In this issue

Review of the week in defense .............................................. 2
Aluminum collection equal to 2,000 planes expected ................. 3

LABOR
New Supply Branch directs finding of workers ..................... 4

PRODUCTION
Substitutes could replace three-fourths of tin, scientists say .... 6

PRIORITIES
Super-priority plan applied to machine tools ....................... 8

MEDIATION BOARD
Issues settled in one strike, another postponed .................... 10

PRICES AND CIVILIAN SUPPLIES
Observe price schedule, textile sellers warned ...................... 12

PURCHASES
Army and Navy to need 10 million cases of canned vegetables .... 17

AGRICULTURE
Boards set up in every county to put defense first ............... 19

TRANSPORTATION
Committee to coordinate tank-car use ................................. 20

HOUSING
100,000 homes started under FHA since January 1 ................. 22

CIVILIAN DEFENSE
Officers of 47 more cities to learn bomb-fighting technique ...... 23
Review of the Week in Defense

Sidney Hillman, OPM Associate Director General, last week established a labor supply branch within the OPM Labor Division to assure a steady flow of skilled workmen into expanding defense industries.

Labor supply committees provided

The work of 12 governmental units dealing with defense labor was placed under direction of Civil Service Commissioner Arthur S. Fleming. A dozen regional labor supply committees will operate, Hillman said, to enlist the aid of labor and management groups in industrial areas.

"We are confident that we have here established a sound apparatus for meeting existing manpower requirements and anticipating them progressively as defense industry expands," Hillman said.

He explained that President Roosevelt on May 28 had asked the OPM Labor Division to "assume full responsibility" for providing defense industries with workmen.

Defense Labor Advisory Committees to correspond with the Defense Industry Advisory Committees set up June 24 also were established by OPM. Members will serve in an advisory role on labor aspects of defense production.

Aircraft production mounts

Evidence that defense production is mounting came meanwhile in the OPM announcement that 1,476 military aircraft were delivered in June as against 1,334 in May. This was the largest output to date by almost 100.

Director General William S. Knudsen meanwhile was making a Nation-wide tour to observe the growing aircraft plants.

Aluminum for trainer planes

As civilians organized for the aluminum scrap collection campaign, Mayor P. H. LaGuardia, Director of the Office of Civilian Defense, stated that proceeds from sale of donated pots and pans will go to purchase aluminum for Army and Navy trainer planes. Thus U. S. armed forces will gain doubly from the drive.

Out of the 15,600,000 pounds of usable aluminum scrap expected to be collected, Robert E. McConnell, chief of the OPM Conservation Unit, estimated that 2,000 fighters planes or 500 bombers can be built.

Mayor LaGuardia informed governors that convenient concentration points will be designated in each State for the accumulation of the aluminum before being sold to smelters.

With other conservation drives being organized, the OPM revealed a recommendation of the National Academy of Sciences that silver be substituted for tin in solder. This saving, plus the reduction in tin now being made by can manufacturers, would cut tin consumption 25 percent, the report said, and thus add to the U. S. reserve.

Chromium under priority control

The OPM Priorities Division placed chromium under full priority control, released a new plan for regulating distribution of machine tools, and amended the copper preference order to cover copper-baze alloys.

The chromium control will mean less of the bright metal for automobiles, more for high-speed cutting tools used in defense production. One aim of the machine-tool regulation is to insure deliveries to Great Britain and other parts of the British Empire. Amendment of the copper order will mean further reduction of civilian uses of brass and bronze.

Shipyards get preferences

Blanket preference ratings were given 20 shipyards to speed the output of merchant ships urgently needed for defense. On recommendation of the State Department, the Priorities Division gave U. S. orders for building a $45,000,000 steel mill in Brazil priority ratings high enough to secure prompt deliveries without hampering our own defense production.

OPACS announced an allocation program to assure supplies for repair and maintenance of autos, trucks, trailers, and household equipment.

Administrator Leon Henderson set up a Cotton Textile Advisory Panel to advise OPACS on price control and supplies in the cotton textile field.

Three-shift recreation urged

Round-the-clock recreation programs to parallel the 24-hour schedule of defense industry was urged at a week-end conference on recreation for defense workers called by Security Administrator Paul V. McNutt.

Forty-seven Atlantic seaboard cities prepared to send police and firemen to the civilian defense training school at Edgewood Arsenal, Md., as the first class of 50 completed a 2 weeks' course.

Processor must rate A-10 to buy aluminum scrap

Priorities Director Stettinius issued July 11 a letter to all aluminum foundries and melters and to all consumers of and dealers in aluminum scrap, calling their attention to the fact that aluminum scrap may not be sold to processors except when these processors have been granted preference ratings of A-10 by the Priorities Division.

The restrictions on the sale of aluminum scrap to processors are contained in Supplementary Order M-1-c issued on June 10, 1941.

Since the issuance of the M-1-c order, there have been a number of cases in which it was incorrectly assumed that the limitations imposed by the order applied only to deliveries for defense purposes, and that scrap could be sold to processors without an A-10 rating, if it were intended for nondefense purposes.

Truck production meetings

The Motor Truck Subcommittee of the Automotive Defense Industry Advisory Committee met with representatives of the OPM and other Government agencies July 12 to discuss motor truck production schedules for the year beginning August 1.

Another meeting of the subcommittee was arranged for July 15.
Preference given repair parts for private consumer goods

Moving to assure adequate supplies of repair and maintenance parts for such privately owned consumer goods as automobiles, trucks, trailers, and household equipment, the Civilian Supply Allocation Division of the OPACS promulgated July 12 an allocation program giving such materials and equipment a preference over other civilian needs.

The program, which is to be administered by the OPM, is expected to reduce to a minimum the inconvenience to the public caused by diversion of raw materials to defense needs with resultant curtailment of consumer durable goods production. By maintaining supplies of repair and maintenance parts such goods now in existence can be kept in operation.

The program points out that increasing requirements of the defense program will in the near future make it difficult to expand or even keep constant the supply of new consumer durable goods. Goods covered by the program include: Passenger automobiles, trucks and tractors, household refrigerators, stoves, ranges, and water heaters, sanitary plumbing fixtures, and furnaces, including oil burners and automatic stokers.

Nine appointed to Cork Industry Committee

Appointment of nine members of a Cork Defense Industry Advisory Committee was announced July 14 by the Bureau of Clearance of Defense Industry Advisory Committee, OPM.

Members of the committee, who represent the five principal groups in the cork industry—cork insulation, composition, crown liners, corkwood products and linoleum, are as follows:


Enough aluminum for 2,000 planes expected from housewives' donations

Housewives' donations of used aluminumware during the aluminum scrap collection campaign July 21-29 should permit construction of more than 2,000 additional fighting planes or 500 additional four-engine bombers, Robert E. McConnell, chief of the Conservation Unit, OPM, said on July 11.

Although only a part of the coffee pots and frying pans which housewives will give to the Government can be used directly in aircraft manufacture, virtually every pound collected will be used for essential defense needs, he said.

Donations release equal weight for planes

The donations of aluminum will free an equal amount in pounds of virgin aluminum to be used for aircraft purposes, so that whether the family coffee pot goes into an airplane or not, it releases an equal weight of aluminum for aircraft construction, Mr. McConnell explained.

Test campaigns indicated that a minimum of 15,000,000 net pounds usable in defense manufacture will be collected in the Nation-wide campaign, which begins in every community in the United States July 21. A fighter plane containing 7,000 pounds of aluminum could be built with the metal freed by every donation of 5,000 dishpans, or 10,000 coffee percolators, or 2,000 roasters, or 2,500 double boilers (based on average weights).

