WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, NATIONAL DEFENSE RESEARCH COMMITTEE, NATIONAL DEFENSE MEDIATION BOARD, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, STATE AND LOCAL COOPERATION, OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

WASHINGTON, D. C. MAY 6, 1941 VOLUME 2, NUMBER 18

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Committee recommended to the House of Representatives a bill designed to "put teeth in" priority orders.

The way was prepared for the automobile industry to release both men and raw materials to defense manufacturers as the OPM announced allocations for auto production in the year beginning August 1.

The labor field
In the labor field Sidney Hillman, OPM, Associate Director General, began a tour of industrial centers to enlarge speedily the Nation's supply of trained workers.

Earlier the third of a series of zone conferences in the shipbuilding industry was held in Washington to improve labor-employer relations. Mr. Hillman, in a formal statement, said many defense employers had assured him that available Negro labor is being utilized.

The National Defense Mediation Board settled three disputes and sought to forestall a General Motors strike.

Prices under close guard
Following the coordination of OPACS and the OPM Purchases Division, a plan was announced to correlate the activities of OPACS and the OPM Priorities Division.

Donald Nelson, Director of Purchases, predicted in an address that price inflation of the World War variety will be averted. Price Administrator Leon Henderson at the same time warned that controls may be imposed on consumer goods if prices rise too sharply.

Ceiling prices on bituminous coal were reduced as much as possible through the month-old strike ended reasons of health desires a rest. Vacations this summer should be paid a bonus for staying on the job. Employers had asked for guidance as they prepared for total warfare against time.

Production schedule
As the Priorities Division moved to speed up production of military planes both for the United States and Britain, John D. Biggers, OPM Director of Production, gave industry a brief picture of what was expected of it.

Airplane production has trebled since May 1940, he said; it must be doubled again before the end of the year. Monthly tank output has increased 600 percent; it must be quadrupled. Machine-gun production is up 400 percent; it must be increased fivefold.

"Teeth" for priorities
The Priorities Division acted to curtail paper work in subcontract deliveries of plane parts. It also threw a further safeguard around 16 metals vital to defense industries by barring manufacturers from accumulating excess stocks.

Meanwhile, the House Naval Affairs Committee recommended to the House

More money asked for housing
Further expansion in housing construction for civilian defense workers was promised as President Roosevelt asked Congress for 15 million dollars to build 14,270 portable houses and 6,900 dormitory units and to buy an obsolete passenger ship.

Meanwhile, the Division of Defense Housing Coordination reported contract awards for 2,224 dwellings and completion of 927 units. Fifty-four new offices were set up to record all rooms and houses available to defense workers. Another 34 were in operation.

Air raid defense
Civilians were given tips on building air-raid shelters in a booklet distributed by the Division of State and Local Cooperation. Frank Bane, the Director, emphasized, however, that there is no need for immediate construction.

OPM urges bonuses for employees giving up vacations
The Office of Production Management has recommended that defense industries pay bonuses to workers who voluntarily forego vacations this year, so that production will not be impeded, Director General William S. Knudsen and Associate Director Sidney Hillman announced May 2.

The action was taken at the request of many employers who wished to make vacation plans for their workers. The policy, it was explained, applies only to private employers.

Employees in plants manufacturing munitions or essential war materials should be paid a bonus the equivalent amount of money they would receive during the customary vacation period, the OPM recommended.

In no instance, the OPM stated, should a vacation be denied a worker who for reasons of health desires a rest. Vacations that are allowed should be staggered as much as possible through the period May 30 to August 31.

The Bureau of Labor Statistics estimated that employment in 18 major defense industries in March totalled approximately 2,200,000.
24 hours a day—7 days a week for machine tools, says President

Stating that he has observed the steady expansion of the machine tool industry, and the resultant increased production, President Roosevelt, in a letter dated April 30, asked Director General Knudsen and Associate Director General Hillman to expedite this part of the defense program to an even greater extent. The President’s letter follows:

DEAR MR. KNUDSEN AND MR. HILLMAN:

My recent discussions with you have emphasized in my mind the urgent necessity of expanding and speeding up the manufacture and use of critical machine tools. I have watched the steady and substantial growth of the machine tool industry during the past months. At the same time I have seen the critical machines in our defense plants used in an ever growing number of hours each week. I know that this increase has been caused by the hard work of yourselves, of your associates, and of the men who manage and work in the plants throughout the Nation.

But it is not enough. The ever increasing demands for munitions, planes, and ships, caused by the critical situation which confronts our Nation, requires that they be produced in even larger quantities and ahead of the schedules assigned to them. It is essential that industry continue to increase the number of vital machines manufactured and that every single critical machine in the United States be used the maximum number of hours each week.

Every effort should be made to utilize to the very limit those critical machines; if they be in defense plants by increased hours of operation on the work at hand; if in other plants by finding defense items or parts for them to make or, as a last resort, by moving the tools to defense plants where they may be urgently needed.

No idle critical machines

Our problem is to see to it that there are no idle critical machine in the United States. The goal should be to work these machines 24 hours a day and 7 days a week, relieving the machines only for such time as is required for overhauling and repair.

The country should be further combed for men who have had experience on these machines. We should ask them to transfer their efforts to this operation which is so essential to our defense. No effort or justifiable expense should be spared in speeding this program, in order to obtain the objective which our national interests require.

Workers and managers will, I believe, join with you in spirit and determination in pursuing and achieving this goal at the earliest possible moment.

Very truly yours,

FRANKLIN D. ROOSEVELT.

Selective Service recheck of machine workers to follow President’s announcement

Brig. Gen. Lewis B. Hersey, deputy director of Selective Service, on May 3 sent out to all State directors the following telegram:

Your attention is called to the President’s announcement of May 2 that because of the critical situation which confronts our nation and the new 24 hour, 7 day machine production schedule the rolls of the Army and of Selective Service and the manpower of the nation as a whole will be combed to insure that every man skilled in the operation of a defense production machine be engaged in that capacity. This reemphasizes our policy as prescribed in our memorandum of February 21st on this same subject. Direct that you again call the attention of all selective service agencies in your state to this memorandum and to the President’s announcement. Take immediate action to again recheck the lists of Class I-A men and men awaiting physical examination to assure conformity with our policy contained in the memorandum of February 21st as emphasized by the President’s announcement. The burden of making the necessary determination is on Selective Service and although Form Forty Twos are desirable they are not essential. Reluctance of an individual or his employer to claim deferment must not be allowed to defeat the paramount national interest. Detailed quotations of the President’s announcement and a specific directive on this subject will be mailed to you at an early date. Proceed without delay to carry our instructions herein.

Contract Service asks for immediate acceleration

Following are excerpts from a letter sent out May 3 by Robert L. Mohornay, chief of the Defense Contract Service, to each of the 36 field offices maintained by the Service:

Undoubtedly you have read President Roosevelt’s letter to Mr. William S. Knudsen and Mr. Sidney Hillman urging an immediate acceleration of defense production and full utilization of available facilities.

I wish, however, to call your particular attention to certain passages of the letter and to impress upon you the added responsibilities that are thereby placed on the Defense Contract Service and on each member of your staff.

Urges last ounce of output

I personally urge you, and through you each member of your staff, to approach your task with new vigor and determination. I appeal to you to undertake every practical method of spreading present defense work in your territory as widely as possible into plants not now working on defense orders, for the purpose of speeding the day of delivery; and to bring into play every feasible device for getting the last ounce of output from every machine tool and every piece of machinery already working on defense items.

As a first step in this direction, I suggest that you immediately contact the responsible officer in each defense plant in your area to urge personally his full cooperation and to offer the facilities of your office in furthering this objective.

Stress on broad scale subcontracting

To those manufacturers who are not already using the subcontracting technique on a broad scale, stress the importance of doing so immediately. Many defense plants are now utilizing this system, with excellent results and have established special subcontracting departments to handle this phase of their work. Many others should follow the lead. It is particularly important to make known to manufacturers now working on defense business that the new billions allocated for defense practically assure additional contracts for all qualified manufacturers.

At the same time you should contact as promptly as possible the manufacturers in your region who are not now working on defense contracts and urge them to determine exactly what type of work their facilities are capable of doing.
PRIORITYES...

New inventory control designed to prevent accumulation of excessive stocks

E. R. Stettinius, Jr., Director of Priorities, OPM, announced May 1 that a new form of inventory control, designed to prevent the accumulation of excess stocks and supplies, is being applied at once to sixteen metals and classes of metals by the Priorities Division. All the metals affected are important in the defense effort.

The control imposed is a simple one. It provides that, in general, shipments of the metals affected may not be made to customers in amounts which would increase the customers' inventories to unnecessary levels.

For the time being, the control is implemented by requirement that both customers for these metals and suppliers must file sworn statements covering compliance with the regulations.

Mr. Stettinius said that the plan was incorporated in a general order, designed "to restrict inventory accumulation of certain metals," and was addressed to all producers, primary and secondary smelters, remelters, brokers, warehouse and wholesale distributors, and processors and fabricators of the metals.

Critical List to be expanded

The metals covered in the new inventory control system, all of which are to be added to the Priorities Critical List, are:

- Antimony (used in storage battery plates, for cable covering, in bearing metals, and as a hardening agent); cadmium (used as an alloy of copper, in electro-plating, etc.); chromium (used in making stainless and other alloy steels, is largely imported); cobalt (valuable for the manufacture of high-grade steels); copper; ferrous alloys, all types (including ferro-tungsten, ferro-manganese); iridium (one of the platinum metals, used as a hardening agent for platinum, in manufacture of surgical tools, etc.); iron and steel products, including rolled, drawn, forgings, castings, and pig iron; lead; manganese or spiegelisen (necessary in steel making); mercury (military uses include manufacture of fulminate for explosives, drugs, anti-fouling paint for ship bottoms, and for many important industrial uses); molybdenum (used for making special alloy steels, useful for making high-speed cutting tool steels); nonferrous alloys, all types (including brass and bronze); tin; vanadium (used in the production of special alloy steels and irons); secondary metals, or scrap, containing any of the metals listed or already subject to control, prepared for sale in order to recover the metal content thereof.

Part of coordinated program

Commenting on the order, Mr. Stettinius said:

"This step is part of a coordinated program. It is the first step. The second step will be the distribution of questionnaires to the industries involved so that we can get complete inventory information, and another step will be the withholding of supplies, from any users whose inventories are excessive, to the extent necessary to reduce them to reasonable levels.

"Compliance with this order and with the requirement that inventories be kept down to levels necessary for efficient operations, and not at higher levels, is of the greatest importance.

"Failure to comply with the requirement is likely to result in the imposition of more drastic controls.

Bill to extend priorities reported

The Priorities Division, OPM, informed the House Naval Affairs Committee April 26 that legislation clarifying and extending the priorities power was important to defense. The next day the committee reported favorably the Vinson bill for that purpose. Text of the bill as reported follows:

H. R. 4534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act approved June 28, 1940 (Public, Numbered 671, Seventy-sixth Congress), as amended, is amended by inserting "(l)" after "Sec. 2. (a) " and by adding at the end of subsection (a) thereof the following:

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) contracts or orders for the Government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled 'An Act to promote the defense of the United States';

"(B) contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States; and

"(C) subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this section.

Power over supply in shortage

"Deliveries under any contract or order specified in this section may be assigned priority over deliveries under any other contract or order. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material for defense or for private account or for export, the President may allocate such material in such manner and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense. The President shall be entitled to obtain such information from, require such reports by, and make such inspection of the premises of, any person, firm, or corporation as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this section. No person, firm, or corporation shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with any rule, regulation, or order issued under this section. The President may exercise any power, authority, or discretion conferred on him by this section, through such department, agency, or officer of the Government as he may direct and in conformity with any rules and regulations which he may prescribe."
Determination of fair inventories discussed by Stettinius with press

At the May 1 press conference of E. R. Stettinius, Jr., Director of Priorities, OPM, there was a discussion of the new inventory control applied to 16 metals and classes of metals important to defense. Excerpts from the conference follow:

Q. Do you expect, in each general category of industry, to work out some kind of idea as to what constitutes a fair inventory? For instance, you might say that airplane manufacture has a 6 weeks inventory and another needs a—

A. That has been based on inventory questionnaires and actually as far as your question in aviation, Wright Field now is doing exactly that thing for us with the aviation plane builder so that will be done through questionnaires with each individual.

Nickel-steel buyers required to report inventory holdings

Following out the program for obtaining complete information about industrial inventories, the Priorities Division, OPM, May 2, announced a number of changes governing the distribution of nickel-bearing steel. E. R. Stettinius, Jr., Director of Priorities, said that the two main changes are:

1. All purchasers of nickel-steel who buy directly from producers, who melt, cast, or make such steel, are now required to file with the Priorities Division complete statements on their inventory holdings. These statements must show the inventory situation as of April 30, and the producers’ customers, who include a majority of major industrial companies, will not be able to obtain deliveries after May 15 unless they have complied with this provision.

