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# Defense

**Official Weekly Bulletin of the Office for Emergency Management**


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## In this issue

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of the week in defense</td>
<td>2</td>
</tr>
<tr>
<td>Production plans too small, says Stacy May</td>
<td>4</td>
</tr>
<tr>
<td>PRIORITYs</td>
<td></td>
</tr>
<tr>
<td>General steel preference order is issued</td>
<td>7</td>
</tr>
<tr>
<td>MEDIATION BOARD</td>
<td></td>
</tr>
<tr>
<td>Board summons officials of striking union</td>
<td>9</td>
</tr>
<tr>
<td>LABOR</td>
<td></td>
</tr>
<tr>
<td>Use of local labor urged to avoid waste</td>
<td>10</td>
</tr>
<tr>
<td>PURCHASES</td>
<td></td>
</tr>
<tr>
<td>Army rejects bids on 1,283,816 pairs of shoes</td>
<td>13</td>
</tr>
<tr>
<td>PRICES AND CIVILIAN SUPPLIES</td>
<td></td>
</tr>
<tr>
<td>Ceiling on scrap containing nickel</td>
<td>14</td>
</tr>
<tr>
<td>PRODUCTION</td>
<td></td>
</tr>
<tr>
<td>Campaign tests effectiveness of scrap collection</td>
<td>16</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td></td>
</tr>
<tr>
<td>Carriers meet year’s demands without delays</td>
<td>17</td>
</tr>
<tr>
<td>HEALTH AND WELFARE</td>
<td></td>
</tr>
<tr>
<td>Yardstick for nutrition offered President</td>
<td>18</td>
</tr>
<tr>
<td>HOUSING</td>
<td></td>
</tr>
<tr>
<td>Construction of 9,893 homes approved</td>
<td>21</td>
</tr>
<tr>
<td>AGRICULTURE</td>
<td></td>
</tr>
<tr>
<td>Migration from farms presents defense problem</td>
<td>22</td>
</tr>
<tr>
<td>STATE AND LOCAL COOPERATION</td>
<td></td>
</tr>
<tr>
<td>Governor outlines program for civilian action</td>
<td>23</td>
</tr>
<tr>
<td>CIVILIAN DEFENSE</td>
<td></td>
</tr>
<tr>
<td>LaGuardia on tour of Army Corps areas</td>
<td>24</td>
</tr>
</tbody>
</table>
National defense last week moved into its second year under stimulus of the President's unlimited national emergency proclamation, with forecasts of greater spending, greater production, and greater civilian effort and sacrifice than in the first year.

Control of steel, copper, cork, and zinc—all vital in armament production—was tightened by the OPM Priorities Division as it became more apparent that both defense requirements and normal civilian needs cannot be met.

Preference order on steel
A general preference delivery order was placed on steel after Gano Dunn, OPM consultant, advised the President that the industry's capacity falls short of demands. Copper was brought under mandatory industrywide priority control, and OPACS announced a cooperative plan for civilian allocations. Manufacturers of civilian cork products were directed to cut processing operations in half. The zinc pool, from which monthly allocations are made for emergency needs, was raised from 12,000 tons in May to 15,000 tons in June.

Statutory authority for priority orders meanwhile was provided in a congressional act signed Monday by the President.

The OPM Production Division discussed with oil producers the possibility of conserving approximately 20 percent—or 250,000 tons a year—of steel used in their industry.

Aluminum needs
Further curtailment in civilian use of aluminum, already under strict priority control, was forecast by Priorities Director E. R. Stettinus, Jr., as he explained that defense requirements in June will absorb from 95 to 100 percent of all available aluminum. Development of new substitutes in civilian products was advised. At the same time manufacturers of light planes were allocated 58,000 pounds of aluminum for June and an equal amount for July to assure adequate aircraft for the civilian pilot training program.

Too slow, says May
Following a report of a year's production of planes, tanks, ships, and ordnance—which OPM Production Director John D. Biggers reviewed "with mixed feelings"—Stacy May, chief of the OPM Bureau of Research and Statistics, in a radio address stated that defense progress has not been rapid enough. Expenditures for the second 4 months of 1941 must average 1 billion 500 million dollars a month "if we are to achieve the 17 billion dollar program set for this year," he said. April expenditures were 1 billion 100 million dollars.

New tabulations by the Bureau of Research and Statistics meanwhile showed that more than 1,700 industrial construction and expansion projects were undertaken during the year at a cost of nearly 3 billions. The Government was committed to more than 2 billion dollars; private industry, as represented by 1,338 approved certificates of necessity, to 744 million, and the British to 146 million.

The price of shoes
Cooperative action was taken by the OPM Purchases Division and OPACS to lower the prices of shoes and coffee.

The Army rejected bids on a million and a quarter pairs of shoes when OPACS announced it would place a ceiling on hides—the chief raw material of shoes. Bids on 11 million pounds of coffee also were rejected by the Army after conferences between the Purchases Division and OPACS.

Producers and distributors of ammonium sulfate for fertilizer purposes were requested not to raise prices.

Donald M. Nelson, Director of Purchases, in a year-end statement cited improved procurement practices which have greatly expedited the equipping of the growing Army.

Cost of living up 3 percent
Administrator Leon Henderson, OPACS, pointed out, in a price review, that though industrial production has risen 25 percent during the past year, the cost of living has increased but 3 percent. The record, he said, indicates that the Government can do much to avoid a repetition of the World War inflation.

Transportation Unit, designed to avert unjustified boosting of transportation costs, was created as OPACS broadened its field.

Strikers' officials summoned
The National Defense Mediation Board, assuming a more powerful role under the President's unlimited emergency proclamation, summoned officers of the International Woodworkers of America to a conference in Washington following an exchange of telegrams relating to a strike in the Puget Sound area.

The OPM Labor Division disclosed that employment in 15 key defense industries selected by the Bureau of Labor Statistics numbered 2,179,900 as against 1,580,500 in May 1940. Nonagricultural employment of 37,617,000 reached the highest level on record.

As civilians awaited assignment of defense duties, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, prepared to make a tour this week of Army Corps areas to ascertain what preparations are being made for the protection of civilians and property.

Conference called on oil prices in California
A conference with representatives of leading California oil producers and purchasers has been called by OPACS to discuss the recent advances in crude oil prices in that State.

The meeting will be held at 10 a.m., in Room 140, State Building, Civic Center, San Francisco, on June 7. It will be conducted by Dr. J. K. Galbraith, director of the Price Division of OPACS, and Quinn Shaughnessy, price executive in charge of the fuel section.

The price of California crude oils was increased 5 to 10 cents a barrel on April 24, and a further increase of 12 cents was announced by the Standard Oil Company of California on May 23. Corresponding increases in the price of gasoline, amounting to a total of about 1 cent per gallon, followed.
Ickes designated Coordinator to insure petroleum for defense, civilian needs

President Roosevelt on May 28 designated Secretary of the Interior Harold L. Ickes as Petroleum Coordinator for National Defense. In his letter to Secretary Ickes making the appointment, the President wrote:

"Recent significant developments indicate the need of coordinating existing Federal authority over oil and gas and insuring that the supply of petroleum and its products will be accommodated to the needs of the Nation and the national defense program. Government functions relating to petroleum problems are now divided among numerous officers and agencies of the Federal Government and the principal oil-producing States. The various phases of operation in the petroleum industry itself are numerous and complex. One of the essential requirements of the national defense program, which must be made the basis of our petroleum defense policy in the unlimited national emergency declared on May 27, 1941, is the development and utilization with maximum efficiency of our petroleum resources and our facilities, present and future, for making petroleum and petroleum products available, adequately and continuously, in the proper forms, at the proper places, and at reasonable prices to meet military and civilian needs.

Problems requiring immediate action

"Some of the problems with which we are now confronted, and which require immediate action are: The proper development, production, and utilization of these reserves of crude oils and natural gas that are of strategic importance both in quality and location; elimination or reduction of cross haulage of petroleum and its products and the development of transportation facilities and of methods by which more efficient use can be made of existing transportation and storage facilities; balancing refining operations to secure the maximum yields of specific products with full consideration for requirements, the most economical use of the raw materials, and efficiency of production and distribution; and the elimination of the drilling of unnecessary wells in proved fields and of other unnecessary activities and equipment.

Coordinator’s functions

"In order to provide the desired coordination I hereby designate you as Petroleum Coordinator for National Defense. In that capacity it will be your function and responsibility as my representative:

1. To obtain currently from the States and their agencies, from the petroleum and allied industries, from the officers and agencies of your Department, and from other appropriate Federal departments and agencies information as to (a) the military and civilian needs for petroleum and petroleum products, (b) the factors affecting the continuous, ready availability of petroleum and petroleum products for those needs, and (c) any action proposed which will affect such availability of petroleum and petroleum products.

2. To make specific recommendations to any appropriate department, officer, corporation, or other agency of the Federal Government, particularly the Office of Production Management and the Office of Price Administration and Civilian Supply, to the appropriate agency representing any State or any combination of States, and to any appropriate industry or part thereof, as to action which is necessary or desirable, on the basis of your determinations, to insure the maintenance of a ready and adequate supply of petroleum and petroleum products.

Consult with Government and industry

"In carrying out these responsibilities," the letter added, in part, "it is expected that you will consult with the several officers and agencies of the Federal Government, and with the States acting severally or in any joint capacity, to the end that all governmental participation shall consistently further the purposes above outlined. It is also expected that you will consult with the petroleum industry and those industries which affect its functioning, to aid them in shaping their policies and operations in the discovery, development, production, processing, transportation, storage, distribution, marketing consumption, and import and export of petroleum and petroleum products."

Transportation Unit created in OPACS

Creation of a Transportation Unit in the Office of Price Administration and Civilian Supply was announced May 31 by Administrator Henderson. Heading the unit will be Dr. Lloyd Wilson, University of Pennsylvania economist, assisted by John H. Eisenhart, attorney, and John Simpson, rate expert. Both Mr. Eisenhart and Mr. Simpson were formerly with the Maritime and Interstate Commerce Commissions.

The unit will continue the work undertaken by OPACS to avert unjustified increases in transportation costs as typified by its participation in the Intercoastal Lumber case decided recently by the Interstate Commerce Commission.

In the Intercoastal case OPACS successfully opposed an effort on the part of steamship companies transporting lumber from the Pacific coast to Atlantic and Gulf ports to increase freight rates from $16 to $17 per thousand board feet of lumber.

OPACS action was based on the contention that such a rate increase would substantially increase the cost of the defense building program and would contribute to a threatened price spiral. The position was taken that transportation rate increases should not be allowed during the national emergency unless clearly warranted by operating conditions.

Export control official en route to Philippines

Extension to the Philippine Islands of United States control of exports of articles and materials needed for national defense moved another step forward June 1 when Lt. Col. William E. Chickering, United States Army, Deputy Administrator of Export Control, departed by air for Manila.

Colonel Chickering will represent in the Philippines, Brig. Gen. Russell L. Maxwell, the Administrator.

At Manila he will join Charles W. Yost, assistant chief of the Division of Controls, of the Department of State, who left also by air last Sunday. Colonel Chickering will board a Philippine Clipper plane at San Francisco, June 3.

Colonel Chickering will work with Mr. Yost in advising the High Commissioner to the Philippines on establishment of a system for the handling of applications for export licenses. Licenses will be issued in the Philippines by the High Commissioner acting on behalf of the Secretary of State, under directions issued by the Administrator.

Authority for extension of the export control system to the Philippines was provided under the joint resolution of Congress signed by the President May 28 and the proclamation issued by the President at the same time.
Schedule is too small and we are behind even on that, statistical chief finds

We are moving too slowly in completion of a defense schedule which in itself is inadequate to match the Axis effort, Stacy May, chief of the Bureau of Research and Statistics, OPM, said June 1.

Excerpts from his broadcast speech follow:

I have been asked to report to you upon the topic, "Are we progressing fast enough?" The answer, flatly, is "no."

There are, as I see it, three relevant measures of whether or not our progress to date is adequate: (1) Are we making satisfactory progress, as deliveries coming through promptly upon the program that has been adopted to date? (2) Does the enacted program represent the mobilization of a fair share of our total economic resources when measured against the efforts being put forth by nations who have a comparable stake in the outcome of the war? (3) Is our planned effort great enough in absolute terms? Is it great enough to make certain that the Axis powers will go down to ultimate defeat?

I shall try to present to you the evidence which forces the answer "no" to each of these three questions.

First, what is the magnitude of the program we have undertaken? Our defense effort in 1940, in terms of actual deliveries of defense material, was meager by any objective measurement that can be applied. We did not get under way upon a serious productive effort until last June, and during the remainder of the year 1940 we succeeded in spending only a little over 4 billion dollars for defense items. And this includes expenditures of England and France in this country as well as our own. We did, however, develop plans for a greatly expanded effort. These plans at present call for defense expenditures in this country of over 40 billion dollars during the calendar years 1941 and 1942. To live up to this program we must spend for defense something over 17 billion dollars during 1941 and well over 23 billion dollars in 1942.