Specifications being changed

Other OPM officials said that the Navy has already begun making changes in specifications to utilize the donated aluminumware in the defense program; all departments of the Army have begun the study of specification changes; The Army-Navy Aeronautical Board is continuing a special study at Wilbur Wright Field, Dayton, Ohio; and other Federal specifications have already been modified. Aluminum experts in OPM and in private industry contended there is no difference in usability between a given quality of virgin aluminum and the same quality in reclaimed scrap aluminum.

Conversion of utensil plants to defense sought as aluminum dearth destroys jobs

More than 3,413 persons or about one-fifth of all the employees of the aluminum cooking utensil industry have been laid off or have quit their jobs as the result of the industry's present inability to obtain aluminum for nondefense products, the OPM was informed July 11.

This number of layoffs and resignations represented the total for 14 of the 22 concerns in the industry. Information from the remaining companies is not yet available.

Consider conversion for defense

The possibility of converting these plants to defense production was discussed at a conference attended by representatives of several aluminum ware companies, the Aluminum Wares Association, organizations of the American Federation of Labor and CIO, the Priorities Branch of the Labor Division of OPM, and the Defense Contract Service.

It was agreed that two of the industry's best engineers should be selected within the next few days to discuss conversion possibilities further with Government technicians.

The manufacturers reported that the industry had 16,000 employees and gross sales of $56,596,765 in 1940. Their civilian "pots and pans" business is now practically gone, they said, because they are unable to obtain aluminum for this purpose and previously acquired stocks are either exhausted or nearly so.

Substitution difficult

The manufacturers expressed the opinion that there are no substitute materials by which production of cooking utensils could be continued with their present equipment.

In several communities, they said, more than 50 percent of all workers are employed by the aluminum cooking utensil plants.

Peter R. Nehemkis, Jr., of the Defense Contract Service, explained at the outset that the conference was not for the purpose of organizing either an industry or labor advisory committee to consult with OPM but merely to ascertain the facts.
LABOR . . .

Manpower functions of 12 U. S. agencies combined in new Labor Supply Branch

A new and concentrated approach by the Labor Division of OPM to the problem of filling skilled labor and manpower requirements in the expanding defense industries was announced July 9 by Associate Director General Sidney Hillman.

Flemming to direct branch

Under this new program, the defense work of twelve Government units, dealing with all phases of industry's needs for qualified labor, is combined into a new Labor Supply Branch within the Labor Division. The new branch will be directed by Commissioner Arthur S. Flemming of the Civil Service Commission. Mr. Flemming is also in charge of the Commission's defense recruitment activities.

Twelve regional labor committees set up

Twelve regional labor supply committees, combining the same twelve agencies with labor and management groups in the industrial areas of the United States, are established as outstanding features of the new reorganization. The set-up was described by Mr. Hillman as "unquestionably one of the most significant poolings of labor, management, and Government resources that has thus far taken place in the national defense program."

"The new organization is ready to function, and in fact is functioning now," Mr. Hillman said.

Answer to President's request

"On May 28, the President of the United States addressed a letter to me in which he said that he was disturbed about the number of defense industries which declared themselves unable to obtain enough skilled workers and supervisors to achieve full complements of labor on the second and third shifts. The President further stated that he would appreciate it if the Office of Production Management would arrange for the Labor Division to assume full responsibility for getting the necessary workers into the plants of these industries. In response to these directions we have therefore organized in the Labor Division this new Labor Supply Branch which is an operating agency."

Committees to integrate field work

The defense field work of the various agencies in each area is integrated by the regional labor supply committees. The acting chairman of each committee is the regional representative of the Bureau of Employment Security. This arrangement derives from the fact that the State employment services, affiliated with this Bureau, have been designated by OPM's Labor Division as the official points of contact with industry for all phases of defense employment. By this means, defense industries in every locality of the United States will be provided with a simplified and effective machinery for hiring and training workers, and for the orderly transfer of workers who are unemployed or whose skills are not fully utilized in their present posts, and for all related purposes. Special measures will be taken to find equivalent jobs as far as possible for workers displaced by the application of mandatory priorities. Labor and management will be represented on the 12 regional labor supply committees, as well as Government agencies.

Cooperating agencies

Associated with Mr. Flemming in developing the work of the Labor Supply Branch will be the following officials:

Chief of the United States Employment Service; Chiefs of the Training-Within-Industry Branch, Defense Training Branch, and Priorities Branch; Labor Division, OPM; chairman, Labor Relations Committee, Labor Division, OPM; Minorities Adviser, Labor Division, OPM; Chief of Negro Employment and Training, Labor Division, OPM; Acting Commissioner of Labor Statistics, United States Department of Labor; Director of the Division of Training and Reemployment, Work Projects Administration, Federal Works Agency; Chairman, Committee on Apprenticeship Training Program, Division of Labor Standards, United States Department of Labor; Chief, Division of Research and Statistics, Bureau of Employment Security.

Labor committees established paralleling industry groups

Establishment of Defense Labor Advisory Committees corresponding to the Defense Industry Advisory Committees set up on June 24, was announced July 9 by Director General Knudsen, and Associate Director General Hillman, OPM.

The Labor Advisory Committees will consult with Government representatives in the various commodity sections and advise them on those aspects of defense production which are of primary concern to labor, as the Industry Advisory Committees will consult and advise on matters of primary concern to industrial management.

The general plan of organization already announced for the Industry Advisory Committees will also apply to the labor advisory committees, and the twin objectives—those of unifying the working relationship of the several OPM divisions with the industries which they are in contact, and of efficient liaison between defense agencies and industry—are the same.

Subcontracting for Defense published by OEM

"Subcontracting for Defense," a new pamphlet telling how 10 large defense manufacturers have increased production by spreading work into other plants, was sent to all prime defense contractors July 14 by Robert L. Mohornay, chief of OPM's Defense Contract Service.

Designed to give prime contractors generally the benefit of the experience of the 10 manufacturers, the pamphlet says:

"These ten firms and hundreds of others like them have found the way for America to produce more weapons in less time . . .

"With the help of the Defense Contract Service and the wholehearted cooperation of the manufacturers, the difficulties of subcontracting can be and will be overcome. This is the only way in which every suitable existing factory may obtain defense work and the country be armed in time."

Copies of the pamphlet may be obtained from the Division of Information, Office for Emergency Management.
Hillman and Flemming discuss operation of new Labor Supply Branch

Associate Director General Hillman, OFM, at his July 9 press conference, discussed the operation of the new Labor Supply Branch of the Labor Division (described on p. 4). Participating also was Arthur S. Flemming, who will direct the new branch. Excerpts follow:

Q. Mr. Hillman, in that letter of the President to you, he suggested the transfer of workers from consumer goods industries, as I recall you reading it. Do you have any specific plans in that regard or any specific industries in mind, which to swing away labor to defense industries?

A. We have the organization set up right now that gives us all the information. So far, we have not been called upon to do it, but we will be organized if it is necessary. We have all the Government agencies under our direction to do it with and industry and labor to advise us the best way for doing it. But we have no specific industries in mind.

