6-23-1941

Defense Vol 2, No. 23

Kentucky Library Research Collections
Western Kentucky University, spcol@wku.edu

Follow this and additional works at: https://digitalcommons.wku.edu/defense

Part of the Diplomatic History Commons, Labor History Commons, Military History Commons, and the United States History Commons

Recommended Citation
https://digitalcommons.wku.edu/defense/2

This Newsletter is brought to you for free and open access by TopSCHOLAR®. It has been accepted for inclusion in Defense: Official Weekly Bulletin of the Office for Emergency Management by an authorized administrator of TopSCHOLAR®. For more information, please contact topscholar@wku.edu.
In this issue

Review of the week in defense ................................................. 2
President orders Army to take over airplane plant ....................... 3
MEDIATION BOARD
Recommendations issued in coal and logging cases ...................... 4
LABOR
Policy Committee condemns three strikes .................................... 7
PRODUCTION
Steps taken to increase steel output ......................................... 10
PRIORITIES
Defense given first call on borax and boric acid ....................... 11
PRICES AND CIVILIAN SUPPLIES
Counsel cites precedents for price regulation .......................... 13
PURCHASES
Three branches and new personnel added to division ................... 16
HOUSING
Bankers urged to take longer risks ......................................... 18
TRANSPORTATION
Record traffic may be on way again, says Budd .......................... 20
AGRICULTURE
U. S. can feed self and Britain too, Wickard asserts ..................... 21
STATE AND LOCAL COOPERATION
35 States provide financially for defense councils ....................... 22
CIVILIAN DEFENSE
All national groups welcomed as Americans—LaGuardia ............. 24
Labor disputes in defense industries brought President Roosevelt action last week as high union officials backed the National Defense Mediation Board and denounced West Coast labor leaders for their refusal to accept recommendations of the board.

Three strikes—loggers and mill workers in the Puget Sound area, machinists in San Francisco shipyards, and employees of the North American Aviation Co. at Inglewood, Calif.—drew a sharp resolution of censure from the OPM Labor Advisory Committee, composed of CIO and AFL representatives.

Murray takes a hand

Philip Murray, president of CIO, charged O. M. Orton, president of the International Woodworkers of America, with "most reprehensible lying defamation" after Orton had defied the Mediation Board in its plea to the Puget Sound strikers.

"A continuation of the strike, under existing circumstances," Murray said, "is no longer regarded as being directed against the employers but rather against the National Defense Mediation Board."

Borax priorities

Borax and boric acid—the latter known to the layman as eyewash—were put under full priority control because of a temporary shortage caused by a strike at the American Potash and Chemical Co. plant at Trona, Calif. The chemicals have wide military uses.

OPM Director William S. Knudsen, in a radio talk, said: "I am counting on the unlimited emergency to turn the lights on everywhere so that extra man-hours of machine operation can be gained."

OPM Associate Director Sidney Hillman said that the same time called upon labor and management for extra care to guard against accidents and "wise staggering of work shifts" to absorb idle labor and idle machines.

Nation looks to President

As the week ended the Nation looked to the President to invoke unlimited emergency powers to keep the wheels of defense production turning.

Meanwhile, the Office of Production Management took steps to forestall a predicted shortage of steel. It informed the Iron and Steel Industry Defense Committee that the government stood ready to consider a plan for enlarging the capacity of the steel industry by ten million tons. Gano Dunn, OPM consultant, had forecast a deficit of 1.4 million tons of steel in 1941 and 6.4 million tons in 1942. An expansion of capacity by ten million tons would cost a billion and a quarter, he estimated.

Steel allocated

The OPM also made its first allocation of defense orders for steel—499,430 tons—to expedite deliveries and moved to divert civilian sheet and strip metal production into plates for ships, railway cars, and other defense facilities.

As Secretary Ickes assumed the role of oil coordinator, Dr. Robert E. Wilson, OPM petroleum consultant, recommended 25 percent expansion in production of aviation gasoline to increase capacity to 80,000 barrels a day within 18 months.

Power shortage foreseen

The OPM in a formal statement said that "without civilian curtailment in important areas" there will not be sufficient electric power to produce required supplies of magnesium and aluminum for military aircraft.

Anticipating a saving of 1,000 tons of tin annually for defense needs, OPM Production Director John D. Biggers asked manufacturers of shaving, paint, and adhesive tubes to reduce their use of tin 70 percent by substituting alloys or tin coating.

The Office of Price Administration and Civilian Supply placed a ceiling on prices of a wide variety of scrap and secondary material containing nickel—a vital defense material—and announced factors to be considered in allocating iron and steel products to essential civilian industries.

President asks U. S. O. support

President Roosevelt issued an appeal to the Nation to back the United Service Organizations' campaign to raise $10,750,000 for operating 350 clubs where both service men and civilian defense workers can relax.

Mayor F. H. LaGuardia, ending the first lap of a tour of three Army Corps areas, declared that the "hyphenated American" is "out" and that the Office of Civilian Defense will welcome the cooperation of every national group as "Americans."

Defense Housing Coordinator C. F. Palmer said that more than 1,000 dwelling units and 390 trailers were opened to defense workers during the week ending May 31.

Plywood makers asked to reduce prices

Manufacturers of plywood have been requested to reduce prices from $30 to $28 per thousand square feet on one-quarter-inch plywall and to reduce all other plywood prices in the same proportion, in a telegram sent to them by Administrator Henderson.

The manufacturers were also requested on all future quotations on Government projects to allow the 5 percent jobber discount to the Government contractor as is customary on other lumber sales for Government work.

Mr. Henderson stated that "unless this is done immediately, it will be necessary to impose a ceiling price."

Action by OPACS was precipitated by a price increase of approximately 5 percent evidenced in bids received by the War Department on June 3 for 60,000 feet of three-quarter-inch exterior plywood for delivery in Milan, Tenn. Previously these companies had instituted an increase of 5 percent in September 1940, and one of 6 percent on January 1, 1941.
President orders Army to take over struck North American airplane plant

On June 9 President Roosevelt ordered the War Department to take possession of the North American Aviation plant, after all efforts to obtain resumption of work had failed. Text of the President's statement and the Executive order follow:

Statement by the President

Continuous production in the Los Angeles plant of North American Aviation, Inc., is essential to National Defense. It is engaged in the production of airplanes vital to our defense and much of the property in the plant is owned, directly or indirectly, by the United States. Production in this plant has ceased because of a labor dispute.

Conciliation was resorted to and efforts at conciliation failed. The dispute was then certified by the Secretary of Labor to the National Defense Mediation Board.

The course of mediation has now been interrupted in violation of an agreement entered into by the bargaining representatives of the workers to continue production during the course of the mediation. Full stoppage of production has resulted. This has created a situation seriously detrimental to the defense of the United States.

Because of this situation, as President and Commander in Chief of the armed forces of the United States, I have determined that this plant must be reopened at once. I have therefore directed that the Secretary of War shall immediately take charge of the plant and remain in charge and operate the plant until normal production shall be resumed.

Calls on workers to return

Our country is in danger and the men and women who are now making airplanes play an indispensable part in its defense. I call upon the workers to return to their jobs, with full confidence in the desire and ability of this Administration to protect their persons and their interests. I have an abiding confidence in the loyalty and patriotism of the American workers and I am sure that they will seize this opportunity to cooperate in the national interest. Their fundamental rights as free citizens will be protected by the Government and negotiations will be conducted through the process of collective bargaining to reach a settlement fair and reasonable to the workers and to the company. The company already has stated that any such settlement will be retroactive to May 1st.

The Army has been directed to afford protection to all workers entering or leaving the plant, and in their own homes.

Executive Order

WHEREAS on the twenty-seventh day of May 1941, a Presidential proclamation was issued, declaring an unlimited national emergency and calling upon all loyal citizens in production for defense to give precedence to the needs of the Nation to the end that a system of government which makes private enterprise possible may survive; and calling upon all our loyal workers as well as employers to merge their lesser differences in the larger effort to insure the survival of the only kind of government which recognizes the rights of labor or of capital, and calling upon all loyal citizens to place the Nation's needs first in mind and in action to the end that we may mobilize and have ready for instant defensive use, all of the physical powers, all of the moral strength, and all of the material resources of the Nation; and

“In violation of an agreement”

WHEREAS North American Aviation, Inc., at its Inglewood plant in the City of Los Angeles, State of California, has contracts with the United States for the manufacture of military aircraft and other material and articles vital to the defense of the United States; and the United States owns aircraft in the course of production, raw material, machinery, and other property situated in the said Company's plant, and

WHEREAS a controversy arose at said plant over terms and conditions of employment between the company and the workers which they have been unable to adjust by collective bargaining; and whereas the controversy was duly certified to the National Defense Mediation Board, established by the Executive Order of March 19, 1941; and whereas before the negotiations had been concluded before the said Board, and in violation of an agreement between the bargaining representatives of the company and the workers authorized to appear before the Board and conduct the negotiations, production at said plant of said aircraft and other articles and materials vital to the defense of the United States was interrupted by a strike which will continue, and

WHEREAS the objectives of said proclamation of May 27, 1941, are jeopardized and the ability of the United States to obtain aircraft essential to its armed forces and to the national defense is seriously impaired by said cessation of production, and

WHEREAS for the time being and under the circumstances hereinafter set forth it is essential in order that such operations be assured and safeguarded that the plant be operated by the United States;

Directs Secretary to act

NOW, THEREFORE, I, Franklin D. Roosevelt, pursuant to the powers vested in me by the Constitution and laws of the United States, as President of the United States of America and Commander in Chief of the Army and Navy of the United States, hereby authorize and direct that the Secretary of War immediately take possession of and operate the said plant of North American Aviation, Inc., through such person or persons as he may designate, to produce the aircraft and other articles and material called for by its contracts with the United States or otherwise, and to do all things necessary or incidental thereto. Such necessary or appropriate adjustments shall be made with respect to existing and future contracts and with respect to compensation to the company, as further orders hereafter issued by the Secretary of War shall provide. The Secretary of War shall employ or authorize the employment of such employees, including a competent civilian adviser on industrial relations, as are necessary to carry out the provisions of this order. And I hereby direct the Secretary of War to take such measures as may be necessary to protect workers returning to the plant.

Possession and operation hereunder shall be terminated by the President as soon as he determines that the plant will be privately operated in a manner consistent with the needs of the national defense.

Franklin D. Roosevelt.

Defense highways

President Roosevelt on June 2 asked Congress to appropriate $125,000,000 to build access roads and to strengthen bridges and widen highways in key defense areas.
MEDIATION BOARD...

North American hearings recessed; recommendations made in two cases

The National Defense Mediation Board last week (June 1-7) unanimously approved the actions of the panel in the Puget Sound area lumber case, and made public recommendations in the case of bituminous coal and Columbia Basin area loggers and sawmill operators. During the week it also obtained certification of three new cases, in one of which a strike was postponed at the request of the Board. Hearings in the North American aviation case were recessed after 3½ days to allow the union representatives to return to Inglewood, Calif., and persuade their members to call off a strike which had broken out in the meanwhile in violation of an agreement made before the Board.

To date the Board has received certification of 39 cases. In 33 of these cases, involving 633,483 workers, the men have either returned to work as a result of agreements, or postponed threatened strikes at the request of the Board. Of the remaining 6 cases, one was returned to the Secretary of Labor as outside the Board’s jurisdiction, men are returning to work in a second at the request of the Board, public recommendations have been made in a third, hearings have not opened in a fourth, and two are pending.

North American Aviation

Hearings opened on the North American Aviation case on June 2. Representatives of the United Automobile Workers of America, CIO, the union involved, had agreed to postpone a threatened strike pending the Board’s consideration of the case. After 3 days of hearings, and in violation of this agreement, a strike was called at 3 a.m. Thursday morning, June 5, by the president of the union’s local in Inglewood, Calif. At 6 a.m., company officials closed the plant and ordered employees not to return to work.

The union representatives present in Washington thereupon informed the Board that this strike had been called despite their urgent pleas to the contrary and asked that hearings be recessed to allow them an opportunity to return to California and persuade the men to go back to work. The Board acceded to this request.