Not fast enough for schedule

Where are we at present in the fulfillment of these schedules? The record of funds actually spent does not show satisfactory accomplishment. In some cases we make prepayments for work that is not completed, while in others payments are delayed upon deliveries actually made or on plants and facilities actually in place. But, for all that, expenditures are the best over-all single index of progress that we have. During the first 4 months of 1941, through April 30, defense expenditures in the United States totaled 3,700 million dollars. The monthly rate of expenditure, however, was stepping up sharply, and April expenditures were 1,100 million dollars or at the rate of 13 billion dollars a year. In order to achieve the program we have set expenditures must continue to step up at an accelerated pace. If we are to achieve the 17 billion dollar program set for this year, expenditures for the second 4 months of the year must average 1,600 million dollars a month and for the last 4 months something like 2 billion dollars a month. The latter rate must be maintained through 1943 or we will not be able to meet the goal that we have set for ourselves next year.

The task of meeting this year's load is a formidable one, and it will require greater effort and greater sacrifice than has been put forth to date. It is absolutely essential that this effort be made. Unless we meet our 1941 schedules, it will be extremely difficult for us to meet those of 1942. For into the 1941 schedules we have loaded 4 billion dollars' worth of new plants and facilities for producing armaments. These are essential for our production of armament material. Yet no shooting can be done with an industrial facility. The 1942 schedules of actual armament items represent a doubling of those that we can expect to produce in the current year.

Defense has depended on surplus

To date, then, the record shows that we have not been moving fast enough upon our established schedules. We have put an impressive amount of energy into the effort, but we have tried to meet our armament loads by placing them on top of the normal "business-as-usual" procedure. We have tried to obtain our armament production to a considerable extent through plants manned with completely new machines fabricated for the purpose. We have been too timid in diverting machines that might be used for armament production from the civilian work upon which they have been engaged. It is not unfair to say, I think, that to a great extent we have kept our best managerial skill, our best machinery, and our most highly skilled labor upon civilian production. Defense has had to depend upon newly improvised factory units, the surplus energy and imagination of our finest management groups, who still were occupied with their regular responsibilities, and upon labor forces recruited largely from the ranks of the unemployed.

How does our effort compare?

The second basis of measurement is the question whether we are devoting a sufficient proportion of our resources to defense. Are we doing as much as we can do?

Certainly the strong may be expected to do more than the weak, the rich to give more than the poor. Measured in terms of the proportion of total productive capacity devoted to war effort, are we doing as much as England or Canada, or Germany, or Italy, or Japan? Again, the answer is "no."

The 4.2 billion dollars we spent on defense in 1940 represented less than 6 percent of our national income. That is, the dimension of an interest payment—a token rather than a delivery upon our debt to the world issue. The 17 billion dollars we are scheduled to spend in 1941 will represent only 20 percent of this year's national income. It is dangerous to make predictions for 1942, but it is safe, I think, to say that an expenditure of 23 billions next year will represent less than 25 percent of the national income.

What are other nations doing? Canada spent on war effort over 20 percent of her national income in the fiscal year 1940-41. According to the best reports we can get, she is devoting an even greater percentage of her income to war expenditures. Italy seems to be marshalling at least 25 percent of her resources for war purposes, and Japan probably has earmarked about 30 percent of hers.

That brings me to the third measure of the adequacy of our effort: What is the job that needs to be done? How much must we do in order that we may be assured that Germany's attempt at world domination will meet defeat. If we are to be certain of reaching our goal, the British Empire and the United States must not only achieve current production larger than that of the Axis and their tributary powers, but they must do this by a margin sufficient to eat into and overcome the head start that Germany and her allies have achieved. By the most conservative of estimates, Germany, before we entered seriously into
$35,000,000,000-a-year defense production necessary to match Nazis, says Nelson

Statistics lead to the deduction that the United States must produce war goods at the rate of more than $35,000,000,000 a year if our effort combined with that of Great Britain is to match Germany’s. Donald M. Nelson, Director of Purchases, Office of Production Management, said before the National Association of Purchasing Agents, May 28, in Chicago. He suggested to the purchasing agents how they might help avert inflation and a consequent crash as a result of such spending. Excerpts follow:

This emergency we now are in is so great and so grave that we as a Nation are required to make the greatest united effort we can possibly make. We have not yet made that effort. It is of the utmost importance that we do make it with all possible speed and keep on making it until the crisis has been passed.

It is our way of life—our social, economic, and political institutions, the framework within which we live and work and play—that is at stake, and if we do not fully meet the challenge that whole way of life will be swept away.

The urgency of the hour

Just a word, then, about the urgency of this hour.

Germany prepared for this war for years. The best calculations show that when the war began she was spending on armaments the equivalent of a billion dollars a month. Presumably she was perfectly prepared when the war began. Since then she has nearly trebled her national rate of armament production; in addition, she now has at her disposal almost the whole of Europe’s great producing mechanism. Altogether, counting her own production and the “slave labor” production of the captive countries, Germany today is getting the equivalent of 50 billion dollars worth of war production a year.

Now look at the other side of the equation.

As you know, Great Britain was not fully prepared when the war came. The defeat in France destroyed a great part of the equipment she did have. She has, of course, stepped up her production feverishly since then; today she is probably producing war materials at a rate of approximately 15 billion dollars a year. But that is still far, far short of Germany’s 50 billions. Modern warfare, remember, is above all else a warfare of production. Unless Hitler is to win an unqualified triumph, the vast war production he is getting must be exceeded.

That, of course, puts it up to us. Considering the expansion that has already taken place in Great Britain, and considering also the effect of the blockade and the repeated aerial attacks, I do not believe that Britain can go very far above her present level of about 15 billions.

The inescapable deduction from that is that if we are to be a match for Hitler, we ourselves have got to produce war goods in excess of 35 billions a year. We have got to get up to that level quickly—not 5 years from now, or 2 years, but just as soon as the greatest speed and determination we are capable of will put us there.

Must do more than we have planned

That is the size of the job that confronts us. I do not think any American needs to be ashamed of the effort we have made thus far. After all, we did start from scratch, and we had to build a great munitions industry. But, I also am convinced that every American should realize that no matter how hard it may be, we have got to begin immediately to do a great deal more than we have as yet planned to do.

Local boards to handle second registration July 1

Registration on July 1 of young men eligible for military training but not heretofore registered will be conducted solely by Selective Service local boards in their headquarters or in public places designated by them, National Headquarters, Selective Service System, announced May 28.

Although on October 16, 1940—the first registration day—many persons and organizations outside the Selective Service System assisted in the task of enrolling more than 16,000,000 potential trainees, National Headquarters is certain that the second registration can be conducted satisfactorily by the System itself.

Local boards, which were in a state of organization on October 16, are now functioning in a routine manner and should be able to register the 750,000 young men who have become 21 years old since October 16 and are otherwise eligible for registration, General Hershey, Deputy Director of Selective Service, said.
Second Dunn report predicts steel will be short of demands in 1941-42

In compliance with the request of the President, Gano Dunn, OPM consultant, has submitted a second report on the capacity of the steel industry.

The first report, which was submitted on February 28, 1941, was requested by the President as a measure of the ability of the industry to meet the extraordinary demands being made upon it by the national defense program and greatly expanded civilian requirements. The President then requested Mr. Dunn to make subsequent reports on a periodic basis to take into account interim developments.

Highlights of the report

The following points are highlights of the second report, dated May 22:

1. Prospective deficits in Great Lakes transportation capacity, blast furnace capacity, and coke oven capacity forecast in the first report as likely to develop by the end of the current calendar year have been avoided by action of the industry to bring its production facilities into full balance.

2. Maximum reliable capacity of the industry, which was estimated in the first report at 91,124,718 tons annually as of December 31, 1941, has been increased to 91,338,669 tons annually and further increases are in prospect.

3. Creation of Government-industry committees, which are now in the process of formation, promises to increase greatly the effective operation of the industry at maximum levels by bringing about an even loading of various companies through the reallocation of orders and by fully utilizing certain less efficient capacity that is not now in full use. Full estimates of capacity in the first report were specifically made contingent upon full utilization of existing capacity and an even distribution of orders among the producing companies.

Sharp increase in requirements

4. Passage of the Lend-Lease Act and further increases in the defense program have caused a sharp upward revision of estimated requirements for steel both for military and civilian uses. As a result of these increased demands the second report forecasts a deficit of 1.4 million tons for the calendar year 1941 as compared with a surplus of 10.1 million tons estimated in the first report; and a deficit of 6.4 million tons for the calendar year 1942 as compared with a surplus of 2.1 million tons estimated in the first report. Such deficits would not affect the ability of the industry to meet all defense needs since total Army, Navy, Maritime Commission, and British requirements do not amount to more than 25 percent of the present capacity of the industry.

5. Therefore a decision must be made whether to curtail civilian consumption or to increase the capacity of the industry. Mr. Dunn pointed out in his report that, with the various transportation, raw material, and other factors which contribute to the production of the industry in full balance, any important additional steel capacity would involve increased mines, railroad, ship, coal, and coke facilities, blast furnaces, scrap supply, steel furnaces and finishing mills. As an example, Mr. Dunn stated that to increase the facilities of the industry by 10,000,000 tons would cost approximately $1,250,000,000 when all these factors are taken into consideration. To construct the requisite facilities to expand capacity by 10,000,000 tons, again taking into account the factors mentioned, would require 3,000,000 tons of finished steel, or 4,160,000 tons of ingot steel, and take at least 2 years to build.

In estimating military demand for steel, Mr. Dunn used figures supplied by the Bureau of Research and Statistics of the Office of Production Management, which show total military requirements of 12.4 million tons for 1941 and 13.8 million tons for 1942.

Export needs

His estimates for requirements for exports, largely to Great Britain and the Good Neighbor countries, are based largely on statements furnished by the British Iron and Steel Corporation and amount to 8.5 million tons for 1941 and 10.3 million tons for 1942. These figures, although they have been adjusted downward from other available estimates to take into account duplications in these other estimates, are higher than the figures provided by the British Iron and Steel Corporation in order to include safety factors against the possibility of unforeseen increases.

The chief difficulty in estimating total requirements for steel arises in the field of civilian consumption. Mr. Dunn points out in his report that the Bureau of Research and Statistics supplied an estimate of civilian requirements based on a completely unrestricted economy that did not take into account any curtailment of production of normal products and which was based on a national income of $95,000,000,000. On this basis an estimate is reached of civilian requirements of 72.5 million tons for 1941 and 88.6 million tons for 1942. The latter figure would raise the total estimated requirements under a completely unrestricted economy to 120.4 million tons for 1942.

This figure was rejected by Mr. Dunn on several grounds:

1. The reduction of automobile production already announced by the Office of Production Management, which reduces steel requirements of this industry by approximately 4.8 million tons for 1942.

2. Duplication of requirements estimated for both the construction and shipbuilding industries, which figures, according to Mr. Dunn, appear both as military requirements and civilian requirements in the statistics supplied by the Bureau of Research and Statistics.

Limitation in Labor Supply

3. Limitation of labor supply. Mr. Dunn estimates that to produce 120.4 million tons of steel would require an increase of 6,047,200 employees in the steel producing and consuming industries over the number so employed in 1940.

On the basis of these adjustments Mr. Dunn reduced the estimates of total demand supplied by the Bureau of Research and Statistics from 101.9 million tons to 87.6 million tons for 1941 and from 120.4 million tons to 102.4 million tons for 1942.

Mr. Dunn also was supplied with estimates of civilian requirements by the committee on commercial research of the Iron and Steel Institute. This committee estimated civilian needs at 69.4 million tons in 1941 and 68.5 million tons in 1942. The latter figures, when military and export requirements are included, become 90.3 million tons for 1941 and 92.6 million tons for total demand in 1942.

"Under the present circumstances of rapidly changing conditions, it cannot reliably be predicted whether the 102.4 million ton estimate or the 92.6 million ton estimate will be the more nearly correct," Mr. Dunn stated in his report.

He therefore used a compromise figure, halfway between the two, in presenting his estimates of requirements to the President. This compromise figure for total requirements for the calendar year 1942 is 97.5 million tons, or 6.5 million tons higher than the estimated reliable capacity of the industry for the year.
PRIORITY ... 

General steel preference order issued; to be basis of civilian allocation also

E. R. Stettinius, Jr., Director of Priorities, OPM, announced May 29 a General Steel Preference Delivery Order designed to give defense needs and essential civilian needs first call on all forms of steel.

The order constitutes a further step in the Priorities Division's program, which began early this year, to facilitate the delivery of steel products promptly for all defense requirements. The new action has also been adopted by the Office of Price Administration and Civilian Supply as a basis for its program for the equitable allocation of steel among competing civilian needs, after satisfaction of military defense requirements.

Demand and delivery

In the order, Mr. Stettinius states that the over-all demand for steel, including defense and civilian demand, is greater than the apparent capacity to make deliveries of certain types of steel and steel products promptly. It is essential, therefore, the order states, to make sure that orders for defense operations and important nondenfense projects are neither rejected by steel suppliers nor unreasonably deferred in delivery.

