egg production, he said.
TRANSPORTATION...

Warehouse storage space plentiful; reports of shortage erroneous

A large supply of excellent warehouse storage space is available, the Transportation Division has announced. This is true in both the merchandise and refrigerated divisions of the industry.

Reports of shortages are without foundation. "It would be unfortunate," declared Harry D. Crooks, consultant in the Division, "to have such reports cause a relaxation of good commercial practice in warehousing, or the start of unnecessary new warehouse construction using labor which is needed for housing or other necessary defense purposes."

Shortages, however, might be created by uneven concentration of storage in one area, according to Mr. Crooks. Intelligence distribution of space use in connection with export shipments would prevent either place too much tonnage in one port or group of ports nor too much in any one interior point, he said.

Mr. Crooks reported excellent cooperation with the Surplus Marketing Administration in connection with performance bonds given by warehousemen storing food products. "It is hoped that eventually the contracts will only hold the warehouseman liable for that pur-

Iron ore moves in unprecedented volume through Great Lakes

Due to the early opening of navigation on the Great Lakes, iron ore is now moving in a volume unprecedented at this time of the year, according to Ralph Budd, Transportation Commissioner. Preliminary reports show that through April 15 a total of 1,000,000 tons of iron ore had been loaded into boats at upper lake ports. This compares with a total of 464,663 tons moved up to the end of April 1939.

Preliminary reports show that through Great Lakes navigation in connection with export shipments would neither place too much tonnage in one port or group of ports nor too much in any one interior point, he said.

Mr. Crooks reported excellent cooperation with the Surplus Marketing Administration in connection with performance bonds given by warehousemen storing food products. "It is hoped that eventually the contracts will only hold the warehouseman liable for that pur-

CARLOADINGS INCREASE

Total carloadings during the week ended April 12 were 679,998 cars as compared to 619,105 during the corresponding week of 1940, or an increase of 9.8 percent. Due to the continued coal strike there was a decrease of 72.2 percent in coal loadings.

The cumulative loadings for the 15 weeks ended April 12 were 10,745,411 as compared to 9,392,470 during the corresponding period of 1940.

Railroads offer reduced fares to men in uniform

Special railroad fares of 1 1/2 cents per mile for the uniformed personnel of the Army, Navy, Marine Corps, and Coast Guard will be established on or about May 1. J. J. Pelley, president of the Association of American Railroads, has announced.

The special fares will be good for round-trip travel in coaches between all points in the United States and will be available to any member of the Nation’s military forces traveling in uniform on furlough at his own expense.

Army, Navy, Marine Corps, and Coast Guard officers and men may purchase these special-fare tickets upon presentation of an official furlough-fare certificate which can be obtained from the commanding officers at all Military Establishments.

162 of scheduled 200 cargo ships now under contract

Contracts for construction of 137 cargo ships of simplified design have been cleared with the Office of Production Management and awarded, the Maritime Commission announced March 25. With the contract for 25 ships, announced on March 16, all but 39 of the 200 ships of the President’s emergency program have now been placed under contract.

The contracts for the 137 vessels were: Bethlehem - Fairfield Shipyard, Inc., Baltimore, Md.; 50 ships at a total estimated base construction cost of $75,000,000.

Oregon Shipbuilding Co., Portland, Oreg.; 31 ships at an estimated base construction cost of $46,500,000.

California Shipbuilding Co., Los Angeles, Calif.; 31 ships at an estimated base construction cost of $48,500,000.

Houston Shipbuilding Co., Houston, Tex.; 25 ships at an estimated base construction cost of $37,500,000.

The contract with Bethlehem-Fairfield Shipyard, Inc., calls for the delivery of the first vessel in 305 days from March 18 and of the fifth vessel in 730 days. The other three contracts call for delivery of the first vessel each in 320 days and the last vessel in 751 days from the date of signing, March 18, 1941.
AGRICULTURE . . .

Britain needs bacon and eggs—
domestic demand for livestock
products increases

Discussing the recent action of the
United States Department of Agriculture
which established price floors for hogs,
butter, and poultry products, J. B. Hut-
sen, Deputy Commissioner of the Agri-
culture Division, OEM, commented as
follows:

Some of the stocks of “ever-normal
grain” corn which were laid away, now
are needed.

One of the main purposes of the AAA
was to adjust agricultural production for
the loss of export markets.

Because of the funds provided by the
Lend-Lease Act, we have had an increase
in export demand for some livestock
products coming in a period of rapidly
expanding domestic demand for the same
products.

Britain needs bacon and eggs

When Germany seized Denmark and
overran the Low Countries, England lost
some of her most important sources for
imports of bacon, butter, cheese, and
eggs.

Because of the urgent necessity of
shipments of munitions and the short-
age of bottoms, Britain has found it
difficult to maintain imports of feedstuffs
for her own livestock.