Q. Mr. Hillman, will your regional offices break their information down as far as individual plants?

A. I would like to have Mr. Flemming explain that to you.

Responsibilities fixed

Mr. Flemming. These Regional Labor Supply Committees—that is the designation that they have been given—the acting chairman, as the release indicates, is the present regional director of the Bureau of Employment Security, in other words, the man who has responsibility for the operation of the Employment Service in that particular region. These committees will come together for this purpose—let's say that they have been having a great deal of difficulty in recruiting the necessary number of personnel either for an industry in a particular region or for a particular major defense plant and that plant is being held up at the present time because of the fact that it hasn't got a sufficient supply of personnel. It is up to that committee to get an analysis of that situation through the information available to the Employment Service, through the information available to the Bureau of Labor Statistics and so forth; and it is up to that committee to devise a plan which will take care or lick that particular situation; and it is up to that committee to assign duties and responsibilities to the various agencies represented on that committee.

For example, it may be a more intensive recruiting program should be carried on than has been carried on in that particular area which is obviously the Employment Service job; or it may be that there is a possibility of solving that situation through a more intensive Training-Within-Industry program, obviously a job for the Training-Within-Industry people; or possibly they are not making the fullest possible utilization of the resources of the United States Government as far as defense training is concerned—vocational education or NYA—and if that is true, there will be an assignment to those particular persons.

Then, it is the responsibility of the chairman of that committee to see to it that those assignments are carried out and to see to it that the combined resources of the Government are concentrated on that problem until such time as the problem is solved.

May deal with plants sometimes

In answer to your specific question, in some instances it may be a major plant that will be given consideration at that particular level. In other instances, it may be an industry in that particular region that will be given consideration, and in still other instances that committee will be given an assignment direct from Washington—that is a complaint has been registered back here in Washington by the War Department or Navy Department that they are not able to get, over a second or third shift and that they are delayed by reason of the fact that they haven't got sufficient personnel.

Q. Well, carrying out that program a step farther and assuming that some time in the near future we do embark on an all-out program and you get to the point where bomber factory X can’t get skilled mechanics who are working in auto—this is purely hypothetical—will this committee be able to reach in and say, “Auto, you release 50 skilled mechanics to go to work in bomber factory X?”

Problems of Priorities Branch

Mr. Flemming. We can’t answer that specific question at the present time. You will notice here in this release that a Priorities Branch has been created within the Labor Division. Mr. Brown is director of that particular branch, and he has got the problem of suggesting policies to Mr. Hillman which, when adopted, the marching orders necessary to put those policies into effect will be carried out through the Regional Labor Supply Committees.

Mr. Hillman. In answering your question, that is what the President has asked us to do if necessary. If necessary, of course, that possibility will be explored.

Q. Is that then a form of labor priority just as we now have material priority?

A. We could work it out in a different way. The preferable way is to place the defense contracts with existing companies who will be affected by priorities, you see. That is why we have got Mr. Brown of priorities on the Labor Supply. We are taking all of that in. I don’t think it will be necessary to a very large degree to do that; but if it becomes necessary, of course we will ask companies to release these people, guarantee them their seniority so that they can come back, you know, and ask the people to change their places and give their time to national defense.

Thinks labor compulsion unnecessary

Q. Doesn’t this represent in effect some form of labor conscription for defense?

A. No, no; I don’t think there will have to be any compulsion at all. If you tell the worker you will guarantee him his seniority so that he can go back to the job, he probably would go to a place where there is plenty of work than to the consumer industry where there may not be so much work.

Subcontracting helps

Q. So far you have been talking purely in terms of when a shortage arises. Is this committee also charged with preventive measures?

A. The reason they are not arising so much is because we have been doing a fairly good preventive job, and if we can go over as we do in our daily contact of asking for subcontracting, we have heard of that before. Now, the more we spread out subcontracting, of course, the less there is need for training labor because we bring the product to some of the places where the labor is available.

Q. Can you give us any indication of the problem ahead? Do you know what you are facing in terms of new and additional employees in shipbuilding, aircraft?

A. Well, of course, we haven’t got all of them, but the new estimate totaling recent employment outside of agriculture—Bureau of Labor Statistics—2½ to 3 million. Of course, if we shoot up our program it will mean more. Required increase for defense, 1,400,000 additional workers between April 1941 and April 1942 on existing contracts; shipbuilding, 233,000; aircraft, 468,441.
PRODUCTION...

All-out substitution could replace ¾ of tin ordinarily used in U. S., OPM is told

Silver may be substituted extensively for tin in solder to conserve tin and hasten accumulation of adequate reserves of it, a committee of the National Academy of Sciences advised OPM in a report made public July 10.

This suggestion topped a list of measures recommended by the committee as "the most ready means to bring about further conservation and substitution of tin, in actual emergency, or in order to facilitate the accumulation of an adequate stockpile."

The committee pointed out that, with the exception of imports from Bolivia, tin used in this country travels over long sea lanes on which shipping might be interrupted.

Three-fourths could be replaced

"By all-out substitution in every possible line, which would require construction of much special equipment, and at least temporary hardship, it is believed that at least three-quarters of the tin ordinarily used could be replaced," the group reported.

"This means that the domestic smelting of Bolivian ores will supply most of the irreducible minimum."

The United States stockpile of tin should be brought to such size, the committee said, that it would be adequate, in event of an emergency interrupting imports from outside the Western Hemisphere, to meet essential needs while new equipment was being built and new techniques adopted.

The committee estimated that large-scale replacement of tin in solder, plus a reduction in tin use already being made by can manufacturers at the request of OPM, would reduce total tin consumption about 25 percent.

Raw material cost would be same

Sixty-six million ounces of silver annually should be sufficient for "all-out" replacement of tin in solder, the group said. Forty to fifty pounds of tin may be replaced by 2½ to 5 pounds of silver, it added, and at present prices for tin and for industrial silver the raw material cost of 2½ percent silver solder is practically identical with that of an equal volume of solder composed of 45 percent tin and 55 percent lead.

The steps suggested by the committee to bring about conservation and substitution of tin included:

1. Drastically, but progressively, and with care to give a reasonable time for acquiring skill in the use of higher melting solders and in other joining methods, decrease the amount of tin allowed for solder.

2. Expand the use of glass containers where feasible, with beer and "Class 1" food products as examples. (The committee said this "class 1" type of products includes baby food, sauerkraut, cherries and a few other acid fruits.)

Move to force substitution suggested

3. Progressively decrease the total amount of tin allotted to the can-making industry, thus forcing, but giving time for, an orderly development in the substitution of thin electrolytic tin plate and of black (untinned steel) plate for cans. (The can-making industry has already reduced the tin coating on many kinds of cans by 10 percent, at the request of OPM, and has voluntarily adopted terne plate cans for most paints, oils, and some other products. Terne plate is black plate coated with a mixture of lead and tin.)

4. Restrict the use of new tin for cast or wrought bronze where silicon bronzes and the like are applicable.

5. Put emphasis upon adapting the design of bearings in new types of machinery and new models of old types to use lead-base rather than tin-base babbitt, to use thin rather than thick babbitt linings, or to use other than babbitt bearings.

6. Make drastic reduction in the amount of tin allowed for solid tin tubes for collapsible tubes and invoke practically complete avoidance of tinfoil for wrapping purposes. (OPM already has asked manufacturers of collapsible tin tubes for shaving preparations to produce tin-coated or tin alloy tubes instead of all-tin ones.)

7. Arrange for complete elimination of tin for pewter and probably in galvanizing.

8. Watch the use of tin in "tinning," i.e., applying protective coatings to other than tin plate, since this takes some 3,000 tons of new tin annually.

9. In all ways possible, foster early acquaintance of tin users with the intimate details of the behavior of substitutions so that when necessary their utilization may be prompt.