Customer may state difficulties

Under the new order, any customer who by his own efforts has been unable to obtain satisfactory placing or delivery of his orders for steel, can make a sworn statement of his difficulties to the Priorities Division of the OPM.

The Priorities Division, if the case seems justified, will then require the supplier involved to make a sworn statement explaining why the order was rejected or deferred. Upon the basis of this information, the Division will take whatever priority action is necessary to fill defense and essential nondenfense needs for steel promptly.

Manufacturers of cork products ordered to cut processing operations in half

All manufacturers of cork products were ordered May 27 to cut their processing operations in half in the interests of national defense.

Priorities Director Stettinius said the order was made necessary by shipping uncertainties and a serious shortage in cork resulting from an inability to obtain sufficient imports to meet rapidly increasing production schedules.

The order issued in a telegram to about 40 manufacturers and processors is to be followed shortly by a General Preference Order which will provide mandatory, industry-wide control over cork supplies.

Effective immediately

Mr. Stettinius' telegram said:

"Pursuant Act June 28, 1941, Public 671, 76th Congress, and Executive Order No. 6639 of Januray 7, 1941, I hereby direct that effective immediately, and until issuance of General Preference Order directing use and distribution of cork and cork products, your daily processing in any way of raw cork including corkwood, waste, shavings, or refuse must be reduced to 50 percent of your average daily April 1941 rate of processing and you shall fill all orders for your products which are to enter into material for Army, Navy, British, or other Lend-Lease Governments in preference to all other orders. Affidavits of your compliance with this order will be required." In 1940, imports of cork into this country were estimated to be more than 207,000 short tons.

22,000-ton shortage indicated

Estimates made this month indicate that the 1941 supply of cork might run from 121,000 to a maximum of 150,000 short tons, the latter figure being subject to wide changes because of shipping and crop uncertainties.

Present estimates of the 1941 over-all demand for cork, including direct military requirements as well as civilian demand, approximate 172,000 short tons, thus indicating a shortage of from 22,000 to 50,000 short tons or more.

Copper under mandatory industry-wide control

Copper was added May 31 to the list of vital defense metals under mandatory, industry-wide control. The new control is provided in a General Preference Order signed by Director Stettinius, who said the action was made necessary by a shortage of copper which is expected to become worse during 1941.

At the same time, a Civilian Allocation Program for Copper was issued by Leon Henderson, Administrator, OPACS.

The civilian program, first to be issued by OPACS, takes into account the need for providing as much copper as possible for civilian uses; hardships which will be imposed on labor or business by restrictions; past rates of consumption by fabricators; the desirability of prorating copper as equitably as possible among fabricators; availability of substitutes. OPACS will refuse to allocate copper to anyone in the industry discriminating against defense orders.

27 crane builders given right to use A-1-a rating

The Priorities Division, in order to speed the production of cranes needed in shipyard work and other defense operations, has given 27 crane builders the right to use a preference rating of A-1-a to obtain certain specified materials.

Director Stettinius said that the new order takes the place of a limited blanket rating assigned to nine crane builders on March 13. The new order raise the rating from A-1-c to A-1-a and triples the number of crane builders who can thus speed up deliveries.

Other builders of cranes for defense purposes may apply for the rating if they need assistance.

The order announced by Mr. Stettinius specifies the materials on orders for which the rating may be used. These materials are finished or semifinished fabricated parts and accessories; bar, plate, shapes, forgings, and castings of steel; and electrical equipment as follows: Motors, switches, controllers, and connections.
Defense expected to take 95 to 100 percent of aluminum, including scrap, in June

Defense needs for aluminum in June are expected to take from 95 to 100 percent of all the metal available, including scrap, the Priorities Division announced May 28.

The rapid increase in the quantity of aluminum going into defense needs now makes necessary even more serious curtailments of civilian and nondefense uses than has hitherto been the case, and manufacturers who use aluminum in nonessential processes are urged to give immediate attention to the needs for developing substitute materials.

Defense demand rises rapidly

Director Stettinius pointed out that in the 4-month period March-June, the available figures show that defense demand has risen rapidly.

Figures given in the following tabulation are rough approximations:

<table>
<thead>
<tr>
<th>Month</th>
<th>Virgin metal production</th>
<th>Amount going to defense, percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>44,000,000 pounds</td>
<td>63</td>
</tr>
<tr>
<td>April</td>
<td>48,000,000 pounds</td>
<td>63</td>
</tr>
<tr>
<td>May</td>
<td>52,000,000 pounds</td>
<td>94</td>
</tr>
<tr>
<td>June</td>
<td>Estimated 53,000,000 pounds</td>
<td>94</td>
</tr>
</tbody>
</table>

Note.—These figures are for the production of virgin or primary metal only; figures for the supply of scrap, which vary widely, are not included.

The manufacture of aircraft represents the largest single use of aluminum, taking something over 50 percent of the total defense use. Naval construction takes a large quantity, and substantial amounts of the metal go to the steel mills, for alloying and deoxidizing purposes.

During the last several months, many civilian users of aluminum have turned to the secondary scrap market for supplies. Defense uses generally have been filled from new metal supplies. However, it is pointed out that aluminum scrap is and can be made increasingly useful in defense channels. In England, approximately 83 percent of scrap now goes to defense.

It is expected that a similar development will take place in this country and that scrap, as well as new metal, will be increasingly diverted to defense needs.

Aluminum production expanded

A rapid expansion of aluminum facilities is now under way. The total production of virgin metal for the year 1940 was approximately 420,000,000 pounds, whereas the estimated June production, 53,000,000 pounds, shows that aluminum is now being produced at the rate of over 600,000,000 pounds annually. It is expected that expansion now provided for will boost this rate to more than 800,000,000 pounds by July of 1942.

Plans now under way, however, contemplate large additional expansions.

Zinc pool raised for June to 22 percent of April production

The zinc pool out of which the Priorities Division allocates to meet emergency needs will be raised in June to 22 percent of April production, it was announced May 28 by Director Stettinius.

The 22-percent pool for June will approximate 15,000 tons.

For May, the pool was based on 17 percent of March production and approximated 12,000 tons.

Under present arrangements, producers of slab zinc are required to set aside a designated proportion of their production each month in a pool which is available for allocation to emergency defense requirements.

Aluminum released for light planes

Action designed to facilitate the production of light airplanes for the Civilian Pilot Training Program, by making a restricted quantity of aluminum available to the manufacturers involved, was announced May 27.

Mr. Stettinius said that the Priorities Division will allocate 58,000 pounds of aluminum to the light-plane manufacturers for June and an equal amount for July. While this is enough to provide only for restricted production, it will make possible the construction of enough planes to fulfill the essential needs of the program.

O'Neill succeeds Schram in charge of operations

Director Stettinius announced May 28 that James L. O'Neill, operating vice president of the Guaranty Trust Co. of New York, has been appointed Deputy Director of the Division of Priorities in charge of operations.

In this post Mr. O'Neill succeeds Emil Schram, who is leaving the Priorities Division to accept the presidency of the New York Stock Exchange.

Mr. O'Neill was born in Pittsburgh in 1881. He served in Washington as a major executive of NRA during 1934 and 1935. He served as control officer from December 1934 to June 1935, and was appointed administrator of the NRA organization in June of the latter year. He resigned that post August 1, 1935, after arranging for the liquidation of NRA.

Dr. W. A. Nelson appointed to ferrous alloys staff

Director Stettinius announced May 26 that Dr. Wilbur A. Nelson, professor of economic geology and head of the geology department at the University of Virginia, has been appointed as a staff expert to the Ferrous Alloys and Minerals Branch of the Priorities Division.

Dr. Nelson has an M. A. degree in geology from Stanford University. He has served with the Tennessee Geological Survey and has been State geologist for both Tennessee and Virginia.

Personnel of Textile Committee

Mr. Stettinius also announced the complete organization of the Textile Priority Committee.

Edward P. Cave, president of Ely & Walker Dry Goods Co., St. Louis, Mo., will serve as the Industrial Users' representative on the committee and Harry L. Bailey, president of the Wellington Sears Co., New York, will serve as the producers' representative. The committee, headed by Dr. H. S. Rogers, chairman of the General Products Group, will be prepared to take up any priority questions which may arise in the textile field.

John Harris Ward, assistant to the financial vice president of the Commonwealth Edison Co., Chicago, has been named assistant chief of Inventory Control in the Minerals and Metals Group.

L. J. Martin heads the inventory control
MEDIATION BOARD...

Board summons striking union’s officials after President proclaims emergency

The National Defense Mediation Board last week (May 26-31) followed the President’s proclamation of an unlimited emergency by a strong appeal to the International Woodworkers of America to accept the Board's recommendations and return to work in 52 lumber and sawmill camps in the Puget Sound area of the State of Washington.

The Board obtained postponement of threatened strikes at the North American Aviation plant in Inglewood, Calif., and that of E. W. Bliss Co., Brooklyn, N. Y. It opened hearings in the Columbia Basin area loggers' case, opened and adjourned hearings with settlement suggestions in the case of the Curtis Manufacturing Co., began the drafting of recommendations in bituminous coal, and appointed a special representative to investigate issues in the E. W. Bliss Company case.

Agreements affecting 639,683 workers

To date the Board has obtained back-to-work agreements or agreements postponing threatened strikes involving 639,683 workers.

The Board’s appeal to the International Woodworkers of America in the Puget Sound area was made in the form of a telegram to O. M. Orton, International President of the IWA, in which it called his attention to the appeal of the President in his proclamation to all loyal workmen to “merge their lesser differences in the larger effort to insure the survival of the only kind of government which recognized the rights of labor or of capital.” The telegram, signed by C. A. Dykstra, chairman of the Board, recommended the acceptance of the Board’s proposal of May 23 and called upon “all the representatives of the striking employees as patriotic citizens to reconsider their decision and to accept the Board’s recommendation.”

Board’s proposals put before meetings

The following day, May 30, the Board received a reply from Mr. Orton in which he stated that the Board’s proposals of May 23 had been placed before “special meetings of the striking membership” which had “rejected them by an overwhelming majority.” “Authority of our committee,” he added, “in view of recent vote of membership on Mediation Board proposals extends only to remerging negotiations with employers’ committee on our minimum demands.”

The Board then wired Mr. Orton as follows: “The Board has received your telegram of May 29th. It does not appear from your reply that you have complied with the request made in the Board’s wire of May 29th, “The Board requests that you bring this telegram to the personal attention of every one with power to vote upon the acceptance or rejection of the Board’s recommendation”. Please inform this Board by wire whether or not it is your intention to comply with this request. Signed C. A. Dykstra, chairman, National Defense Mediation Board.”

In a press conference on May 29, William H. Davis, vice chairman of the Board, said: “If you gentlemen read the President’s speech, you recall that he said that the recommendations of the National Defense Mediation Board should be accepted. I am assuming he meant it.”

On May 31, the Board received another wire from Mr. Orton as follows: “The recommendations of the National Defense Mediation Board as agreed in Washington by our committee have been submitted to a delegated conference of all local unions and from there submitted to the entire membership of locals with the right to vote and has been overwhelmingly rejected.”

Mr. Dykstra then replied to Mr. Orton with the following telegram which was also signed by Mr. Philip Murray, president of the Congress of Industrial Organizations and member of the Mediation Board: “Your telegram of May 30 received. The Board considers it essential that you come to Washington with your associates at once. Please therefore be present Tuesday morning June third 1941 at ten a.m. EST in Room 3522 Social Security Building, Washington, D. C.”

Coal hearings to be resumed June 4

After 1 ½ days of hearings on bituminous coal, the Board on Saturday, May 24, began drafting findings of fact and recommendations for settling the controversy. Meetings with all parties to the dispute continued during the week and were adjourned Thursday, May 29, until Wednesday, June 4.

Hearings on the Curtis Manufacturing Co. case in St. Louis, Mo., which is a strike by the Steel Workers Organizing Committee, CIO, were held May 26-29. The strike, which involves 300 men, has been in progress since April 7 over wages and union status. On May 29, the hearings adjourned to give the union representatives an opportunity to submit certain suggestions to the membership of the union in St. Louis.

Airplane case proposal accepted

When representatives of North American Aviation, Inc., and the United Automobile Workers of America, CIO, arrived in Washington for hearings May 27, a strike for that midnight was threatened. Because so many other cases were either being heard or scheduled the Board was unable to obtain a panel to sit on this case. Ralph T. Seward, executive secretary of the Board, met with the representatives of both parties for 11 hours, during which time a proposal for averting the threatened strike was accepted by both sides. Mr. Seward was aided during the evening by Judge Walter F. Stacey, public member of the Board.

The proposal called for no stoppage of work until 3 days after the Board had made its recommendations in the case, and provided that any wage increase would be retroactive to May 1. A strike would have affected 11,300 workers engaged in making bombers, pursuit planes, and advanced training planes. The issues are wages, hours, and some form of union shop. Representatives of the union flew back to California for a meeting scheduled for Saturday, May 31, to report to the local membership on the status of the case before the Board. The hearings were to open in Washington, Monday, June 2.