Twin District Council

In accordance with a telegraphic request signed by C. A. Dykstra, chairman of the Board, and Philip Murray, as a member of the Congress of Industrial Organizations, O. M. Orton, president of the International Woodworkers of America, CIO, appeared at the Board’s office on Tuesday, June 3, to explain his failure to resubmit the Board’s recommendations in the Twin District Council case to 20,000 striking loggers and sawmill workers in the Puget Sound area. Present at this meeting were Mr. Dykstra, Mr. Murray, and John Brophy, CIO member of the panel which heard the case, and the IWA representatives present in Washington for the Columbia River Basin case, which was being heard by the Board. Acceptance of the Board’s recommendations of May 23 in the Twin District Council case was urged upon Mr. Orton.

The following day, Mr. Orton informed the Board that he would return to the State of Washington and report the substance of his conversations of the previous day during which certain points in the Board’s recommendations had been clarified. Shortly after leaving the Board’s office, Mr. Orton issued a statement denying the Mediation Board.

The next day, following an all-day session of the full Board, a statement was released unanimously approving the findings and recommendations of the panel which had heard the dispute. This statement pointed out that “the recommendations providing for higher wages and improved working conditions were made to bring about immediate resumption of production upon a fair and equitable basis pending a full investigation of the facts by an impartial commission. The emergency declared by the President demands that prompt action be taken. No injustice can result from anyone following the suggested procedure. It is expected that upon a proper understanding of the situation the workers will accept these impartial recommendations which involve substantial immediate benefits to them.”

Mr. Murray as President of the CIO also issued a statement in which he said, “I think it is the unanimous opinion of the panel, Mr. Wyzanski told the press, “that we have never dealt with a group representing either management or labor which has been more cooperative and acted more in the spirit of the President’s proclamation than the group we have before us now.”
Bituminous coal

On Thursday, June 5, the Board delivered to the United Mine Workers and the northern and southern operators its findings and recommendations in the bituminous coal dispute—a 26-page document on which the panel had been working day and night since May 24. The panel, composed of William H. Davis, Walter Teagle, and Clinton Golden, gave the parties until 6 p.m., Monday, June 9, to accept or reject these recommendations.

The principal points were as follows:

Elimination of the 40-cent differential in basic daily wage rates.—Only one-sixth of the existing differential in wages between the northerly and southerly portions of the Appalachian area was in dispute—that part affecting those workers around the coal mine who are paid on a daily, rather than a per-ton, basis. The men who actually mine coal and load it on cars in the mine are paid by the ton. The differential in that tonnage rate—which represents roughly 15 cents out of a total differential of 18 cents per ton in favor of the southern operators—is therefore left unchanged.

After careful examination of all the evidence placed at its disposal, the Board found that an addition of 3 to 3½ cents per ton in labor costs would not subject the southern operators to an unendurable competitive burden. It therefore recommended the elimination of the 40-cent differential in the wage of those miners paid by the day, thus bringing their basic daily wage rate up to $7 in the southerly as well as the northerly portion of the Appalachian field.

2. Elimination of the "reject clause."—Under this clause the miner is paid only for the clean coal which survives a cleaning and marketing plant, rather than for the amount which he digs or loads. The Board found that this had led to penalizing both miners and operators with the most efficient cleaning equipment and recommended that this "reject clause" be eliminated, subject to local agreement to avoid injustice being done to some operators with substantial investments in cleaning equipment.

3. Vacations with pay.—The Board recommended acceptance of the 10-day vacation already agreed upon by the northern operators and the union. The Board recommended, however, that there be no vacation this summer unless the industry makes up in the meantime the estimated 15,000,000 tons lost during the April stoppage.

4. Memorial days.—The Board recommended elimination of the clause allowing the United Mine Workers to stop production on memorial days to call public attention to the death of miners killed by mine accidents.

5. Seniority.—The Board recommended that miners displaced by technological improvements be given preferential rehiring status within the same residential area.

6. Script.—The Board recommended that the abuse of discounting script be eliminated.

The first of the three new cases certified last week was that of the Bethlehem Shipbuilding Corporation, San Francisco, where a strike of 5,000 members of the Bay Cities Metal Trades Council of the United Association of Die-Casting Workers, CIO. A strike, threatened for mid-April stoppage, was postponed at the close of the week, most of the men, in response to the Board's request, had returned to work.

The second new case was a dispute between the Aluminum Co. of America at Cleveland, Ohio, and Local 55 of the National Association of Die-Casting Workers, CIO. A strike, threatened for midnight June 4, which would have involved 4,500 workers, was postponed at the Board's request. Hearings were set for June 9.

The third new case was a strike since May 27 at the Plainville, Conn., plant of the Marlin Rockwell Corporation whose total production of ball bearings is being used for national defense. The Board wired the company and the United Automobile Workers, CIO, the union involved, to take "whatever steps are necessary to secure the immediate resumption of production" and promised an early hearing of the case.

On June 7, the Board wired both parties in the American Potash and Chemical Co. case requesting release of 40 tons of potassium chloride to a representative of the Navy Department on June 9, on the condition that the employees will load these materials without remuneration and that the company will donate any profits accruing to it under this transaction to local charity.
Board unanimously approves panel's stand in Puget Sound lumber strike

After an all-day meeting, the National Defense Mediation Board on June 6 made the following report to the public concerning the facts, issues, and actions of the Board in the case of the dispute between the Employers' Negotiating Committee of the Puget Sound area in the State of Washington and the International Woodworkers of America, CIO:

The National Defense Mediation Board today unanimously approved the findings and recommendations of the panel of the Board which heard the dispute between the Employers Negotiating Committee, representing 52 employers in the Puget Sound lumber industry, and the International Woodworkers of America, representing about 12,000 Puget Sound workers.

The recommendations are designed to do three things: First, to secure the immediate resumption of production upon settlement; second, to institute at once by an impartial commission whose report will furnish the basis for further negotiations and a permanent settlement; and third, to protect the interest of the employees during the period of this study by providing that any benefits granted in the permanent settlement shall be retroactive to the date work is resumed.

The wage question

As to wages, the union asked 71/2 cents an hour increase for every employee. The employers were willing to raise wages, but not to the extent that the union asked. The Board found that in October 1940, the employers had raised wages 4 percent in some classifications and 5 percent in others, and in December 1940 had further raised wages 2 1/2 cents per hour per man. The Board recommended that the wages should be again increased so that every class of workers should receive 12 1/2 cents an hour above the rate prevailing in September 1940. This brings the wages into line with those agreed upon in the Columbia River Basin case on June 5, 1941.

As to vacations, the union asked for a retroactive vacation with pay clause. The employers were reluctant to grant any vacation with pay in view of the wage increases. The Board recommended that provision should be made for vacations with pay to be effective in 1942 and to be included in the contract now to be negotiated.

Settlement was to be retroactive

The questions of piece-rate compensation presented complicated issues which cannot be briefly summarized and which could not be promptly solved by the Board. The Board, therefore, recommended that it should at once appoint a commission to study that problem together with the three other problems as to which temporary solutions had been recommended and also numerous related labor and industrial problems in the Douglas fir belt. The recommendations of the commission are to be the basis for a report to the Board and for collective bargaining between the parties. The final settlement is to be retroactive to the date work is resumed. When work is resumed the Board will direct the commission to report within 60 days.

Board approval is unanimous

The recommendations of the Board members who heard the case were submitted at the regular meeting of the Board and were unanimously approved. The recommendations providing for higher wages and improved working conditions were made to bring about immediate resumption of production upon a fair and equitable basis pending a full investigation of the facts by an impartial commission. The emergency declared by the President demands that prompt action be taken. No injustice can result to anyone from the suggested procedure. It is expected that upon a proper understanding of the situation the workers will accept those impartial recommendations which involve substantial immediate benefits to them.

The members of the Board who were present at the meetings June 6 included C. A. Dykstra, Board chairman; William H. Davis, vice chairman; Frank Graham, George W. Stocking, Charles E. Wyman, Jr., and Walter P. Stacey, representing the public; Philip Murray, Thomas Kennedy, Clinton Golden, George Meany, James Wilson, and Robert F. Watt, representing labor; Walter C. Teagle, Eugene Meyer, Roger D. Lapham, Cyrus Ching, Charles E. Adams, John Connelly, and Gerard Swope, representing employers.
**LABOR . . .**

**Policy Committee condemns three strikes and “union officials guilty of them”**

Sidney Hillman, Associate Director General, Office of Production Management, issued June 6 the text of a resolution adopted that day by the Labor Policy Advisory Committee, Labor Division, OPM. The text follows:

**Shipyard strike**

Whereas, Lodge #68 of the International Association of Machinists has called and continued a strike in the shipyards and ship repair shops in the San Francisco Bay area, together with the local union No. 1304 of the Steel Workers Organizing Committee in the same area, and

Whereas, this strike is in direct and flagrant violation of valid existing contracts entered into in accord with established collective bargaining procedure under which Lodge #68 has operated, and

Whereas, this strike seriously retards and menaces the construction of ships crucial to national defense, and

**Airplane strike**

Whereas, officers of local union #683 of the United Automobile Workers of America, during the progress of negotiations before the National Defense Mediation Board, and in complete and irresponsible disregard of proper trade-union practice, have instigated a strike in the North American Aviation Co. plant at Inglewood, Calif., and

Whereas, this strike does immediate and irreparable damage to the vital and important plane production program for national defense, and

**Lumbermen’s strike**

Whereas, officers of the International Woodworkers of America have unjustifiably continued a strike of lumbermen and loggers in the Puget Sound region, and

Whereas, these same officers have issued violently false and inflammatory attacks upon the National Government and its agencies, and

Whereas, this strike threatens to interfere dangerously with national defense, and

Whereas, these several actions reflect adversely upon the integrity and patriotism of the American labor movement, and are directly contrary to the best interests of American labor and this Nation, and in essence reject the appeal by the President of the United States that labor cooperate with agencies of the National Government for adjusting disputes in defense industries.

**Endorsement of President**

Now, therefore, be it resolved: That the Labor Policy Advisory Committee of the Labor Division, Office of Production Management, wholeheartedly endorses and supports the appeal by the President of the United States that Nation-wide machinery for conciliation and mediation be employed "to prevent interference with production of materials essential to our Nation's security," and

**Denouncement of "guilty" officials**

Be it further resolved that the Labor Policy Advisory Committee unqualifiedly condemns and denounces the foregoing strikes and the union officials guilty of them, and

Be it further resolved that we do here and now appeal to all legitimate union groups in the country to join with us in this condemnation and urge strongly upon public-spirited officers and members of the unions affected by these above-named strikes that they themselves take action to terminate these stoppages and return immediately to their jobs in these national defense industries.

**Hillman continues field trips**

In the third of the series of field trips to the Nation’s major industrial centers to quicken defense production, further the subcontracting program and speed up the work of supplying trained manpower to defense industries, Associate Director General Hillman held a number of conferences in Philadelphia June 5.

The meeting covered defense production in the eastern Pennsylvania and southern New Jersey areas and was attended by representatives of Federal and State labor-training and supply agencies, leading representatives of the important defense industries of the area, and leaders of organized labor, including both AFL and CIO.

**Key men in defense industries to be released from Army**

The War Department announced June 5 that a soldier who held a key position in the defense industry prior to his induction or enlistment and whose services are now required by his former employer by reason of the expansion of industrial activities or the shortage of skilled employees in his classification, may be released from military service to enable him to return to his civilian position.

Before a soldier will be released in pursuance of this policy, it must be established to the satisfaction of the War Department that he is in fact a key man specifically needed in the production of essential items or in the operation or maintenance of essential utilities or services and that there is a shortage of technicians in this category. The employer requesting a soldier’s release must agree to reemploy the soldier immediately upon his release from the military service.

The action taken by the War Department will depend upon the merits of each case and upon the needs of the military service. No blanket classifications or releases by groups are contemplated. The policy will be administered by the Under Secretary of War.

**Three classes of men affected**

Three classes of enlisted men are affected by the new policy. Enlisted men of the Regular Army and Trainees under the Selective Service Act, if released from active military service, will be transferred to the Enlisted Reserve as Occupational Specialists. Since no provision exists whereby National Guard enlisted men may be transferred to the Enlisted Reserve, they will be honorably discharged.