The recommendations are now being considered by OPM.

OPACS meetings scheduled with eight consumer durable industries

Meetings with representatives of eight consumer durable goods industries will be held week of July 14 it was announced July 11 by Joseph L. Weiner, assistant administrator of OPACS in charge of the civilian supply allocation division.

As in the case of a similar conference with representatives of the household mechanical refrigerator industry held Tuesday, July 8, these meetings are for the purpose of securing information from industries involved on their raw material needs and the most suitable methods of making necessary curtailments. These data will be used in working out allocations of scarce materials among competing civilian users with due regard for such factors as displacement of labor, the possibility of using plants involved in defense work, and the relative importance to consumers of the particular types of goods.

Representatives of the Labor, Priorities, Purchases, and Production Divisions of the OPM and other Government agencies have been invited.

Following is a list of meetings scheduled:

Monday morning, July 14—commercial refrigerators; afternoon, domestic laundry equipment; Tuesday afternoon, July 15—automobiles; Wednesday morning, July 16—air conditioning equipment; afternoon, metal furniture and furnishings; Thursday morning, July 17—heating equipment; Friday morning, July 18—cooking stoves and ranges; afternoon, July 18—miscellaneous household appliances.

Morning meetings will be held at 9:30 and afternoon meetings at 2:30.
**DEFEuze**

Automotive Committee personnel approved

The Bureau of Defense Industry Advisory Committee of OPM announced July 10 the approval of eleven of the sixteen members of the automotive defense industry advisory committee, and the formation of a motortruck subcommittee.

Members of the automotive defense industry advisory committee announced, represent the manufacturers of passenger cars, trucks, buses, taxicabs, and fire-fighting equipment. The remaining eight members were to be selected from representatives of manufacturers of parts and components.

Those approved July 10 are:
- R. I. Roberge, Ford Motor Co., Detroit, Mich.;
- H. B. Donaldson, Brown, General Motors Corporation, Detroit, Mich.;
- B. E. Hutchinson, Chrysler Corporation, Detroit, Mich.;
- Paul Hofman, Studebaker Corporation, South Bend, Ind.;
- George W. Mason, Nash-Kelvinator Corporation, Detroit, Mich.;
- Joseph W. Frasier, Willis Overland Motors, Inc., Toledo, Ohio;
- A. E. Bart, Hudson Motor Car Co., Detroit, Mich.;
- E. J. Bush, Diamond T Motor Car Co., Chicago, Ill.;
- B. E. Hutchinson, International Harvester Co., Detroit, Mich.;
- T. R. Lipton, Ford Motor Co., Detroit, Mich.;
- W. A. Hauck, steel consultant of OPM, announced the outlook after visiting several strip mills and compiling results of a questionnaire submitted recently to the 13 mills rolling strip 54 inches or more wide.

654,000 tons to be added by end of year

Present total annual capacity of these mills is 12,941,400 tons, of which 1,726,000 is light plate capacity and 11,215,400 is capacity for the manufacture of strip used in direct defense production and by the automobile, refrigerators, and other industries. Of this additional plate capacity to be provided, 654,000 tons will be obtained gradually by the end of this year and the other 100,000 will be available by March 1, 1942.

Capacity to be absorbed gradually

Light plate production on the strip mills in May 1941, was 108,772 tons. For the first 8 months of 1941 it averaged 97,013 tons per month, compared with a current capacity of 143,833 per month. This average unused capacity of 46,820 tons is to be absorbed gradually by the reallocation of suitable orders for light plates and the placing of new orders.

**Regulation for shift to be issued**

A regulation will be issued shortly to all steel companies with strip and plate capacity, requesting them to reallocate to strip mills plates now scheduled for the regular plate mills, in cases where the sizes and quantities are better suited for strip production.

All new orders for light plates of sizes and quantities suitable for strip mill production will be allocated to strip mills in the best position to produce such plates when needed. Mr. Hauck said, adding that this arrangement should relieve the heavier plate mills of a considerable amount of the light plate tonnage more suitable for strip mills and enable them to concentrate on heavier plate orders.

Heavy plate capacity being increased

Additional heavier plate capacity is being installed by some of the companies that have strip mills, and more plate capacity is being provided also by companies not operating strip mills. Further additional plate capacity is proposed in the over-all expansion of the steel industry now under consideration.

Most of the plates rolled on strip mills are ¾-inch or less in thickness, although four of the strip mills can also roll ¾-inch plates. To obtain maximum production of light plates on strip mills, large tonnages in uniform sizes as to length, width, and thickness must be scheduled, since strip mills are geared for speed with little interruption.

INDUSTRIAL SPECIALISTS NEEDED FOR DEFENSE

Individuals who know industrial methods and processes from first-hand experience are needed to contribute their part toward the integration of the expanding defense program. The Civil Service Commission has announced an examination for industrial specialist positions paying from $2,600 to $5,600 a year. The examination (Announcement No. 102) is open for 1 month only. Applications will not be accepted at the Commission's Washington office after August 7.

Army finds substitutes for "critical" materials

Every effort is being made by the Quartermaster Corps to ease the demands that its enormous purchases of equipment for the Army make upon the available supplies of the so-called "critical" materials for which a shortage is either present or may arise soon under the national defense program, according to the War Department.

Orders have been issued that none of these materials be used unless the use of a substitute results in loss of efficiency.
PRIORITIES ...

Urgency standings to vary machine tool deliveries to factories with identical ratings

Made necessary by the increasing demand for machine tools, a new plan regulating the distribution of these vitally needed defense machines was announced July 8 by E. R. Stettinius, Jr., Director of Priorities.

To fill greatest needs first

The plan has four main objectives:
1. To make sure that the most urgent needs are filled first, so that, if two orders carry the same preference rating, and if the stipulated deliveries conflict, the order with the highest urgency can be given priority.

2. To make sure that deliveries of important machine tools to other machine tool builders and to producers of such equipment as cranes, cutting tools, gages, micrometers, and chucks, are expedited.

3. To prevent the disturbance or dislocation of scheduled deliveries to Great Britain or other parts of the British Empire, including Canada.

4. To reduce interference with existing delivery schedules of machine tool builders by “freezing” deliveries of certain tools for specified periods, and by providing that when tool builders receive new high-rated orders, these orders do not become mandatory until the expiration of a specified “period of grace.”

To aid other machine tool builders

Reason: One of the prime needs for machine tools is in those plants where machine tools, and production equipment of the kind mentioned, are being built.

In other words, the machine tool industry must have machine tools in order to turn out machine tools. Therefore, the need for giving tool builders a high degree of priority is of major importance.

For deliveries to Britain

Reason: It is a matter of policy to give British orders equal standing with Army and Navy orders. But some British orders do not carry preference ratings high enough to assure delivery when needed. Therefore, it has been decided to “freeze” the British tool orders hitherto placed and make sure that deliveries are made when needed.

To fill greatest needs first

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In other words, the machine tool industry must have machine tools in order to turn out machine tools. Therefore, the need for giving tool builders a high degree of priority is of major importance.

Priorities granted to aid construction of $45,000,000 steel mill in Brazil

Priority aid for the construction of a $45,000,000 steel mill in Brazil has been assured by the Office of Production Management, acting on recommendations of the Department of State.

The decision to build a steel mill in Brazil through priorities is in accordance with this Government’s policy of assisting the other American republics to obtain essential materials in this country, insofar as this is compatible with our own defense requirements.