Other hearings

Hearings in the E. W. Bliss Co. case opened May 27 with a strike by the United Electrical, Radio and Machine Workers of America, CIO, threatened for that midnight. The strike would have involved 1,500 employees engaged in making 30 million dollars’ worth of power presses, torpedoes, and heavy machinery. The main issue is the establishment of minimum rates of pay for skilled and semiskilled workers. The strike was averted at the Board’s request and after
LABOR . . .

Dr. Alexander urges use of local labor to avoid waste and ill effects of migration

In order to avoid unnecessary loss of time and unfortunate economic dislocations, all local labor must be used before importing workers, Dr. Will W. Alexander, director of the minority groups section. Labor Division, OFM, said on June 2. He spoke to the National Conference on Social Work, at Atlantic City.

Excerpts follow:

It is in the light of necessity to utilize every available bit of material, every ounce of manpower, every idle machine in the country that we must look at the problem of industrial migration as it relates to our defense effort.

It is estimated that 5 million persons migrated to cities between 1910 and 1920—more than twice the number that had moved during the previous decade. Serious losses of industrial time and effort, as well as the often unfortunate plight of many families due to such migration, accentuated our general unpreparedness in the World War. As described in Clark, Hamilton, and Moulton's study, "Readings in the Economics of War," there was "little or no guidance from the top, since the industries and labor resources of the country had never been effectively catalogued and classified." There was also a "tremendous concentration of contracts. . . . The war-industry districts. . . . reached out to the rest of the Nation for materials, money, and men. They required that scores of thousands of workers be transferred to them from districts where war work was not being done."

A major factor of waste

Here is a major factor of waste which, in this emergency, we must strive to avoid. This type of problem has arisen to some extent in this first year of the defense program. For example, in the middle of last November, 10,000 more persons than could secure employment had poured into Camp Blanding in Florida from every State in the Nation. Many of them came with their families; they had little or no knowledge as to the number of jobs open or the precise skills needed. There was no housing for them; no sanitary facilities; there was the possibility of disease and epidemics that could have seriously curtailed our manpower resources. It is fortunate that prompt action minimized the effects of this planless migration. Similar situations were reported incipiently in Fort Bragg in North Carolina, Fort Meade in Maryland, Camp Beuergard in Louisiana, Fort Allen in Vermont, and in other places. While these areas were construction sites, which required a highly mobile labor supply, nevertheless much the same condition has been in evidence in other parts of the country and in other than construction projects.

Ohio reports that many of the 7,000 migrants who flocked in from Kentucky and Tennessee in January remain unemployed. In California, only a fraction of the thousands of agricultural workers who have moved toward areas of defense production have found work. The north-central and midwestern industrial areas report a considerable influx of workers of all kinds. Massachusetts has drawn many migrants, and Connecticut reports that migratory laborers are streaming into the State "to a large and alarming extent."

Some leave possible employment behind

In some cases, workers are migrating from areas where they could actually have been more easily and more effectively employed, than in the areas into which they are streaming. Their hopes for employment often have no substantial basis in fact. We often forget that the problem of out-migration is just as important as in-migration. Our surveys have indicated a surprising number of small "ghost towns" with idle plants and machinery which, if their labor supply is not dissipated, can and should be put to work.

Today, industrial migration lies at the heart of the defense effort. Unplanned, chaotic, haphazard migration, as well as any immobilization of labor in particular areas, can disturb the national defense program as much as any other single factor. Thousands of man-hours can be lost, machines may remain idle, costs can jump to fantastic levels, health and social problems can develop, unless there is complete and whole-hearted cooperation with the agencies that are 3 days, the hearings adjourned on the understanding that the Board would appoint a special representative to investigate this issue.

Hearings on the Columbia Basin area loggers' case, which involves 4,000 loggers in the State of Oregon, opened May 28 and a week-end recess was taken after 2 days. A threatened strike by the International Woodworkers of America, CIO, was postponed in this case at the request of the Board. The issues are wages, hours, vacations with pay, sick leave, union shop, and discontinuance of piece work.

Selective Service asks serious consideration of agricultural claims for deferment

Serious consideration of individual claims of men engaged in agricultural pursuits for occupational deferment from military training was asked of local Selective Service boards May 24 by Brig. Gen. Lewis B. Hershey, deputy director of Selective Service, in the interest of national defense.

In a message to all State directors of Selective Service, the deputy director cautioned that "the importance of agriculture in the national defense program cannot be overestimated." Enclosing a letter from Secretary of Agriculture Claude R. Wickard relating to shortages of farm labor and maintaining an adequate supply of farm workers for production of essential foods required for national defense.

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working to systematize this gigantic jigsaw puzzle.

Steps to solve problems
From the very beginning the Labor Division, first in the National Defense Advisory Commission and now in the Office of Production Management, has been and is actively meeting the threat of labor shortages, shortages of particular skills, and migration. Its labor training and supply section is coordinating the work of seven governmental agencies as well as the Army and Navy in locating, training, and placing workers in defense industries. These agencies include the Bureau of Employment Security, the United States Office of Education, the United States Civil Service Commission, the Federal Committee on Apprenticeship, the Work Projects Administration, the National Youth Administration, and the Civilian Conservation Corps.

Nearly 6 million unemployed workers are registered with the Bureau of Employment Security by occupation, kind, and degrees of skill, and community.

But still more workers must register and more employers must utilize this free service so that greater coordination can produce more systematic matching of worker skill to defense need, and so that the necessary training of added skill can more precisely meet the requirements.

Local application of training
I have referred to the training of existing labor reserves to fit the needs of defense industries, and in such training, locally applied, is one obvious means of reducing migration.

As a further answer to the problem of migration, the Office of Production Management urges the greater development of subcontracting.

It all sums up to this: We are trying to substitute occupational mobility for geographic mobility. We are trying to bring the job to the worker rather than having the worker roam in search of the job. And while the cooperation we have received has on the whole been encouraging, there should exist no place in defense industry where that cooperation is not forthcoming. Employers must recognize that not only will these programs mean so much and so much in dollars and cents of plant economy, but that systematic mobility. We are trying to bring the worker roam in search of the job.

**NET FUNDS AND CONTRACT AUTHORIZATIONS FOR DEFENSE PROGRAM, TO MAY 17**

| Agency and date of legislation | Air, naval, | Guat, | Naval | Post, | Other | Industrial |
|-------------------------------| engines, | munitions, | & ships, | deposits, | equipment | facilities |
|     | engines, | etc. | etc. | etc. | etc. | etc. |
| United States Army: | June 13, 1940, PL 611 | 299 | 283 | 70 | 105 | 145 | 409 |
| | June 26, 1940, PL 657 | 299 | 283 | 70 | 105 | 145 | 409 |
| | Sept. 6, 1940, PL 781 | 347 | 332 | 77 | 122 | 162 | 444 |
| | Sept. 26, 1940, PL 99 | 65 | 122 | 48 | 65 | 178 | 610 |
| | Oct. 8, 1940, PL 600 | 165 | 122 | 48 | 65 | 178 | 610 |
| | Feb. 13, 1941, PL 26 | 165 | 122 | 48 | 65 | 178 | 610 |
| | Mar. 17, 1941, PL 33 | 165 | 122 | 48 | 65 | 178 | 610 |
| | Apr. 1, 1941, PL 29 | 165 | 122 | 48 | 65 | 178 | 610 |
| Total | 7,030 | 6,509 | 1,521 | 240 | 710 | 1,350 | 4,890 |
| United States Navy | June 13, 1940, PL 611 | 341 | 307 | 70 | 105 | 145 | 409 |
| | June 26, 1940, PL 657 | 341 | 307 | 70 | 105 | 145 | 409 |
| | Sept. 6, 1940, PL 781 | 395 | 353 | 77 | 122 | 162 | 444 |
| | Sept. 26, 1940, PL 99 | 70 | 122 | 48 | 65 | 178 | 610 |
| | Oct. 8, 1940, PL 600 | 265 | 122 | 48 | 65 | 178 | 610 |
| | Feb. 13, 1941, PL 26 | 265 | 122 | 48 | 65 | 178 | 610 |
| | Mar. 17, 1941, PL 33 | 265 | 122 | 48 | 65 | 178 | 610 |
| | Apr. 1, 1941, PL 29 | 265 | 122 | 48 | 65 | 178 | 610 |
| Total Navy | 5,635 | 5,593 | 1,042 | 238 | 710 | 1,350 | 4,890 |
| Total Army and Navy | 6,872 | 6,462 | 1,563 | 278 | 215 | 1,350 | 5,780 |

**Shipments of United States**

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**Other**

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<td>June 13, 1940, PL 611</td>
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<tr>
<td>President's emergency fund:</td>
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<td>Panama Canal:</td>
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<td>Stockpile program:</td>
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<tr>
<td>Total</td>
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PURCHASES...

Defense contracts awarded and cleared May 22 through May 28

Defense contracts totaling $745,909,477 were awarded by the Army, Navy, and Maritime Commission and cleared by the Division of Purchases, OPM, during the period May 22 through May 28.

This compares with $81,799,345 for the previous week, and $58,825,021 for the week ended May 14.

Cleared contracts awarded by the War Department during the latest period totaled $355,580,222, by the Navy Department $72,329,255, and by the Maritime Commission, $318,600,000.

CONSTRUCTION

Navy

Engineering and Research Corporation, Riverdale, Md.; construction of additional plant at existing plant at Riverdale, including acquisition of additional machinery and equipment; $201,415. (Defense Plant Corporation agreement).

Poole Brothers Gear & Machine Corporation, Chicago, Ill.; acquisition and installation of additional machinery and equipment at plant; $160,693. (Supplement to existing contract, increasing from approximately $2,043,814.11 to approximately $2,204,506.74.)

Two contractors: Witmon-Abbott Corporation, and Mahony-Trost Construction Co., Plainfield, N. J.; additional storage facilities at Naval Supply Depot, Bayonne, N. J.; $5,723,000. (Supplement to existing contract.)

War Department


Jack & Heintz, Inc., Cleveland, Ohio; establishment of plant and installation of machinery and equipment for production of electric starters; $1,915,562.40. (Defense Plant Corporation Lease).


Chrysler Corporation, Detroit, Mich.; acquisition and installation of machinery and equipment in building leased for manufacture of air frame assemblies; $1,691,200. (Defense Plant Corporation Lease).

EQUIPMENT AND SUPPLIES

War Department

Sperry Gyroscope Co., Brooklyn, N. Y.; controls, mount assemblies, valves, oil pressure, regulators and oil filters; $598,183.74.

Pump Engineering Service Corporation, Cleveland, Ohio; pump assemblies; $329,693.

Colonial Beacon Oil Co., New York, N. Y.; fuel; $1,058,300.

Hudson Motor Car Co., Detroit, Mich.; air-frame parts; $481,718.36 (Educational order).


Navy

E. I. duPont de Nemours & Co., Military Explosives Division, Wilmington, Del.; ammonium nitrate; $37,128.

Richfield Oil Corporation, Los Angeles, Calif.; Navy aviation gasoline; $1,124,475.

The Aluminum Cooking Utensil Co., New Kensington, Pa.; powder containers; $380,664.

Mt. Vernon Woodberry Mills, Inc., Baltimore, Md.; hard and medium texture cotton canvas and cotton duck pipe covering; $782,500.35.

Atlas Steel, Ltd., Welland, Ontario, Canada; stainless steel ingots; $900,000.

Standard Oil Co. of California, San Francisco, Calif.; Navy fuel oil for diesel engines; $4,118,198.94.


General Petroleum Corporation, Los Angeles, Calif.; Navy fuel oil for diesel engines; $1,210,000.


AIRCRAFT

War Department

Consolidated Aircraft Corporation, San Diego, Calif.; heavy bombers to be produced in plant now under construction at Ft. Worth, Tex.; $163,646,000.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; heavy Consolidated type bombers to be produced in plant now under construction at Tulsa, Okla.; $158,850,000.

Fairchild Engine and Airplane Corporation, Ranger Aircraft Engine Division, Farmingdale, Long Island, N. Y.; engines and spare parts; $85,826,021.

ORDNANCE

War Department

Electric Auto-Lite Co., Toledo, Ohio; fuzes; $660,000.

Chevrolet Motor Division, General Motors Corp., Detroit, Mich.; shells; $531,774.

National Tube Co., McKeesport, Pa.; bombs; $2,450,000.

Cleveland Tractor Co., Cleveland, Ohio; medium tractors; $1,820,000.


Navy


Bethlehem Steel Co., Bethlehem, Pa.; manufacture of projectiles; $1,709,112.

Bethlehem Steel Co., Bethlehem, Pa.; manufacture of armor; $1,658,208.31.

Northern Pump Co., Minneapolis, Minn.; manufacture of ordnance equipment; $43,605,000.

Bethlehem Steel Co., Bethlehem, Pa.; manufacture of ordnance equipment; $1,446,000.