Men transferred to the Enlisted Reserve may be recalled to active military service in event they leave their key positions or otherwise become ineligible for retention of their classification as key employees.

**ARMY HORSE STREAMLINED**

The modern Army horse is being streamlined by breeding to keep pace with the mechanization of the military forces. A War Department report revealed June 8. In rough terrain, where mechanized units would be stalled, the horse cavalry and artillery combat units represent the most flexible, mobile battle fire power.
Delays in replacing tankers expected to force "moderate" cut in petroleum use

Pipe lines and ships projected to replace the carrying capacity of tankers transferred to Britain would take about a year to build, Dr. Robert E. Wilson, OPM petroleum consultant, said June 4. Speaking before the Society of Automotive Engineers at White Sulphur Springs, W. Va., he said that it appears "moderate" curtailment of east coast civilian petroleum consumption will be necessary this summer and fall and that studies are being made of how to accomplish this. Excerpts follow:

Both the Office of Production Management and the industry have been aware since last summer, long before diversion to British service was contemplated, that there was a tight situation in tankers, and by early last fall orders had been placed for 75 new tankers. However, because of the overloading of shipyards with Navy and other cargo business, it has been possible to schedule only 28 for completion during 1941, which was barely enough to meet the prospective growth in demand plus Navy needs. Several weeks ago the Maritime Commission authorized the building of new yards to be devoted solely to the building of tankers, and ordered construction of 72 new tankers in these yards. The first of these will be available about the first of next year.

Cole bill would speed pipe lines

The industry and the Office of Production Management also have been urging strongly ever since August 1940 that rights-of-way be granted for two large pipe-line projects into the Southeastern States which the industry was ready to build, but these were blocked by railroad opposition and the surprising refusal of the Georgia Legislature to enact the needed legislation in spite of urging by the President, the Secretaries of War, Navy, and Interior, and by the OPM. It is hoped that this situation will be cleared up very soon by the passage by Congress of the pending Cole bill, which will give Federal rights-of-way to interstate carriers certified by the President as being in the interests of national defense. This also will make possible the construction of at least two other major pipe-line projects which the industry is ready to build, bringing the total expenditure for new pipe-line projects to relieve the tanker situation, and to be financed by the industry, to well over $100,000,000. However, the delay already suffered is irreparable, and the larger of the projects now needed to cover the tanker shortage will require about 12 months to complete.

Industry willing to build ships

The industry also has indicated its willingness to proceed at once with a cooperative project to build 12 new shipways and construct about 50 large high-speed tankers, again at a cost of over $100,000,000. Again, however, nearly 12 months would be required before deliveries could begin, assuming reasonable priorities.

When the Maritime Commission requested the diversion of the first 25 tankers to British service, about a month ago, the OPM requested the American Petroleum Institute to form a representative fact-finding committee to study the supply situation in detail and survey all possible methods of offsetting the tanker diversion, as tankers now carry 95 percent of east coast supplies. This committee was formed, divided into subcommittees, and yesterday presented a full report to the OPM and then to Secretary Ickes.

Campaign pledged to save oil by increasing burner efficiency

The Oil Burner Institute, representing manufacturers of oil-burning equipment and their dealers, last week pledged to Petroleum Coordinator Ickes a campaign to save substantial amounts of heating oil in the national emergency by bringing about more efficient use of heating equipment in American homes, buildings, and factories.

By bringing up the efficiencies of existing oil-burner equipment to or above the commercial standard set by the Bureau of Standards, the Institute declared, a saving of 25 to 30 percent in heating oil could be effected in the Atlantic coast area. This would amount to some 14,000,000 to 17,000,000 barrels per season, it said.

Jobbers, distributors, and service agencies for oil-burning equipment will be asked by the Institute to pledge that they will attempt to get their customers to put their equipment in condition to operate at maximum efficiency. Coordinator Ickes told The Institute assured him that every effort will be made to have this work done at cost.

Petroleum coordinator extends reporting system

Extension of the monthly reporting system under the Connally Act to oil-producing areas not now included in the reporting practice in three important oil States was announced last week by Secretary of the Interior Harold L. Ickes, Petroleum Coordinator for National Defense.

The areas to be covered by the extension are the Gulf coast and Texas and certain parts of West Texas, all of Louisiana, and the substantial producing areas of New Mexico.

In these areas, monthly reports will be required from producers, transporters and storers, and refiners of petroleum.

Emergency items for production to be shipped by air

The War Department acted June 3 to speed national defense production for the Army by completing plans for air express shipment of emergency items to any point in the United States, and to Central and South American ports.

Campaign pledged to save oil by increasing burner efficiency

The Oil Burner Institute, representing manufacturers of oil-burning equipment and their dealers, last week pledged to Petroleum Coordinator Ickes a campaign to save substantial amounts of heating oil in the national emergency by bringing about more efficient use of heating equipment in American homes, buildings, and factories.

By bringing up the efficiencies of existing oil-burner equipment to or above the commercial standard set by the Bureau of Standards, the Institute declared, a saving of 25 to 30 percent in heating oil could be effected in the Atlantic coast area. This would amount to some 14,000,000 to 17,000,000 barrels per season, it said.

Jobbers, distributors, and service agencies for oil-burning equipment will be asked by the Institute to pledge that they will attempt to get their customers to put their equipment in condition to operate at maximum efficiency. Coordinator Ickes told The Institute assured him that every effort will be made to have this work done at cost.

Emergency items for production to be shipped by air

The War Department acted June 3 to speed national defense production for the Army by completing plans for air express shipment of emergency items to any point in the United States, and to Central and South American ports.
Ickes on oil

Excerpts from an official transcript of Petroleum Coordinator Ickes' press conference June 5:

Q. Sir, the other day the Oil Institute group recommended that if there are any restricted measures applied they should be applied to the entire United States, and possibly to the Western Hemisphere countries. How do you feel about that?
A. There is no use in saying to the people in Chicago, where there is plenty of oil and gas: “You may not burn oil in your furnaces this winter, except on a parity with people in Boston and New York.”

Q. What you are saying—does that restriction apply only to the East coast?
A. It isn’t indicated it will be necessary to have any restriction anywhere else.

Q. What does a gasolineless Sunday mean?
A. I suppose it’s just a phrase. It means a restriction in the use of gasoline due to the lack of supply. That phrase just came to my mind when I was asked the question at the last press conference, and I just went back by analogy to the situation during the last World War.

Restrictions may go beyond Sunday

Q. You mean, then, sir, people wouldn’t drive their cars for pleasure on Sunday?
A. It might mean more than that. It might mean the situation may become so serious that they can’t drive their cars for pleasure on any day. We may have to choose between that or the inability of people who use fuel oil to heat their homes next winter, or a considerable part of the winter at any rate. You can get one or the other but you can’t get both.

“Probably” within month

Q. Do you think we are actually going to have restrictions on civilian use or nonessential use of gasoline within the next month or so on the East coast?
A. It is not improbable.

Q. Do you want to make that “probably” then?
A. Well, all right; I am willing to please.

On “voluntary basis”

Q. How would you go about restricting or preventing pleasure car driving, or forbidding pleasure car driving?
A. I think the people would do it if they were asked to do it.

Q. You mean on a patriotic basis, without legislation?
A. I think so. I think they would rather do it on a cooperative, voluntary basis than on a compulsory basis.

Civilian use of power will have to be reduced in some areas if we are to meet imminent shortages for defense—OPM

The Office of Production Management on June 5, disclaiming any opinion that no shortage was to be expected in electric power, stated that a program was being developed to provide the additional power needed for defense industries, and that curtailment of civilian use would be necessary in certain areas if enough power is to be ready in time. The statement follows:

The press reported that C. W. Kellogg, an OPM consultant, in a speech at Buffalo on June 3, expressed the opinion that no shortage was to be expected in electric power.

OPM’s position

This view could only have been expressed by Mr. Kellogg in his individual capacity, as it does not represent the position of the OPM. The Office of Production Management is not in agreement with the views on this subject which the press has ascribed to Mr. Kellogg.

Developing a program

On the contrary, representatives of the OPM have been actively engaged with other agencies of the Government in developing a program to provide the additional power needed for the expanding defense requirements, particularly in the fields of aluminum and magnesium production. It is clearly evident that without civilian curtailment in important areas, sufficient power will not be available in time to produce the supplies of aluminum and magnesium demanded by the growing aircraft and lend-lease program. All possible efforts are being made to expedite completion of the necessary hydroelectric and steam projects to meet the shortages that are known to be imminent.

10,000,000 more kilowatts to be needed, FPC chief estimates

There has been a tendency to underestimate the requirements in the way of power for defense production, Chairman Leland Olds, of the Federal Power Commission, stated June 5, after a conference with utility executives and Government officials in New York. “It has been estimated,” his statement continued, “that the expanded defense program will put from 5,000,000 to 8,000,000 persons to work and consume about 2 kilowatts of power a worker. So for defense requirements we will require upward of 10,000,000 kilowatts of electric power; and I think there is sufficient justification for daylight saving.”

The New York conference was the second of six scheduled by Mr. Olds throughout the Nation to canvass the power situation and to discuss steps toward assuring an adequate supply of power for defense in the immediate future and over the next two or three years. The first meeting was held June 4, in Atlanta. Others were to be in Chicago, June 6; San Francisco, June 9; Portland, Ore., June 12; and Denver, June 13.

As a result of a similar conference held May 19 in the Commission’s offices, the FPC reported, a power shortage looming for essential defense industries in the Southeast has been partially met by the formation of a power pool among utilities in 17 States.

Ickes on power

Excerpts from Mr. Ickes’ June 5 press conference:

Mr. Ickes. I think there is sufficient justification for daylight saving. There are several arguments in favor of it, but just now sufficient justification is that we haven’t got as much power as we need.

Q. This would not be daylight saving time just for summer—it would be for the full year—would it not?
A. Well, that depends again on the prospect of adding to our power and resources. We won’t get our needs for power in two or three years.

Q. Where does OPM want these additional kilowatts?
A. Anywhere they can bring it in. You see, take aluminum for instance. New plants have to be built and they will locate themselves where power is available.

Q. Do they want you to bring in an additional million kilowatts on Federal electric projects?
A. That’s right.
PRODUCTION...

OPM allocates defense orders for first 469,420 tons of steel

The Office of Production Management announced June 7 the allocation of defense orders for 469,420 tons of steel among producing companies in such a way as to assure earliest possible deliveries.

Orders were allocated by the plates, sheets, strips, and tin plate section of the materials branch, Production Division, after consultation with representatives of the industry and interested Government departments and agencies. It was the first such OPM allocation of steel orders. Future defense orders for steel will also be allocated among the mills by OPM sections.

25 percent increase urged in aviation gasoline capacity

A 25-percent expansion of capacity for production of finished 100 octane aviation gasoline has been recommended by Dr. Robert E. Wilson, consultant, petroleum unit, OPM, and the Joint Aeronautical Board of the Army and Navy.

This recommendation which, if followed, would raise capacity for the production of military and naval aviation fuel to a total of about 50,000 barrels per day within the next 18 months, was made in view of the recent increase in prospective requirements of both the United States and British air forces.

To recommend amortization plan

These requirements are such that it was deemed necessary to request a 25-percent increase in addition to plans now built and building despite the fact that industry capacity is still substantially greater than present demands and entirely adequate for the next 12 months.

While the Army and Navy are not now in a position to place firm orders for the output of the expanded capacity, they have agreed to recommend that any new 100 octane plants, at least up to the total capacity specified, be given the benefit of accelerated amortization for tax purposes.

Dr. Wilson requested that the petroleum unit be advised promptly of any new plants to be installed in accordance with this request.

Collapsible tube makers asked to save 70 percent of tin

John D. Biggers, Director of Production, OPM, called upon manufacturers of collapsible tubes June 6 to effect a saving of approximately 70 percent of the tin now used in the manufacture of tubes for shaving preparations, paints, and adhesives.

Such a saving would amount to about 1,000 tons annually.

In letters to members of the industry Mr. Biggers asked that tin-coated tubes known to the trade as "10 percent tin-coated," or tin alloys in which the total over-all usage of tin would not exceed 15 percent, be substituted for 100 percent tin tubes now manufactured as containers for shaving preparations, paints, and adhesives. This substitution will apply as well to tubes for the same purpose formerly fabricated of aluminum.