2. The general regulations have been rephrased to make them applicable to “converters” as well as to producers and distributors. Converters are defined as “those who purchase nickel-bearing steel, further process such steel by rolling or drawing, and deliver such steel in rolled or drawn form to distributors and consumers.”

Companies affected by the nickel-steel regulation are urged to consult the official orders for specific instructions. These orders may be obtained from producers or from the Iron and Steel Branch of the Division.

Q. You expect to do the same with other industries?
A. Correct, we do.

Division has final authority

Q. With whom does the decision rest, on you or the supplier, on the question of shipment? Is it up to the supplier to say whether the customer has enough inventory or up to you to say?
A. It is up to us. We have the final authority.

Q. Right now, the onus is on the supplier to see that they don’t get too much?
A. That is right, this is an automatic cooperative effort. If it doesn’t check we will have to take further steps.

Q. Won’t that put the supplier in a fairly embarrassing position with his customers?

Mr. Blackwell Smith (interpolating): The customer has got to swear to it once a month, that is, that he has met the standard for the calendar month as a whole and he relies on the customer’s affidavit. If that breaks down, we have to move into a particular metal allocation basis. We are hoping this works enough to avoid moving in on more allocations where this would slow it down.

A. Mr. Friendly, any failure to comply with the requirements would necessarily result in the imposition of more drastic control such as mandatory priorities.

Hope to ease price

Q. Will this control of supply have an effect on price which would cause the manufacturer to step in, too, in cooperation with you?
A. They are already in this with us in the working up of this whole plan. This, we hope, will ease the price by making supplies of materials, take away the tightness, and the flow will be easier and therefore there will be more material to go around, we hope, and that therefore there won’t be the price action there has been on certain things up to this time.

Q. Aren’t you going to have an enormous amount of affidavits coming in if each company has to make one out after a customer makes a fence? Aren’t you in effect covering almost every metal-working plant in the country?
A. Yes, as it now stands. No one can say what is immediately ahead, and we might have to take a further step, possibly.

Q. That you would start requisitioning?
A. It is possible.

Q. Say a year’s inventory, as some people have at the present?
A. I’d expect to find that, and if they don’t feel they need it they would voluntarily tell us about it and offer to give it up.

GAS MASKS FOR 1,400,000 MEN

Improved gas masks that are a triumph of American technical skill have now been manufactured in more than sufficient quantities to equip the army of 1,400,000 men, the War Department announced May 3.

Of the gas masks produced in the past 6 months, about half are the new Training Gas Masks of the Chemical Warfare Service. The rest are the more durable Service Gas Masks intended for field service in time of war.

Thousands more are being turned out each day in factories scattered for strategic reasons throughout the Nation.
Special preference ratings to speed military plane output

To speed production of military airplanes for the United States and Great Britain, the Priorities Division, OPM, April 29 granted special preference rating orders to a number of manufacturers of airframes, engines, and propellers.

The new system means that, in general, virtually all products flowing into airplane construction will enjoy a preferential status so that they can be made available as promptly as possible in production plants. The products affected by the new system, however, must be on the Priorities Critical List.

Two new orders, signed by E. R. Stettinlinux, Jr., Director of Priorities, will permit the manufacturers covered to extend preference ratings to deliveries from subcontractors quickly, without the necessity of having each such extension considered as a separate and distinct case, involving considerable paperwork.

New orders have wider coverage

Because of the extreme importance of military airplanes in the defense program the new preference rating orders are broader in coverage than any of the blanket orders hitherto issued. It is expected that the application of the new system to airplane production will save considerable time and will help producers and their subcontractors to facilitate the flow of necessary parts and equipment into completed defense aircraft.

Engine and propeller makers who receive the order are granted a preference rating of A-1-c, and in the second order, specified manufacturers of airframes are granted a preference rating of A-1-d. Under the terms of the order, a producer of engines, propellers, or airframes may apply the preference rating to deliveries from subcontractors by executing a copy of his order and serving it on the subcontractor involved.

The subcontractor, in turn, may extend the rating to deliveries from his own subcontractors by going through the same procedure.

Producers and their subcontractors who are included in the system may obtain necessary copies of the orders, and report forms, from the Division of Priorities or from contracting officers or inspectors of the Army and Navy.

It is stipulated in the orders that one properly executed copy, served on a supplier, will automatically assign a preference rating for all deliveries of necessary material, whether these deliveries are for one or more separate orders.

The order for manufacturers of engines and propellers contains a paragraph (a similar paragraph appears in the order for makers of airframes) which says that the preference rating is assigned:

"In favor of the producer (as herein after defined), and in favor of each rated subcontractor (as hereinafter defined), to be applied to deliveries of material entering directly or indirectly, at any stage of production, into airplane engines and propellers produced to fulfill the defense orders of the producer, always provided, however, that any such material is included in the current Priorities Critical List of the Army and Navy Munitions Board, as amended from time to time • • •"

"Defense orders" defined

Another section of the order to engine and propeller makers, (also included in the airframe order), says that:

"Defense orders" as herein used shall mean any contracts or orders for airplane engines and propellers placed by the Army or Navy or for the defense of Great Britain including contracts or orders from other parts of the British Empire for that purpose or any contracts or orders for airplane engines and propellers for which the delivery schedule has been approved by the Joint Aircraft Committee."

One section of each order provides that higher preference ratings than those assigned may be stipulated by Army and Navy Munitions Board directives.

Machine tools excluded

It is stipulated that machine tools are excluded from the overall order, and that such tools shall be obtained in the usual manner, by means of individual preference rating certificates obtained from Army or Navy contracting officers. Certain cutting and perishable tools, however, are included, whether they are or are not on the Priorities Critical List.

The preferential status granted for airplane production in the orders will not apply to any producer or subcontractor until he has accepted the terms of the order, in writing, and has agreed to keep complete records of production, delivery dates, inventories, and other facts which the Priorities Division requires.

Emil Schram appointed Assistant Director

E. R. Stettinlinux, Jr., Director of Priorities, OPM, announced April 30 that Emil Schram, chairman of the Board of the Reconstruction Finance Corporation, has taken over his new duties as Assistant Director of Priorities in charge of Operations.

Mr. Schram succeeds James F. Towers, executive vice president of Ford, Bacon & Davis, Inc., industrial engineers, New York, who has been on leave from his business for several months and has now returned to his post.

Mr. Schram will continue to serve as chairman of the Board of the RFC.

In addition to his duties with the RFC, Mr. Schram is president of the Electric Home and Farm Authority, director of the Federal National Mortgage Association, director of the Federal Prisons Industries, Inc., and a director of the Export-Import Bank of Washington. He is president of the Defense Plant Corporation and director of all subsidiary corporations created by the RFC for defense activities. Mr. Schram is also a member of the Federal Power Policy Committee.

New appointments on executive staff

Two appointments to the executive staff of the Priorities Division were announced April 29 by E. R. Stettinlinux, Jr., Director.

Dr. Harry S. Rogers, president of the Polytechnic Institute of Brooklyn, N. Y., has been named chairman of the General Products Group. He succeeds Dr. W. E. Wickenden, who has had to return to his post as president of the Case School of Applied Science in Cleveland.

Joseph L. Overlock, vice president of the Continental-Illinois National Bank & Trust Co., Chicago, Ill., has been appointed to the staff and will work with the Assistant Director of Priorities in charge of Operations.

Mr. Stettinlinux also announced that William B. Eisenhardt, president of the Monarch Leather Co. of Chicago, has been appointed as producers' representative of the Hides, Skins, and Leather Priority Committee, which is under the General Products Group. Mr. Eisenhardt succeeds Ralph Pope, president of the Northwestern Leather Co. Trust, Boston, Mass.
PRODUCTION . . .

Progress seems phenomenal but we have made only a good start, says Biggers

Progress in defense production seems phenomenal, but we cannot for one moment be satisfied, John D. Biggers, Director of Production, OPM, told the United States Chambers of Commerce April 30. Excerpts from his address follow:

Looking back to last May, the progress seems phenomenal. New plants have been rushed to completion all over the United States. Tremendous additions of machine tools and equipment have been made with unparalleled speed. The total cost of these new defense facilities approximates $3 billion dollars.

The monthly production of airplanes has been trebled.

The monthly output of tanks increased 600 percent; powder, 1000 percent; small arms ammunition, 1200 percent; Garand rifles, 360 percent. Machine guns—the .30 caliber, trebled; the .50 caliber, quadrupled, and so on down the list.

So much for the initial achievements of American industry—guided by the wise planning and experience of our armed services.

Only a start

Yes, looking back, the progress seems good—in fact excellent. But looking ahead, it is clear that we have made just a beginning—a good start but, nevertheless, only a start.

Earlier this month, I testified before the House Military Affairs Committee that we were within 100 days of the beginning of real mass production. Evidence multiplies. That prediction will come true.

Before this year of 1941 ends, the monthly production of powder—big as it now is—must and will again be trebled.

Small arms ammunition must and will be trebled.

Rifle production must be doubled.

Machine gun production increased fivefold.

Tank production quadrupled.

The monthly output of American military plants—intricate and difficult as they are to build—must and will be doubled.

I could go on and on with the same story of one colossal task after another—the Naval program, the merchant shipping program. Tremendous efforts have been planned and, in my opinion, will be accomplished.

Cannot be satisfied

In spite of my confidence, I want to make it just as clear as I possibly can that we cannot for one moment be satisfied. One of the most dangerous things that could possibly happen to this country today would be for our people in any walk of life, to get the impression that the defense program is rolling along—that it will take care of itself.

Why then am I confident? Because of my faith in America. The genius of America is the genius for mass production. And the spirit of America is the spirit of teamwork—voluntary, wholehearted teamwork. Teamwork between Government and industry, between the military and the civilian, between workers and management.

Only by their united effort can this task be accomplished.

Oh! I deeply share your unexpected wish that all this genius and energy could be turned to the making of peace-time products rather than these weapons of defense, but in this war-torn world, it seems that strength alone counts—so we must strive for physical and moral—yes—and spiritual strength so as to perpetuate our freedom in justice and in peace.

That challenge can only be met in part by Government under our system. Our system depends upon voluntary action undertaken by free and enlightened men.

Spread the work

Stressing the competence of the Division's Defense Contract Service in helping to spread the work throughout a wider section of industry, Mr. Biggers said, nevertheless:

It is too much to expect the Government to come to a manufacturer and hand him business on a silver platter. The Government cannot possibly work out for him all his procurement and engineering and production problems. This will require individual and local group initiative.
Knudsen says auto buyers should cooperate
in conserving materials for defense

Questions and answers at the April 30
press conference of William S. Knudsen,
Director General, OPM, developed that
automobile buyers should cooperate vol-
untarily in the effort to conserve defense
materials through limited production:

Q. Did you get any news on the quotas
for companies on the 20 percent reduc-
tion in automobile manufacturing, Mr.
Knudsen?
A. It will be the end of the week,
yes, sir.
Q. We got a query today that you did
not give consideration in calculating the
reduction or in allotting the reductions to
periods which were not in production as
a result of strikes.
A. No.
Q. That is not correct?
A. Listen, I got to get it out at the end
of the week.
Q. You don't want to comment?
A. Otherwise, we might have some flat
feet and sore throats. Each company
submitted a brief. You know that?
Q. Yes, sir.
A. We are studying them. At the end
of the week we will have the thing out.

Objections raised

Q. The Tool and Die Workers Union in
Detroit complained about this 20 percent
reduction to you?
A. Yes, Mr. Griffin, J. K. Griffin sent
me a wire and Senator Vandenberg sent
me a wire. Of course, it is only a ques-
tion of getting enough other work in
there to take care of the people.
Q. Senator Vandenberg objected to the
reduction?
A. No, no, it was Senator Brown and
he sent me Griffin's wire. I said it was
only a question of reduction until we put
other tool work in there.
Q. The wages now in the defense jobs
would be less than they were making in
the older jobs?
A. I haven't heard of any wages that
were less than they were before.

No present plans for additional cuts

Q. Are you at present contemplating
any request asking for a reduction be-
Yond 20 percent in auto production?
A. We haven't asked for this one yet.
We haven't finished this one yet.
Q. In your original statement you
mentioned this would be an initial cut.
A. Yes. That is what I said. Now,
let's get this one away first and see what
happens next. I naturally haven't any
plans for cutting the thing right after
I get through with the first one and start
on the second one.