Bridgeport Brass Co., Bridgeport, Conn.; manufacture of ordnance equipment; $3,965,730.

SHIP CONSTRUCTION

Maritime Commission

Contracts for 123 vessels at approximate cost of $312,600,000 have been awarded to the following companies:

Ingalls Shipbuilding Corporation, Passacagoula, Miss.; 6 C-3's.


Army rejects bids on 1,283,824 pairs of shoes, expects aid from ceiling on hides

The Army has rejected all bids on 1,000,008 pairs of Army service shoes and 283,816 pairs of CCC shoes, the Division of Purchases, OPM, announced May 28. The Army will readvertise, it was said, in anticipation of lower shoe prices expected to result from a schedule of price ceilings on hides, to be imposed in the immediate future by the Office of Price Administration and Civilian Supply.

The Army shoe bids were considerably higher than the prices of a previous large order last March. The higher prices were attributed to increases in raw materials and in particular hides, which are the most important raw material.

Base price of 15 cents

OPACS officials stated that the ceiling could be based on a price of 15 cents for hides of light native cows, July take-off. This is the standard top grade traded in the hide exchange and generally bought for upper leather manufacturing. This price is slightly under the top prices which have prevailed recently, but it is above prices generally prevailing for many years. It should result in substantial savings to purchasers of shoes.

Defense plant construction and expansion involves over 1,700 projects in year

New defense plant construction, expansion, and equipment since the beginning of the national defense program a year ago involves more than 1,700 construction and expansion projects and commitments of nearly 3 billion dollars, according to a tabulation released May 30 by the Bureau of Research and Statistics, OPM.

The figures, which cover an additional month over those released earlier in May (see corrected figures, issue of May 20), are based on United States Government and British commitments through April 30, 1941; and certificates of necessity issued to private industries through May 15, 1941.

The plants, many of which have been completed and put into operation, will turn out various types of armaments and ammunition as well as steel, aluminum, and other semi-finished materials.

While the Government is bearing 73.4 percent of the share of the new construction and expansion costs, the figures do not include investments by private industry in plants established because the defense program began, or since built without governmental aid, in the form of accelerated tax amortization.

The Government is committed to the expenditure of more than $2 billion dollars in the construction or expansion of 392 plants. Almost three-fourths of this amount represents Army and Navy obligations to build or expand production facilities in 232 plants.

Private capital, $744,000,000

Private capital, as represented by 1,338 certificates of necessity, accounts for 744 million dollars. This investment is largely devoted to expanding or equipping existing factories although many entirely new plants are included. Plant owners who have certificates of necessity are permitted to amortize their investment, for corporate income and excess profits tax purposes, over a period of 5 years.

British commitments, as of April 30, 1941, amount to 146.4 million dollars for 47 plants.

Pusey & Jones Corp., Wilmington, Del.; 10 C-1's.
Sun Shipbuilding & Dry Dock Co., Chester, Pa.; 10 C-2's.
Western Pipe and Steel Co., San Francisco, Calif.; 17 C-3's.
Seattle-Tacoma Shipbuilding Corp., Tacoma, Wash.; 30 C-3's.
Moore Dry Dock Co., San Francisco, Calif.; 12 C-2's.
Consolidated Steel Corp., Los Angeles, Calif.; 4 C-1's.

Contracts for 8 shipways and other facilities costing approximately $6,000,000 have been awarded to the following companies:

Western Pipe and Steel Co., San Francisco, Calif.; 2 shipways.
Moore Dry Dock Co., San Francisco, Calif.; 1 shipway.
Pusey and Jones Corp., Wilmington, Del.; 1 shipway.
South Portland Shipbuilding Corp., South Portland, Me.; 4 shipways.

In addition to contract awards, the following letter of intent was issued and announced by the War Department during the week ended May 28:

Boeing Aircraft Co., Seattle, Wash.; production of heavy bombers; $10,000,000.

Bids are rejected on 11,000,000 pounds of coffee

The Division of Purchases, OPM, announced May 28 that the Army acting on their advice had rejected bids for 11 million pounds of coffee. This action was taken after consultation with the Office of Price Administration and Civilian Supply. Attention was drawn to the fact that the bulk of the coffee under the present quota had been bought in Brazil at a price not exceeding 9 cents per pound. This is the standard top grade traded in the hide exchange and generally bought for upper leather manufacturing. Bids which were rejected were generally prevailing for many years. It should result in substantial savings to purchasers of shoes.

No real shortage found

No real shortage of hides has been found to exist by OPACS. Any unreasonable accumulation of hides, officials said, might be subject to requisition by the Government in the event a shortage develops.

OPACS expects that the prices of other hides will find their proper levels once the ceiling is imposed on cowhides. The present price situation in kip and calf skins is under study to determine whether ceilings are necessary.
PRICES AND CIVILIAN SUPPLIES . . .

New schedule fixes ceiling prices for wide variety of scrap containing nickel

Price Schedule No. 8 fixing ceiling prices for a wide variety of scrap and secondary materials containing nickel was issued June 1 by Leon Henderson, Administrator, Office of Price Administration and Civilian Supply.

The schedule became effective June 2. It covers pure nickel scrap, ferro-nickel-chrome-iron scrap, ferro-nickel-iron scrap, monel metal scrap, cupro-nickel alloy scrap, stainless steel scrap, nickel steel scrap, secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot. The schedule also fixes maximum prices for the straight chrome type of stainless steel scrap, which contains no nickel. Recent prices received for this type of stainless steel scrap have been out of line and it was felt advisable to include it in the price schedule, together with the other types of stainless steel scrap.

Mr. Henderson explained that imposition of price ceilings for these materials is necessitated by the "outrageous" prices charged in recent months for their nickel content. Frequently such prices have been double or triple the price of virgin nickel.

Premium for converters

Except for stainless steel scrap and nickel steel scrap, basic maximum prices are established to apply on sales of scrap, unsuitable and unprepared for industrial consumption. However, a premium is allowed any seller of scrap, termed a "converter," who performs all of the following functions:

(1) Sells scrap directly to a consumer.
(2) By chemical test or assay, determines the metal constituents of the scrap.
(3) On that basis, sorts, grades, treats, packages, or briquettes by hydraulic press, and otherwise prepares the scrap for direct industrial consumption.
(4) Guarantees the delivery of scrap in an agreed amount and analysis. Unless a seller of scrap satisfies all four criteria, he is not a converter and is not entitled to the converter's premium but must sell his scrap at not more than the basic maximum prices.

Quantity differentials are also established entitled any seller of scrap, whether he is a converter or not, to a premium for shipments of a specified quantity or more of material at one time.

More for briquettes

In addition to the basic maximum prices fixed for stainless steel scrap, a premium of $10 a ton is allowed for sales of scrap in the form of hydraulic press briquettes.

The maximum prices for nickel steel scrap are tied to the maximum prices established for steel scrap in the Iron and Steel Scrap Price Schedule No. 4, Revised. A grade of steel scrap containing less than 1 percent nickel may not be sold at more than the maximum price for a like grade of steel scrap fixed in Price Schedule No. 4, Revised. The maximum price for a grade of steel scrap which contains 1 percent or more nickel is the maximum price for a like grade of steel scrap fixed in Price Schedule No. 4, plus $1 per gross ton for each 1/4 of 1 percent of nickel content.

The broker's commission allowed on stainless steel scrap is 5 percent of the established maximum price; it is 2 percent on nickel steel scrap.

The ceiling prices on secondary monel ingot, secondary monel metal shot, and secondary copper-nickel shot will bring the prices of these materials into line with the prices of equivalent secondary materials. Premiums are allowed for the sale of these secondary materials in smaller lots.

The maximum prices established in Price Schedule No. 8 went into effect June 2, regardless of preexisting contracts. However, permission will be granted by OPACS, to any person to carry out contracts entered into prior to May 30, 1941. the date on which Price Schedule No. 8 was published in the Federal Register, if such permission is necessary to protect such person against loss in the disposition of inventory already acquired at prices higher than the established maximum prices. Forms on which applications for such permission may be made are available upon request made to the Office of Price Administration and Civilian Supply, Washington, D. C.

Henderson asks continuance of ammonium sulfate price level

Producers and distributors of ammonium sulfate for fertilizer purposes have been requested by letters to continue formal price quotations now current for this commodity, Administrator Henderson announced May 26.

Ammonium sulfate is chiefly a by-product of the coke industry, the principal producer. It is one of the most important sources of fertilizer nitrogen.

It is the custom in the trade to establish the price for the next fertilizer season at this time of year.

No justification for rise, he holds

Quotations now current are as follows:

- On contract, $28 a ton at inland ovens; $29 a ton at port; and spot prices $1 per ton higher.

In making his request, Mr. Henderson pointed out that there has been some tightness in the supply of this commodity but there is no justification for an increase in the price, since the coke industry has been operating at capacity for many months.

Mr. Henderson stated that there appears to be no warrant for a so-called outside or export market such as has developed in ammonium sulfate during the past season. This was not at all times a genuine export price but to a considerable extent represents speculation, he explained.

“If it becomes necessary to prevent the development of such an outside or export market at prices in excess of those maintained by reputable distributors and producers, the OPACS will place a price ceiling on ammonium sulfate at current levels,” Mr. Henderson added.

WPA operates nurseries for defense workers' children

Along with 60,000 soldiers pouring into Fort Bragg, near Fayetteville, N. C., came construction workers and their wives and children. The population of Fayetteville (17,428) doubled in the boom. To help care for children the WPA operates three nursery schools for children 3 to 6 years old and playground activities for those 6 to 12.
**News for Retailers**

**Shoes**

Substantial savings to civilian purchasers of shoes as well as to the Government are expected to grow out of the decision of the Office of Price Administration and Civilian Supply to fix a ceiling price of 15 cents per pound for hides of light native cows, July takeoff. Since no real shortage of hides has been found to exist, it is believed that the prices of other hides will find their proper level in relation to the 15-cent ceiling. It is also pointed out that the setting of this ceiling is the second in which consumer goods are involved, the first on combed yarns some days previously.

Civilian shoes which will be going on sale this fall represent a hide cost ranging from 11 cents to 14 or 15 per pound. Advances in price from 10 to 15 cents a pair on cheaper shoes and up to 50 cents a pair on more expensive footwear have already been announced. Had this decision to set a ceiling not been reached, it is pointed out, further advances in prices might have come along at a later date since an increase of one cent in the price of hides usually means an advance of from 6 to 10 cents in the price of a pair of shoes. The fact that sales of hides up to 16½ cents had been made recently indicates the trend of prices.

The 15-cent figure is said to be one cent above the 48-year average price. The present price situation in kip and calf skins is under study to determine whether ceilings are necessary.

According to data presented at the recent Defense Conference on Consumer Goods, the productive capacity in men's shoes, based on peak months of actual output, is 145 million pairs and in women's shoes, 230 million pairs. The actual output in recent months has been only 70 percent of the figures given. The Army has been buying shoes at the rate of about a million pairs a month. If that rate should be continued total purchases would still be only a small percentage of the total actual output.

Data were also presented at this conference which indicated that, should it become necessary, substitution of materials for civilian use could be developed to a much larger extent than at present. Examples are crepe rubber, composition, and other materials for soles, splits, fabrics and plastics for uppers, fabrics for linings and fiberboard for counters, box toes, etc.

In the official announcement by OPACS, it was stated that “recent high prices in hides reflect speculative buying by the trade and that further price increases would serve no useful purpose. High prices do not stimulate production because hides are a byproduct of slaughter by meat packers and country butchers and are not reflected in any significant amount to producers. On the other hand, recent high prices on hides have increased leather prices and encouraged speculative inventory holdings.”

**Commercial Truck Crops for Processing**

Planting operations are being pushed forward energetically in most parts of the country by vegetable growers, despite the threat of insufficient rainfall in many important producing areas, the U. S. Department of Agriculture reports from information contributed by vegetable processors on the headway growers have made to May 15.

Warm, dry weather characterized the first half of May except in the vicinity of the Great Lakes, along the Pacific Coast, and in scattered areas in the Gulf States. Growers have taken advantage of this condition and, according to reports to the Agricultural Marketing Service, the 1941 season is now slightly ahead of the usual time. As an illustration, planting green peas this year in Wisconsin was well advanced by May 15, but in 1940 planting operations were continued in full swing through the latter part of the month.

Asparagus packing in Illinois and Michigan continued to hold the interest of canners in these States. In Delaware, Maryland, and New Jersey cold nights retarded the progress of the crop. It is expected that harvesting will continue in the northwest until about June 10. A limited amount of spinach is available for canning in the Ozarks. Sweet corn planting in the important Middle Western States made considerable headway during the first half of May and fostered growers were turning their attention to preparing fields for this crop. In Delaware and Maryland setting plants into the fields was in full swing, but growth was retarded by dry weather.

In addition to the information presented last week on probable production of commercial truck crops, this additional information is now available on green peas for processing. On the basis of reports to the Department of Agriculture from canners and processors, the acreage planted in 1941 to green peas for processing, including freezing, is 383,740 acres. This is an increase of nearly 13 percent over the 1940 plantings.