The manufacturers were requested to continue the specified measures through the present emergency or until notified to the contrary by the OPM.

They were told that one-third of their production of collapsible tubes for shaving preparations, paints, and adhesives should comply with OPM's request by July 1, 1941, two-thirds by August 1, 1941, and all of it by September 1, 1941.

"As other conservation measures may be necessary," the letter said, "it is suggested that you give consideration to means of effecting other savings of tin in your industry."

OPM asks canvass of steel, iron industry to find way for quickest possible expansion

The Office of Production Management has informed the executive subcommittee of the Iron and Steel Industry Defense Committee that the Government desires to consider a plan to enlarge the annual capacity of the steel industry by approximately 10 million tons of ingots in the shortest possible time.

The subcommittee has been asked to canvass members of the iron and steel industry to determine which companies can enlarge their plants, and to report back to the OPM at the earliest convenient date.

Companies desiring to participate in the plan have been asked to submit information to the OPM giving the tonnage capacity they believe they can add to their present capacity; the geographical location of this capacity; its cost; the time required for such enlargement; the estimated amount of steel required for such enlargements; and the proposed methods of financing.

***

Steps taken to divert strip steel production to plates

The Office of Production Management is taking steps to curtail production of sheet and strip steel and to use the rolling mill capacity thus released to turn out plates for shipbuilding, railway car building and other urgent defense purposes.

Sheet and strip steel is used by the automobile, refrigerator, and other industries. Production for these industries will be continued to the extent that defense needs do not engage the available facilities.

W. A. Hauck, steel consultant of the OPM, last week visited sheet and strip mills of several steel companies to determine the appropriate measures to be taken. Some of the mills, which are already equipped to turn out plates as well as sheet and strip, will be able to begin plate production in the very near future.
PRIORITIES...

Defense given first call on borax and boric acid as 3-month strike cuts supply

Borax and boric acid are being put under full priority control in order to meet a temporary shortage in the supply of these materials which have wide uses in military and defense channels.

The order also provides that deliveries of borax or boric acid to be used in the manufacture of borosilicate glass are assigned a rating of A-9, except when deliveries would build an excess inventory.

The demand, therefore, are put ahead of other requirements for the materials.

3-month strike reduces supply

The present shortage results primarily from cessation of deliveries from the American Potash and Chemical Co., Trona, Calif., one of the country's two large producers of borax and boric acid, where a strike has been in effect for over 3 months.

A survey by the Bureau of Mines shows that the present stocks on hand in the plants of the other American producers are totally inadequate to meet the overall demand.

The supply that is available, however, is sufficient to meet nearly all defense demands. The present order, therefore, is designed as a temporary measure to regulate the supply that is available from the other producers, so that urgent defense demands can be satisfied.

Customer must send affidavit

The new order provides that any customer for borax or boric acid who is desirous of obtaining deliveries which have been assigned specific preference ratings shall, before such deliveries are made, submit an Affidavit of Necessity (form PD-31) to the Priorities Division and a copy to his supplier.

Borax is used by the Army and Navy for chemical purposes and for hospitals and laboratories. It is used for the manufacture of glassware for the Army Medical Corps. Borosilicate glass also has a large variety of other defense uses.

In the order it is explained that, because of the manufacturing processes involved, it is not practicable to separate the production of borosilicate glass for Army and Navy requirements from other requirements. Therefore, in order to ensure priority for defense needs, priority is given under the order to deliveries of all borax which enter into the production of such glass.

In the order it is provided that suppliers of borax or boric acid may fill non-defense orders, which do not have preference ratings, after they have satisfied all orders which do bear ratings.

OPACS policy on iron, steel allocation

Factors to be taken into consideration by the OPACS in formulating policies and programs for allocation of iron and steel products among competing civilian demands were announced June 6 in a "Civilian Allocation Program for Pig Iron, Ferro-Alloys, Steel Ingots and Castings, and All Carbon and Alloy Steel Products" issued by Leon Henderson, Administrator.

The program carries out action agreed upon by the Director of Priorities, OPM, and the Administrator, OPACS, as announced last week.

Current demand for such products under defense orders and for civilian purposes is greater than the ability of producers to deliver in the required amounts upon scheduled delivery dates, the program states.

The Administrator of OPACS will take the following factors into consideration:

(a) The need to provide adequately for civilian uses essential to the public welfare.

(b) The degree of hardship upon labor or business resulting from the failure to obtain deliveries when scheduled or from the rejection of orders.

(c) The past rates of consumption of the products by users thereof.

(d) The objective of achieving an equitable division of supplies of the products among all users.

(e) The availability of substitutes for the particular uses for which the products are sought.

(f) The policy of the administrator to refuse allocation to any person who, in the conduct of his business, discriminates against defense orders.

OPACS and Priorities act jointly in industry-wide cork control

Following telegraphic instructions May 27 to cork manufacturers, telling them to cut their processing operations in half, E. R. Stettinius, Jr., Director of Priorities, OPM, announced June 2, a new general preference order putting cork under industry-wide control.

The order provides that until June 12, the suppliers affected will continue to cut their processing operations in half. On June 12, however, and thereafter, each supplier is required to set aside his entire stock of cork in all forms, as a reserve out of which the Director of Priorities will make allocations to defense orders.

In allocating remaining cork among competing civilian needs, the Director will be guided by a civilian allocation program announced June 2 by the Office of Price Administration and Civilian Supply. The OPACS program is based on such factors as:

The need to provide for civilian uses essential to the public welfare; the degree of hardship on labor or business resulting from restricted supply; past requirements of consumers; the need for equitable distribution of supplies of cork among customers for cork; availability of substitutes; and the OPACS policy of refusing to allocate cork supplies to any person discriminating against defense orders.

Monthly instructions

The general preference order for cork states:

"Not later than June 12, for the month of June 1941, and, thereafter, for each subsequent calendar month, the Director of Priorities will issue to each supplier specific directions covering deliveries by such supplier of cork and products and materials of which cork is a component which may be made by such supplier to his customers during such month, and further directing the kinds and quantities of material which may be manufactured or processed by such supplier from stocks on hand. In directing such uses and deliveries for civilian purposes, the Director of Priorities will be guided by the civilian allocation program for cork issued simultaneously herewith by the Office of Price Administration and Civilian Supply."

Cork is defined in the order as "unmanufactured cork in all forms, including corkwood, bark, waste, shavings, and refuse."
Knudsen, Hillman call all Americans to make Nation’s potential strength real

Director General Knudsen and Associate Director General Hillman, OPM, joined June 3 in a broadcast appeal for all Americans to make the Nation’s potential strength a reality in the beginning battle of production. Their addresses follow, in part.

Mr. Knudsen

One week ago tonight the President declared an unlimited national emergency. This is an order for all of us to go still further in our effort to make America the arsenal of the world.

Due to the capacity of our industrial machine we have become the hope of the democracies of the world, both conquered and those still fighting—and it is the duty of all of us to see that our country is protected and that we give all the help necessary to the peoples who are depending on us.

In the year that has gone past we have laid a pretty fair foundation for the production program. Some 1,740 new plants and additions to plants costing nearly 3 billion dollars have been erected. We have placed over 15 billion dollars’ worth of contracts for munitions, planes, and ships. The program has had to be enlarged several times and will be enlarged still more.

Will to win is prime factor

Modern war is a battle of equipment that takes raw materials, power, transportation, manpower, and more than anything else, mechanical ingenuity. Therefore, we in America, are potentially better equipped than any other country in the world. The will of our production people to win this battle of equipment is the prime factor in the battle.

Not enough improvement

Some months ago I spoke of the weekly black-out in factories from Friday to Monday. Since then we have had a good improvement in this situation but not enough. I am counting on the unlimited emergency to turn the lights on everywhere so that the extra man-hours of machine operation can be gained. Man-hours—machine-hours—these are the factors in the battle; cooperation between management and labor to the fullest extent. That is what counts in the end and gets the munitions coming off the end of the line.

If defense of freedom and the democratic system of Government means sacrifice, then no sacrifice is too great. We must preserve our freedom and protect our country which under our system of government produced the highest standard of living of any place in the world. Our President has spoken, our people are willing to work as never before to bring our efforts to a successful conclusion. We often hear that the totalitarian people deride our efforts and say results cannot be obtained except through fear and conditions bordering on slavery. America will show them that work and thrift, love of freedom, and goodwill, will carry the flag further and produce better results in the end.

Battle of production just starting

No other nation in the world has the potential energies which are inherent in the American people. Manufacturer, engineer, superintendent, foreman, and workers—here form a team which can out-produce any other nation. You, our listeners, give us your support and cheer your men on. The battle of production is just starting—in a short time it will be in full swing and with the help and cooperation of the whole American people we will show the world we can build the arsenal of the world on the basis of good will and cooperation, and without fear that anything or anybody can stop us.

Mr. Hillman

President Roosevelt’s declaration of an unlimited national emergency is a call to action—swift, all-out action. This means many vital things to all Americans. It means that the gravity of the present crisis has shown the need for a new spirit of national unity. It means that we must all work harder and more that, to insure our own national security, we must end all hesitation and delay. It means that extra care must be taken to cut industrial accidents. It means everything we can do to insure the most abundant output of defense goods, and to use our idle labor and idle facilities to the full.

A long, hard road ahead

The first year of our defense program has just ended. Much has been done. Yet this marks only the beginning of a long, hard road of toil and sacrifice that we all must travel. To succeed in our effort, we will have to dispense, during the emergency, with many of the things that we normally enjoy. Only if we realize this, only if we all join together in our common cause of defeating Hitlerism, can we shorten the struggle and put a swift end to the dangers that now face all of us.

Magnitude of task set by foes

Our task is only begun. Its magnitude and speed are being set, not by ourselves, but by the foes of democracy. This is a war of equipment—of material power—of workshops. Today’s battles are decided in the factories. We must put modern weapons into the hands of democracy’s front line defenders—the Army, the Navy, the Air Force, and the people of Britain.

The workshops of our free democracy can, and must, and will, conquer the workshops of dictatorship!

ARMY GREATLY INCREASES HOSPITAL FACILITIES

The Army will have nine new general hospitals, bringing the total to 13, by the end of 1941, according to the War Department. In addition, there are 133 post hospitals. Of the general hospitals, 4 are established, 6 were recently completed, and 3 are under construction.
PRICES AND CIVILIAN SUPPLIES . . .

OPACS activities have legal precedent and Congress' acquiescence, says counsel

The price-regulating activities of the Office of Price Administration and Civilian Supply have legal precedent and have, in effect, been sanctioned by Congress, David Ginsburg, general counsel, OPACS, said June 6. Following are excerpts from his address before the "Conference on Public Law," sponsored by the University of Chicago Law School:

If this country is to be protected from the dangers of price spirals and inflation, action of this kind on an increasingly broad scale is a practical necessity.

Nevertheless, statements have recently been made in high places that the price schedules issued by OPACS are without lawful authority. These objections are raised at the threshold—to the issuance of ceiling price schedules—not to any action taken by way of enforcement. Obviously the authority behind enforcement, even in the extreme possibility of commandeering a plant, would depend upon the action taken and the circumstances, and cannot be discussed in toto.

Ample authority for price schedules

In our judgment there is ample authority to issue the price schedules. Precedents are always important to lawyers, and in considering the legality of what we are doing today, World War experience is important. For during 1917 and 1918, in the absence of specific statutory authorization, maximum prices were fixed just as they are being fixed today.

Then as now, the defense program began with a Council of National Defense and an Advisory Commission. At first the Council confined itself to prices to be paid by the Government for its own purchases. However, it quickly recognized that reasonable prices for both the public and the Government are an integral part of the Nation's efficiency at a time when it is fundamental to achieve complete coordination of resources.

Through the War Industries Board, and later through the Price Fixing Committee, the prices of basic commodities were fixed. The only statutory provisions relating to prices were those contained in the Food and Fuel Control Act of August 19, 1917. Regulations of basic commodities other than food and fuel was accomplished by executive action without specific authority.