The National Steel Co. of Brazil has already started ground-breaking operations. The priority aid permitting the company to obtain steel, machinery, and many other kinds of equipment promptly, is designed to make possible the completion of this mill within 2½ to 3 years.

$20,000,000 LEANED BY U. S.

Of the total cost of $45,000,000, the sum of $20,000,000 is being supplied through a loan from the Export-Import Bank.

The rest is being supplied by the Brazilian Government and Brazilian financial institutions. The $20,000,000 supplied by this country is to be spent in the United States, through contracts with from 250 to 300 different manufacturers and suppliers.

The contracts and orders involved will be given priority ratings sufficiently high to secure adequate deliveries without delaying deliveries of our own defense contracts.

As a result of the conversations held at Washington in the early part of 1939 between Dr. Oswaldo Aranha, the foreign minister of Brazil, and officials of this Government, a commitment was made on the part of the United States to assist Brazil in the development of its economic resources and of its industries.

Expected to relieve arms program pressure

The steel mill project was thereafter presented by the Brazilian Government as the most important single item in this program. Such a mill will provide for the utilization of a portion of Brazil’s vast natural resources and will also tend to improve the general standard of living of the country and thereby increase the market for products of the United States.

The output of the Brazilian steel mill will do that extent relieve the pressure on American industries in the prosecution of the Brazilian rearmament program.

The recommendations of the Department of State were concurred in by the Army and Navy Munitions Board, the Office of Price Administration and Civilian Supply, and the Coordinator of Commercial and Cultural Relations between the American Republics. The OFM’s Priorities, Production and Purchases Division and the Army and Navy Munitions Board have worked out a program which will permit construction of the mill according to schedule and without interference with the defense program.
Copper control extended to alloys and fabrications; defense given preference

Major amendments to the General Preference Order providing priority control over copper were announced July 10 by Director Stettinius.

The amendments to the copper order (M-9) extend control to cover copper-base alloys and fabricated products made from copper or from copper-base alloys, such as brass or bronze. The original order was designed to regulate the distribution of refined copper in prefabricated form by refiners.

Defense orders must be preferred

In the first order it was provided that refiners, after setting aside a quantity of copper for an emergency pool, were to distribute the remaining copper so that each customer would receive an equal percentage of the orders he had placed. Because of the shortage in copper, the amendment removes this provision and stipulates that, after copper has been set aside for the pool, defense orders must be given preference over nondefense orders.

July pool 20% of April production

The amendment provides that for July the emergency pool, out of which the Director of Priorities may make allocations to meet urgent needs, will remain at the same figure—20% of April production. It is stated, however, that additional changes are to be made in the copper order later on to provide a fuller measure of control over all copper supplies.

Shortage of 350,000 short tons indicated

Figures on copper supply indicate that the total amount of refined copper available in this country from all sources during 1941 may range as high as 1,650,000 short tons. But total military requirements, plus civilian demand, are expected to range close to 1,900,000 short tons, thus indicating an over-all shortage for the year of approximately 350,000 short tons.

All these figures are estimates. The shortage would be increased by any shipping difficulties which prevented this country from obtaining additional supplies of refined copper from Chile.

Cuts necessary in civilian use

Since defense demands must be filled first, the shortage in copper will require sizable cuts in the amount of copper available for civilian purposes. Military demands for copper have increased recently and it appears that during 1942 the strictly military demand alone will take the great majority of copper produced from domestic ores.

Copper order amendment

The amendment to the copper order contains the following major points:

1. Provisions of the order apply to deliveries of copper, copper-base alloys and copper products, as defined in the order.

2. All defense orders are granted a preference rating of A-10 unless higher ratings are specifically assigned.

3. Copper products covered by the order may be shipped to non-defense customers only after all defense orders have been provided for.

4. The Director of Priorities will allocate out of the emergency pool to meet urgent needs and will also allocate all copper owned by the Metals Reserve Company.

In the order, it is pointed out that fabricators are to use any available copper they have to the extent necessary to fill defense orders before making any application to the Director of Priorities for an allocation of copper out of the emergency pool.

Order places chromium under full priority control to build up stockpiles

Chromium was put under full priority control July 7 in an order signed by Priorities Director Stettinius.

Mr. Stettinius announced July 11 that chromium has been removed from General Metals Order No. 1. The new priority control order itself contains provisions designed to prevent the accumulation of excess inventories.

Vital in defense, the metal is required for hardening steel, for the production of high-speed cutting tools, for the manufacture of refractory brick for lining steel furnaces, and for many chemical uses.

A whitish metal, capable of taking a brilliant polish, harder than iron or nickel, chromium is widely used in both civilian and defense channels. A typical civilian use is for high-strength steel used in the automobile industry. A typical military use is for increasing the toughness and shock-resistance of ordinary steel.

The United States is dependent almost wholly on imports for its supplies of chromite ore. The Government stockpile is not large enough, consumption is moving up, and the increasing pressure on shipping space may restrict imports in future months. Conservation of chromium and stockpiling are major reasons for this order.

The order issued today has five main points:

1. It provides that all defense orders carry a preference rating of A-10 unless higher ratings are specifically assigned.

2. It provides that monthly deliveries of chromium for use in the manufacture of chemical products must be limited to the average monthly consumption of the processor over the 12-month period July 1, 1940–June 30, 1941.

3. The order states that deliveries by processors of chromium for refractory material can be made only under defense orders or for necessary maintenance and repairs, except when the Director of Priorities provides otherwise.

4. The order provides that, after the satisfaction of defense orders and all other terms of the order, deliveries for nondefense purposes may be made.

5. It provides restrictions against building up of excessive inventory.

Further ship shortage would be serious

Current figures indicate that the consumption of chromite ore in this country at the present time is at the rate of between 750,000 and 800,000 long tons. The future rate of imports is not assured. Since almost all chromite ore used in this country is imported, increased pressure on shipping space or any other developments which tended to cut off the supply would cause a very serious situation.

Most of the United States supply of chromite ore in recent years has come from Africa, the Philippines, and Turkey. Approximately 2½ tons of metallurgical ore are required to make 1 ton of ferrochromium, ferrochromium being between 60 percent and 70 percent pure chromium. About 75 percent of the ore is used in the steel industry, both for alloying purposes and for use in refractory materials for furnaces.
MEDIATION BOARD . . .

Issues settled in one strike, another postponed; a third being investigated

The National Defense Mediation Board last week (July 7–13) obtained an agreement settling the issues in one case and postponing a strike in a second; it made recommendations in a third, and dispatched a special representative to investigate the issues in a fourth case where the union had gone on strike after rejecting the Board’s recommendations.

At a full Board meeting on Thursday, July 10, attended by 21 members and alternates, a resolution was adopted to rotate the vice chairmanship of the Board every 2 months among the public members. Under this system, Dr. Frank P. Graham, president of the University of North Carolina, will be vice chairman of the Board for the ensuing 2 months. The rotation works first by seniority and, if seniority of appointment is the same, goes by alphabetical order.

Sealed Power Corporation

At a membership meeting on Monday, July 7, of the United Auto Workers—AFL, the Board recommendations for settling its dispute with the Sealed Power Corporation of Muskegon, Mich., were rejected, and the union went out on strike the following day. The panel, consisting of Judge Walter P. Stacy, George H. Mead, and Edward J. Brown, thereupon reconvened and on Friday, July 11, dispatched Frederick H. Harbison to Muskegon to investigate the issues.