The shipping bottleneck also prevents
getting normal supplies of beef from the
Argentina and vegetable oil from the
tropics. Hence, it is not surprising that
pork, lard, dairy products, and eggs are
near the top of the list of foods wanted
by Britain.

Pointing out that bombings were af-
flecting both stocks and transport, a re-
cent comment by the London Economist
has indicated the seriousness of the situa-
tion—"The foundations of the na-
tional diet—meat, bacon, and eggs—are
together, and it will be necessary to
build upon new foundations."

Hogs, like munitions, need
assured market

"Our Government is contracting for
munitions and ships which cannot be
delivered for many months to come and
is helping to underwrite the cost of new
plants required for their production.
There is strong argument for giving
farmers assurance that, if they undergo
the expense of increasing livestock pro-
duction, they will receive at least a steady
market, regardless of war developments
in the meantime. Livestock production
is a long-term operation. From the time
a farmer decides to increase his breeding
herd, it takes 10 to 12 months to produce
a market hog. If farmers decide to
save more heifer calves this spring, it
will take 2 or more years to bring them
into milk. Six to 8 months are needed to
produce a laying pullet.

Present feed prices O. K.

"Farmers are only too glad to increase
their production if they have some assur-
ance that the larger output can be sold
at reasonable prices. Feeding ratios are
the normal governors of expansion and
contraction in livestock production. As-
suming present feed prices, the levels
which hog, butter, and poultry producers
are assured are expected to bring ex-
panding production as a natural re-
sponse.

"To insure that feed prices will not
so appreciably higher, the loan stocks of
corn produced by the Federal Govern-
ment will continue to be offered at the
loan value plus certain carrying charges.
In addition, the large stocks under loan
can be drawn upon wherever corn prices
are high enough to equal the loan value
plus the accumulated charges."

Grain and hay supplies adequate

The supply of old corn corn under loan
or held by the Government on January 1,
1941, totalled about 438 million bushels.
In spite of acreage restrictions, our avail-
able feed grain and hay supplies are
near record levels, so that we are in
excellent position to expand livestock
production.

Farmers may grow more corn

"Under the plan announced, farmers
who wish to grow more corn to feed more
livestock can plant up to their usual
acreage without penalty under AAA reg-
ulations except that they will not receive
corn payments or corn loans.

Comparison of hog, butter,
and egg prices

"The level of $9 for hogs was nearly
$1 over the market at the time it was
announced, while the butter and egg
prices appeared to be about in line, al-
lowing for the time of year. Market
prices have responded to the announce-
ment by an advance in hogs to a top
around $9.

The levels set cannot be considered
high from the farmer's standpoint nor
are they a burden to consumers com-
pared with average prices in recent
years. Following are the average prices
at Chicago in each of the last 6 years:

<table>
<thead>
<tr>
<th>Price</th>
<th>Hog</th>
<th>Butter</th>
<th>Eggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933</td>
<td>30.27</td>
<td>28.9</td>
<td>21.2</td>
</tr>
<tr>
<td>1935</td>
<td>30.27</td>
<td>28.9</td>
<td>21.2</td>
</tr>
<tr>
<td>1936</td>
<td>30.27</td>
<td>28.9</td>
<td>21.2</td>
</tr>
<tr>
<td>1937</td>
<td>30.27</td>
<td>28.9</td>
<td>21.2</td>
</tr>
<tr>
<td>1938</td>
<td>30.27</td>
<td>28.9</td>
<td>21.2</td>
</tr>
</tbody>
</table>

Prices lower than 1935-37

The market grades to which the sup-
port levels refer have not been indicated,
but it is evident that $9 for hogs, 21
cents for butter, and 22 cents for eggs do
not represent any important advances
over the levels to which consumers have
been accustomed in the last half dozen
years. These levels are mostly lower than
actual prices in 1935-37.

Beef and lambs high—hogs low

This expansion program does not im-
ply that livestock production has been
at low levels recently. Total slaughter
of meat animals in 1940 was the largest
on record. It will be slightly lower in
1941, as probable increases in beef and
lamb production are likely to be over-
balanced by a decrease in hogs.

Unprofitable returns from hogs in
1940 when prices were the lowest in over
30 years, with the exception of the 1932-
34 depression lows, caused a reduction in
the pig crop.

Dairy production has been at the high-
est level on record, allowing for seasonal
changes. Even on a per capita basis, supplies of these foods in 1940 were the largest in 15 years.

Plenty for all

Despite the increase in foreign demand there is no occasion for anyone to become alarmed about a possible shortage of meat or meat products, or extremely high prices for these products, this year. Present indications are that after allowing for the increase in exports, there will remain as much as 130 pounds of meat per capita for consumption in this country. This may be compared with 126 pounds for the 5-year 1935-39 period and 135 pounds for the 1925-29 industrial prosperity period.