Car buyers should cooperate

Q. Mr. Knudsen, looking at it from the
standpoint of the consumer of the auto-
mobiles—if you were going to get, if you
were going to give them a message, the
buyers of the automobiles, what would
you say to them about the situation they
are going to find themselves in?
A. If I were to give them a message, I
would ask them to cooperate.
Q. There are a lot of questions that
immediately raise themselves. You hear
people discuss whether they should buy
used cars, whether they should buy new
cars, if they could afford them, the ques-
tion comes up whether the cars coming
out next year will be as good as the cars
that were available last year or what
they should do. That's what I direct
that question to.
A. That's a pretty big question. I
have to put it on the basis of national
defense. I can't put it on any other
basis. They should help us get material
enough for the defense job. We might
have to run the old car a little longer.
We might have to have it repaired. We
might have to buy one new car instead
of two new cars. It will have to be on
the basis of them helping us to conserve
the materials.

Cooperation should be voluntary

Q. Do you think that can be done on
a voluntary basis?
A. That's the only way to get coopera-
tion.

West Coast steel plant

Q. Will you need more steel plants?
A. No.
Q. Does that indicate that you are not
sympathetic with the plan of Mr. Kaiser
to put up a steel plant on the west coast?
A. I think that is all right. The plant
out there wasn't of great moment in the
steel picture. It was merely a small
plant.
Q. He was talking about 150,000,000—
I mean 1,500,000 tons a year.
A. One and one-half percent.
Q. Still a lot of steel.

Changes in plane designs

Q. Mr. Knudsen, in the aircraft pro-
duction program is there any danger the
way it is going now that by the time we
get the 50,000 planes we are working for
they will be outmoded?
A. Yes, I don't think so—no. I don't
think we are that far behind. Naturally,
there are some planes. Now, you under-
stand there is some development work
going on all the time, see. But that they
will be outmoded—no. I don't think
so—unless we find a different way of
making a plane that is entirely different
from what we got now and I don't think
that is likely to happen.
Q. The fact that we are following a
standardized design and attempting to
freeze particular models doesn't mean
that we are not putting some emphasis
on new designs?
A. What do you mean standardized?
How many have we got? We have got
over 20 different designs. What are we
talking about standardized?
Q. My point is in going forth with that
is the plan so inflexible that we can't in-
corporate new designs as they are de-
veloped?
A. You can never afford to stand still,
Mister. The other fellow might be
smarter than you are, so we have got to
keep a certain amount of development
going and that will be kept up right
through the picture.

New consultant added to staff

Sidney Hillman, Associate Director
General, OPM, April 28 announced the
appointment of Matthew J. Burns of
Albany, N. Y., as a labor consultant on
the staff of the OPM's Labor Division.
Mr. Burns will devote the major part
of his time to finding ways of maintain-
ing continuity of employment in plants
affected by the establishment of manda-
tory priorities.
Detroit defense industry tour made by Army, Navy, British, and OPM officials

Officials of the United States Army and Navy, British supply agencies, and the Office of Production Management inspected vital defense production projects in Detroit, May 5 and 6.

Among the officials who arranged to make the trip were Sir Clive Ballieu, director general of the British Purchasing Commission; Rear Admiral W. H. P. Blandy, U. S. N., chief, Bureau of Ordnance; Brig. Gen. G. M. Barnes, U. S. A., chief, Engineering Service; Brig. Gen. B. O. Lewis, U. S. A., chief, Production Service, and A. R. Glancy, Chief of Ordnance Section, OPM.

Preview ordnance exhibit

In addition to inspecting companies now turning out defense weapons or nearing completion of new facilities to produce them, the visitors joined a group of Detroit businessmen at a preview of an ordnance exhibit.

Points of inspection

Among the points of inspection were:

- The Budd Wheel Co., which recently turned out its millionth shell: the Packard Motor Car Co., now in process of doubling its output of marine engines for high speed "mosquito" boats and preparing to begin production of Rolls Royce Merlin aircraft engines late this summer or early fall; the Dodge Truck Plant, which is making $41,500,000 worth of trucks for the Army; the Chrysler Tank Arsenal, which recently turned out two pilot model 28-ton medium tanks and is expected to be in regular production of such tanks within a few months; the Naval Training School at Dearborn, Mich.; the Ford manufacturing operation on light field cars; and the Ford aircraft engine plant at Dearborn, where expansion of plant and equipment is under way to provide facilities for the production of Pratt Whitney aircraft engines, beginning late this summer or early fall.

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SHIP CONTRACTS TRANSFERRED

The Sun Shipbuilding & Dry Dock Co., Chester, Pa., has ceded contracts for the construction of 3 seaplane tenders and 3 destroyer tenders totaling $80,007,000 in order that it might undertake $180,000,000 in ship construction for the Maritime Commission, the Navy announced last week.

Construction of the seaplane tenders was transferred to the Los Angeles Shipbuilding & Dry Dock Corporation of San Pedro, Calif., on a cost-plus-fixed-fee basis. Total estimated cost, including fee, is $39,750,000.

Work on the 3 destroyer tenders will be undertaken by the Tampa Shipbuilding Co., Tampa, Fla., on a cost-plus-fixed-fee basis.

WPA to build roads in vicinity of Army posts and new defense plants

Work on hundreds of miles of access roads, badly needed to relieve transportation difficulties in the vicinity of Army and Navy posts throughout the country, is being pushed with all possible speed by a force of more than 10,000 WPA workers, Fred R. Rauch, Acting Deputy Commissioner, has reported.

Approval already has been given 86 projects of this type with an aggregate cost in WPA funds of more than $15,000,000. So great is the need for these roads, Mr. Rauch said, that extra shifts have been authorized in a number of instances to permit the work to go on 24 hours a day, 7 days a week.

Meanwhile, Mr. Rauch also made public a list of 55 industrial plants working on defense contracts where the War Department has asked WPA to construct additional access roads.

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LAKE SHIPPING BUSY

Indicating the value of the early opening of navigation on the Great Lakes is the fact that through April 29 there had been loaded into boats in upper lake ports, a total of 5,377,482 long tons of ore as against only 231,718 during the corresponding period in 1940—an increase of 5,155,000 tons. At the lower end of the lakes, the railroads report through April 28 a total of 46,339 cars of ore loaded, as compared to 840 cars during the corresponding period of 1940.

Good food served U. S. soldiers

How the armed services of the United States go about serving 4,500,000 meals a day was described in an address April 29 by Clyde Davis, Supplies Section, Food Unit of Production Division, OPM. Mr. Davis spoke at the convention of the Western Pennsylvania Restaurant Association in Pittsburgh. Excerpts follow:

The figures are all the more amazing when you consider that these men are fed under relatively new conditions occasioned by a new kind of warfare. They are fed hot fresh foods while flying in bombing planes thousands of feet above ground, while riding rough seas in a heavy battleship or lighter cruiser, in cantonments hastily erected to house selectees, or in tropical or subzero training areas.

We have learned a great deal in the last generation about soldiers and nutrition. The days of bacon and hardtack are as out of date—at least in this country—as the muzzle-loading musket. One reason why sickness killed more soldiers than bullets in the Civil War may have been the simple fact that the soldier didn't get the right kind of food.

Compare the following typical weekday menu for the Army's 1,200,000 men with what the average civilian asks for in a restaurant or cafeteria:

**Breakfast:** An orange, individual package of cereal or choice of hot cereal, a half pint of milk, scrambled eggs and bacon (about one and a half eggs to a man), fried potatoes, bread and butter, and coffee with sugar.

**Dinner:** Ham, cabbage, potatoes, and red beans—all boiled—tomato and lettuce salad, bread and butter, ice cream, coffee, and canned milk.

**Supper:** Lamb potpie containing carrots, turnips, and onions; creamed corn, sliced onions and cucumbers, bread and butter, apple butter, coffee, and canned milk, and remember, plenty of it; and "seconds" are definitely assured!

That certainly doesn't sound like our boys are going hungry, does it?

Food consultants of the Army Quartermaster Corps assert that the American soldier is being fed better than at least 60 percent of the people of the United States and better than any other fighting men in the world.
MEDIATION BOARD...

Agreements reached in three cases; soft-coal miners return to work

The National Defense Mediation Board April 28-May 4 obtained agreements to return to work in two cases and not to go on strike in a third. It also obtained settlement, subject to union ratification, in a fourth case in which a threatened strike had already been postponed at the request of the Board. The Board began hearings Thursday, April 1, on the General Motors dispute, and miners began returning to work Wednesday, April 30, ending the month-long bituminous coal stoppage. During the week, five new cases were certified to the Board by the Secretary of Labor.

In the 5 weeks since certification of the Board's first case March 27, 26 cases have been referred to it. Excluding coal, agreements to return to work or not to go on strike have been obtained in 18 cases, involving 205,819 men. A total of 4,765 are now on strike in cases certified to the Board.

Southern operators accept

In the case of bituminous coal, the Board made public recommendations Sunday night, April 27, following 3 days of hearings. The Board's recommendations, following the terms of the President's proposal for settlement of the dispute, were accepted by the northern operators and the United Mine Workers, but not by the southern operators. Acceptance of these terms by the latter followed 29 hours later.

Hearings on the General Motors case began Thursday, May 1, at 2 p.m. Meetings were held also on Friday and Saturday and were adjourned at 11:30 p.m. Saturday until Monday morning.

Roebling agreement reached

The first agreement to return to work was obtained in the case of the dispute between the Steel Workers' Organizing Committee and the John A. Roebling Sons' Co., which has two plants, at Trenton and Roebling, N. J. A strike over union recognition, grievance machinery, and working conditions had been called April 15. The company is the largest manufacturer of cables in the country and had orders for aircraft control cables for the Army and Navy. It employs 6,500 men. The case was certified to the Board on April 22 and hearings were held on April 23, 26, 28, and 29.

On April 29, company and union representatives and members of the panel signed a 9-point agreement under which the men would return to work. The union ratified the agreement and the men returned to work May 1. The agreement provided mainly for cooperation for a fair, free, and prompt election under the auspices of the National Labor Relations Board; the presentation by the Steel Workers' Organizing Committee of grievances for its membership, and the appointment by the Mediation Board of an expert adviser to study a proposed operation planned for one of the plant departments and to make recommendations on the basis of this study to the Board. The Board the following day appointed George Trundle, president of the George Trundle Engineering Co. of Cleveland, Ohio, as the expert adviser.

Both sides commend Board

Before the hearing broke up, representatives of both the company and the union adopted the following resolution: "The management of the John A. Roebling Sons' Co. joins with the representatives of locals Nos. 2110 and 2111, Steel Workers' Organizing Committee, in expressing to the National Defense Mediation Board their appreciation of the Board's work in effecting a settlement of this controversy in the interest of national defense."

The second agreement to return to work was reached in the case of a 24-day-old strike by the United Electrical, Radio and Machine Workers of America, CIO, at the Elizabeth, N. J., plant of the Phelps-Dodge Copper Products Co., involving 1,800 men. The strike, which had tied up $30,000,000 worth of defense contracts for copper and brass wiring and tubing, was certified to the Board April 8. The issues were wages, hours, a new agreement, union and shop and grievance machinery. Hearings before the Board began April 10. A tentative agreement failed to be ratified by the union April 14. The final agreement, providing for settlement of all issues, except wages and a night bonus, was ratified by the union Thursday night, and the men were to return to work beginning Monday, May 5. Representatives of the company and the union, under terms of the agreement, will continue negotiating on wages and a night bonus. If these issues are not settled by June 1, they will be referred back to the Board.

Artillery strike averted

The case in which the Board obtained an agreement not to go on strike during the past week was that of the Minneapolis-Honeywell Regulator Company of Minneapolis, Minn., which has 2 million dollars in artillery equipment contracts from the War Department. The United Electrical, Radio and Machine Workers, CIO, had threatened to go on strike at midnight, April 28. 2,000 men were involved. The Board received certification of the case that afternoon and immediately dispatched telegrams setting May 5 as the date for the hearings and requesting that there be no stoppage of work in the meantime. Accordingly, the union postponed the strike until May 6.

Kellogg issues settled

Settlement of the issues in the case of the Kellogg Switchboard and Supply Co. was reached Thursday evening, May 1, after 4 days of negotiations with the Board. This was the second prestrike case in which the Board has been able to obtain an agreement settling the issues. The agreement is subject to union ratification. The case was referred to the Board April 22 after members of the International Association of Machinists and International Brotherhood of Electrical Workers, both AFL, had voted to go on strike that night. At the request of the Board, the strike was postponed. Contracts with the Army Signal Corps for switchboard equipment and microphones were involved.

The five new cases certified to the Board during the past week were: Minneapolis Honeywell Regulator Co., Utica-Mohawk Co., Curtis Manufacturing Co., Busch-Sulzer Brothers Diesel Engine Co., and Allis-Chalmers Manufacturing Co. plant at Pittsburgh, Pa.
**LABOR . . .**

**Hillman begins field trips to enlarge supply of trained manpower**

Sidney Hillman, Associate Director General, OPM, was in New York May 5 on the first of a series of extended field trips to the Nation’s major industrial centers in an intensive drive to speed and enlarge the supply of trained manpower for the national defense production program.