At the same time the Board sent the following telegram to both parties:

The National Defense Mediation Board wishes again to emphasize to both parties to the dispute between the Sealed Power Corporation and the United Auto Workers of America, Local 617, AFL, that the present strike is obstructing the production and transportation of materials and equipment which are vital to the defense of this country. The President in his recent proclamation of the existence of an unlimited national emergency stated "I call upon all the loyal citizens engaged in production for defense to give precedence to the needs of the nation to the end that a system of government that makes private enterprise possible may survive. I call upon 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." In view of the President’s proclamation and with a conviction that all parties and individuals involved in this dispute are patriotic citizens devoted to the defense of this nation the National Defense Mediation Board calls upon all parties to take at once whatever steps are necessary to secure the immediate resumption of production. Mr. Frederick H. Harbison, a representative of this Board, is now on his way to Muskegon, Mich. Mr. Harbison will investigate thoroughly all facts bearing upon the present dispute and report back to the Board. The Board will review his report and findings of fact and take final action in the matter as soon as possible and in any case within a period of 30 days.

The company makes piston rings on subcontracts for defense production.

Cheney Brothers

After day and night sessions on July 8 and 9, an agreement was reached at noon on the 10th settling the dispute between the Textile Workers Union of America—CIO and Cheney Brothers of South Manchester, Conn. A threatened strike had been postponed at the request of the Board. Complete agreement was reached on the following issues involved in the dispute: wages, vacations with pay, and the closed shop. The company, which employs 2,300 workers, manufactures parachute fabrics and machine parts for plane factories. Members of the panel were Dr. Frank F. Graham, Rolland Hamilton, and Hugh Lyons. The agreement is subject to union ratification at a meeting to be held July 14.

Pittsburgh teamsters

The Board on July 10 made public its arbitration award in the dispute between the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers—AFL and 189 trucking concerns in Pittsburgh. A strike involving 2,800 men had been called off at the request of the Board and on the understanding that both parties would abide by an arbitration award, the Board to be the arbitrator. The strike held up 30 million dollars worth of defense material.

The main points of the award were that all employees other than those working on heavy-duty trailers and helpers on machinery would receive an increase in hourly wage rates of 7½ cents above those prevailing immediately prior to the strike. Workers on heavy-duty trailers and helpers on machinery would receive a 10-cent per hour increase. The award also contained provisions regarding vacations, arbitration machinery, lay-over time, and minimum pay for those called to work. Members of the panel were Dr. George Stocking, John Connelly, and Herbert Woods.

Federal Shipbuilding Corporation

Following 3 days of hearings, the Board on July 10 announced that agreement had been reached in many of the issues in the dispute between the Federal Shipbuilding Corporation of Kearny, N. J., and the Industrial Union of Marine and Shipbuilding Workers of America—CIO. Chief points at issue were the union shop, vacations, and grievance machinery. The corporation has over 200 million dollars in contracts for the Navy Department.

The panel in the dispute was to convene July 14 to consider the issues not yet settled.

Western Cartridge Co.

In accordance with an agreement reached July 3, the Western Cartridge Co. and the Chemical Workers Union—AFL, opened negotiations in East Alton, Ill., July 5. The next day, the union wired the Board that negotiations were not progressing satisfactorily and requested that they be brought before the Board in Washington. In accordance with this request, hearings opened in Washington on July 11.

In accordance with a request by the Board, the Steel Workers Organizing Committee—CIO, postponed a threatened strike of 2,200 men at the Scullin Steel Co., St. Louis, Mo. The SWOC is demanding recognition for its own members in the steel plant which has contracts for bombs and other material for the British Government. A hearing is set before the Board for July 14.

Dr. Weaver appointed to Labor Supply Branch

Associate Director General Hillman, OPM, gave emphasis to the drive for Negro employment in defense industries July 10 by announcing that Dr. Robert C. Weaver has been appointed one of the twelve officials of governmental agencies who make up the newly created Labor Supply Branch of the Labor Division.

At the same time, Negroes were given representation on the Regional Labor Supply Committees, just established by Mr. Hillman.
Scrap schedule changed to aid copper precipitation

Price Schedule No. 4, establishing ceiling prices on scrap iron and steel, was modified July 12 by OPACS so as to facilitate the purchase of certain kinds of scrap used by some copper companies in a precipitation process for the recovery of copper from mine waste water. This process, known as "leaching," contributes in an important way to the supply of copper.

The modification provides that for precipitation purposes copper companies may purchase precipitation iron scrap at a price not exceeding the shipping point price limitation for such scrap contained in the price schedule, plus all actual transportation charges from the shipping point to the consumer's plant.

Nevada organizes county defense councils

County defense councils have been organized in 15 of Nevada's 17 counties, and organization is expected to be completed soon, according to a report from Hugh A. Shamberger, chairman and executive director of the State defense council. Members of the State council assisted in establishment of the county councils.

Each county council is expected to include the chairman of the county commissioners, a sheriff, an attorney, chairman of the county Red Cross, a representative of the largest city, a representative from each community not otherwise represented, and representatives from the following groups: veterans, labor, farmers or miners, women's organizations, businessmen's organizations, educators, and others.

WPA will survey 200,000 groups for home defense

More than 200,000 national, State and local civilian organizations with memberships of 50,000,000 individuals will be surveyed and catalogued by the WPA during the next 60 days for the parts they can play in home defense, Howard O. Hunter, Commissioner of Work Projects, announced July 9.

The project will provide basic information for programs of the Office of Civilian Defense, under the direction of Director P. H. LaGuardia, and other agencies.

Federal drive shifts much business from anti-American agencies in hemisphere

Undesirable agents in Central and South America of United States business firms have lost more than 1,000 accounts since the Federal Government moved to eliminate all agents discovered to be engaged in anti-American activities, it was announced July 11 by the Office for Coordination of Commercial and Cultural Relations between the American Republics. In some cases a single anti-American firm has lost as many as 15 accounts and many have lost 5 or more.

17,000 firms cooperate

Despite the complexity and expense of terminating contractual relations, more than 50 percent of the United States business being handled by anti-American agents has been canceled so far, and work is proceeding to eliminate the balance.

With the cooperation of 17,000 export companies in the United States, a close check is being kept of all new or prospective representatives or new accounts that companies in this country undertake. So far only one case has come to the attention of the Government where a United States firm inadvertently has taken on an agent who had been dropped by a competitor. This was immediately rectified.

Collect data on anti-American activities

As a result of the Government's program, which has been undertaken jointly by the Departments of Commerce and State, and the Office of the Coordinator, machinery has been set up to insure a continuous flow of information on undesirable firms and on satisfactory agencies which are available to United States agents in the other Republics. Important information is being systematically collected and analyzed, and is being made available to all Government departments and agencies.

Replace undesirable employees

A further result of the Government's program has been the replacement by many United States companies having branch operations or travelling representatives in Latin America, of certain managers, employees and travelling representatives. In addition, there have been numerous liquidations or reorganization of undesirable agencies as the result of the loss or threatened loss of United States business accounts. In a number of important cases such steps have resulted in the elimination of anti-American influence in the firms.

Export industry cooperates in program

In commenting on the progress of this program, Coordinator Mr. Rockefeller said: "The Government has had excellent cooperation from the export industry as a whole, including the trade associations concerned with foreign trade problems. Exporters in this country recognize the importance of having their interests and the interests of the Nation represented in the other American Republics at all times by firms and individuals whose loyalty to the policy of hemisphere solidarity cannot be questioned."