Foreign consumption lowered

Prior to the outbreak of the war, per capita meat consumption in the United Kingdom was between 130 and 140 pounds annually; in Germany, between 130 and 130 pounds; in France, between 30 and 35 pounds.

The destruction of hogs and flocks in northwestern Europe means that overseas needs for these livestock products will be substantial for a period after the war. If trade channels are still open, the United States probably will be called upon to help meet this need.

Contracts . .

(Continued from page 11)

Baltimore, Md.; three shipways; $2,631,156.
Seattle-Tacoma Shipbuilding Corporation, Seattle, Wash.; five shipways, $3,079,000.
Pennsylvania Shipyards, Inc.; Beaumont, Tex.; three shipways; $1,250,000.

EQUIPMENT & SUPPLIES

WAR DEPARTMENT

Gera Mills (N.J. Weid. Mills), Garfield, N.J.; flannel shirting 750,000 yards; $1,497,000.
Wm. Whitman Co., Inc.; Boston, Mass.; flannel shirting, 500,000 yards; $856,500.
Uxbridge Worsted Co., Inc., Uxbridge, Mass.; serge cloth, 500,000 yards; $1,425,000.
Wm. Whitman Co., Boston, Mass.; serge cloth, 33,000 yards; $79,701.
Gera Mills (N.J. Weid. Mills), Garfield, N.J.; elastique cloth, 345,000 yards; $1,056,735.
Forstmann Woolen Co., Passaic, N.J.; serge cloth, 300,000 yds.; $872,750.

General Motors Corporation, Delco Products Division, Dayton, Ohio; strut assemblies; $992,389.91.
Standard Steel Works, North Kansas City, Mo.; trailers and dollies; $624,322.24.
Wright Aeronautical Corporation, Paterson, N.J.; parts for aeronautical engines; $661,043.20.
Sperry Gyroscope Co., Brooklyn, N.Y.; indicator and controller assemblies; $1,999,265.
Crucible Steel Company of America; machinery, equipment and durable tools for Harrison, N.J., plant; $1,500,000.
Jack & Heintz, Inc., Cleveland, Ohio; machinery and equipment leased to contractor for manufacture of electric starters for aircraft; $399,021.

Vickers, Inc., Waterbury Tool Division, Waterbury, Conn.; spare parts for motors and pumps; $866,634.50.
Carlton Machine Tool Co., Cincinnati, Ohio; Carlton radial drilling machines; $570,410.
Crand Tool Co., Philadelphia, Pa.; workshops, floating; $960,000.
Cincinnati Dickford Tool Co., Cincinnati, Ohio; drilling machines; $778,342.
Pheils Dodge Copper Products Corporation, Habershaw Cable & Wire Division, New York, N.Y.; multiconductor armored cables; $680,750.
General Cable Corporation, Washington, D.C.; multiconductor armored cable; $1,241,400.

Consolidated Machine Tool Corporation, Rochester, N.Y.; heavy duty vertical boring and turning mills; $2,249,970.
Monarch Machine Tool Co., Sidney, Ohio; machine tools, lathes; $992,601.

ORDNANCE

Ford Instrument Co., Long Island City, N.Y.; ordnance equipment; $5,922,718.
General Motors Corporation, Fisher Body Division, Detroit, Mich.; ordnance equipment; $13,076,048.57.
Nordberg Manufacturing Co., Milwaukee, Wis.; ordnance equipment; $1,998,776.
Busch-Sulzer Bros., Diesel Engine Co., St. Louis, Mo.; ordnance equipment; $5,911,829.35.

Civil Service examinations for national defense positions

The United States Civil Service Commission has announced examinations for a wide variety of engineer and other technical positions needed by National Defense agencies. There is an acute need for qualified men. Persons who are available and who meet the requirements are urged to apply at once for further information at any first- or second-class post office or write to the Civil Service Commission, Washington, D.C. Applications should be mailed to the Commission's Washington office.

Officials urged to cooperate

Officials of Federal, State, or municipal agencies who come in contact with qualified persons interested in national defense positions are urged to call their attention to the following pending examinations:

Open until further notice.—Chemical Engineer (any specialized branch), Assistant to Principal grades, $2,600 to $5,600 a year; Inspector Signal Corps Equipment, Junior to Senior grades, $2,000 to $3,200 a year; Inspector of Powder and Explosives, Junior to Senior grades, $1,620 to $2,600 a year; Inspector of Ordnance Material, Junior to Senior grades, $1,620 to $2,600 a year.

Open until June 30, 1941.—Junior Engineer (Aeronautical, Naval Architecture, and Marine Engineering), $2,000 a year.