**Coffee**

Two recent developments have combined to ease the coffee situation. The Army had asked for bids on 13,000,000 pounds of coffee. On the recommendation of the Division of Purchases, OPM, the Army bought only 2,000,000 pounds and rejected the bids on the remaining 11,000,000. The coffee bought was at the price of 10.87 cents per pound.

In addition to this, the Inter-American Coffee Agreement approved an increase of 250,757 bags or 1.67 percent in the amount of coffee to be imported from signatory nations to the coffee agreement for the quota year ending October 1, 1941. Further than this, the board recommended that the participating countries be permitted to export to the United States before the end of the quota year up to 15 percent in excess of their respective quotas. This additional amount would be entered under bond and not made available for consumption before October 1, 1941.

With these changes in the quota rules it is believed that the fears of the trade with reference to supplies which brought about a rising market will be largely dispelled. The bulk of the coffee brought in under the present quota has been bought in Brazil at a price not exceeding 9 cents a pound. Bids which the Army rejected ranged from slightly over 11 cents to approximately 12½ cents for Santos 4's.

**Work Clothing**

Corrected data on procurement of work clothing at the general depot in Philadelphia for the period from July 1, 1940, through March 31 of this year, as revealed in figures issued by the Army Quartermaster Corps, are as follows:

- Coats and jumpers, denim, 4,450,321; cost, $3,853,370.
- Trousers, denim, 4,900,510; cost, $4,-049,864.
- Suits, one-piece, herringbone twill, 1,512,900; cost, $1,478,840.
PRODUCTION . . .
Two communities asked to gather aluminum to test effectiveness of scrap collection

A sample campaign to test the effectiveness of scrap material collection by the public was announced May 27 by the OPM.

Between May 30 and June 6, citizens of Henrico County, Va., and the metropolitan area of Richmond, and of Dane County, Wis., which includes the city of Madison, were to be asked to contribute discarded and useless aluminum products that are no longer needed in the home.

Reasons for campaign

This sample campaign has been undertaken for two reasons:
1. Because a critical shortage of scrap aluminum is forecast for the near future, and
2. Because officials of the OPM feel it would be wise at this time to make estimates, based on actual experience, of the results that could be expected from a Nation-wide campaign for the collection of aluminum and other scrap materials.

It is pointed out that no reliable information is now available concerning the amount of useful strategic materials that may be lying around in attics, cellars, garages, and dump heaps.

The advisability of public campaigns for the collection of scrap materials has been considered since early last summer, but it was decided that such campaigns would serve no useful purpose at that time. In the interim, however, the greatly increased demand for certain materials has been such that it is now considered advisable to acquire actual statistics as a basis for considering the desirability of Nation-wide campaigns in the future.

Henrico and Dane Counties have been chosen as the test areas because they are considered "typical" communities and will provide an accurate guide for estimating the results of larger campaigns.

It is particularly important in the view of defense officials that the citizens of other areas refrain from inaugurating locally sponsored collection campaigns until the results of this test case have been evaluated. The Office of Production Management is grateful to many patriotic citizens who have offered their services along these and similar lines in various parts of the country but requests them to refrain from unofficial campaigns until OPM has had an opportunity to evaluate accurately their effectiveness. If a national campaign is undertaken at a later date, national and local organizations and clubs of various descriptions as well as unaffiliated individuals will be asked to contribute their time and services under the direction of State and local defense councils.

Defense councils lead drive

Collection, segregation, and ultimate shipment to aluminum smelters is being handled by the State and regional defense councils already established in both areas with the cooperation of local officials, organizations, individuals, and scrap dealers.

Steel can be saved in oil production, regulatory officials agree in meeting

Representatives of the Interstate Oil Compact Commission and officials of the oil regulatory bodies of the principal oil-producing States met May 27 at the request of R. E. McConnell, chief of the Conservation Unit of OPM, to discuss the desirability of conserving approximately 20 percent of the steel used in the producing branch of the oil industry.

Such a reduction would amount to about 250,000 tons annually.

Mr. McConnell and Robert E. Wilson, chief OPM Consultant on petroleum, told the officials it was anticipated that this saving could be accomplished without interfering substantially with the conservation of petroleum, with exploration for new reserves, or the ability of the industry to supply all foreseeable needs for petroleum.

Would help pipe line construction

They pointed out also that conservation of steel would help make possible the construction of pipe lines and tankers to get needed oil supplies from the oil States to the eastern seaboard, thus helping to replace as soon as possible the transportation facilities represented by 50 tankers transferred to British service.

This request for a 20-percent conservation of steel is in line with the request made recently to the automobile industry for a reduction in its output.

It was the opinion of most of the oil State representatives that full cooperation of oil companies, land owners and royalty holders would be necessary to accomplish maximum savings and that they should be acquainted fully with the need for the conservation measures. It was also pointed out that in the long run such a program should result in the recovery of substantially more oil per ton of steel used and per dollar invested.

Agree substantial savings can be made

There was general agreement that substantial savings in steel could be made by encouragement of wider well spacing and unitization agreements and other methods of avoiding unnecessary drilling. Under unitization agreements, all the persons interested in a particular oil-producing pool or area develop the property jointly, using the most efficient well spacing arrangement, and divide the output equitably among those concerned.

Adams heads section of Materials Branch

Appointment of James S. Adams, executive vice president and director of the Colgate-Palmolive-Peet Co., to succeed Richard R. Deupree as chief of the Materials Section from Agriculture and Forest Products Section of the Materials Branch, Production Division, was announced May 30 by the Office of Production Management.

Mr. Deupree is returning to the presidency of Procter & Gamble Co., Cincinnati, Ohio. He will continue to advise the section.

Mr. Adams is a native of Brazil, Ind. He attended Indiana University and for 8 years was vice president and an assistant to the president of Johns-Manville Corporation, New York City. Also for 8 years he was vice president and general manager of Benton and Bowles Advertising Agency, New York City.
TRANSPORTATION...

Carriers met year's demands without causing any reported delays, says Budd

Despite substantial increases in the volume of traffic on all common carriers since the start of the national defense program a year ago, no reports of delays in production due to lack of transportation have reached the Transportation Division of the OEM, Commissioner Ralph Budd said May 31 in a review of the year's activities.

His statement follows in part:

The inland transportation systems of the country—railroads, trucks, pipe lines, Great Lakes carriers and inland waterways carriers—have successfully met all traffic demands resulting from the constantly expanding defense program and those connected with civilian needs. This traffic demands resulting from the constant expanding defense program and those connected with civilian needs is needed.

No delays through lack of transport

Despite substantial increases in the volume of movement by all forms of carrier, no instances of delays to defense work for lack of transportation have been reported.

Last summer, based on traffic studies then made, we recommended to the railroads of the country that the freight car ownership goal be set at a minimum of 1,700,000, and that the number of bad order cars be reduced to 6 percent or less. At that time (July) the car ownership was 1,645,000 and the bad orders (cars in need of repair) amounted to 153,000, or 9.5 percent. The goal outline will be met prior to the handling of the peak traffic of 1941 during the fall and winter months in the interest of encouraging more storage of grain on farms, the building of new elevator space and the movement of grain from the middle west and southwest to port elevators on the Atlantic and Gulf coasts. A moderate movement is now underway. The railroads have more grain cars stored for the crop than they did last year, but in view of the peak traffic period of 1941 and that of 1941.

Continued expansions in the defense program with consequent increase in the volume of traffic to be moved have required further consideration of the equipment situation with the result that it is now planned to add 120,000 cars to railroad ownership prior to the fall of 1942, and for 1943 to add further a total of 150,000 cars. This latter figure is of course subject to revision.

There has been some delay in the building of freight cars because of inability of the car builders to obtain sufficient steel. This has been discouraging to some builders because they reason that if material cannot be provided for this year’s program of car building, there would be no point in undertaking a larger production. In urging the railroads to order cars liberally, we have assured them that the importance of transportation is well recognized, and that it must be assumed the necessary materials for an adequate car program will be provided. Obviously, all of our defense efforts must be integrated if we are to be fully successful.

There is no point in producing an increased volume of defense materials if such materials cannot be transported from where they are built to where they are needed.

To meet the needs of the steel industry, transportation of ore on the Great Lakes has been geared to a tempo which utilizes 100 percent of existing cargo carrying facilities. To augment the American fleet, the cooperation of Congress was sought in the passage of legislation which will enable the use of Canadian boats in our ore traffic. Congress responded favorably and quickly to this request.

Wheat storage problem

The coming grain movement incident to harvest of the winter wheat crop presents a problem but by reason of the large carry-over of grain in elevators the problem is one of storage rather than transportation. With the cooperation of the Department of Agriculture, this problem has been attacked over the past several months in the interest of encouraging more storage of grain on farms, the building of new elevator space and the movement of grain from the middle west to southwest to port elevators on the Atlantic and Gulf coasts. A moderate movement is now underway. The railroads have more grain cars stored for the crop than they did last year, but in view of the peak traffic situation, the movement will be watched very closely in order to prevent undue tying up of cars under load. The traffic demand for all commodities is such that no use of railroad equipment for storage purposes can be permitted. It may be necessary to control the wheat movement by means of an embargo and permit system, due to lack of transportation facilities but to the storage shortage.

Million of armed forces moved by rail in 4 months

During the first 4 months of this year more than a million members of the Nation's armed forces were transported by rail, according to reports made to Commissioner Budd.

The total number of men actually moved by the railroads during this period was 1,002,382, an average of 250,596 men per month for 4 months.

More than half of the men moved on special trains over long distances, while others were handled in regular train service by the addition of extra cars. The entire movement was made without interference with regular freight and passenger traffic.

The largest single monthly movement during this period was in March when a total of 327,188 soldiers, sailors, marines, and selectees were moved by the railroads. During this month, 619 special trains were operated throughout the country. The total number of special trains for the four months was 1,890.

CARLOADINGS CONTINUE GAIN

Freight carloadings during the week ended May 24 totaled 898,617 cars, an increase of 26.0 percent over the 687,490 cars loaded during the corresponding week in 1940. This volume represents an increase of slightly less than 5,000 over the previous week in 1941, and constitutes the highest weekly loadings this year to date.

Substantial increases were registered in all major commodity items with the exception of livestock which decreased 0.7 percent under the corresponding week in 1946, and also decreased under the previous week in 1941. The commodity details follow:

CARLOADINGS WEEK ENDED MAY 24, 1941

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<th>Commodity</th>
<th>1941</th>
<th>1940</th>
<th>Percent Increase</th>
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<tr>
<td>Grain and grain products</td>
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<td>26,422</td>
<td>26.3</td>
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<td>Livestock</td>
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<td>Coal</td>
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<td>Coke</td>
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<td>Forest products</td>
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<td>Miscellaneous</td>
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<tr>
<td>Total</td>
<td>2,165,000</td>
<td>1,680,690</td>
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</table>

1 Decrease.
HEALTH AND WELFARE . . .

Action program for nutrition offered in recommendations to President


The need for an aggressive attack upon the problem of undernourishment was brought out repeatedly in the facts presented to the conference.

Could add 10 years to active life

Something more than 40 percent of the American people are not getting enough food and the right kind of food to maintain health and vigor—and this in spite of the fact that the foods of which we have a so-called surplus are the very ones they need. Less than one-fourth are getting a really good diet, even when measured by lower standards than those to which we would subscribe today. If everyone could have an adequate diet instead of an average diet, it would add 10 years to our active life span. Out of a million young men given physical examinations, "a total of 380,000 have been found unfit for general military service under present standards." It is estimated that "perhaps one-third of the rejections were due either directly or indirectly to nutritional deficiencies. In terms of men the Army today has been deprived of 150,000 who should have been able to do duty as soldiers. This is 15 percent of the total number physically examined by the Selective Service System."

If people who now can spend only 5 cents a meal for food could spend 10 cents, another 55 to 40 million acres of farm land would have to be devoted to food production—and our food expenditures would increase by about 2 billion dollars. Add to this the acute British needs, and it becomes essential that we direct our agriculture to producing more of the nutritionally needed foods.

As a guide to improving the Nation's food standards and eating habits, the Food and Nutrition Committee of the National Research Council presented to the conference the first authoritative measure of what a good diet should provide in the way of vitamins as well as calories and carbohydrates. Expressed in terms of essential food elements, this standard can be translated into easily available foods for any part of the country, and its sliding scale adjusted to the needs of different age groups and occupations. In general a daily diet which would measure up to this nutritional "gold standard," would include: One pint of milk for an adult and more for a child; a serving of meat (and cheaper cuts are just as nutritious); one egg or some suitable substitute such as navy beans; two vegetables, one of which should be green or yellow; two fruits, one of which should be rich in vitamin C, found abundantly in citrus fruits and tomatoes; some butter or oleomargarine with vitamin A added; breads, flour, and cereal, most or preferably all whole grain or enriched.