Radio concerts to aid Defense Bond campaign

"America Preferred," a new radio program in support of the campaign for sale of Defense Savings Bonds and Stamps, will be presented on the Mutual network every Sunday morning, Secretary Morgenthau announced July 9. The series began July 13 and will run for nine more weeks.

The program, which will feature concerts and operatic stars of foreign birth, will be broadcast from 11 to 11:30 a.m., eastern standard time.

Lake ore movement surpasses 1940 figure by 66.9 percent

The lake carrier fleet has moved this season, prior to July 1, a total of 28,828,921 gross tons of iron ore, as compared to 17,268,690 during the corresponding period in 1940, an increase of 11,557,231 gross tons or 66.9 percent. For the month of June alone the movement totaled 10,788,929 gross tons as compared to 9,529,494 during June 1940, an increase of 1,264,435 tons or 13.3 percent. All efforts are being continued to promote maximum transportation.
PRICES AND CIVILIAN SUPPLIES . .

Textile sellers warned not to exceed ceiling prices for cotton grey goods

Sellers of cotton grey goods were warned July 9 not to exceed recently announced ceiling prices in a statement issued by Administrator Henderson, OPACS.

Offers above limit reported

Mr. Henderson's warning against nonobservance of the ceiling prices was occasioned by reports that mills have been offering to make deliveries at prices above the ceiling. This is being done in accordance with contracts made prior to issuance of the price schedule at prices exceeding the scheduled ceilings. The practice is being followed on condition that the buyer agree to make payments at the contract price with the understanding that, should the OPACS price ceilings be found valid, the mill would refund to the buyer any excess received over the ceiling.

Device would nullify effect of ceilings

Mr. Henderson declared that this device, if employed, plainly places the buyer, as well as the seller, in noncompliance with the schedule and will force him to consider both as such. Its effect, according to Mr. Henderson, is not only to misrepresent the nature of the price ceilings, but also to maintain recent inflated textile price levels.

This device, Mr. Henderson pointed out, would virtually nullify the restraining effect of the ceiling prices upon cost of textile products. Under such an arrangement ordinary business caution would lead the buyers of these grey goods to include in their cost, and in turn in their selling prices, not only the ceiling price of grey goods but the additional sum over the ceiling. These buyers, therefore, would quote prices on finished textiles which would continue to reflect the inflated textile prices existing before the price schedule was issued.

Precautionary measures urged on buyers

Mr. Henderson said that buyers who are invoiced for grey goods at prices in excess of the ceiling should immediately write to the seller requesting him to revise his invoice to conform to the price schedule. If the seller declines to make a revision, the buyer is urged to communicate with OPACS, in accordance with section 1316.5 of the schedule. This procedure, Mr. Henderson stated, constitutes a practicable and desirable means for collaboration between the trade and OPACS in securing compliance with the ceiling prices.

Steel allocated for grain bins to alleviate storing shortage

Aid for farmers facing a serious shortage of storage space for grain now being harvested was assured July 7 by OPACS Administrator Henderson, when he issued a civilian allocation program providing for emergency preference ratings on 15,000 tons of sheet steel to be used in construction of grain bins.

The program provides that emergency preference ratings effective for obtaining such material shall be issued to the extent determined by the Office of Production Management to be consistent with the defense program. The allocation program includes 10,000 tons of galvanized sheets, of which approximately 6,000 tons had already been delivered to grain bin manufacturers by July 7, and 5,000 tons of black sheets. It was announced that in allocating the remaining tonnage of galvanized sheets the director of Priorities would, as in the case of the tonnage already allocated, grant individual preference rating certificates among manufacturers in such manner as might be feasible.

4 appointments in civilian allocation

Four appointments to the Civilian Supply Allocation Division, OPACS, were announced July 9 by Joseph L. Weiner, chief of the division.

Dr. Reavls Cox, chairman of the marketing department of the Wharton School of Finance and Commerce, University of Pennsylvania, was named assistant director, in which capacity he will exercise general supervision over allocation programs.

Dr. Arthur B. Burns, professor of industrial organization at Columbia University, was appointed special assistant to Mr. Weiner. For the present he will supervise preparation of allocation programs in the consumers' durable goods field. Dr. Burns came to Columbia University 13 years ago and during the past 2 years has been directing research on the Government's electric power policy for the Twentieth Century Fund.

Dr. Donald B. Keyes, head of the chemical engineering division at the University of Illinois, has been retained for approximately 2 months to set up a chemicals and drugs section. From 1918 until his appointment at the University in 1926, he was connected with the U. S. Industrial Alcohol Co. and the U. S. Industrial Chemicals Co., as chemical engineer and director of research.

Nathaniel G. Burleigh has been employed to establish and head the general products section, which will develop allocation programs affecting a wide range of commodities. Mr. Burleigh has been professor of industrial management at the Amos Tuck School, Dartmouth College, since 1919.

Grain transport satisfactory

Harvesting of the winter wheat crop was delayed by heavy rains which greatly reduced its volume. The crop has been handled without difficulty so far as transportation is concerned, according to the Transportation Division, OEM. On July 9, the railroads still had in excess of 20,000 grain cars stored and conditioned for wheat loading. Storage space at some of the principal terminal markets is filling up, although it now appears that the southwestern markets, particularly, may not encounter a storage problem. At Kansas City the grain trade notified all concerned on July 9 that Kansas City could not accept any more wheat for storage or loan unless prior arrangements are made by each shipper to insure unloading upon arrival at Kansas City. While so-called free wheat shipped to Kansas City for sale on the open market may still be handled without restriction, it is hoped that by reducing the movement of wheat for storage at that point this action by the grain trade will make unnecessary any placement of embargoes by the railroads.
**Maritime Commission reassures OPACS on intercoastal ships**

Enough vessels will be retained in the inter-coastal service to assure continuation of important movements of commodities requiring water transportation between the Atlantic and Pacific seaboard, barring only developments of conditions much more serious than now anticipated, according to information received by OPACS from the Division of Emergency Shipping of the United States Maritime Commission.

Necessary withdrawals of tonnage will be made in as orderly a manner as possible so as to avoid throwing a sudden and unreasonable load upon the rail carriers, according to the information provided OPACS.

In commenting upon this information, OPACS Administrator Henderson describes it as unusually important in that it assures reasonable rates for transportation to the Pacific Coast of iron and steel products from mills adjacent to the Atlantic seaboard and for the transportation of lumber and other essential commodities from the Pacific Coast to eastern seaboard consuming centers.

The administrator also pointed out that transportation charges are an important factor in commodity prices and that unduly high freight rates, whether rail or water, tend to raise prices and make more difficult the maintenance of reasonable price levels.

**Small firm granted limited relief from price schedule**

Limited relief from provisions of the iron and steel price schedule has been granted by the OPACS to W. Ames & Co., of Jersey City, N. J., operating a relatively small warehouse and jobbing mill.

Because the greater part of its product is sold in small lots on a warehouse basis, without use of the baring point system, the Ames concern asked, and was granted, permission to sell bars, angles, and spikes at prices of $2.85, $3.10, and $3.45 per 100 pounds, respectively, or from 36 to 45 cents per hundred pounds above ceiling prices on equivalent products.

Action of OPACS in this instance was taken under its established policy of affording relief in any special situation where ceiling prices result in undue hardships.

**Locomotives and urban and interurban buses and cars given preference**

Action to relieve a critical shortage of locomotives of all kinds was taken July 7 by the Civilian Supply Allocation Division of the OPACS through issuance of an allocation program giving preferential delivery status to materials and equipment essential to their construction.