Since the primary function of the Labor Division of OPM is to insure an adequate supply of qualified labor for defense purposes, it is Mr. Hillman’s aim in visiting key industrial centers to intensify the work of the already existing machinery which the Division has set up for this purpose during the past 11 months.

**To energize system**

“Our aim in this series of field trips and conferences is to energize and extend our system of labor supply and training, so that no matter how greatly and swiftly the production program expands, no wheel in a defense plant shall fail to turn for lack of a trained man.”

Conferences scheduled in New York, beginning Monday, were to cover defense work in Connecticut and New Jersey as well as the New York metropolitan area. Meetings centered upon defense cooperation by organized labor, regional systems of vocational guidance, training-within-industry, apprenticeship, and engineering training, utilization of idle labor and idle plants, the public employment services, the coordination of the Work Projects Administration, and the National Youth Administration.

At these conferences, regional problems were to be discussed, and local needs defined and provided for. A greater decentralization of the work of the Division, with more regional autonomy, is a major objective.

Accompanying Mr. Hillman was a group of aides and advisers, including: Floyd W. Reeves, director of the Labor Supply and Training; J. W. Dietz, assistant director of Training-within-Industry; Rudolph N. Marqoit and E. J. Lever, field representatives of the Labor Supply and Training branch of the Labor Division, and others.

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**Hillman asks three-way cooperation to speed vital shipbuilding**

“The question of the life or death of freedom today will find its answer in the industrial production of the United States, and no type of industrial production is more vital to democracy than the production of ships,” Sidney Hillman, Associate Director General, OPM, on April 28 told the Atlantic Coast zone conference of the Shipbuilding Stabilization Committee.

The conference, presided over by Gerard Swope, zone chairman, was held at the National Archives building, with representatives of the shipbuilding industry, the AFL and CIO, the U. S. Navy, U. S. Maritime Commission, and OPM.

**15 named to advise industry in disputes**

Associate Director General Hillman, OPM, has announced the industry consultants appointed in the Labor Division to help maintain effective industrial relations, avoid industrial disputes, and assist the United States Conciliation Service and other established agencies in the field of industrial relations when the defense program is involved.

The consultants, experienced in industrial management, are available to industries engaged in defense work for advice and assistance in arriving at prompt adjustment of disputes without stoppage of work, or in shortening the duration of work stoppages. A parallel service is afforded to labor organizations through the Labor Division’s staff of labor consultants.

The roster of industry consultants, which may be added to from time to time, is as follows:


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**A record program**

“Our Nation is now engaged upon the largest shipbuilding program in the history of the world,” said Mr. Hillman. “The total appropriations and authorizations in this program to date call for the expenditure of $8,200,000,000. This will require 2,200,000 man-years of labor.

“This is the measure of our responsibility in the conferences which now begin. To build ships requires steel and the equipment of shipyards and skills of many kinds, but above all it requires cooperation. Industry, labor, and the Government must enter into a threefold cooperation which shall result in the maximum quantity and quality of ship construction for the duration of this emergency. We must demonstrate that voluntary cooperation of democracy is superior to any form of tyranny in its capacity to get things done.

“I call upon you to formulate a working agreement covering all essential standards that will insure peak production of both naval and cargo vessels to maintain democracy’s control over the seven seas. I am confident that you will set up among other things machinery that will provide for the adjustment of grievances, without strikes or lockouts or any other interruptions of work. And as soon as this is achieved, we must devote our energies to arriving at ways and means for expanding our shipbuilding facilities quickly, fully, efficiently and to the utmost. Time is of the essence.”
PURCHASES . . .

Nelson describes steps to preserve way of life while producing for urgent needs

Although speed in defense is the greatest urgency America ever has faced, there is a second urgency so to plan the program that it does not destroy what we are trying to defend. Director Donald M. Nelson, Division of Purchases, OPM, said on April 29. Excerpts from his address to the United States Chamber of Commerce follows:

Our national defense program today is conducted under two extreme pressures. The first is the pressure of the emergency itself.

Everything that gives American life an especial value in our eyes—freedom, the right of the individual to live his own life, shape his own actions, talk and think and worship as he pleases—is in immediate danger.

That pressure means that the defense program must constantly get bigger and move faster. There is no limit to it. We are not conducting an exercise, or practicing a bit of drill; we are racing against time to make sure that our country may survive. Never before have we been under as great a pressure. Never have we faced a greater urgency.

In my opinion it is physically impossible for us to carry on a defense program of this size and still have anything resembling business as usual. We have hardly yet begun to realize the sacrifices and the effort which will be demanded of us. We cannot make faces at an enemy with nothing more than a popgun behind our backs. I hope that all of us can speedily realize that this defense effort comes first—ahead of everything else.

Pressure on our institutions

The second pressure is a little less great but it is almost equally important. It is the pressure of the defense program itself upon our own institutions—the pressure which is inevitably generated by the size of this program and by the need for haste.

If you take an outline map of England, Wales, and Scotland and lay it on the northeastern part of an outline map of the United States drawn to the same scale, you can make it cover the greater part of America's heavily industrialized area. In that area—an area, remember, equal in size to Great Britain's home island—you will find twice as many manufacturing plants as there are in Great Britain. The annual value of the products produced in those plants is twice as great as the annual value of Britain's factory output.

Arms industry was lacking

That was the basic industrial fact that we had to reckon with when our defense program got started. Coupled with it was a second basic fact; that in spite of this great concentration and development, we did not have anything resembling an armaments industry as such. With few exceptions, we had to begin our rearmament program by creating a rearmament industry.

At the beginning of the defense program we had to concentrate defense orders where the immediately available sources of supply were concentrated. Since titanic sums were being poured into defense orders, we were greatly increasing the concentration and centralization that already existed.

It is not wise to group our vital defense industries in areas where they could readily be attacked if we should get into war. Much more important than that, however, is the social and economic problem.

Series of log jams

The inevitable result of increasing the concentration of an already concentrated area is to create a whole series of log jams. An overload is placed on the power and transportation networks. Manufacturing facilities are strained past capacity. Signs of all of these things have already appeared in various parts of our northeastern industrial area. Carried far enough, that sort of thing could stall the whole program.

Looking farther ahead, you see that the problem becomes even more grave. For when you place an overload on the concentrated area you fail to make use of manpower, machine power, and other services outside of that area. You run into shortages in one point and turn

your back on surpluses elsewhere. You create for yourself a whole new series of distressed localities—territories that have been bled white and lack the human and industrial resources to face the future. Even worse, you make sure that some day your congested areas are going to face a let-down that will make the experiences of our recent depression look mild.

We are past the first part of the defense program now. We have come into a time when—though there is still this great need for speed—it is possible to shape our program with due regard to these considerations.

Auto production cut

There are various things that are being done. You are all familiar, of course, with the fact that the automobile manufacturers have agreed with Mr. Knudsen to make a 20 percent cut in 1942 automobile production, and that there will be few, if any, model changes for 1943. That of course releases for defense production a number of important productive facilities, both within and without the automotive industry.

There are now under construction four large airplane assembly plants—in Kansas City, Fort Worth, Omaha, and Tulsa. These plants will get their motors, their tail assemblies, their center sections, their wings, and other parts from factories situated all over the country.

Naturally, it takes the most thorough kind of planning to see that the work is spread around properly in an undertaking as large as this defense program. A special group has been set up to do this planning—the Plant Site Committee of the OPM.

It often happens that the representatives of a city will come in to us and complain that their city is losing its industries and its men due to concentration of defense orders in the larger centers.

"What kind of factory can you put in our city?" they ask.

To try to remedy a slack business situation by hurrying to Washington and asking for a Government factory is uncommonly close to asking for governmental economic planning. My suggestion is that a city which needs more defense work ought to go out aggressively and look for it in the good old way. You can get leads from the Defense Contract Service; you manufacturers and dealers can easily learn
which Army or Navy procurement branches are in the market for goods; isn’t it good sense for businessmen to help keep our competitive system flourishing by going out and doing a little energetic competing?

There is no deep, intricate mystery about selling things to the Government under the defense program. You can get all of the exact, detailed information you need for the price of a 3-cent stamp.

Secretary of Commerce Jesse Jones has established in his department a Service Information Office. If you will write to that office you will be told specifically where to go, whom to see, and what procedure to follow.

Big and little business

Both inside and outside of our main Industrial area there are many manufacturing plants which were not called on to produce during the early stages of the defense program. Our program is so big that it requires all of our productive resources, not merely a part of them.

On top of that, it is perfectly clear that we dare not let ourselves use our defense program to complete the process of making big business bigger and little business littler. If when this crisis ends, we find that somehow we have developed an economy in which only the giants can survive and the ordinary businessman has been frozen out, then we shall have lost one of the most precious things our country has ever possessed.

So the matter of “farming out” defense work is one of our vital tasks. Somewhere there has got to be an agency which can and will tie together our unused productive capacity and the work which needs to be done. That agency now exists in Defense Contract Service.

It has regional offices in all of the Federal Reserve District banks and branch banks—36, in all.

The two pressures

I spoke a while ago of the two terrible pressures under which this whole defense program is being conducted—the pressure of the national emergency, and the pressure created by the sheer size of the program itself. We are preparing to defend freedom everywhere so that we may not be compelled to fight on our own doorsteps in its defense. That is half of our fight. The other half is to protect our freedom against our own baste; to make sure that we do not by accident destroy the thing we are straining every nerve to defend.

May 6, 1941

Compilation of defense contracts cleared and awarded April 24 through April 30

Defense contracts totaling $115,-051,835 were awarded by the Army and Navy and cleared by the Division of Purchases, OPM, during the period April 24 through April 30.

This compares with $462,557,925 for the previous week and $104,169,640 for the week ended April 16.

Cleared contracts awarded by the War Department during the latest period totaled $79,671,800, and by the Navy Department, $35,380,035.

EQUIPMENT AND SUPPLIES

WAR DEPARTMENT

Naumkeag Steam Cotton Co., New York, N. Y.: 682,960 cotton sheets; $567,695.68.

Goodyear Tire & Rubber Co., Akron, Ohio: wheel and brake assemblies; $822,510.

Charles A. Eaton Co., Brockton, Mass.: 312,500 pairs of shoes, service leather soles; $1,048,437.50.

Brown Shoe Co., St. Louis, Mo.: 312,500 pairs of shoes, service leather soles; $1,056,200.

International Shoe Co., St. Louis, Mo.: 375,000 pairs of shoes, service composition soles; $1,173,750.

Fruenfalt Trail Co., Kansas City, Kan.; trailers; $4,286,506.

General Motors Corporation, A. C. Spark Plug Division, Flint, Mich.; spark plugs; $1,149,987.12.

Champion Spark Plug Co., Toledo, Ohio; spark plugs; $1,419,004.32.

NAVY

General Electric Co., Schenectady, N. Y.; motor generator sets; $975,698.

Belle Knitting Corporation, Sayre, Pa.; cotton undergarments; $690,000.

ORDNANCE

WAR DEPARTMENT

Chase Brass & Copper Co., Inc., Waterbury, Conn.; brass dice; $1,062,432.

Corning Glass Works, Corning, N. Y.; optical glass; $714,938.

Minneapolis-Honeywell Regulator Co., Minneapolis, Minn.; periscopic sights; $1,136,202.50.

NAVY

General Electric Co., Schenectady, N. Y.; manufacture of ordnance items; $21,216,471.

Carrier Corporation, Syracuse, N. Y.; manufacture of ordnance equipment items; $1,068,065.51.

AIRCRAFT

WAR DEPARTMENT

Pullman Standard Car Manufacturing Co., Chicago, Ill.; installation of machinery and equipment for manufacture of outer wing assemblies and spare parts for Douglas Aircraft Corporation; $1-108,991. (Defense Plant agreement of lease.)

Goodyear Aircraft Corporation, Akron, Ohio: educational order for outer wings; $1,053,833.

Boeing Aircraft Co., Seattle, Wash.; contract for the supply of airplanes and spare parts; $17,361,352.

United Aircraft Corporation, Pratt and Whitney Aircraft Division, East Hartford, Conn.; production of aircraft engines; $1,740,639.35.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and parts; $43,521,300.

CONSTRUCTION

NAVY


Aberthaw Company, Boston, Mass.; shipbuilding drydock at Navy Yard, Portsmouth, N. H.; $2,500,000.

SHIP CONSTRUCTION

NAVY


Few bid on canned tomatoes;

Army rejects high-priced offers

Director Donald M. Nelson, Purchases Division, OPM, said April 27 that both the Division of Purchases and the Army are much disappointed at the response to the recent invitation to bid on Army requirements for canned tomatoes for the first quarter.