Conference adopts broad recommendations

The conference was addressed by outstanding national leaders, including the Vice President, the Secretaries of Labor and of Agriculture, the Federal Security Administrator, the Surgeon General, and others. The problem before the conference was, in Vice President Wallace's words, "How to use our soil, our farmers, our processors, our distributors and our knowledge to produce the maximum of abounding health as a broad foundation on which we can build all the rest of our hemisphere defense."

Considering this problem and the President's proclamation of a full national emergency, issued by the President while the conference was in session, its delegates unanimously adopted the following recommendations:

I. The great and sometimes startling advances in our knowledge of nutrition in recent years have made it clear that the food an individual eats fundamentally affects his health, strength, stamina, nervous condition, morale, and mental functioning. In view of these proven facts, it is vital for the United States to make immediate and full use of the newer knowledge of nutrition in the present national emergency. To neglect this aspect of defense would be as hazardous as to neglect military preparedness.

II. The newer knowledge of nutrition should be used not only for the benefit of our armed forces, who must of course be adequately fed, but for that of all workers in industries directly and indirectly related to defense, and also for the civilian population as a whole. Wars are won or lost according to the health, courage, and calmness of whole populations and their ability to exert themselves to the utmost, and this is particularly true in modern total warfare.

Undernourishment widespread

III. Recent dietary studies among large representative samples of the people of the United States, clinical studies among smaller groups, and the examination of men called up for military service show clearly that poor diets and undernourishment are widespread in this country. The conditions revealed corroborate scientific findings. While these conditions offer no ground for alarmist statements, they are serious enough to be a genuine cause of weakness in the present national emergency and to warrant national attention and concerted action. A widespread disease epidemic would receive such attention immediately. Undernourishment is more insidious and less obvious in its effects, but it is not less harmful.

Lines of attack

The problem of undernourishment has medical, social, economic, and psychological aspects; and to attack it on a national scale will require peculiarly widespread and whole-hearted cooperation on the part of all our population. This conference urges the following lines of attack as particularly important:

(1) The use of the recommended allowances of calories, protein, and certain important minerals and vitamins, prepared by the Committee on Food and Nutrition of the National Research Council, both as the general goal for good nutrition in the United States and as the yardstick by which to measure progress toward that goal.

(2) Translation of these allowances, and other similar technical material, into terms of everyday foods and appetizing meals suitable for families and individuals at different economic levels in such a way that the newer knowledge of nutrition can be applied simply and prac-
tically, in every home, and in accordance with the food preferences of the family.

(3) Vigorous and continuous research to add to our present knowledge of the nutritional needs of individuals, the nutritional status of groups in the population, the nutritive content of everyday foods, and the effects of various methods of processing, storing, and cooking on their nutritive value.

(4) More widespread education of doctors, dentists, social-service workers, teachers, and other professional workers in the newer knowledge of nutrition.

(5) The mobilization of every educational method to spread knowledge of nutrition among laymen by means of the schools, motion pictures, the radio, the public press, home and community demonstrations, and all other suitable means.

(6) Mobilization of all neighborhood, community, State, and national organizations and services that can contribute in any way to raising the nutritional level of the people. The State Nutrition Committee can perform an especially useful function in organizing this effort.

(7) Vigorous and continued attack on the fundamental problems of unemploy- ment, insecure employment, and rates of pay inadequate to maintain an American standard of living. It has been abundantly proved in many cases that undernourishment and ignorance are twins born of the same mother—poverty. Efforts to improve nutrition should be a powerful stimulus to greater effort to alleviate and eventually eliminate poverty.

(8) Full use of any practical devices, such as the so-called Stamp Plan, free school lunches, and low-cost milk distribution which will bring nourishing, adequate meals to those who could not otherwise afford them, and at the same time help to distribute food supplies at a fair return to the farmer.

(9) Efforts to improve food distribution, including processing, marketing, packaging, and labeling, to bring about greater real economies for the consumer.

These efforts would include vigorous prosecution of illegal practices.

(10) Encouragement in all practical ways of greater production by agriculture of the foods needed in more abundance, according to the newer knowledge of nutrition, in the average American diet. These foods include milk and milk products, eggs, vegetables, fruits, and, in the case of many families, lean meats.

(11) Equally, encouragement of more production for home use by rural people, especially those at low income levels. Large numbers of farm families can greatly improve their nutritional status by making more complete use of the resources on their own farms.

(12) The "enrichment" of certain staple food products, such as flour and bread, with nutritive elements that have been removed from them by modern milling and refining processes. Pending further developments in the milling of grains so as to retain their full, natural nutritive values, enrichment is an economical way to improve American diets almost universally, without interfering with deeply ingrained food habits.

**Basis for policy and action program**

V. These broad recommendations are made as the basis for a national nutrition policy and an action program that can reach down to every community, and if possible every individual in the land in the present emergency. But the conference also wishes to put on record its belief that such a policy and program have implications that go beyond the present emergency.

There seems no reason to doubt, on the basis of present evidence, that just as, by the use of modern medical science, we have conquered diseases that took an enormous toll of life in the past, so by the use of the modern knowledge of nutrition we can build a better and a stronger race, with greater average resistance to disease, greater average length of life, and greater average mental powers.

This can be done by the conquest of hunger—not only the obvious hunger man has always known, but the hidden hunger revealed by modern science.

**Cannot judge by external standards**

The United States is probably the best-fed Nation in the world today, but we cannot afford to judge ourselves by external standards. We should judge ourselves by the standard of our own potentialities—our resources in food, in technical developments, in scientific knowledge. By that standard, we fall far short of our goal.

No nation, certainly no great nation, has ever truly conquered hunger, the oldest enemy of man. Such an aim is not too high, such a goal is not too difficult, for the people of the United States. It is in line with our tradition of pioneering on new frontiers. It is a particularly fitting task for us in this day when democracy should point the way to a new and better civilization for oppressed peoples all over the earth. Selective Service suggests deferment of dentists to care for civilians

Defersment from military training of dentists and dental students to meet a serious and increasing need of the Nation’s civilian population for dental facilities was recommended recently by Brig. Gen. Lewis B. Hershey, deputy director of Selective Service, in a memorandum to all State directors.

The Army now has sufficient dental officers to meet current requirements, General Hershey said, but physical examination of Selective Service registrants and surveys by the OPM have revealed an overall and increasing shortage of dentists to serve the country as a whole. Dental defects, he pointed out, constitute the greatest physical cause for rejection of Selective Service registrants and OPM surveys show that during the last several years there has been an actual decrease in the number of dentists in the country.

**No group deferments**

Stressing that under the Selective Training and Service Act no group deferments can be made to meet such situations, but that each case must be considered individually, General Hershey urged that local boards keep these facts in mind in connection with the classification of each and every dentist or dental student.

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Navy opening 23 schools to train petty officers**

Secretary of the Navy Frank Knox announced May 28 that the Navy will complete in the immediate future opening 23 new schools for training enlisted men of the Regular Navy and the Naval Reserve for rating as petty officers, in cooperation with the vocational education program of the U. S. Office of Education.

The schools are located in Noroton, Conn.; Charleston, S. C.; Indianapolis, Ind.; Los Angeles; San Francisco; New York City; Boston, Mass; Chicago; Detroit; Toledo, Ohio; St. Louis, Mo.; and Bainbridge Island, Wash.

Ten basic subjects will be given in the courses. Secretary Knox pointed out that each of them will give the men enrolled excellent training for making a livelihood after leaving the naval service.
HOUSING . . .

1,600 family dwellings, 695 dormitory units for defense completed in week

Progress was reflected on every front of the defense housing program for the week ended May 24, according to C. F. Palmer, Coordinator.

More than 1,600 family dwelling units and 695 dormitory units for single men were reported completed. In all, 1,490 construction contracts were awarded for family dwelling units and 200 were awarded for dormitory units for single men. Also placed under construction contract were 74 family trailers of a group of allocations for 274 trailers.

California to report the largest number of completions was San Diego, Calif., where 695 dormitory units for single workers have been constructed by the Public Buildings Administration. Among other areas also reporting completions by the Public Buildings Administration were Chicopee, Mass., 161; San Angelo, Texas, 100; and Tucson, Ariz., 50; all for enlisted personnel.

Navy reports completions

The Navy reported completion of 150 homes for civilian workers at Newport News, Va. Other units completed by the Navy are: Corpus Christi, Tex., 100; Norfolk, Va., 142; and Orange, Tex., 100. Most of these units are for civilian workers.

Among completions reported by the United States Housing Authority are 393 family dwelling units and 200 were awarded for dormitory units for single men. Also placed under construction contract were 74 family trailers of a group of allocations for 274 trailers.

Philadelphia locality program, 5,500 units, is largest of all

With 4,000 dwelling units to be built in the Philadelphia locality as approved by President Roosevelt May 27, the total number for construction there with public funds becomes the largest for any one locality on the defense housing program —5,500. The announcement of approval carried the suggestion that private industry could supply 12,000 additional units needed for defense workers.

Defense Housing Coordinator Palmer, in his report on Philadelphia, announced that the need for housing resulted from the expansion of shipbuilding facilities to meet naval and merchant marine demands, along with an expansion in almost every other type of industrial activity incident to the furnishing of materials for the defense program.

Details of program

The recommended program for construction with public funds, including the number of units for each locality and the approximate monthly rentals to be asked, was as follows: Chester, Pa., 300, $20-$30; Delaware County, Pa., 500, $22.50-$32.50; South Philadelphia, 500, $11-$32.50; Northeast Philadelphia, 1,200, $22.50-$32.50; Northwest Philadelphia, 700, $22.50-$32.50; Bucks County, Pa., 300, $20-$30; Camden, N. J., 500, $22.50-$32.50.

Suggested for private construction were: Camden, 1,000, $30-$45; Chester, 1,000, $35-$45; Delaware County, 2,000, $35-$45; Philadelphia, 7,500, $35-$45; Bucks County, 500, $35-$45.

Assigned to Federal Works Agency

Construction of all units in Philadelphia to be built with public funds has been assigned to the Federal Works Agency.

In the detailed report on the Philadelphia locality, it was pointed out that according to statistics of the Pennsylvania Department of Labor the excess worker demand over the supply in Chester and Delaware County will amount to between 16,000 and 18,000, and in the Philadelphia locality will amount to 70,000 workers before the end of another year. These reports may be subject to some revision downward, but an acute labor shortage in the locality is definitely indicated.
President approves building of 9,893 defense homes in 32 localities

President Roosevelt May 27 approved construction with public funds of 9,893 dwelling units for the families of civilian industrial workers and the enlisted personnel of the Army and Navy in 32 localities of the United States, upon the recommendation of C. F. Palmer, Co-ordinator of Defense Housing.

In accordance with the provisions of the Lanham Act, which has provided $300,000,000 for defense housing needs, the President found that an acute shortage of housing exists in 28 localities, necessitating the expenditure of public funds for the construction of 9,701 units. Construction with funds provided under the $100,000,000 amendment to the Army and Navy Appropriation Act was approved for the remaining 192 units in 5 localities.

Under Lanham Act

Dwelling units herewith recommended under the Lanham Act are Anchorage, Alaska, 220; Benicia, Calif., 100; Fort Ord, Calif., 266; Taft, Calif., 75; Torrey Pines, Calif., 75; Bantam, Conn., 40; Panama City, Fla., 150; Valparaiso, Fla., 100; Albany, Ga., 100; Hinesville, Ga., 100; South Bend (including Mishawaka), Ind., 200; Fort Riley, Kans., 40; Kansas City, Kans.—Kansas City, Mo., 350; Lessville, La., 175; Bath, Maine, 200; Detroit, Mich., 1,000; Las Vegas, Nev., 125; Dover, N. J., 300; Dayton, Ohio, 500; Pendleton, Oreg., 85; Allentown-Bethlehem, Pa., 250; Philadelphia, Pa., 4,000; San Juan, Puerto Rico, 450; Spartanburg, S. C., 120; Mineral Wells, Tex., 100; Norfolk (including Portsmouth), Va., 300; Everett, Wash., 85; Great Bend, N. Y., 125.

Total now 97,153 units

The most recent allocation of funds brings the total number of dwelling units to be constructed by the Government under the coordinated defense housing program to 97,153. Of this number, approximately 65,000 are under construction contract and approximately 12,000 have been completed.

Mr. Palmer pointed out that it was impossible to establish the exact cost of the units for which the new allocations have been made, but that the average cost of each unit would have to come within the $3,900 limitation established by law. This does not include land and utilities. Based on previous contracts, he said, the total cost of the new program would probably run between $35,000,000 and $40,000,000.

Frank A. Vanderlip, Jr., named Regional Coordinator

The appointment of Frank A. Vanderlip, Jr., as a regional housing coordinator was announced May 30 by Coordinator Palmer.

Mr. Vanderlip’s territory will include the states of New York, New Jersey, Pennsylvania, Delaware, Maryland, the District of Columbia, Virginia Islands, Cuba, Puerto Rico, and the Canal Zone. B. Frank Bennet, who has been acting regional coordinator for Region II during the past 5 months, has been given special assignments in the Division of Defense Housing Coordination.