Indirect controls in last war

The vast majority were eager to cooperate with the Government and to comply with those price regulations, recognizing the emergency which confronted the Nation. But in setting prices, and incidentally setting them below the market, the Government relied for ultimate sanction on indirect controls which it declared would be exerted to enforce the ceilings on prices. Chief among these was the power to commandeer conferred primarily by section 120 of the Army Appropriation Act of 1916. This policy was clearly stated in a resolution of the War Industries Board while steel prices were being considered. The minutes of the War Industries Board read as follows:

"Steel—Price fixing. Mr. Summers, Mr. Replogle, and Mr. Legge were invited into the meeting and informally presented their views as to the proper method the War Industries Board should follow in the fixing of the price of steel. The Board agreed that the proper method to pursue in fixing price for steel was to fix the price of ore, coal, coke, transportation, and pig iron separately, in this way building up a fair price for steel. It was likewise agreed that should the steel interests not be willing to give their full cooperation because of the price fixed, that the War Industries Board should take the necessary steps to take over the steel plants."

I might add that the steel industry did not violate the steel prices and the War Industries Board had no occasion to invoke this policy.

Price fixing precedents

The next question is whether these price fixing precedents of the last war can be relied upon in times such as these, in the absence of open belligerency. The answer, I believe, is in the affirmative; the so-called "war powers" of the Congress and the President are presently available. There are no "war powers" created by war; there are only powers to meet an emergency which arises in time of war. The view that Congress' war powers exist only in the event of "actual open hostility" has been judicially demonstrated as unsound.

A question remains whether, agreeing that the war powers are really also defense powers, the present circumstances are such that the defense powers may validly be exercised. In view of the common knowledge of world conditions, the answer is clear. To meet the growing threat to the national security, the President just one week ago proclaimed that "an unlimited national emergency confronts this country which requires the military, naval, air and civilian defenses to be put on the basis of readiness to repel any and all acts or threats of aggression directed toward any part of the Western Hemisphere."

At no time has Congress or any committee suggested that the price fixing during 1917 and 1918 by the President, and by the agencies designated by him, was in any way unlawful or a usurpation of authority. Indeed, the most trenchant criticism of the Government's efforts turned upon the objections that they had not set the maximum prices low enough.

This, in any sense, constitutes congressional approval of the Executive's exercise of authority. Certainly it indicates congressional acquiescence in the view that the Executive powers of the President, strengthened by such sanction as reposed in the requisitioning statute, constituted sufficient authority for the Government's price fixing program.

When, therefore, Congress enacted section 9 of the Draft Act, in language virtually identical with that of the World War commandeering statute, it was also reenacting a statute that had been used throughout the war to support price fixing orders. I see no reason to suppose that this time Congress intended to qualify its use.

New defense plant buys Bonneville power

A new iron and alloy unit producing for defense industries will be established in the Northwest, based on Federal Columbia River power, Secretary of the Interior Ickes announced May 31.

Contracts for the purchase of 13,000 kilowatts of Columbia River power have been signed by Bonneville Power Administrator Paul J. Raver and F. P. Gormley, vice president and general manager of the Electro-Metallurgical Co.
Some scrap and secondary aluminum are freed from price regulation

Further amendments to Price Schedule No. 2 designed to simplify administration of maximum prices for aluminum scrap and secondary aluminum ingot were issued June 3 by Leon Henderson, administrator, OPACS.

Principal changes, effective June 3, include:

(1) Special secondary aluminum alloys have been removed from that part of the schedule relating to secondary aluminum ingot. The types of aluminum alloy ingot remaining under the schedule include all silicon alloys, piston alloys, and No. 12 alloy. However, the usual differentials based upon market prices of the ingredients and the expenses of manufacturing are to be observed.

(2) Price regulation has also been removed from aluminum scrap of designated grades produced by the aircraft industry, segregated as to alloy, and returned to the supplier of the original material for reconversion into similar material in accordance with instructions of the Director of Priorities.

(3) Quantity differentials for aluminum scrap have been removed, but such differentials continue on secondary aluminum ingot sold in less than 30,000-pound lots.

(4) A special note has been added to appendix A removing from the schedule aluminum foil and light gauge sheet which does not exceed 0.006 of an inch in thickness.

To make differentials easier
Removal of special aluminum alloys from the schedule of maximum prices gives the trade wider discretion in establishing fair differentials for such ingots. However, producers and dealers are expected to keep prices of such products in line with the maximum prices established for the more standardized grades. It is expected that customary differentials will be maintained. If this is not done voluntarily such differentials will have to be established by regulation.

Cocoa Exchange doubles margin for outsiders

Representatives of the New York Cocoa Exchange informed OPACS officials at a conference June 4 that the Exchange Governors have adopted a resolution lifting margin requirements for individuals outside the trade to $800 per contract from the present figure of $300.

This action was in accordance with a request made by Dr. J. K. Galbraith, division administrator, June 3 by Leon Henderson, Administrator, followed a meeting with representative producers on June 2 at which no agreement was reached regarding a proper price level for these products.

Recent increases in prices for chip board to a level of $45 a ton, of single manila-lined board to $65 a ton, and of white patent coated newboard to $75 and $80 a ton are considered completely unjustified in the light of current raw material and labor costs.

Ceiling on paper board below current level considered

Imposition of a schedule of ceiling prices somewhat below current levels is being studied by OPACS for various grades of paper board.

This announcement by Leon Henderson, Administrator, followed a meeting with representative producers on June 2 at which no agreement was reached regarding a proper price level for these products.

Recent increases in prices for chip board to a level of $45 a ton, of single manila-lined board to $65 a ton, and of white patent coated newboard to $75 and $80 a ton are considered completely unjustified in the light of current raw material and labor costs.

Three appointed to Price Division

Three appointments to the staff of the Price Division, OPACS, were announced June 3 by Dr. J. K. Galbraith, division director.

Robert E. Sessions was appointed assistant director of the Price Division. Mr. Sessions is on leave from his former post as assistant to the general manager of the Tennessee Valley Authority. He joined the TVA in 1934 as a member of the legal division, later served as assistant to the chairman of the board, and for the past 15 months has been assistant to the general manager. Before going with the TVA, Mr. Sessions was in the legal department of the Agricultural Adjustment Administration. He is a graduate of Yale Law School, and formerly lived in Knoxville, Tenn.

Rent official named

Karl Borders, formerly executive assistant in the National Youth Administration, was named price executive for the rent section of the Price Division. He formerly was connected with the Research and Statistics Division of the Works Progress Administration.

Mr. Borders succeeds Joseph Tufts of Pittsburgh, who will continue on the staff of the Price Division as a consultant on rents.

Quinn Shaughnessy was appointed price executive for the fuel section of the Price Division. Mr. Shaughnessy is on leave of absence from the Securities and Exchange Commission, where he was assistant director of registration in charge of new financing.

Maritime Commission arranges acquisition of 28 ships

The Maritime Commission announced June 4 that its Division of Emergency Shipping had negotiated the acquisition of 28 merchant vessels, 21 of which are to be turned over to the Navy and 7 to the Army.

At the same time it was announced that the Division had arranged with the British Supply Council for North America for all British shipping services from Canada and the United States to Australia and New Zealand to be handled by United States flag vessels. This will release a dozen British vessels for Great Britain's own war effort.
Petroleum

Within the Atlantic Seaboard region, retailers of gasoline and oil and of oil-burning furnaces for homes, are concerned in the growing shortage arising out of diversion to Great Britain of a number of United States oil tankers which have been carrying oil to this region. Other parts of the United States probably will not be affected. While the precise amount of curtailment which will be necessary will not be accurately known for some time, background facts of the current situation are as follows:

The district involved includes the New England States, the eastern half of New York and Pennsylvania and the territory lying south and east of the Appalachian mountains, including Florida. This is the area which is normally served by oil tankers. Fifty tankers have been diverted to Great Britain. It is proposed by a committee of the American Petroleum Institute that demand be restricted by an equivalent carrying capacity which is put at the figure of 71,000,000 barrels. It is estimated that the most critical period will be during the coming fall and winter and that subsequently the building of new tankers and pipe lines to the Atlantic coast area will materially relieve the situation.

The exact steps to conserve oil supplies in the East during the critical period will be worked out by Secretary Iokes, Petroleum Coordinator for National Defense, the Office of Production Management, and the Office of Price Administration and Civilian Supply. It is emphasized that there is no shortage in the production of petroleum but that the difficulties which are foreseen grow entirely out of distribution problems.

A reduction of nondiesel consumption of oil seems to be the only immediate solution to the shortage since construction of new tankers and pipe lines requires a good deal of time. As far as existing installations of oil burners are concerned, every effort will be made to see that householders get supplies of fuel. It has been suggested by the American Petroleum Institute, however, that the heat be lowered by five degrees. No recommendation has as yet been made with reference to possible restrictions on new installations of oil burners.

The Institute also recommended conservation of motor fuel through some device such as "gasolineless" Sundays. Here again precise figures have not been arrived at by government agencies. Every effort will be made, however, to make the curtailment as small as possible so that dealers shall not suffer unnecessarily.

Most of the oil companies have agreed to cooperate in the present emergency and will not raise prices in the face of the shortage.

Aluminum scrap collection

Test campaigns in two communities to collect scrap aluminum as contained in utensils and other household equipment have brought forth sizable quantities of metal. Preliminary reports indicate whether this collection will spur increased buying of substitute articles is not yet clear, although it appears that for the most part the equipment collected was in the form of discarded utensils and household equipment.

The material collected included not only aluminum utensils of various kinds but other articles containing a greater or less amount of aluminum such as washing machines, vacuum cleaners, radios. These preliminary campaigns are not only a test of the amount of aluminum which may be salvaged from householders but as to the best methods of collection.

One of the two test districts selected was Dane County, Wis., in which is located the city of Madison. Here the campaign was under the general direction of an American Legion officer. He had the cooperation of Boy Scouts and trucks were supplied by a CCC camp. The collectors followed the routes of the postmen so that a thorough coverage of the city and rural areas was obtained.

In the second district, Henrico County, Va., in which is located the State capital, Richmond, the collection work was under the supervision of the Women's Volunteer Service. This organization took over the job of surveying the community with the assistance of both the Boy Scouts and the Girl Scouts. Telephones were also widely used to see that every household was reached.

It has previously been suggested in retail circles that, should a Nation-wide campaign be decided upon, the delivery trucks of stores could be efficiently used in making collections of scrap aluminum. Each time a package was delivered the driver of the truck would ask concerning aluminum pots and pans or other articles containing aluminum which might be taken back to the community scrap pile.

The final decision to push ahead with the collection campaign will wait upon an analysis of the facts in the two test districts.

Substitutes

The suggestion was recently made by an official of the Division of Priorities, OPM, that retailers should feature and encourage the sale of goods made from raw materials which are not needed primarily for defense industries. The following illustrations show more specifically how this can be done:

Silverware for table use, flatware, is normally made on a base which is steel alloyed with from 15 to 18 percent nickel. Since nickel can no longer be obtained for this use, consumers would naturally turn to stainless steel. Stainless steel ordinarily includes both nickel and chromium. Here again defense needs enter and demand that nickel be eliminated. That the chromium stainless steel is satisfactory is indicated by the fact that both the Army and the Navy have considered this material and are expected to use it on a wide scale in the future. The most important difference is that chromium stainless steel may require slightly more polishing than steel in which nickel is included. For general uses it is just as satisfactory.

Another illustration concerns wire fencing. Farmers have been accustomed to using wire fencing covered or galvanized with zinc. Here again is a metal which must be reserved for defense purposes. It is suggested that farmers should be encouraged to buy the ungalvanized fence which can be preserved in a satisfactory manner by painting. This is the practice now being followed by the Army. Where steel fence posts and wire are both used, these are painted instead of being galvanized.

The third illustration has to do with aluminum. Here, as has been explained, several satisfactory substitutes are available.
PURCHASES . . .
Three branches, new personnel added to Purchases Division

Extension of the organization of the Division of Purchases, OPM, and appointment of new personnel in executive and advisory capacities was announced June 7 by Donald M. Nelson, Director of Purchases.

Three new branches are set up within the division. They are:
- Government Conservation Branch.
- Motor Transport Branch.
- Merchandise Statistics Branch.
- New section in Contract Clearance Branch.