In some instances, Mr. Nelson said, offerings are in line with the market, and in these cases awards will be made; but in other cases bids were so far out of line with current prices that no awards will be made, nor will the Army readvertise for bids. This action was recommended to the Army by the Division.
PRICES AND CIVILIAN SUPPLIES . . .

Cut quality can harm public as much as raised price, says Miss Elliott

A downward spiral of quality in consumer goods may bring consequences as serious, in some respects, as an upward spiral of prices. Assistant Administrator Harriet Elliott, OPACS, declared May 2 at the Defense Conference on Consumer Goods, called by the Secretary of Commerce in Washington, Miss Elliott said that the price-quality problem, if not properly solved, may lead to a waste of materials, purchasing power, labor, and machines which the Nation can ill afford during the present emergency. Excerpts from Miss Elliott's address follow:

For many years now we have been aware that these two indices—income and price—do not tell the whole story. Unless price is considered in relation to quality, its meaning is limited indeed. Evidence is coming to me daily that in the effort to cooperate in maintaining stability of prices, manufacturers are holding to their price lines but are seeking adjustments in quality.

With disturbing frequency, the business and financial press contains news of price policies in terms such as these: "We are maintaining our wholesale price points and are able to do this by manipulating the products."

Or sometimes the phrasing used is: "There seems little question that price rises of the hidden variety are in the making. Substitution of lower cost fabrics in the volume-priced lines can be expected."

Many items changed in quality

I have a folder of clippings gathered from recent issues of business and trade publications. They report such quality changes, such hidden price increases for a wide variety of products: Women's dresses, handbags, carpets and rugs, blankets, washing machines, men's suits, sweaters, hats, hosiery, sheets, work clothes, shirts, shoes, underwear, coats, corsets, lingerie, towels, dress materials, swimming suits, down quilts, bedspreads, and furniture.

This is sufficient evidence of the reality of the problem. It is recognized by the manufacturer who is reluctant to undermine the quality reputation he has earned; by the retailer dependent on sat-

Ifed customers; and by the consumer who buys a dress today at a price no higher in dollars than last year's, but where the manipulation of the product has meant that preshrinking or color fastness has been left out.

Reduced quality hinders planning

Now the dress that fades, the shirt that shrinks, the sheets that split, are no longer just individual mishaps. Consumers throughout the Nation are becoming aware that when they go to the market to replenish their wardrobes and pantries, they are exercising a claim on our national resources. In a very real sense they know that they are guardians of the Nation's goods and supplies, and today their budgets are being drawn up with care for the national as well as the individual need. The day's, the week's, the year's spending must be planned and that planning will not be possible if, unknown to the buyer, the quality, the wearing time, or usefulness of the goods has been depreciated.

Penalties heaviest on poor

I am well aware that this is no easy problem to solve, and like most significant problems there may be no perfect solution. But, until this question is squarely faced—the question of quality as an integral part of price—our efforts to maintain a balanced system of prices cannot be effective. Wholesale and retailer buyers cannot resist unwarranted price changes unless they recognize them; consumers cannot intelligently cooperate with the defense program if the quality of the goods they must buy cannot be related to the prices they pay for them and any price control which may become necessary cannot be effectively administered.

More consumer goods

"a patriotic duty"

Increasing the production of consumer goods to meet rising civilian demand is the patriotic duty of American manufacturers, Assistant Administrator Harriet Elliott, OPACS, told the Chamber of Commerce of the United States at its annual meeting in Washington, April 30.

Miss Elliott's remarks, in part, follow:

Strains being felt

You know how heartily retailers, broadcasters, and Better Business Bureaus have cooperated in refraining from scare advertising. Consumers, too, have thought twice before being stampeded into a run on the store shelves. By a combination of good fortune in the form of idle resources and good sense in the form of intelligent cooperation we have succeeded in keeping living costs in line.

But we cannot rest on our laurels, for we are coming up against an even more difficult situation from now on. We still have idle resources—but it is much harder to use them, for they aren't the big plants, easy to get at, or the workers with needed skills, and a few raw materials are definitely limited, making the problem of substitutes very real. We are up against a situation where real problems of demand rising faster than the supply, of rising costs which may not all be offset by savings in overhead from added volume and of some stubborn shortages, have been added to those which we have dealt with successfully in the past months. Wholesale prices on a number of commodities have risen.

Rising demand

The remedy for threatened price increases is clearly expansion of production and of productive capacity to meet the rising demand and to replace productive facilities withdrawn to turn out military supplies. This is not easy but I say, without hesitation, that the patriotic duty facing manufacturers of civilian goods is the production of more goods. If production is adequate, there will be no need for other measures to keep prices in line.
Canned Tomatoes

The carrying out of the defense program will require that manufacturers of consumer goods as well as producers of military supplies give their complete cooperation and dispense with the "business as usual" rule, it is emphasized by Director Donald M. Nelson, Purchases Division, OPM. He pointed to the lack of active response to the recent invitation of the Army to bid for canned tomatoes for the first quarter as an indication that, in this instance, the defense needs were largely disregarded by business.

Mr. Nelson further pointed out that business has often urged the necessity of a free market in the bidding for Government contracts. The lack of response in this case, he added, will force the Purchases Division to get its requirements through the medium of negotiated contracts.

Invitations to bid for a quantity of 300,000 cases of canned tomatoes were sent to 600 canners. Responses were received from only 41. The Army awarded some 40 percent of the bids made to a total of 120,000 cases.

Officials of the Surplus Marketing Administration of the Department of Agriculture, foreseeing a greater demand both at home and abroad, have already taken steps to augment production of tomatoes this year. In April a meeting was held with the leading canners at which it was made clear that an increase of 50 percent in production of tomatoes for canning was needed.

It is now estimated that the Surplus Marketing Administration purchases and other increased demands will require 15,000,000 cases of canned tomatoes this year. SMA purchases will be used for the following four purposes: The relief distribution program, supplies for the Red Cross which will go to devastated areas, to Great Britain and the other democracies resisting aggression, and for the building up of a reserve supply. No announcement will be made as to what quantity will go to any of these four divisions.

Since the canners now know that the Surplus Marketing Administration will want a large quantity during the year they will make their plans accordingly. It is also pointed out that by planning purchases in this way in what amounts to a year in advance, both civilian and defense needs will be more adequately provided for.

It is considered advisable so to plan the production program, in the case of tomatoes as well as other commodities, that any threat of shortage can be avoided. By the very fact that the Surplus Marketing Administration is such a large buyer it can release some of its supplies in case the market becomes tight. It can also so plan its purchases that prices are not permitted to fall to unreasonable levels.

Soap

There has recently been an increasing amount of interest in the supplies and prices of soap for civilian needs. Within the OPACS, efforts have been made to increase the supplies of raw materials used in soap making and in this way to relieve the pressure. This is especially true of imported materials such as coconut and palm oils, where the chief factor in the price rise has been shortage of cargo space. Efforts have been made to move the large accumulations of palm oil from Sumatra to American ports, and considerable attention has been given to increasing supplies of coconut oil substitutes from nearer sources of supply, such as babassu oil from Brazil. It has been the general policy of OPACS to reach back into primary causes and try to anticipate shortage situations that might cause retail price rises. For this reason, it is believed that if any priorities or price ceilings become necessary they would first be imposed on the raw materials that enter into a civilian commodity such as soap.

Cotton Textiles

Information now available from the Army Quartermaster Corps indicates that so far as cotton textiles are concerned, Army needs are now diminishing rather than increasing. One of the signs pointing to this is the statement made, following the purchase of 750,000 additional sheets, that no further purchase of sheets is expected during the next 6 months.

In the period from July 1, 1940, through March 31 of this year, 9,567,008 sheets were purchased. The total with this latest commitment will be 10,317,008.

Prices to be paid on part of the newest purchase of sheets are now available. The price for 135,000, 63" x 108" is 80 1/2 cents each. The price for 265,000, 72" x 108" will be 86 cents. A total of 95,000 seconds were also purchased at a reduction of 10 cents. The prices to be paid on the remaining 300,000 of this order will probably be announced at a later date.

The cotton textile industry is now producing at the highest rate in its history. As far as the Army purchases are concerned, deliveries are well ahead of requirements. In last week's issue it was stated that, unless there is a substantial increase in the size of the Army, the "hump" in the buying of clothing for the armed forces is definitely past. The same statement is true with reference to cotton textiles.

Since last July the Army has purchased 8,977,871 cotton khaki trousers and 11,066,144 cotton khaki shirts. The following is the detailed list of the purchases of the Army Quartermaster Corps general depot in Philadelphia in the 9 months from July 1, 1940, through March 31 of this year, and exclusive of the items mentioned above:

<table>
<thead>
<tr>
<th>Article</th>
<th>Quantity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoo I cloth, yds</td>
<td>8,722,921</td>
<td>$99,490,942.70</td>
</tr>
<tr>
<td>Cotton cloth, yds</td>
<td>12,111,444</td>
<td>65,472,289.47</td>
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<tr>
<td>Other fabrics, yds</td>
<td>11,421,195</td>
<td>4,341,410.42</td>
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<tr>
<td>Blankets</td>
<td>9,586,250</td>
<td>40,917,455.60</td>
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<tr>
<td>Red sheets</td>
<td>6,587,078</td>
<td>7,588,650.07</td>
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<tr>
<td>Füllwør</td>
<td>1,693,520</td>
<td>712,778.84</td>
</tr>
<tr>
<td>Mattress</td>
<td>1,466,308</td>
<td>5,538,720.00</td>
</tr>
<tr>
<td>Blankets</td>
<td>2,541,314</td>
<td>12,517,184.70</td>
</tr>
<tr>
<td>Canvas leggings, pr</td>
<td>6,219,094</td>
<td>4,323,918.33</td>
</tr>
<tr>
<td>Overcoats</td>
<td>2,287,690</td>
<td>9,427,123.71</td>
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<tr>
<td>Mackinaws</td>
<td>896,540</td>
<td>1,690,044.87</td>
</tr>
<tr>
<td>Field jackets</td>
<td>3,015,821</td>
<td>6,631,070.54</td>
</tr>
<tr>
<td>Uniform coats</td>
<td>5,093,984</td>
<td>22,748,362.10</td>
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<tr>
<td>Uniform trousers, pair</td>
<td>5,004,968</td>
<td>5,022,327.00</td>
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<tr>
<td>Flannel and serge shirts</td>
<td>11,121,144</td>
<td>6,430,627.00</td>
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<tr>
<td>Khaki shirts</td>
<td>9,121,992</td>
<td>6,792,056.52</td>
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<td>Working suits</td>
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<td>Socks, pair</td>
<td>10,307,443</td>
<td>20,474,083.67</td>
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<tr>
<td>Field cap</td>
<td>7,825,500</td>
<td>2,992,858.52</td>
</tr>
<tr>
<td>Cotton underwear units</td>
<td>9,947,984</td>
<td>10,030,467.70</td>
</tr>
<tr>
<td>Woolen underwear, units</td>
<td>11,495,308</td>
<td>10,244,588.30</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,015,282</td>
<td>5,654,854.95</td>
</tr>
</tbody>
</table>

Total cost: $475,204,034.31
Henderson affirms support of policies directed toward improved farm income

The Office of Price Administration and Civilian Supply, has taken no steps to set a ceiling over farm prices, Administrator Leon Henderson assured Representative Cannon in a letter April 30. Mr. Henderson added that, although unjustifiable price rises must be checked wherever they occur, he will continue to support policies directed toward improvement of farm income. Excerpts from the letter in reply to statements by Mr. Cannon before the House April 21, follow:

"I particularly want you to know that I have not singled out farm prices for special action. I will continue to support administration policies which are directed toward the improvement of farm income. There has been some misunderstanding on this whole issue which, I believe, would have been avoided had the position of my office been clearly on the record.

"Some of the misunderstanding is associated with the measures announced on April 3 to increase the supplies of pork, dairy, and poultry products. First of all, I should like to state my own position on these measures.

Domestic demand increasing

"During the past year domestic demand for meat, dairy, and poultry products has been increasing rapidly. Very recently the British Government has asked for substantial supplies of these same products. On anything so vital as our food supply we can afford no gamble with an underestimate of our needs. Any weakness in our domestic defense or any default in our aid to other countries resulting from an inadequate food supply would be inexcusable.

Make increased production pay

"For these reasons, I joined with the Secretary of Agriculture in steps to increase immediately the price of hogs to make increased production remunerative. For the same reasons, I concurred in the proposal to give farmers a long-term guarantee of prices of pork products, dairy products, and poultry products. The purpose of these steps was to insure that the increased production would not be marketed at distress prices—in other words, the Government rather than the individual farmer is underwriting the risk of the expansion of output. Our policy here parallels that which has been followed by the Government in minimizing the risk of industrial plant expansion for defense purposes.