Mr. Vanderlip comes to the Division of Defense Housing Coordination from the Public Buildings Administration, where he has been on the staff of Commissioner Reynolds as a specialist in site selection and other housing matters. He is treasurer of the National Public Housing Conference.

In his new job, Mr. Vanderlip will formulate defense housing programs for his region and will be responsible to the Defense Housing Coordinator for the prevention of any let-down in the defense effort due to a shortage of adequate living accommodations for defense workers.

Truck loadings increased 38 percent over April 1940

The volume of revenue freight transported by motor truck during the month of April represented a new peak for the year and an increase of 38.3 percent over the volume carried in April 1940. Ralph Budd, Transportation Commissioner, announced. Reports on the volume of commercial truck transportation are obtained regularly from a representative number of important carriers by the American Trucking Associations. Comparable reports were received from 202 motor carriers in 42 States, covering the April movement. The reporting carriers transported an aggregate of 1,509,143 tons in April, as against 1,446,104 tons in March, and 1,111,604 tons in April 1940.

78 percent "general"

Slightly more than 78 percent of all the freight transported in the month was reported by carriers of general freight. The volume of this category increased 6.7 percent over March, and 41.6 percent over April of the previous year.

Transporters of petroleum products, accounting for almost 7 percent of the total tonnage reported, showed an increase of 4.9 percent in April, as compared with March, and an increase of 19.8 percent over April 1940.

Transport of autos declines

Movement of new automobiles and trucks, constituting almost 6 percent of the total tonnage, decreased 19 percent under March, but held 8.2 percent over April 1940. The decline under March was attributable, in part, to strikes in manufacturing plants.

Iron and steel

Haulers of iron and steel products reported about 4½ percent of the total tonnage. The volume of these commodities showed a decrease of 7.8 percent under March, but increased 25.5 percent over April of last year.

A little more than 4 percent of the total tonnage reported was of miscellaneous commodities, including tobacco, milk, textile products, building materials, coal, cement, and household goods. Tonnage in this class increased 18.4 percent over March and 37.1 percent over the volume hauled in April 1940.
AGRICULTURE...

Departure of the hired man and mule poses a problem in agricultural defense

Two of the farm's traditional characters—the hired man and the horse or mule—are giving agricultural officials a new defense problem by leaving the land at an accelerated rate.

The hired man, statistics furnished to the Office of Agricultural Defense Relations show, is being absorbed into non-agricultural occupations directly or indirectly affected by defense activities. Higher wages and shorter hours than on the farm account for the switch from agriculture to industry.

Horses and mules have been disappearing from American farms for the past 20 years. Farmers have been shifting from work animals to tractor power since shortly after the first World War. In 1940, there were only 14,937,000 horses and mules on farms in this country, compared with 25,742,000 head in 1920. In the 5 years from 1935 to 1940, the work animal population decreased by 1,746,000 head.

Tractor and plane use same metals

The loss of animal power has been considered a natural development in the mechanization of the farm but it has made the farmer and the consumer more dependent than ever on tractors and tractor-operated equipment. That's where the new problem lies.

The same strategic metals that go into a plane or a battleship are used to build a tractor or a combine. The farm machinery industry uses iron, steel, copper, chromium, nickel, tin, aluminum, lead, and zinc. In relation to our total production, only a very small amount of these metals goes into farm machinery. With the exception of iron and steel, less than 1 percent of our total production is normally used for tractors and farm implements. If that 1 percent were not available, however, the success of the recently launched food-for-defense program might be hampered, OADR officials believe.

Coincident with the difficulty of obtaining metals for tractors and farm machinery is the March of the hired man from the land to a factory job. Farmers in virtually every important agricultural area in the country report the loss of key hired men. These men are the tractor drivers and the more reliable and industrious farm workers upon whom the farm operators depend. Usually, they have enough mechanical knowledge to make the normal, routine repairs necessary to keep farm equipment operating.

Shortage of repairmen

If parts are available, the simpler farm machinery can, if necessary, be kept operating almost indefinitely by farmers and their hired hands, although in many cases it is more economical to replace obsolete machinery. On the other hand, a tractor is a precision-built machine, requiring special repair tools and clean handling. To keep a tractor in good condition, it must be taken to a shop where it can be completely overhauled. Transfer of mechanics from rural areas to industry is leaving a shortage of qualified repairmen which may lead to junking of equipment that might otherwise be repaired.

The shift from work animals to tractors has been accompanied by a shift to tractor-drawn implements for plowing, planting, cultivating, harvesting, and other operations. As a result, a large proportion of the farm equipment now available could not be used with horses or mules. In addition, the number of work animals could not be materially increased within even a 5-year period.

Problems in defense program

The Nation's increased dependence on mechanized farming and the removal of the hired man from farm to factory, at least for the duration of the defense effort, will be among the problems to be met in achieving the goals of the food-for-defense program.

Under this program, the Department of Agriculture is supporting prices at levels that will make it profitable to turn the large stocks of corn in the ever-normal granary into food for Great Britain by using it to produce more pork, eggs, poultry, and dairy products. By other measures, the production of canning tomatoes, dried beans, and some other vegetables is also being encouraged.

Townsend appointed OADR director

M. Clifford Townsend, special agricultural adviser to Sidney Hillman, Associate Director General of the Office of Production Management, has been appointed by Secretary of Agriculture Claude R. Wickard as director of the recently created Office of Agricultural Defense Relations.

Mr. Townsend succeeds J. B. Hutson, former deputy commissioner of the Agricultural Division of the National Defense Advisory Commission, who has been appointed president of the Commodity Credit Corporation.

The OADR was established by Secretary Wickard after President Roosevelt transferred the functions of the Agricultural Division of the NDAC to the Department of Agriculture.

Long identified with agriculture

Mr. Townsend, a former Governor of Indiana, has been identified with agriculture for the past 20 years. He operates a 360-acre corn and livestock farm in Grant County, Ind. He was one of the founders and the director of organization for the Indiana Farm Bureau, and was Commissioner of Agriculture for Indiana from 1933 to 1937.

As special adviser to Mr. Hillman on agricultural matters Mr. Townsend has been working closely with the Department of Agriculture on many problems which will come within the scope of the OADR.

Holds OPM posts

He is a member of the OPM Plant Site Committee representing rural and semi-rural communities, and is chief of the Group Resources Unit, which is organizing the industrial production facilities in agricultural and semi-industrial communities.

The Office of Agricultural Defense Relations will develop programs and policies to supply sufficient agricultural commodities to meet the needs of the United States and the democracies and to provide agriculture with sufficient labor, tools, and transportation to carry out its part of the defense effort. In administering its program, the OADR will utilize the trained personnel of the Department of Agriculture and will maintain close liaison with all defense agencies.
STATE AND LOCAL . . .

Oregon Governor outlines elements of program for civilian action

Six essential ways for civilians to do their part in this "twilight between war and peace" were outlined by Governor Charles A. Sprague, of Oregon, in a recent radio address, directed primarily to the people of the State. In his talk, the Governor announced plans for creation of a State defense council. This action brings the total number of such councils to 46, since North Dakota reported last week to the Division of State and Local Cooperation the formation of a State defense council.

A six-point program

After summarizing Oregon's activities for civil defense up to the present time, and predicting an expanded program for the future, Governor Sprague outlined his six points as follows:

1. Avoid hysteria. "More will be accomplished by orderly effort than by agitation and excitement."

2. Organize for protection against fire, disaster, or disorder.

3. Ascertain that industries and farms "maintain and increase production of essential materials needed for sustenance of our civilian population and our military establishment. Unless one is called into special service by the Government, or unless he has some special contribution to make, he should remain at his usual post, keeping up the social and industrial organization which is the base on which modern wars are fought."

4. Submerge class differences.

Financial support for Government

5. Give financial support to the Government in the form of taxes and purchases of bonds to provide the sinews of defense. Contribute to such causes as the Red Cross and the welfare work being planned by the United Service Organization.

6. Build up a "steady loyalty which will carry us through no matter what the strain or the trial."

Governor Sprague termed the present emergency "largely one of preparation and industrial effort." The first objectives of civil defense measures in Oregon, he said, have been proper police and fire protection.

The Governor characterized the State Police as the "first line of defense." He announced that a State Guard would be organized as soon as required, and pointed out that measures have already been taken in Oregon in regard to disaster relief, fire protection, highways, airport development, health, sanitation and nutrition as affected by the defense emergency.

Mississippi and Missouri

Transfer of 65,000 acres in the Holly Springs division of the De Soto National Forest, Miss., for location of Camp Shelby, cantonment and training area.

Use permit on 18,000 acres of land in the Gassonade division of the Mark Twain National Forest, Mo., for location of Camp Leonard Wood, cantonment and training area.

Transfer of 7,304 acres of the Pine Camp, N. Y., Soil Conservation project, to the War Department. Use not designated.

Transfer of 173.52 acres of the Farm Utilization project, located near Vicksburg, Miss., to the War Department for a rifle range.

Transfer of 1,000 acres in the Cookson Hills project, Okla., to the War Department. Use not designated.

Mississippi lands to be used

Use permit on 18,000 acres of land in the Kisatchie National Forest, Louisiana, for as an artillery range.

Transfer of 1,138,010 acres from the Department of Agriculture, the land-acquisition divisions of the Forest Service and the Soil Conservation Service have acquired, or are in the process of acquiring, an additional 1,138,010 acres for the War Department.
CIVILIAN DEFENSE

LaGuardia on tour to see Army officers, governors, mayors, organization heads

To determine at first hand the status of preparations for the protection of the civilians and of property, Mayor F. H. LaGuardia, director of the Office of Civilian Defense, this week begins a tour of Army Corps areas.

On Tuesday and Wednesday, June 3 and 4, Mayor LaGuardia will meet in Boston with Gov. Leverett Saltonstall of Massachusetts, Mayor Maurice J. Tobin, Maj. J. A. Woodruff, commander of the First Corps Area, and the mayors of the principal cities in Maine, New Hampshire, Vermont, Connecticut, Rhode Island, and Massachusetts.

Also participating in the meeting will be the State Defense Council and the local defense councils, as well as the service organizations, including the American Legion.

To visit Third Corps Area June 6

On June 6 Mayor LaGuardia will visit the Third Corps Area. He will meet in Baltimore with Gov. Herbert O'Conor, Maj. Gen. W. S. Gant, Mayor Howard W. Jackson of Baltimore, and mayors of the principal cities of Pennsylvania, Maryland, Virginia, and the District of Columbia. Participating in the meetings also will be representatives of the State defense councils, the local defense councils and the service organizations.

On June 7 Mayor LaGuardia will meet in Columbus, Ohio, with Gov. John W. Bricker, Mayor Floyd Green, Maj. Gen. C. A. Trott, commander of the Fifth Corps Area, and the mayors of the principal cities of Ohio, West Virginia, Indiana, and Kentucky.

Mayor LaGuardia plans to visit each of the nine Army Corps Areas, to meet with governors, mayors, and public officials in the respective areas, and the heads of public and private organizations who will be expected to participate in the civilian defense program.

Mayor LaGuardia said he has no purpose to impose any plan upon the authorities in the respective localities. He said, rather he is anxious to ascertain the state of preparedness in the several Army Corps Areas and to develop the closest possible cooperation between existing agencies and his new office.

Mayor LaGuardia spent 2 days during the past week in session with the Permanent Joint American-Canadian International Defense Commission, of which he is chairman. The Canadian members of the Commission arrived in Washington Wednesday morning and the sessions continued through Friday evening.

On Wednesday evening, Mayor LaGuardia addressed a mass meeting in Convention Hall in Philadelphia. Estimates place the attendance at 15,000. Mayor LaGuardia's address emphasized the necessity for preparations for defense of the Western Hemisphere and was an exposition of the policies of the totalitarian powers.

Rear Admiral Clark Woodward, USN, was named by the Navy Department as its representative on the Board of Civilian Defense, established under President Roosevelt's Executive order. Maj. Gen. Lorenzo D. Gasser previously had been named as the Army's representative.

Paul V. McNutt, Director of the Federal Security Agency, previously had been named to the board. Other agencies which will designate representatives shortly include the Department of Justice, the Council of State Governments, the American Municipal Association and the United States Conference of Mayors.

The members of the Volunteer Participation Committee authorized by the Executive order have not yet been named by President Roosevelt.

Organization of the Office of Civilian Defense is progressing under the direction of Mayor LaGuardia. Thousands of volunteers have communicated to the Mayor their willingness to serve in whatever capacity is most useful. Complete records of all such volunteers are being kept in the Office of Civilian Defense and their place in the ultimate organization will be established as soon as organization has been completed.

THREE NEW AIR SCHOOLS TO TRAIN 1,000

Facilities for training more than 1,000 flying cadets are to be provided at three new flying schools, sites for which have just been selected at Sumter, S. C.; Moultrie, Ga., and Lake Charles, La., the War Department announced May 28. All three are under the Air Corps 30,000-pilot training program.

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