Open until November 30, 1941.—Chemist (explosives), Assistant to Principal grades, $2,600 to $5,600 a year.

Open until December 12, 1941.—Physicist (any specialized branch), Assistant to Principal grades, $2,600 to $5,600 a year.

Open until December 31, 1941.—Metallurgist and Metallurgical Engineer, Associate to Principal grades, $3,200 to $5,600 a year; Research Chemist (any specialized branch), Assistant to Principal grades, $2,600 to $5,600 a year.

Open until June 30, 1942.—Engineer (all branches of engineering except chemical, metallurgical, marine, and naval architecture), Assistant to Principal grades, $2,600 to $5,600 a year.
Methods of conserving manganese in steel production outlined by Bureau of Mines

Methods which America's steel industry might employ to save considerable quantities of manganese, a strategic material for which the United States is now primarily dependent upon foreign sources, are suggested in a report just submitted to Secretary of the Interior Harold L. Ickes by Dr. R. R. Sayers, Director of the Bureau of Mines.

Manganese with steel

Manganese, according to the Bureau's report, is added to steel for three reasons: First, to act as a deoxidizer; second, to compensate for the bad effects of sulfur in fabricating processes in the manufacturer's plant; and third, to impart certain qualities to the product for the benefit of the user of steel. The amount of manganese required for deoxidation is small. The report estimates that roughly one-third of the manganese used is necessary to neutralize the bad effects of sulfur; and about two-thirds is employed to improve the steel.

Perhaps a half dozen different kinds of alloy are used in making additions of manganese, but the two that are employed mainly are ferro-manganese, containing about 80-percent manganese, and spiegeleisen, containing about 20-percent manganese.

Five ways to conserve

The report offers the following five suggestions for conserving manganese in the production of steel:

1. Economy in the use of manganese by making certain that steel does not contain more manganese than necessary for the purpose for which it is used.

2. Substitution of alloys containing less manganese for those containing more—for example, the substitution of spiegeleisen for ferro-manganese. Ores suitable for the former type of product are relatively more abundant in the United States.

3. Substitution of other deoxidizing agents such as zirconium and titanium.

4. Substitution of other agents for modifying properties such as nickel and chromium.

5. Use of furnace procedures designed to yield a high-residual manganese metal at the end of the heat and thus make possible smaller additions of manganese alloy.

The first and fifth proposals, according to the report, should make possible small savings of manganese, but the third and fourth methods may be of value only in special circumstances, and special consideration should be given to the fact that all of the substitutes mentioned are expensive in comparison with manganese, and some of them are now obtained from abroad.

Reduce dependence on foreign sources

A possible solution stated in the report, is contained in the second proposal, namely, the substitution of low-manganese alloys for the ones high in manganese, such as spiegeleisen for ferromanganese, since the former can readily be obtained from domestic ores.

The Bureau's report is being published as Bureau of Mines Information Circular 7162 "Utilization of Manganese in the Steel Industry," by B. A. Rogers, and will be made available to the public without charge.

$1.5 billion in contracts cleared by Purchases Division

Donald M. Nelson, Director of the Division of Purchases, on April 16, stated that since February 5, $1.5 billion in contracts have been cleared by his Division. The following break-down tells the story.

<table>
<thead>
<tr>
<th>Contracts Cleared</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 5 to Feb. 28</td>
<td>$591,000,000</td>
</tr>
<tr>
<td>March</td>
<td>$373,384,14</td>
</tr>
<tr>
<td>For March:</td>
<td></td>
</tr>
<tr>
<td>Army contracts</td>
<td>264,000,000</td>
</tr>
<tr>
<td>Navy contracts</td>
<td>365,000,000</td>
</tr>
<tr>
<td>Maritime Commission contracts for cargo</td>
<td>287,000,000</td>
</tr>
<tr>
<td>Airplanes</td>
<td>87,000,000</td>
</tr>
<tr>
<td>Ships (including Maritime Commission vessels just referred to)</td>
<td>484,000,000</td>
</tr>
<tr>
<td>Ordnance and ammunition</td>
<td>124,000,000</td>
</tr>
<tr>
<td>Autos, trucks, tanks, and combat cars</td>
<td>23,000,000</td>
</tr>
<tr>
<td>Industrial facilities (such as shipyards, airplane factories, ordnance plants, etc.)</td>
<td>67,000,000</td>
</tr>
<tr>
<td>Other construction (including troop housing, air bases, etc.)</td>
<td>53,000,000</td>
</tr>
<tr>
<td>Cloth, clothing, and personal equipment</td>
<td>65,000,000</td>
</tr>
</tbody>
</table>

Clearing contracts is only a part of the job, but it illustrates how fast the defense orders are going out. It is a big job and it is getting bigger, Mr. Nelson said.