Not a price-fixing measure

"This is not a price-fixing measure. No representations were made to this office by the War Department, individual Army officers, or by employers. The guaranteed prices are minimum prices and no maximum prices have been agreed upon. Should there be a speculative advance in these or any other prices which unreasonably anticipates heavy domestic or British buying, then action will be taken. We will take it with the speculator rather than the farmer in mind.

To date we have taken no steps to establish ceiling prices on farm commodities. On the other hand, we have acted to forestall increases in farm costs. You draw attention to recent wage advances in certain sectors of the steel and farm machinery industry. The leading units in both of these industries have been enjoying relatively high profits and in both of these cases we have taken steps to see that, unless clearly necessary in particular instances to avoid inequity, the increased costs are not passed on to customers.

We can play no favorites—the policy must be applied across the whole board. Unjustifiable price increases must be checked wherever they occur. But I will recognize what the Congress and the present administration have always recognized and have written into law—namely, that the prices of many farm products in past years have been too low to provide the farmer with a decent living wage for his labor.

Trend toward stability

"Generally speaking, the policy I propose to pursue will be directed toward the largest possible measure of stability for both agricultural and nonagricultural prices. It has always been my feeling that the long years of farm disparity following the last war were partly the result of inflationary advances in farm prices and farm costs during the war period. The farmer's prices fell after the war was over, while his costs, his debt load, and his interest charges remained high and inflexible. He was left in the vice. To avoid a recurrence of this disaster is one of my jobs.

Soft-coal price ceiling removed but will be replaced if needed

The price schedule issued April 2 setting a ceiling on prices of bituminous coal, and the supplement to it issued April 16, were revoked April 30, by Administrator Leon Henderson, OPACS. Mr. Henderson warned, however, that price action would be renewed if unreasonable prices are charged.

The bituminous coal price schedule set a ceiling for all stages of the distribution process at levels prevailing March 28, 1941. The purpose was to avert price increase because of curtailed supplies due to the coal strike. A supplement, April 16, provided relief for mines which reopened under a retroactive wage agreement.

The revocation was made after consultation with the Bituminous Coal Division of the Department of the Interior, with which division Mr. Henderson's office has cooperated in the administration of the schedule.

Coal production costs decreased

"Although the schedule is revoked," Mr. Henderson emphasized, "no reason exists for any unreasonable price increases in bituminous coal. Preliminary statistics computed by the Bituminous Coal Division indicate that the average cost of producing coal in 1940 decreased approximately 18 cents per ton under the average costs obtaining in 1938 and 1937, upon which the division based its minimum prices. Many producers, therefore, will be able to absorb any cost increases because of wage adjustment, and price increases in many areas will thus be unnecessary.

"If unreasonable prices are charged by either producers, distributors, or dealers," Mr. Henderson continued, "price action with regard to bituminous coal will be promptly reinstalled. If a ceiling again becomes necessary it may have to be imposed at a level lower than that which coal prices have become inflated. Persons affected by any unreasonable price increases are urged to communicate with this office.

Asks defense industries be favored

"In the event of any temporary shortage in bituminous coal after resumption of production, due to transportation or other causes, we ask that all sellers of coal favor defense industries wherever possible. Such patriotic action will make unnecessary any attempt at rationing the supply in the areas affected."
Aluminum scrap schedule altered to keep price down on impure material

Amendments to Price Schedule No. 2, which established maximum prices for aluminum scrap and secondary aluminum ingot, were announced May 3 by Administrator Leon Henderson, OPACS. The amendments became effective May 5, 1941. An explanatory statement, answering the most common inquiries as to interpretation of the schedule, was also released.

These amendments, Mr. Henderson explained, have been adopted in order to give effect to customary trade practices and to forestall attempts to use the price schedule as an excuse for charging the maximum price for aluminum scrap which does not meet maximum standards.

**Maximum price lowered**

The following are the principal changes made in the price schedule by the amendments:

1. The maximum price at which a maker of the scrap may sell old aluminum sheet and aluminum utensils is lowered from 12 cents to 11 cents per pound.

2. It is emphasized that all maximum scrap prices are for clean and dry scrap and that material not meeting these standards should be sold at prices reduced below the maximum prices in proportion to the percentage of dirt and moisture.

**Contract provision changed**

3. There has been eliminated the provision of paragraph 1 of the schedule which allowed makers of scrap to request permission from Office of Price Administration and Civilian Supply to sell directly to smelters at prices as high as the established dealers’ prices where such sales were customarily made prior to issuance of the Price Schedule. This provision had caused some makers to expect exemption in cases in which the smelter performed functions of a dealer. In lieu of this provision, there has been added a new paragraph 5, exempting from the schedule customary sales of extrusion butts and ends, sheet clippings, or rod turnings of not more than one alloy, and pure clips, where such sales are made by the maker of the scrap to the producer of the material from which the scrap is made and pursuant to a written contract for the reconversion of the scrap into like material and for sale of an equivalent amount of like material to the maker. The contract prices must not, however, have been increased since March 24, 1941.

**Prices set for smaller lots**

4. Aluminum scrap which is delivered in less than carload lots must be sold at prices $0.005 cent under the established maximum prices set forth in Appendix A of the Price Schedule.

5. The maximum prices established by Appendix B of the Price Schedule for secondary aluminum ingot are explicitly stated to be for quantities of 30,000 pounds or more. An additional $0.005 cent per pound may be charged for quantities of 10,000 to 30,000 pounds, an additional $0.0025 cent for quantities of 1,000 to 10,000 pounds, and an additional 1 cent for quantities under 1,000 pounds.

Special attention is called, in the explanatory statement released with the amended price schedule, to the procedure set up for consideration of applications for exceptions from the schedule. Dealers and smelters which have acquired high-priced inventory before March 24, 1941, may, upon application to the OPACS, be granted permission to carry out commitments entered into prior to that date at prices in excess of the established maximum prices to the extent necessary to avoid loss on such inventory. Exceptions may also be granted so as to permit the charging of prices higher than those scheduled for special alloys and special processing. Requests for such exceptions should be made by presenting to OPACS a full and verified statement of the need for such exemption and the facts upon which it is to be based. In case of a special alloy, this statement would ordinarily include an analysis of the alloy.

**750,000 sheets to be added to Army’s linen supply**

Director Donald M. Nelson, Purchases Division, OPM, said May 1 that in addition to procurement of cotton sheets, previously announced by the Quartermaster Corps, negotiations for the purchase of approximately 750,000 additional sheets have been completed.

Based on the present needs of the Army, Mr. Nelson said, it is expected that the Quartermaster Corps will be in the market for any additional sheets during the next 6 months.

Action coming on yarn if fictitious levels continue

Ceiling prices for combed cotton yarn will be imposed in the near future if current fictitious levels, which represent a premium over prices received by the producers, are not corrected, Administrator Leon Henderson, OPACS, said May 1 at conclusion of a conference with spinners and representatives of other Federal defense agencies.

This conference, held at Mr. Henderson’s invitation, included combed yarn spinners coming from both the southern and northern divisions of the industry.

Agree some prices on fictitious levels

The spinners present were in agreement that many of the recently reported prices for combed yarns represented fictitious levels and were in many cases merely bid prices for small amounts urgently needed by certain manufacturers to fill contracts.

They pointed out that the production of the industry has been increased in recent months some 40 per cent, giving new production roughly equivalent to the Government requirements, leaving the practical equivalent of the normal capacity for civilian production. They felt that the large quantities of yarn now going into distributing channels at prices well below the present quoted prices would make it unnecessary for manufacturers using this yarn to raise their prices on combed yarn products.

Believe situation will relieve itself

They were also of the opinion that as soon as the current active demand for spot supplies to combed yarn has been filled by current production, the price situation will tend to relieve itself. They assured Mr. Henderson that if his office would suggest to the members of the industry reasonable price levels, taking into account the increased basic cost which the industry has had to assume, he could expect full cooperation of every member of the combed yarn industry.

They also agreed with him that the suggestion of such levels would have a strong effect in checking speculation and in causing resales of yarn now going into the hands of jobbers and the other intermediate holders and would thus relieve pressure for spot supplies.

A New England manufacturer revealed that in his mill, production had been increased 20 per cent by concentrating on a few standard counts.
HOUSING...

Construction of 11,625 more dwelling units approved by President

President Roosevelt has approved construction with public funds of 11,625 dwelling units in 13 localities upon the recommendation of C. F. Palmer, Coordinator of Defense Housing.

The newly programmed units will be constructed with funds made available under the Lanham authorization with construction assignment by the Federal Works Agency.

California to Connecticut

The localities and the number of units in each, assigned for construction with public money, are as follows:

- Gadsden, Ala., 100; Long Beach, Calif., 600; San Diego, Calif., 1,500; Bridgeport, Conn., 1,600; Hartford, Conn., 585; New Britain, Conn., 200; Washington, D.C., 140; Weldon Springs, Mo., 200; Wilmington, N.C., 900; Corry, Pa., 100; Pittsburgh, Pa., 5,000; Nashville, Tenn., 200; Dallas-Fort Worth, Tex., 400, including 100 units for single men.

Private construction

In his letter to the President, Mr. Palmer stated that in most of the above areas where allocations had been made for construction with public funds the coordinated defense housing program includes the use of private residential construction as well. He also pointed out several of the allocations carried specific recommendations with regard to certain aspects of the new federally financed programs. Such recommendations included the use of demountable construction, and the use of the Navy and Farm Security Administration as construction agencies.

Joseph L. Weiner named Assistant to Henderson

Joseph L. Weiner was named April 30 Assistant Administrator in Charge of Civilian Allocation of the Office of Price Administration and Civilian Supply, by Leon Henderson, Administrator.

Mr. Weiner has been director of the Public Utilities Division of the Securities and Exchange Commission since June 10, 1939. Before that he had served, beginning in September 1938, as special counsel to the Reorganization Division of the SEC. While director of the Public Utilities Division, Mr. Weiner was instrumental in developing and administering SEC policies on such important matters as integration of public utility systems, competitive bidding in the sale of utility securities, and on use of common stock financing by utility operating companies.

In his new post Mr. Weiner will have charge of the allocation of the residual supply of scarce materials among competing civilian industries after defense needs are taken care of.

Dr. Galbraith to head price division of OPACS

Dr. John Kenneth Galbraith, assistant professor of economics at Princeton University, has been appointed director of the Price Division, Office of Price Administration and Civilian Supply, by Leon Henderson, Administrator.

The Price Division will be responsible for organizing data and developing programs for stabilization of prices.

54 new regional offices to record homes for workers

Fifty-four additional offices to survey and record every available room and house that could accommodate defense workers in the key industrial areas are to be opened shortly by the Homes Registration Division, C. F. Palmer Coordinator of Defense Housing, announced May 2.

The new offices will be in addition to the 34 which are already functioning. Directors of the new offices will be named and paid by agencies in each of the communities. Clerical staffs and office help will be supplied by the Work Projects Administration and the National Youth Administration, as has been the case in the 34 offices.

Acute shortages have developed

The accelerated defense program has drawn defense workers in tremendous numbers to industrial cities in which vital parts of the defense program are under way. Despite the present large-scale building program in progress by the various Government agencies, acute shortages of living accommodations have developed.

The new offices will assist housing committees of the communities to register every available room and family dwelling unit with a complete description of the facilities.

On the basis of information thus obtained, defense workers may be directed to accommodations that most nearly approximate their needs and those of their families.

Will also help determine needs

A further and equally vital result of the registration will be the assistance it will lend to determination of the communities' needs for public housing by various governmental agencies.

The offices will work in close cooperation with realtors, Chambers of Commerce, Community Chest organizations, and public health and welfare agencies, as well as private social work organizations.

Through such close cooperation with local agencies, communities themselves will be able to determine their own housing policies not only to meet the emergency created by demands of the defense program, but to plan for future development of the cities.
Allocations made for 4,482 new dwellings in week ended April 26

Allocations were made for 4,482 new dwellings; construction contracts were awarded for 2,224, and completions were reported for 927 the week ended April 26. C. F. Palmer, Coordinator of Defense Housing, announced May 2.

New allocations included 1,600 prefabricated houses at Vallejo, Calif., for civilian workers employed at the navy yard, with construction assigned to the Federal Works Agency. To the United States Housing Authority was assigned the construction of 465 new units at Macon, Ga. Among other areas affected were Key West, Fla., 50 units for enlisted personnel to be constructed by the Navy, and New London, Conn., 300 units to be constructed by FWA.

Total allocations for 77,435 units

The number of allocations now made reaches a total of 77,435 dwelling units in 141 localities of 47 States and Territories. Of this number, 29,708 are for married enlisted personnel, and 56,727 are for civilian workers.