Other appointments to the Division of Purchases include:
- George A. Renard, executive secretary of the National Association of Purchasing Agents, has been named liaison officer between the Division of Purchases and the OPACS.
- Professors S. F. Teie and Austin Crimshaw, of the Harvard School of Business Administration, have been appointed consultants to the Director of Purchases.

Medical Supplies appointments
- John G. Bell, executive vice president of Peoples Drug Stores, has been put in charge of the medical supplies section of the Industrial and Strategic Materials Branch.
- P. J. Stock, of the Walgreen Drug Co., Chicago, has been named special adviser on the purchase of medical and surgical supplies.
- J. A. Rice, sales manager for A. J. Juilliard & Co., New York, has been appointed to the Clothing and Equipage branch.
- Porter Savage, purchasing agent and assistant controller of the Consolidated Edison Co., New York, has been appointed to the Industrial and Strategic Materials Branch to handle problems arising in connection with coal supplies.
- M. Rea Paul, director of technical paint service at Research Laboratories of the National Lead Co., New York, has been named consultant in the protective coatings section of the Equipment and Supplies Branch.

Ferry Command will fly planes across continent

The Army Air Corps is in the process of organizing a Ferry Command which will fly airplanes, manufactured in the United States for the British government, from American aircraft plants to points of departure on the Atlantic coast for overseas destinations, the War Department has announced.

Week's defense contracts

Defense contracts totaling $487,387,636 were awarded by the War Department and cleared by the Division of Purchases, OPM, May 29 through June 4.

Defense contracts totaling $30,049,921 were awarded by the Navy Department and cleared through OPM from May 29 through June 2. This brings the reported total for the week to $517,437,557.

The Navy discontinued the release of information regarding contracts to individual contractors on June 3.

EQUIPMENT AND SUPPLIES

WAR DEPARTMENT

Bendix Aviation Corporation, Bendix Products Division, South Bend, Ind.; carburetor assemblies; $1,344,655.

The Hell Co., Milwaukee, Wis.; oil servicing trucks, semitank trucks, and converter trailer dollies; $5,363,499.

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; starter, switch, and solenoid assemblies; $1,181,700.

Phillips Petroleum, Bartlesville, Okla.; engine fuel; $1,540,000.

Magnolia Petroleum Co., New York, N. Y.; engine fuel; $2,290,000.

Humble Oil & Refining Co., Houston, Tex.; engine fuel; $1,291,850.

Shell Oil Co., Inc., New York, N. Y.; engine fuel; $720,000.

Standard Oil Co. of Calif., San Francisco, Calif.; engine fuel; $1,557,673.


American Bantam Car Co., Butler, Pa.; 1/4-ton trucks; $864,141.


Diamond T., Chicago, Ill.; 4-ton cargo trucks and wreckers; $3,717,936.

Standard Oil Co. of Calif.; engine fuel; $3,472,672.

Standard Oil Co. of New Jersey, New York, N. Y.; engine fuel; $3,093,672.

Standard Oil Co. (Incorporated in Kentucky), Louisville, Ky.; engine fuel; $2,185,125.

Phillips Petroleum, Bartlesville, Okla.; engine fuel; $2,582,869.

Humble Oil & Refining Co., Houston, Tex.; engine fuel; $1,555,400.

Tide Water Assoc. Oil Co., San Francisco, Calif.; engine fuel; $1,621,743.

Cheney Bros., Manchester, Conn.; silk; $73,750.

Wright Aeronautical Corporation, Paterson, N. J.; maintenance parts for engines; $514,755.

Week's defense contracts

Defense contracts totaling $487,387,636 were awarded by the War Department and cleared by the Division of Purchases, OPM, May 29 through June 4.

Defense contracts totaling $30,049,921 were awarded by the Navy Department and cleared through OPM from May 29 through June 2. This brings the reported total for the week to $517,437,557.

The Navy discontinued the release of information regarding contracts to individual contractors on June 3.
Training not enough, says Taft, urging use of social workers with "gumption"

Calling "political sense, general competence, and faith in one's fellow men" prime essentials for administering the social aspects of the defense program, Charles P. Taft, Assistant Coordinator of Health, Welfare, and Related Defense Activities, on June 4 discussed these sectors of national defense before the National Conference of Social Work in Atlantic City. He said, in part:

"The most interesting element in this whole program and the most important, too, in its success is the selection and training of personnel, not only the personnel on our own staff, but the personnel the States and localities take on. That is what I really want to talk to you about.

Three basic elements

In business as well as in social work there is no more difficult problem. It seems to me that in this field of human welfare there are three basic elements that are generally overlooked, or at least not always recognized in exactly the terms I shall use to describe them. The first is a religious dynamic; the second is general competence; and the third is political sense.

By political sense I do not mean playing politics. Playing politics to all of us means something petty which loses sight of long-time goals in some immediate and personal advantage. Political sense to me is that understanding of human nature which shows you how to act and what to say in order to persuade individuals or groups to do and believe in the objectives for which you are fighting.

The greatest politicians are idealists as well as realists. They really believe that democratic government can work. They can take a licking and come back for more. They have a sense of humor and see their own lives in proportion. They have to deal with people and persuade them. They can't sit back and feel hurt or angry because people don't appreciate what they're doing. They have to see to it that people do understand their objectives, and want them, too. They have to be patient and work for the long pull.

Specialized degree not enough

I plead for general competence. I am in favor of thorough educational processes, but I remind you that those who have tried to build a science comparable to a science of mathematics or physics have not yet succeeded and have often produced pretty sad results.

I remind you, too, that the civil service of England is built, not upon this cubby-hole process of ours in the United States, but upon general education and in-service training. The American Nation of a hundred years ago was wrong when it thought that every citizen was competent to hold every public office in rotation, but we are equally wrong when we think a specialized degree is the answer to a personnel officer's prayer. It isn't. Let's have more people who can do things they weren't trained for, who have gumption and resource and a broad way of looking at things.

By religious dynamic I do not mean a formal acceptance of a creed, although even that ought not to be held against an applicant. Neither do I mean something sanctimonious or sentimental. I mean two things. The first is that conviction about a moral purpose in the universe, that keeps one driving toward perfection without haste and without rest. The second is that feeling for people which grows out of belief in the dignity of human personality.

Karl Marx didn't think much of people

A belief in people and affection for them in all their funny and tragic aspects, that is equally a key to real social reform. It is significant that Karl Marx didn't think much of people. I have known of welfare operations in which those in charge could, without a quiver, contemplate hundreds of men and women in need waiting in line to be interviewed all day and all of two or three days, and then shutting back and forth with similar waits elsewhere and never a simple answer to a simple question.

The public welfare caseworker and many another social worker has God's power of life and death over his cases. Without humbling yourself in seeking a goal far bigger than yourself, and without deep feeling for humankind, you can't draw that line between cruelty and sentimentality.

★
HOUSING . . .
Bankers urged to expand activities and take larger risks for defense

Banking institutions must play a greater and more forward-looking part in financing of defense housing and in the entire defense effort, said C. P. Palmer, Defense Housing Coordinator, in a speech, June 6. He spoke before the convention of the District of Columbia Bankers Association in Hot Springs, Va.

Excerpts from his remarks follow:

It is gratifying to tell you what many of you already know from your own observation, that private industry is doing a good job of housing construction this year, especially in defense areas.

In the country as a whole, figures indicate that home building operations are up 25 percent above last year. In the defense areas where housing is of the most urgent importance, the figures are up as much as 200 percent in some cases and even more at a few points. Private construction and private finance have not failed us in the Nation's time of need, thanks largely to the crutches of FHA, HLBB, and others fashioned by Uncle Sam to help old man capital move.

Can't rest on any laurels

But defense can never be satisfied. No matter how well we begin, before we have caught up to our first set of defense plans we have to double everything. Neither the Government nor private business can stop to rest on any laurels. Moreover, there is no use in worrying now about how much profit there will be in defense work . . .

Bankers, like other people, are up against the fact that these times call for bold and courageous action. You would gain nothing by hanging on to a comfortable, conservative position which, admittedly, you don't have anyway, if as a result you should find yourselves trying to do business in a Nazi world order. You know as well as I do that the people who tell us we may as well get used to the Nazis and do business with them are plumb ignorant of what Hitler's clutches.

Leased in past for quick turn-over

In the past, as you know, bankers and their clients in the real-estate business have had the habit of demanding a quick turn-over. In other words, you were not afraid to lend money for real-

estate developments, provided most of it could be quickly drawn out again by selling the property to home owners or private investors. Long-term investment in real estate had a bad name, largely because of the unhappy experiences of the years after 1928. For a while it seemed as if American bankers had entirely given up their old job of staking private enterprise, pooling their risks of business development, and generally lubricating the wheels of progress. They were more inclined to look to the securities markets for investments that could be liquidated at an hour's notice.

"Timid attitude of safety first"

The chief trouble with this timid attitude of safety first was the same in business that it has been in the efforts of the democracies to meet the Nazi aggression. So long as everyone tried to keep out of danger separately, everyone drifted into danger together. When the bankers refused to lend money for business ventures, then business failed to recover, and even the most salable securities lost a good part of their market value. But when the bankers began to crawl out of their dugouts and venture their money again, all their investments began to gain in soundness and value.

Take larger risks

Now you have the same thing to meet in connection with defense. By taking larger risks you can improve our chances of an early and satisfactory peace. And the sooner we get a successful ending to this war, the greater will be the safety of all our investments. You can easily get legislation that will widen your power to invest in housing and other defense work, if you will show your desire for it. The real estate men are ahead of you in demanding more freedom for financial operations on defense construction.

The FHA and the HLBB as well as the FDIC have been established, not to take away the banker's job, but to reduce the risks by pooling and by insurance methods generally. The object of Government financial insurance is twofold: First, of course, is the desire to bring out more capital for new enterprise. Second and equally important, is to make it feasible and sound to operate at a lower interest rate, in view of the reduction in risk. By using a lower interest rate in housing construction, we can afford to reduce rentals and sales prices, and in that way we can open up a whole new level of the market.

Wide market in lower price housing

This great market for new houses is along the lower borders of the price scale, also in the level of 25 to 28 dollars a month shelter rent for a 4-room house. Six percent short term money will give you so many houses, 5 percent will give thousands more, 2 percent and 40 years will give the building business a prosperity that will spread far and wide through other lines of business . . .

Contrary to some people's opinion, the attitude of the Government is not at all that it wants to compete with private business. The Government wants defense housing wherever it is needed, and regardless of whether it is a good business proposition or not. But the Government wants private business to do all the work that it can handle without serious danger of loss.

Sell what the people will buy

One way or another, defense housing is going to be built and it is being built with the least possible delay. If private enterprise can build it, we shall all be glad of that, but wherever private enterprise cannot build or cannot get going in a hurry, public enterprise is going in and do the job. This defense situation merely serves to illustrate the well-known principle that if you want to stay in business, you have to have something to sell that people will buy. If the bankers don't have anything to sell except the use of burglar-proof vaults to hide money in, they will find themselves classed with the warehouse business. Running a warehouse is an honorable service, but will it pay for marble columns and a location in the financial district?

No! Banking must expand its activities

Sometime this year we hope to be able to sail down the final needs of defense housing; namely, the shelter for all workers who have been obliged to move in order to take defense jobs and cannot find decent housing where they now have to live. We are already using $563,000,000. It may be the present program will have to be doubled.

Much of this new housing can be used by former slum dwellers when the defense
workers no longer need it. Even those who still live in ratty tumbledown shacks have a better moral, as they hear the snorting of the steam shovels and the rumbling of the trucks, and see the march of progress coming in their direction.

We say we are working to defend democracy and to defend our opportunity to build a better world. What will the people who have to bear the brunt of labor and danger think of this battle for democracy? They will believe what they see. When they see tens of thousands of new houses, when they see the public health program saving lives on a vast scale, when they see the new jobs and the new vigor and activity of business, they will feel the democracy that we talk about.

They are not fooled by words. They judge by things that happen. Everyone knows that morale, in the last analysis, is going to decide the world war, and that, after the war, morale is going to decide whether we collapse or go forward to a new prosperity.

390 trailers for civilian defense workers, 1,013 dwelling units completed in week

For the week ending May 31, Coordinator Palmer reported completion of 1,013 dwelling units under the coordinated defense housing program. Also, 390 trailers to house families of civilian industrial workers were provided.