As of the week ended April 26, construction contracts were awarded for 590 units for civilian workers in South Bend, Ind., by the Public Buildings Administration, and 507 units for civilian workers, and in Riverside, Calif., for 120 units for enlisted personnel. Construction contracts were awarded by the United States Housing Authority at Gadsden, Ala., for 150 units, and New Britain, Conn., for 32 units for civilian workers.

54,139 under contract

The number of units now under construction contract has reached a total of 54,139 in 119 localities of 44 States and Territories. 20,502 are for the married enlisted personnel, and 33,637 are for civilian workers.

Areas to report completions for the week ended April 26, were: San Diego, Calif., with 300 units constructed by the Navy for civilian workers; Mare Island, Calif., with 200 units also constructed by the Navy for the enlisted personnel; San Diego, Calif., with 331 units constructed by the Public Buildings Administration; Columbus, Ga., with 8 units for enlisted personnel constructed by the United States Housing Authority, Newport News, Va., with 48 units for civilian workers constructed by the same agency; and Orange, Tex., with 40 units for enlisted personnel built by the Navy.

Under the coordinated housing program, 9,024 units have been completed in 31 localities of 17 States and Territories. Of this number, 3,408 are for married enlisted personnel, and 5,616 are for civilian workers.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, APR. 26

<table>
<thead>
<tr>
<th>Funds allocated</th>
<th>Contracts awarded</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 26</td>
<td>Apr. 19</td>
<td>Apr. 26</td>
</tr>
<tr>
<td>Number of States and Territories</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Number of localities</td>
<td>341</td>
<td>303</td>
</tr>
<tr>
<td>Number of projects</td>
<td>273</td>
<td>191</td>
</tr>
<tr>
<td>Number of family dwelling units (regular)</td>
<td>7,435</td>
<td>7,603</td>
</tr>
<tr>
<td>Civilian industrial workers in private defense industry</td>
<td>24,760</td>
<td>23,050</td>
</tr>
<tr>
<td>Civilian industrial workers in Government plants</td>
<td>15,701</td>
<td>15,056</td>
</tr>
<tr>
<td>Other civilians, employed by the Army and Navy</td>
<td>10,264</td>
<td>9,049</td>
</tr>
<tr>
<td>Married enlisted personnel</td>
<td>25,078</td>
<td>25,698</td>
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<tr>
<td>Number of family dwelling units (trailer)</td>
<td>2,035</td>
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<tr>
<td>Civilian industrial workers in private defense industry</td>
<td>1,853</td>
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<tr>
<td>Civilian industrial workers in Government plants</td>
<td>209</td>
<td>200</td>
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<tr>
<td>Number of units for single persons</td>
<td>6,981</td>
<td>5,948</td>
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PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

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<th>Week ended</th>
<th>Pre.</th>
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<tbody>
<tr>
<td>Apr. 26</td>
<td>Apr. 26</td>
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<tr>
<td>New homes started</td>
<td>4,068</td>
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<td>New home mortgages selected for appraisal</td>
<td>5,241</td>
</tr>
</tbody>
</table>
TRANSPORTATION...

Coal strike and other fluctuations add to carriers’ problems, says Budd

Past performance and improvements indicate the carriers will give reliable service if they are kept informed of developments a reasonable time in advance, Commissioner Ralph Budd, Transportation Division, National Defense Advisory Commission, told the American Mining Congress in Cincinnati May 1. Excerpts from his speech follow:

In 1941 daily carloadings are estimated to average about 112,000. Coal contributes more tonnage than any other single commodity. It is so great that a substantial increase or decrease in coal shipments markedly affects the graph of total freight carloadings. Full production followed by virtual suspension can result in such an immediate swing as the following: The week of March 29, 1941, reported total carloadings, all commodities, of 792,125, or 26 percent above the corresponding week in 1940, but 2 weeks later the total was 679,808, or only 10 percent above 1940.

Extra burden in next 6 months

In times like these it is very helpful to maintain as uniform a flow of traffic as possible, and unfortunate when anything interrupts such regular movement as has happened during the past month in your great industry. About 40 days’ coal supply had been built up in advance of April—some plants had less than that. Now the supply is short. During the next 6 months railroads, ships, barges, and trucks will have to take on the extra burden of hauling perhaps as much as 35 million tons of coal that was not mined during April, when thousands of coal cars and many locomotives were idle. More than 600,000 carloads will be piled on top of the seasonally rising volume.

It would seem rash to say that the railroads and other transportation agencies are equal to any and every conceivable task. But if they can be kept informed of a reasonable time in advance, and by what kind of traffic, their performance of the past 2 years, together with new cars and locomotives and other improvements which have been made or are being made would give assurance of reliable and satisfactory service.

Commercial transportation facilities have been improved and enlarged during the past 2 year at a cost of about a billion and a half dollars as follows:

- **Railways:** New cars, 111,000; new locomotives, 825; total expenditures for construction and equipment, $800,000,000.
- **Trucks:** New units (trucks and trailers) 221,000; cost, including other facilities, $250,000,000.
- **Buses:** New units, 36,000; cost, including other facilities, $200,000,000.
- **Pipe lines:** Miles of pipe, 58,000; cost, $50,000,000.
- **Airplanes:** Units—about 7,000 (including private planes); cost, $50,000,000.
- **Waterways:** Ships, barges, tow boats, etc.; cost, about $100,000,000.

Early this year the Bureau of Research and Statistics, Advisory Commission to the Council of National Defense, analyzed the national defense program. This analysis was carefully examined by the Bureau of Railway Economics in terms of railroad transportation, and it was estimated that 3,426,628 more carloads would be moved in 1941 than in 1940. This would be an increase of 9.4 percent for the entire year.

These same two Bureaus will revise the estimates from time to time based on later information, and such a revision is now in process. Advance figures indicate that the carloadings for 1941 will be substantially more than 40 million. Should they be 41 million, it would mean an increase of 12.1 percent for the year.

Cotton surpluses are plaguing the growers of that staple. On the other hand, there exists or is anticipated, a need of more meat, poultry, eggs, butter, tallow, and some vegetables.

Wheat crop problem

These statements show how varied are the component parts of the Nation’s transportation load, for it reflects the complexity of the daily life of all the people. The problem of providing for an unforeseeable amount of transportation is presented in the movement of the 1941 wheat crop, the harvest of which will begin in the next 30 days.

Prompt loading, unloading urged for best use of rail capacity

The National Defense Advisory Commission adopted April 30 the following policy, as recommended by Ralph Budd, Commissioner of Transportation:

To make the most efficient use of car capacity, all shippers and receivers of freight should keep daily check of their operations to see that the following plan is carried out insofar as it is possible under the existing conditions:

1. Give advance notice of requirements but do not order cars placed for loading until commodities are ready to load.
2. Unload cars promptly on arrival and notify railroad when empty car is available.
3. Load cars to maximum journal carrying capacity or full visible capacity, whichever governs.
4. Remove all dunnage, blocking, and rubbish from cars after unloading to permit immediate re-use and eliminate necessity of delay to cars for reconditioning.
5. In industries where 5-day work week is in effect some plan should be worked out to provide at least 6-day basis for loading and unloading cars.

Carloadings above 1940

Despite the losses in coal loadings due to the cessation of mine operation during April, total railroad carloadings for the week ended April 26 continue to show increase over the corresponding week in 1940. Loadings during that week totaled 721,702 cars as against 644,604 during the corresponding week in 1940, or an increase of 11.9 percent.

Offsetting the decrease of almost 80,000 cars in coal loading were substantial increases in ore and miscellaneous loadings, as follows:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1941</th>
<th>1940</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative to date, 17 weeks</td>
<td>721,702</td>
<td>644,804</td>
<td>11.9</td>
</tr>
<tr>
<td></td>
<td>12,175,784</td>
<td>10,665,742</td>
<td>14.2</td>
</tr>
<tr>
<td>Grain and grain products</td>
<td>20,743</td>
<td>19,620</td>
<td>5.7</td>
</tr>
<tr>
<td>Coal</td>
<td>90,179</td>
<td>117,826</td>
<td>-20.5</td>
</tr>
<tr>
<td>Coke</td>
<td>4,148</td>
<td>5,827</td>
<td>30.2</td>
</tr>
<tr>
<td>Forest products</td>
<td>40,022</td>
<td>35,191</td>
<td>13.8</td>
</tr>
<tr>
<td>Ore</td>
<td>76,425</td>
<td>80,881</td>
<td>-5.8</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>349,060</td>
<td>253,071</td>
<td>38.1</td>
</tr>
</tbody>
</table>

The following table presents a summary of carloadings for the week ended April 26, 1941:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Carloadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain and grain products</td>
<td>20,743</td>
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</tr>
<tr>
<td>Miscellaneous</td>
<td>349,060</td>
</tr>
</tbody>
</table>

The table shows the carloadings for the week ended April 26, 1941, as follows:

- Grain and grain products: 20,743 carloads
- Coal: 90,179 carloads
- Coke: 4,148 carloads
- Forest products: 40,022 carloads
- Ore: 76,425 carloads
- Miscellaneous: 349,060 carloads

The total carloadings for the week ended April 26, 1941, were 721,702 carloads, an increase of 11.9 percent over the corresponding week in 1940.
OPACS opposes boost in lumber freight rates, citing danger of spiral

A brief protesting against a proposed increase in the rates charged by steamship companies for transporting lumber from the Pacific to the Atlantic coast was filed April 25 with the Interstate Commerce Commission by attorneys for the Office of Price Administration and Civilian Supply.

The brief supplements oral arguments in the case held before an examiner of the I. C. C. on March 20—March 26. On February 1, 1941, steamship companies in that service had filed with the Maritime Commission proposed rate increases from $16 to $17 per 1,000 board feet on such lumber shipments. On February 18 the Maritime Commission issued an order suspending the effective date of the proposed rate increases until June 28 and as of March 1 jurisdiction to hear and determine the matter was transferred from the Maritime Commission to the I. C. C.

This is believed to be the first instance in which one Government agency has appeared before another Government agency opposing an action of this type on the ground that it would be harmful to the defense program.

Far-reaching effects feared

The OPACS contends in its brief "that a rate increase in intercoastal lumber would be inimical to the national economy in the present period of defense emergency."

"There is reason to believe," the brief states, "that a rate increase in Douglas fir shipped intercoastally would promptly manifest itself not only in the delivered price of southern pine and spruce, both of which are sold in competition with Douglas fir. Since vast quantities of lumber are needed for the Government's defense program in this area, the cost to the Government would be materially increased. Furthermore, a specific rise in the price of a basic commodity like lumber threatens to create a price spiral such as would cause a general inflation."

$4,000,000 cost rise cited

The brief also presents data based on testimony of its experts at the hearing to the effect that the proposed increase would force consumers in the Atlantic area to pay an additional sum of at least $4,000,000 for lumber in the year April 1, 1941, to April 1, 1942. It is also estimated that of this $4,000,000 the Federal Government, in connection with the defense program, would be required to pay at least $500,000 in the year ending April 1, 1942.

Relief from price schedule granted Phoenix Iron Company

Administrator Leon Henderson, OPACS, May 2 granted permission to the Phoenix Iron Co., Phoenixville, Pa., to fix a base price ceiling for structural shapes of $2.30 per hundred pounds and a base price ceiling for bars of $2.55 per hundred pounds.

These are the approximate base prices at which the company closed sales during the five weeks period ending in March 1941, so that Mr. Henderson's action today merely authorized the company to charge the same prices it has already been charging. They are slightly higher than the published base prices for these products used by most other companies in the steel industry. The permission granted Phoenix Iron Co. is retroactive to all sales closed on or after April 17, 1941.

Action was taken in response to a petition filed by the company on April 23 asking relief from provisions of the iron and steel price schedule issued April 17 by the OPACS. This schedule fixed published base prices in the industry as of March 31 as a ceiling above which prices could not rise. Adherence to this schedule by Phoenix Iron would have forced the company to cut its prices since it had already been charging more than the industry generally. Examination of the company's books by OPACS officials showed that such a reduction would have forced the company to operate at a loss. No question of absorbing or passing on wage rate increases is involved in the case.

In his letter to the company Mr. Henderson stated that "If subsequent investigations indicate that the conclusions of this office, based upon our preliminary investigation, are without foundation in fact, this order will be revised."

Truck freight increases

12 percent over February; 36 percent over March 1940

The volume of revenue freight transported by motortruck in March increased 12 percent over February and 36 percent over the volume carried in March 1940, according to reports compiled by the American Trucking Associations.

Comparable reports were received by ATA from 206 motor carriers in 38 States. The reporting carriers transported an aggregate of 1,415,127 tons in March, as against 1,263,748 tons in February, and 1,040,175 tons in March 1940.

Slightly more than 76 percent of all the freight transported in the month was reported by carriers of "general freight."

The volume of freight in this category increased 12.2 percent over February and 40.3 percent over March of the previous year.

Transporters of petroleum products, accounting for almost 9 percent of the total tonnage reported, showed an increase of 8.2 percent in March, as compared with February, and an increase of 26.1 percent over March 1940.

Movement of new automobiles and trucks, constituting almost 7 percent of the total tonnage, increased 13.1 percent over February and 27.4 percent over March 1940.

Haulers of iron and steel products reported a little more than 5 percent of the total tonnage. The volume of these commodities showed an increase of 14.4 percent over February and 18.6 percent over March of last year.

Merchandise warehouse occupancy rises

Under date of April 23, merchandise warehouse occupancy statistics were reported as of March 1 by the Bureau of the Census. The highest percentage of occupancy shown was in Detroit at 89.5 percent. The highest sectional occupancy was the East North Central (Ohio, Indiana, Illinois, Michigan, Wisconsin) at 80.9 percent. The lowest percentage of occupancy shown in an important district was New England at 64.7 percent.

For the country as a whole, 396 warehouse firms report operating 34,794,404 square feet of occupiable space, of which 28,848,198 square feet were reported as occupied, or 77.2 percent. This compared with 75.8 percent as of January 31, 1941, and 71.5 percent as of February 28, 1940.
STATE AND LOCAL COOPERATION . . .

New State defense councils organized in Illinois, Indiana, and Wyoming

New State defense councils have been organized in Illinois, Indiana, and Wyoming, under acts passed by the current legislatures.

The Illinois act was signed April 17 and carries an appropriation of $15,000 for the council's use until June 1941.

The two divisions of the new Indiana organization, the Advisory Council and the Administrative Council, held their first meeting on April 18.

The Wyoming State Defense Council held its first meeting on April 29. The Wyoming legislature has appropriated $75,000 for defense activities, $25,000 for the establishment of a Home Guard and $50,000 for the use of the council.

Illinois names committees

The Illinois State Defense Council, headed by Vice Chairman Murray M. Baker of Peoria, has established committees on agricultural resources and production; civil protection, welfare and consumer interest; public works and housing; human resources and skills; industrial resources and production; public education and morale; and public health. Chairmen of these committees have all been appointed. Other members of the council are Governor Green, who is ex officio chairman, the Lieutenant Governor, president of the senate, speaker of the house, senate minority leader, house majority leader, house minority leader, and the chairman of the Inter-Governmental Cooperation Commission.

Indiana set-up

The Indiana organization is headed by Clarence A. Jackson of Indianapolis. The Advisory Council consists of 10 members representing the various functional fields and serves in an advisory capacity to the Governor and to the Administrative Council. The Administrative Council is composed of the Safety Commission, the Public Health Commission, the Advisory Committee on Selective Service, the Civilian Conservation Commission, the Civilian Public Service Commission, the State Board of Education, and the State Board of Health.

Air-raid shelters described—no need to build now

Suggestions for protecting civilians from air raids were made available April 29 to State and local defense councils by Director Frank Bane, Division of State and Local Cooperation, with the admonition that there is no necessity for constructing any shelters at this time.

The information is contained in a pamphlet, "Civil Defense Protective Construction," prepared by the War Department with the aid of other Federal agencies.

"The issuance of this bulletin," said Mr. Bane, "is not the signal for starting work on any of the protective structures described.

Time to lay plans

"This is the time for laying plans, even though we hope they will never have to be put into effect."

Civil officials and engineers, however, should consider methods and plans for providing the shelters promptly should the need ever arise, Mr. Bane said.

The pamphlet, based largely on experience of European cities in the present war, includes a discussion of the weapons used in air raids and plans for protecting civilians, buildings, utilities, and industries. Much of the information is of a technical character.

Peacetime utility of shelters

Air raid shelters, the bulletin points out, should have many entrances, at least two exits, and a passage that admits persons but bars poisonous gas. They likewise must provide the customary conveniences and first-aid facilities.

Local conditions should determine whether external shelters should be built or provision be made within existing buildings. The bulletin points out that subways in the United States, in general, have too shallow roofs to offer adequate protection.

Shelters, where possible, should be designed for peacetime utility as well as wartime protection, the pamphlet suggests. They might be used as garages, storage sheds, or bank vaults, it explains.

Wyoming personnel

Governor Nels H. Smith is chairman of the Wyoming State Defense Council, and Colonel R. L. Esmay of Cheyenne is executive vice chairman. A nine-member Council has been appointed, but committees have not yet been assigned.

★ ★ ★

Health for all aim of "prehabilitation" plan

Nation-wide planning for improvement of public health through "prehabilitation" of Selective Service registrants who have remediable physical defects has been announced.

The program calls for medical treatment of registrants prior to their examination by local board or Army physicians and is in addition to the proposals of various agencies, private and public, for the rehabilitation of men found unfit for military service. All public health and social service organizations are expected to devote their assistance to the development of both plans.

Elective treatment

Treatment for remediable defects in the "prehabilitation" program is entirely elective on the part of registrants and is hoped to be the result of an educational campaign leading to closer cooperation between the registrant and his local physician or dentist.

Machinery for the plan is being set up with the aid of officials of the American Medical Association. The Medical Advisory Council, recently created to work with Selective Service on problems connected with the physical examination of registrants, will play a prominent part in the program, it was said.

Local board physicians are rejecting 32 percent of the men examined as physically unfit for military service and an additional 13 percent of those approved by local board examiners are turned down at Army Induction stations.
INTER-AMERICAN COOPERATION . . .

Schools of United States to cooperate with those of Latin America

In order that 21 American Republics may be ready to assume their proper role of leadership in "conquering the peace for democracy," they must preserve their unity and stability and resist the economic and propaganda pressures of totalitarian and national socialist ideologies, Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, has stated.

Economic and cultural strengthening

Mr. Rockefeller said that unity will be preserved, not only through a program of economic cooperation, which at this time is under way, but through a long-range program aimed at greater cultural understanding. "Our cultural ties must be as strong as our geographical ties," Mr. Rockefeller stated.

Such ties, based upon an intimate understanding of each other's art, music, literature, history, and ways of life are being built up through various means of communication—the motion picture, the radio, and the press.

Cooperation through the schools

A major effort now under way toward long-range unity is one to assist the elementary and secondary schools of the United States in their efforts to secure well-organized, accurate, and sensitive study material, regarding the other countries of the Western Hemisphere. With the aid of Latin-American educators, cooperation will be offered other American countries for development of similar aid in their own schools. Major problems include the procurement of suitable textbooks, accurate, useful, and cheap reference books, maps, stereopticon slides, films, plays, music, and art reproductions. This program is to be integrated with that of the Division of Inter-American Educational Relations of the United States Office of Education.

Committee members

The committee set up by the Coordinator's office for promulgating the program includes: John W. Studebaker, United States Commissioner of Education; George W. Zook, President of the American Council on Education; Millard E. Givens, President of the National Education Association; Luther Gulick, of Columbia University; and Rev. George Johnson, of the Catholic University of America.

Outstanding Latin-American educators will be added to the committee to assist it and to direct that part of the program which reaches into the school systems of the Republics to the south. The committee will appoint competent educational administrators and specialists to carry through the technical phases of the work. Dr. Frederick H. Bair, well-known American superintendent of schools, who has served in Colorado, Ohio, and New York, has been named chief consultant to the committee.

Peru seventh American Republic to organize trade council

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, on April 23 announced the membership of the Peruvian National Council, the seventh of 21 councils being established by the Inter-American Development Commission in its program for the stimulation of trade among the American Republics.

The Peruvian Council is headed by Benjamin Roca, former Peruvian Minister of Finance. The other members include:

- Héctor Boza, as vice chairman. Senor Boza is a former Minister of Pomento and a leading figure in the mining industry of Peru. Alfredo Ferreyros, a leading exporter and cotton merchant; Augusto Maurer, president of Sociedad Nacional de Industria; and Carlos Alayza, engineer and former Minister of Pomento.

Arrangements for the establishment of the Council were completed in Lima. Similar councils composed of outstanding business, professional, and technical men have been formed in Brazil, Argentina, Uruguay, Paraguay, Chile, and Bolivia.

Merlin H. Aylesworth heads Radio for Inter-American Cooperation

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, April 30 announced the appointment of Merlin H. Aylesworth as head of the radio section of the Communications Division of the Coordinator's office, succeeding Don Francisco who has been named chief of the Communications Division.

Mr. Aylesworth organized the National Broadcasting Company and served as its president until 1936. From 1932 to 1936 he was also president of Radio Keith Orpheum Corporation but resigned to join the management of the Scripps-Howard newspapers. In the spring of 1938, Mr. Aylesworth became publisher of the New York World Telegram. He resigned from this position January 1, 1940, and since that time has maintained his own offices in New York.

Mr. Aylesworth has taken a particular interest during his radio career in short-wave broadcasting to the other American Republics.

DOUG FAIRBANKS, JR., FLIES TO SOUTH AMERICA

Douglas Fairbanks, Jr., motion picture star, designated by President Roosevelt to visit South America in the interest of bringing about better inter-American understanding through the theatrical arts, has left by plane for Rio de Janeiro, Brazil, from Miami, Fla.

Volunteers services

Mr. Fairbanks has volunteered his services to the Government for the 2-month tour, during which he will seek to ascertain the views and suggestions of the governments and peoples in the countries he will visit with respect to improving the role of the theatrical arts as a possible vehicle for improving inter-American understanding. Mr. Fairbanks will report to the State Department on his return to the United States.
WPA rushes airport development on 350 certified defense sites

Howard O. Hunter, Acting Commissioner of Work Projects, has reported extension of the WPA airport construction program to include $150,000,000 worth of projects at 350 sites certified by the War and Navy Department as important to the Nation's defense.

With additional projects swelling the program, Mr. Hunter said, the number of certified sites where WPA is building, enlarging, or otherwise improving airports during the current fiscal year will approach the 400 mark.

Sixty thousand WPA workers were rushing construction on 243 certified sites as of February 20. Projects had been approved for 88 other certified sites on that date. At 8 others, projects had recently been completed.

Military and civilian fields

The defense airport program includes military and naval fields and civilian fields which have been specifically designated as important to the country's expanding air forces. They provide a pattern of fields along the seacoasts and borders of the country with strategic concentrations in the corners.

Approvals speeded up

Expansion of WPA airport activity is illustrated by the rate of project approvals, which has been four times as great since the defense preparedness program.

"Although only a few months have passed since the Secretaries of War and Navy designated the sites where their Air Corps desire new or improved fields, the WPA airport program now covers the greater part of them," Mr. Hunter said. "The preliminary planning has been done with extraordinary speed through the cooperation of the local government sponsors, the Army and the Navy, and the Civil Aeronautics Administration."

"Recognizing the urgency of the situation with a doubling and redoubling in the number of American planes, local governments have readily submitted projects outlined by the armed forces, and the WPA has shortened the time required before Presidential approval and the beginning of work. The CAA, moreover, recently provided nearly $10,000,000 to assist at 86 of the certified sites where additional funds were needed.

Longer workweek

"Finally," Mr. Hunter said, "the WPA is increasing the workweek of its employees on airport and other certified defense-construction projects, wherever early completion is essential. Crews previously working 30 and in some cases 40 hours, are now working 48 hours a week where necessary."

The program carries forward, at a multiplied rate, WPA airport construction and improvement operations which have reached 750 separate sites in 51/2 years. WPA has provided more than 200 new landing fields and enlarged or otherwise improved several hundred others, the greater number of which are in actual or projected use by the armed forces or in connection with airplane production and pilot training. More than 400 miles of new runways, alone, have been constructed.

New photographs available

A revised list of available photographs is reported by the OEM Information Division's Picture Office.

In addition, the Picture Office directs requests for photographs not in its files to other Government agencies possessing the desired material.

Emphasizing industrial production for defense, the Picture Office files contain material on the manufacture of shells, guns, gas masks, tanks, airplanes, uniforms, and other military apparel, housing, cantonment and plant construction; shipbuilding, trailers for emergency housing, men and women workers and apprentices, small industries and subcontracting. There also are available photo-portraits of defense executives.

These supplies are for publication only, in 8 by 10 gloss prints. Requests should indicate requirements as specifically as possible.

Weekly mat No. 4

No regional coverage—such as pictures of production in particular States—has yet been possible, but it is now in progress.

There is a weekly mat service, each release dealing with a specific phase of the defense program, available in 3 columns, 65 lines, for newspapers.

No mailing list is possible, but all publications which have secured photographs from OEM in the past will be advised by letter as new releases are ready for general distribution.

All requests should be directed to Information Division OEM, New Social Security Building, Washington, D. C.