Contracts for 1,504 dwelling units were awarded during the week and allocations for a total of 9,493 units were made.

The United States Housing Authority reports, among other completions, 100 units for families of enlisted personnel at Pensacola, Fla., and 70 for enlisted civilian personnel at Bremerton, Wash. Among completions reported by Public Buildings Administration are 100 units for families of enlisted men at Port Dix and 120 units for families of enlisted men at El Paso, Tex. In Corpus Christi, Tex., the Navy reported completion of 325 at Wilmington, N. C., and 65 at Erie, Pa.

United States Housing Authority has awarded contracts during the week for the following: 200 units for civilian workers in Government industry at Alexandria, Va.; and for civilian workers in private industry, 188 at Bethlehem, Pa.; 200, Clifton, N. J.; 206, Buffalo, N. Y.; and 200, Lackawanna, N. Y. The Navy awarded contracts for 530 units in several localities.

Included in the 9,493 allocations for the week were 4,000 units for Philadelphia, the largest group. 1,000 units were allocated for the Detroit area, and 500 for Dayton, Ohio.

Status of program as of May 31

The status of the defense housing program as of May 31 showed 96,753 units allocated in 161 localities, 49 States and Territories.

Construction contracts have been awarded for 64,474 units in 132 localities, 46 States and Territories. Completion of 13,274 units in 52 localities of 25 States and Territories has been accomplished.

President appeals to Nation to support USO fund drive

President Roosevelt issued June 3 an appeal to the Nation to support the United Service Organizations' 30-day campaign to raise $10,765,000 to defray operating costs of the 350 service clubs for members of the armed forces and workers in defense industry.

In a letter to Paul V. McNutt, Federal Security Administrator and Coordinator of Health, Welfare and Related Defense Activities, the President stated that "every man and woman in America wants to have a share in defending the Nation. Contributing to the USO is one way—one important way—in which all can serve."

Mr. McNutt read the letter from Los Angeles during a Nation-wide broadcast over the three major radio networks.

Full text of the President's letter to Mr. McNutt follows:

My dear Governor:

Will you convey to the leaders of the United Service Organizations and to their workers in Los Angeles and throughout the country my hearty good wishes for the success of their campaign?

I have followed with great interest the steps taken to make this joint effort really Nation-wide. As I said in my letter to you on the occasion of the preliminary USO Conference in April, recreation and leisure-time activities for our armed forces and defense workers are both a national and local responsibility. More recent developments make united national action doubly urgent on all fronts.

The six national voluntary welfare organizations which incorporated the USO are to be commended for their effective efforts to integrate their work with existing programs, both national and local. On the national level, the USO is, I understand, operating within the framework for coordinated health, welfare, and recreational activities, which you and Mr. Taft have set up. I am glad to learn from you and from others that it is working locally on a basis of genuine community cooperation. Its local committees are, I am sure, the very foundation stones of its success.

Because recreation is part of our total defense program, it is the concern of every citizen. This applies also to the money needed to run USO service clubs for men in uniform and for defense workers.

Their campaign goal of $10,765,000 will provide necessary services in hundreds of towns and for many thousands of young men and women. For all of us who possibly can, contributing to this fund and for this purpose, is not only an obligation but also an opportunity.

Even those who do not live in defense communities, who never see a soldier or sailor or defense worker in their home town streets, have sons and friends and neighbors on the front lines of American defense. That is their personal stake in the recreation sector of our national defense program. Every man and woman in America wants to have a share in defending the Nation. Contributing to the USO is one way—one important way—in which all can serve.

Very sincerely yours,

FRANKLIN D. ROOSEVELT
TRANSPORTATION . . .

Record traffic of '26, '29 may be on way again, Budd tells rail superintendents

Speaking before the annual convention of the American Association of Railroad Superintendents, June 3 in Chicago, Transportation Commissioner Ralph Budd praised the manner in which the railroad managements have handled the demands of the defense program, and said that traffic comparable to the record volume of 1926 and 1929 may be on the way. Excerpts follow:

Six years ago I had the privilege of addressing you and my talk then dealt with the importance of not overlooking efficiency of operation, especially in freight service. The volume of traffic was at a low level and efforts were being made to stimulate business by innovations in the way of streamlining trains and faster schedules, both for freight and passengers. It seemed appropriate at that time to call attention to the fact that the old fundamental of sound railroading continued as ever to be the economical movement of freight. Today, I want to reiterate and emphasize that point. We face very different conditions from those we faced in 1935. Now there is more traffic and it is rising in volume. Since the outbreak of the war in Europe about 2 years ago traffic of all kinds has increased. In consequence, 1939 railroad carloadings were 11.3 percent above those of 1938; in 1940 they were 72 percent above 1939. The volume for 1941 is uncertain, but for the first 5 months it is about 16 percent ahead of 1940. Various methods have been tried for measuring at a reliable figure for the year, but with such a rapidly moving scene the basic data are changing, and even more difficult is the translation of these into carloadings. For what these estimates are worth, they range from 40 million to 45 million carloads in 1941, compared with 36,345,900 in 1940, and nearly 53 million in 1929.

Iron ore handling

Consider for a moment the handling of iron ore from the Minnesota ranges this season to date, and the present rate of movement. Up to June 1 the railroads had brought to Two Harbors, Duluth, and Superior 13,523,246 tons. The highest previous record to June 1 was in 1937 when 10,948,682 tons were brought down.

The present weekly rate is upward of 2,000,000 tons compared with 1,634,145, which was the best weekly rate in 1929, the year of largest total ore movement. Then the same railroads had 22,564 ore cars, compared with 21,739 at present. The present cars are larger and quicker dumping; they are hauled by larger and faster locomotives. Nearly all of the facilities are better than they ever were before, as are the methods of operation. It is still early in the season, but so far as events are within the control of railroading officials there is no reason why the present rate of ore movement should not continue.

Record traffic may be on the way

We have often looked with longing at the record traffic of 1926 and 1929 and wondered if it ever would come again. Well, it may be on the way. Were it not for the fact that it is due to war, what a happy prospect that would be! But the job is vastly more important than it could be under other circumstances, and calls for the very best efforts of every officer and employee. Of course, the railway menagements have handled the said traffic.
AGRICULTURE . . .
U. S. can feed self and Britain without meatless, milkless days, Wickard believes

Secretary of Agriculture Wickard this week assured the Nation that American farmers can produce enough food to give the United States an adequate diet and still have enough left over to meet Great Britain’s needs.

“If we have just ordinary growing weather,” Secretary Wickard said, “I think we can avoid the meatless and milkless days of the First World War. There may be times when we may wish we had more of certain foods. It is conceivable, of course, that we might even have to cut down on consumption of one or two commodities for brief periods. But, generally speaking, unless we have a drought of some unforeseen emergency, we’ll have enough for ourselves and Britain too.

Ever-normal granary helps

“One reason we will be able to produce enough is that we have the ever-normal granary—with an abundant supply of feed grains—sufficient to meet almost any situation that may arise. Another reason is that, under the national farm programs, the American farmers have conserved and protected our soil resources, and this soil fertility can now be used for added protection.

“Of course, where export markets have been lost, we need to cut down on production. Wheat is an example. We have more wheat than we are likely to need for ourselves or anyone else. So the sensible thing to do is to grow less wheat. On May 31 wheat growers voted 4 to 1 in favor of marketing quotas for wheat. Similar quotas already are in effect on two other principal export crops, cotton and tobacco.

Food crops being increased

“Simultaneously with the reduction of crops for which we have lost our export markets, we are increasing the production of needed food crops. We are expanding the production of foodstuffs such as tomatoes, dried beans, eggs, poultry, pork, and dairy products. We need these farm products in greater abundance—for better nutrition in the United States—and for our friends abroad.

“The thing I would like to emphasize is this: American agriculture can make the adjustments that are necessary to meet changing conditions. This is something that we could not do in the period of the First World War. Then we had a brief spree of seeming prosperity and after that a long hangover of farm depression.

Adjusting production upward

“Today, farmers have had 8 years’ experience in working together to achieve production adjustment on a national scale. The same machinery that has been used in the past to adjust production downward can be used just as effectively in adjusting production upward, according to need. This is true of acreage adjustments and storage.

“As I have said, we are using this flexible agricultural plant right now to increase production of some products, in line with our policy to furnish food for Great Britain and to safeguard our own domestic needs.

“Egg production is to be increased sufficiently to supply British needs, and in addition to furnish the United States with as many eggs as we ever used in the year of greatest egg consumption in the past. We hope to increase milk production enough to supply Britain’s needs for milk products, and, in addition, maintain our own average consumption at the level of the last 4 years. The production of canned tomatoes is to be increased substantially over that of last year, and the production of all types of dried beans by 35 percent. Pork production is to be as high as possible; the spring farrowings this year are smaller than last, but the hogs are being marketed at weights above the average, and the total supply should be larger than the average of recent years.

Working together

“If our farmers were not organized in voluntary, coordinated, national farm programs, we would be absolutely in the dark as to how much we could produce. But, with national farm programs an actual fact, farmers are in a position to work together and produce what is needed.”

Total milk production up but more is needed in evaporating and cheese regions

The Department of Agriculture has appealed to its field workers to exert every effort to encourage dairymen to increase the production of milk in areas equipped to make cheese and evaporated milk so there will be sufficient quantities of these products for Great Britain as well as domestic consumption.

Secretary Wickard made the appeal in similar letters to the Extension Service, the Agricultural Adjustment Administration, and other Department bureaus having field staffs.

The Secretary’s letter, modified slightly for the different bureaus, follows in part:

A few weeks ago I announced the need for an increase in total milk production by 6 to 8 percent to meet our domestic requirements for dairy products and to furnish the cheese and evaporated milk required by Great Britain and her Allies. At that time I indicated that most of the increase in milk production should be in those areas where there are facilities for making cheese and evaporated milk.

Recent information indicates that, while there appears to have been a satisfactory increase in total milk production, the current rate of producing milk for cheese and for evaporated milk is considerably below that necessary to furnish sufficient quantities of these two products for lend-lease purchases and for our own people as well.

Our ability to supply these quantities will depend a good deal upon increasing the supply of milk in those areas surrounding cheese and evaporated-milk plants.

The total production of American cheddar cheese in the last 12 months was about 605 million pounds and the total production of evaporated milk was 58 million cases. On the basis of anticipated requirements, cheese production should be increased by about one-third and evaporated-milk production by about one-fourth. It now appears that there will be an outlet at favorable prices for all the cheese and evaporated milk that can be produced during the next 12 months.”
STATE AND LOCAL COOPERATION . . .

35 States provide financially for defense councils, 19 by direct appropriation

Financial provision for the operation of State defense councils has been made in 35 States up to May 26, according to reports received by the Division of State and Local Cooperation. The legislatures of 19 States have thus far appropriated funds directly for the use of the councils while in 16 others the councils receive financial assistance through executive action. Appropriation bills are now pending in several States.

Seven of the States which have made special appropriations are concentrated in the northeastern part of the country. They are: Connecticut, Rhode Island, Massachusetts, New Hampshire, New Jersey, New York, and Pennsylvania. Two southern coastal States, Florida and South Carolina, also have made appropriations for their defense councils.

Other provisions for aid

In a number of States the administrative expenses of the council are paid from the contingent or emergency funds of the Governor. In others, personnel from the regular governmental agencies is designated to assist in the defense activities.

Following are the States which had made direct appropriations, and the amounts available for the councils of defense, according to reports received to May 26: Arkansas, $13,200 for the biennium ending June 30, 1943; Connecticut, $35,000 for each of the next 2 years; Florida, $50,000 for the year beginning July 1, 1941; Illinois, $15,000 appropriated to date, further appropriations pending; Indiana, $200,000 for a State Defense Fund; Iowa, $10,000 to June 30, 1941; $40,000 for biennium ending June 30, 1941; Massachusetts, $17,500 appropriated to date, further appropriation pending; Michigan, $10,000 until June 30, 1941; $45,000 per annum for biennium; Montana, $2,500 made immediately available; Nebraska, $7,500 for biennium ending June 30, 1943; New Hampshire, $1,500 to June 30, 1941, $10,000 for biennium ending June 30, 1943; New Jersey, $11,200 for year beginning July 1, 1941, previous appropriations of $3,750; New Mexico, $3,187 allocated to council for first 6 months of 1941; New York, $25,000 each for fiscal years ending June 30, 1941, and June 30, 1942; $250,000 made available by certificate of intent; Pennsylvania, $25,000 immediately available; Rhode Island, $5,000 for fiscal year beginning July 1, 1941; South Carolina, $75,000 until June 30, 1942; Tennessee, $4,200 for fiscal year ending June 30, 1941, $8,400 for following biennium; Washington, $49,000 for fiscal period commencing March 21, 1941.

Pittsburgh defense council organizes

The 200 civic, industrial, military, educational, and labor leaders appointed by Mayor Cornelius Skully to the Pittsburgh Defense Council held their organization meeting May 29. At the invitation of Mayor Skully, Daniel W. Hoan, Associate Director of the Division of State and Local Cooperation and former mayor of Milwaukee, explained to the council the objectives of the Federal Government in matters of home defense.

Mayor Skully, in addressing the group, said: "We must be ready for anything. * * * Our slogan is not business as usual. It is production as never before." The mayor suggested a number of problems for the council to work on immediately, such as the housing shortage and low nutrition standards.

New Jersey council issues consumer news

National and local price trends are brought to the attention of New Jersey citizens through the "Consumer News Letter," issued twice a month by the Consumer Interests Committee of the New Jersey State Defense Council. Purposes of the publication are to inform the consumer as to unjustified price rises and other forms of profiteering, to aid in protection of the consumer in his role of producer, and to help raise substandard living conditions.

A recent issue of the News Letter characterized the recognition given the consumer by the defense program as "new as television and nylon stockings," but as "necessary as guns, ammunition, and airplanes."

Indiana provides for local defense directors and councils

Plans to bring defense activities close to the individual citizen have been launched by the Indiana State Council of Defense, of which Clarence A. Jackson is civilian defense director. Under the plan, defense councils and town, city, and county civilian defense directors are now being chosen.

Local activities are to be coordinated through a defense council for each of the 92 counties. Councils are also to be set up in principal cities and towns.

Each county defense council is to consist of: (1) A county civilian defense director appointed by the State director with approval of the State advisory and administrative defense councils for these two councils, see Durrans, May 6, 1941; (2) certain county officials and others; and (3) representatives of municipalities.

Those who are to represent a county are: The sheriff, a commissioner selected by the board of county commissioners, the health officer, a representative from the county federation of women's clubs selected by that organization, the superintendent of schools, the agricultural agent, the welfare director, and a representative from the county medical society.

Each city or town civilian defense director is to serve as a member of the county defense council. A city of over 50,000 in population is entitled to an additional representative on the county defense body for each additional 50,000 people or fraction thereof. The municipal civilian defense directors are to be chosen at meetings called by the mayor or president of the town board of trustees and attended by the following persons: Fire chief, police chief, park superintendent, city school superintendent, secretary of the board of health, commanders of the American Legion and Veterans of Foreign Wars, a representative from the Chamber of Commerce or similar business organization, and a representative from each of the labor, civic, social, and fraternal groups of the community.

NORTH DAKOTA ORGANIZES

Organization of the North Dakota State Council of Defense got under way on May 28 when Gov. John Moses announced appointment of seven members and a temporary secretary to the council.
Women's Defense School among varied activities of Massachusetts council

A Women's Civilian Defense School is now in operation in Massachusetts according to information received by the Division of State and Local Cooperation. This is but one of many defense activities in which the State is engaged. The work of the Massachusetts Committee on Public Safety, which is the State Defense Council, is divided into five major fields: Protection, Health and Social Service, Services and Supplies, Planning, and Public Information.

The Women's Civilian Defense School is said to be the first of its kind in this country. The school, with an attendance of about 300, aims to train women in defense work with the idea that, in turn, will conduct other schools.

Plans to protect public treasures

The State council has also initiated plans for the removal and protection of valuable collections of the Boston Museum of Fine Arts, the Boston Public Library, and the Massachusetts Archives.

A summary of the work of the council’s five major divisions follows.

The Protection Division has published an “Air Raid Wardens’ Manual,” designed to aid local committees in establishing and training the Air Raid Warning Service. The Women’s Civilian Defense School and an Air Raid Protection School for men are sponsored by this Division. Numerous charts, bulletins, and letters have been sent to local chairmen and committees with suggestions and plans for the organization, recruiting, and training of personnel. The Health and Social Services Division has published a model plan for immediate medical aid at the scene of a disaster and for prompt transportation to hospitals. Arrangements are being made so that each community may ultimately have a full complement of doctors, surgeons, X-ray operators, nurses, and women volunteers. Local committees are being developed in every town for control of contagious diseases, hygiene, sanitation, and nutrition.

The Services and Supplies Division is attempting “to insure adequate and continuous supplies for the civilian population, and to provide uninterrupted transportation facilities, communications, public utilities, and other essential services.”

Defense information to be collected

Twenty-three different undertakings, in seven general fields, are reported under way in the Planning Division. Projects for State-wide mapping and collection of information vital to defense have been started. An essential part of the work is compilation of technical information, surveys and statistical work, and the collection of publications on air-raid precautions, evacuation, and general civilian defense. This Division is responsible also for the removal and protection of art collections and historical documents.

The Public Information Division reports that editors throughout the State have given the “finest kind of cooperation” in handling civilian defense news releases. Radio programs are given twice a week. Over 500 men and women are being trained as speakers to fill engagements in all sections of the Commonwealth.

Soldiers visiting Washington to have recreational area

A recreational area with camp facilities for 1,000 men soon will be available for soldiers visiting Washington, the War Department has announced.

Brig. Gen. James A. Ulio, chief of the Morale Branch, who is supervising the Army’s recreational area program, said the camp will be built across the Potomac River from Washington and north of the western approach to the Arlington Memorial Bridge on a site formerly occupied by a Civilian Conservation Corps camp.

Good Neighbor medical grads to get U. S. internships

Special internships in university hospitals and clinics in the United States will be awarded to outstanding graduates of medical schools in the other American Republics for the coming academic year, according to an announcement by Nelson Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics.

The plan was conceived by a group of teachers in five leading United States medical schools and carried out through a cooperative arrangement between the Office of the Coordinator, the Pan American Sanitary Bureau, and the participating hospitals and clinics.

Commenting on the arrangement, Mr. Rockefeller said, “It has always been the conviction of those close to the problem of hemisphere solidarity that mutual professional interest is a sure ground for building friendship.”

To arrive in August

Winners of the awards will be welcomed in Washington in August by Dr. Hugh S. Cumming, director of the Pan American Sanitary Bureau. The interval between their arrival in the United States and the opening of the fall term, it is hoped, will serve as a period of orientation during which they will extend their knowledge of English medical terminology. Following this they will proceed to their assigned hospitals.

Among the university hospitals participating are: Peter Bent Brigham Hospital, Boston City Hospital, Harvard University, Boston, University of California at Los Angeles, University of Chicago; Presbyterian Hospital, New York University, Duke Hospital, Durham, N. C.; Johns Hopkins Hospital, Baltimore; Stanford University Hospital, San Francisco; Charity Hospital, Tulane University, New Orleans; Vanderbilt University Hospital, Nashville; University of Virginia Hospital, Charlottesville; Bellevue Hospital, New York University, and Bellevue Medical College, New York City; Albany Hospital, Union University, Albany, N. Y.; Frank Billings Medical Clinic, University of Chicago; Cincinnati General Hospital, University of Cincinnati; University Hospital, Iowa University, Iowa City; University Hospital, Syracuse University College of Medicine, Syracuse, N. Y.; Barnes Hospital, Washington University, St. Louis; State of Wisconsin General Hospital, University of Wisconsin, Madison.

Connecticut defense council set up under 1941 act

Fourteen members have recently been appointed to the Connecticut State Council of Defense which was established by law on April 25, 1941, and which succeeds the council appointed by the Governor in June 1940.

Officers of the council are Gov. Robert A. Hurley, chairman, and Col. Samuel H. Fisher, vice chairman and administrator. Of the other members, four are State officials and eight are citizens drawn from industrial, labor, agricultural, and other fields.
CIVILIAN DEFENSE

All national groups welcomed in civilian defense—but only as all-Americans

The hyphen is no longer acceptable in America, Mayor P. H. LaGuardia, director of the Office of Civilian Defense, declared June 8 at the conclusion of the first part of his tour of three Army Corps areas.

"It had to come sometime and it might as well be now," Mayor LaGuardia said. "In the national defense emergency, there is no such thing as a hyphenated American. From now on an Icelandic-American or Arabic-American or Armenian-American is 'out.'"

Mayor LaGuardia concluded a week of conference on matters affecting protection of civilians and of property with military, State, and municipal authorities in Columbus, Ohio (Fifth Army Corps Area), Baltimore (Third Army Corps Area), and Boston (First Army Corps Area).

Bricker heads Ohio set-up

Participating in the Columbus meeting were Maj. Gen. C. A. Trott, Commander of the Fifth Area, Gov. Herbert O'Conor, and Mayor Howard W. Jackson of Baltimore. Among those with whom he conferred also were the heads of the Baltimore Red Cross organization, and Mrs. John L. Whitehurst, president of the American Federation of Women's Clubs. He designated Governor O'Conor as Federal Director of Civilian Defense for Maryland and, because of the peculiar problems involved, named Mayor Jackson as Federal Director for the Baltimore area.

The mayor emphasized in a lengthy conference with mayors and other public officials from Maryland, Pennsylvania, Virginia, and the District of Columbia, the following basic problems involved in civilian defense: Organization of auxiliary fire-fighting units, sanitation and decontamination squads, and first-aid units.

Emphasis discipline

"Panic," the mayor told the conferees, "is the thing to be avoided under all circumstances. Up to now, the American people have not been disciplined. As the defense organizations take tangible form, the emphasis must be on discipline of every volunteer in every organization. Thereafter it will be necessary to educate the citizenship generally on the absolute necessity of obeying instructions to the letter. They will have to understand, for example, that their own home is a much safer place to be than in the street watching what goes on.

"The streets must be kept free for the rapid movement of fire and police and other apparatus in an emergency and for the removal of debris."

Mayor LaGuardia reiterated his previous declaration that no city in the United States at present can afford to buy the additional fire equipment necessary under the program. He pointed out further that even if the money were available, the equipment is not and that it would be a year at least before it could be made available.

Massachusetts leaders named

At the meeting in Boston earlier in the week, Mayor LaGuardia conferred with Gov. Leverett Saltonstall of Massachusetts, Maj. Gen. James A. Woodruff, commander of the First Corps area, Mayor Maurice Tobin of Boston, and Admiral William T. Tarrant, commander of the first naval district. The mayor named Governor Saltonstall director of Civilian Defense for the State, and Mayor Tobin Federal director for the metropolitan district of Boston.

Mayor LaGuardia contemplates visits shortly with State and local officials in each of the other six Army Corps areas.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, Liaison Officer

INFORMATION DIVISION: Robert W. Horton, Director.

NATIONAL DEFENSE MEDIATION BOARD: Clarence Dykstra, Chairman.

NATIONAL DEFENSE RESEARCH COMMITTEE: Dr. Vannevar Bush, Chairman.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, Chairman.

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY: Leon Henderson, Administrator.

CONSUMER DIVISION: Harriet Elliott, Assistant Administrator.

STATE AND LOCAL COOPERATION DIVISION: Frank Banks, Director.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, Commissioner.

OFFICE OF PRODUCTION MANAGEMENT:

COUNCIL

William S. Knudsen, Director General.
Sidney Hillman, Associate Director General.
Secretary of War Henry L. Stimson.

SECRETARY, Herbert Emmerich.

GENERAL COUNSEL, John Lord O'Brien.

PURCHASES DIVISION: Donald M. Nelson, Director.

PURCHASES DIVISION: Donald M. Nelson, Director.

PURCHASES DIVISION: E. R. Stettinius, Jr., Director.

LABOR DIVISION: Sidney Hillman, Director.

RESEARCH AND STATISTICS BUREAU: Dickey May, Chief.

E. C. GOVERNMENT PRINTING OFFICE: 1941