**Additional locomotives urgently needed**

Imperative demand of the defense effort for iron, steel, and other materials has caused scarcities. OPACS' allocation programs aim to assure an uninterrupted and unretarded flow of supplies to civilian manufacturers of goods and equipment most necessary to the public welfare. Additional railroad, mine, and industrial locomotives and freight cars are urgently required.

To insure adequate transportation facilities for the traveling public, OPACS, through the Civilian Supply Allocation Division, issued on July 7 an allocation program providing preferential status on deliveries of materials and equipment used in the construction of cars and buses for urban or interurban lines. A serious shortage of these types of passenger transportation equipment exists.

OPACS thus places the two classes of manufacturers on a par with freight car builders in their prior right to materials and equipment over other civilian uses. The allocation program for freight car materials was issued June 10, 1941.

The two new programs provide that deliveries of materials and equipment necessary shall be given preference over all material and equipment going to any other civilian uses, subject only to a prior preference to deliveries for all such material and equipment as may be required under contracts with the United States or any department or agency thereof.

**Tanker loads to be increased as permitted in new law**

Deputy Petroleum Coordinator Ralph K. Davies telegraphed the 22 companies engaged in the Gulf to East Coast oil trade and suggested that they take immediate steps toward carrying increased loads, as permitted by the load-line act which received Presidential approval the week before. The establishment of the new load-lines on all the tankers, it is estimated, will result in an increase of East Coast receipts by 30,000 to 40,000 barrels daily. In response to the Deputy Coordinator's telegram, a number of companies notified him that they were proceeding immediately to establish new load-lines.

**109 merchant ships transferred to Army, Navy**

Transfer of 109 merchant ships to the armed forces of the United States to expedite their expansion under the national defense program, has been made to date by the Maritime Commission, it was announced by the Commission July 9.

J. Elmer Thomas appointed fuel consultant

Appointment of J. Elmer Thomas, petroleum analyst of Fort Worth, Texas, as advisory consultant in the fuel section of the Price Division, OPACS, was announced July 8 by Dr. J. K. Calbraith, assistant administrator in charge.

Mr. Thomas will organize in the fuel section a staff of technical experts drawn from the oil, gas, and coal industries. The new consultant has had 27 years of widely varied experience in the oil business as a petroleum geologist and economist. For several years he was an independent oil operator. In 1937 he served as United States delegate to the Second World Oil Congress in Paris and in 1930 was chairman of the Committee on Petroleum Economics by appointment from the Secretary of the Interior.

Assisting Mr. Thomas temporarily in his organization work will be Allen F. Hand, Los Angeles, who has been active for many years in the California branch of the oil industry; Alden W. Foster, Pittsburgh, consulting geologist specializing in gas properties; Joseph Gordon, New York, petroleum economist for Penner & Beane, New York; and Robert N. Moore, Decatur, Ill., a distributor of petroleum products in the Central States.
Henderson calls on hide suppliers to continue classifying before sale

 Packers and other suppliers of hides and skins to the tanning industry were called upon July 9, by OPACS Administrator Henderson, to continue the customary trade practice of selecting and classifying hides and skins before sale.

At the same time, Mr. Henderson issued a statement designed to clarify for the trade certain other questions which have arisen under the price schedule for hides.

Threatened abrogation of the practice of selecting and classifying hides, kips, and calfskins as result of the imposition of ceiling prices, Mr. Henderson said, would break down established standards and would interfere with the flow of hides and skins into those channels where they can be used most effectively.

Responsibility is on the trade

The trade itself bears the primary responsibility for maintaining the established practices of selecting and grading, Mr. Henderson stated. OPACS expects it to meet that responsibility.

In all cases where it has been customary in the past, hides should continue to be sold on a selected basis for No. 2s, hide defects, grubs, cutthroats, etc.; and seasonal adjustments, as well as weight allowances for manure and tare should be made, the administrator said. Similarly, present trade practices as to selection, condition and delivery of kips and calfskins should be maintained, including the existing system of 20 to 30 days' cure, and tarring and banking or draining skins. Sales of kips and calfskins on a selected basis for No. 2s, buttermilks, runners, grassers, etc., where followed formerly, likewise should be continued.

Other clarifications

Excerpts from the text of Mr. Henderson's clarifying statement on certain other questions that have arisen under the hide price schedule follows:

The maximum prices established by Price Schedule No. 9 for hides, kips, and calfskins do not apply to the sale of coupons, dry hides, or slunkskins. It must be emphasized, however, that if it is brought to the attention of OPACS that the price of these materials rises to an extent disproportionate to the maximum established by the schedule, appropriate action will be taken.

May employ broker on commission

Price Schedule No. 9 provides that a buyer or seller of hides, kips or calfskins may employ a broker to buy or sell, as the case may be, and for that service may pay a commission of not more than 3 percent of the purchase price which may be added to the maximum price established by the schedule, provided that the commission for this service is not charged to both buyer and seller.

However, in particular cases where special services beyond securing the buyer or seller are performed, a broker may act on behalf of the buyer for one purpose and the seller for another, and receive compensation from both so long as in no case the aggregate of the two commissions exceeds 3 percent of the applicable maximum price established by the schedule.

Dealer's charges

A dealer who, for his own account, sells hides or skins to a tanner may, at the request of that tanner, perform the receiving service as the tanner's agent and, subject to the limitations contained in Section 1314.14 of Price Schedule No. 9, charge the customary receiving fee.

In cases where dealers make a selection of special premium hides from ordinary selections to meet the requirements of specialty tanners, exception may be made to the maximum prices established by the schedule upon proper application to OPACS.

Must have OPACS permission

In all cases permission must be secured from OPACS before final settlement of the transaction can be made at a price higher than the established maximum. Copies of an application form can be procured from the Office of Price Administration and Civilian Supply.

Food Products Section executives announced

Initial executive staff for the Food and Food Products section of the Price Division, OPACS, was announced July 8 by Dr. J. K. Galbraith, assistant administrator in charge.

Harold B. Rowe, who has been economic adviser to Miss Harriet Elliott, was appointed price executive. Mr. Rowe is on leave from Brookings Institution, where he has been employed since 1933.

A. C. Hoffman was appointed principal economist. He comes to OPACS from the divison of marketing and transportation research, Bureau of Agricultural Economics, Department of Agriculture, where he has served also as principal economist for the past 6 years.

Victor L. Lea was named principal economist. He comes to OPACS from the division of marketing and transportation research, Bureau of Agricultural Economics, Department of Agriculture, where he has served also as principal economist for the past 6 years.

Victor L. Lea was named principal business specialist with particular reference to fats and oils. Mr. Lea has been manager of the commodity department of Penner & Beane, New York, for 8 years and has been teacher of economics and commodity price analysis at the Stock Exchange Institute for 11 years. He came to Washington at the request of the Bureau of Labor Statistics as economic consultant on fats and oils.
Canned Foods

Defense agencies are currently active in plans to procure canned vegetables for the Army and Navy. On the basis of new estimates that the needs of the two services from the 1941 vegetable pack will total about 10 million cases, OPM officials believe that, with proper response by canners to bid invitations, significant price increases or shortages for civilian purchases can be averted or minimized.

Army and Navy purchases and increased consumer demand have led canners to contract for increased acreages for truck crops and it is likely that the 1940 total pack of 120 million cases of canned vegetables will be exceeded in the 1941 canning season. Recent reports of the United States Department of Agriculture indicate that the acreage planted to important processing truck crops is about 15 percent more than in 1940, and good yields are in prospect.

As an additional precaution, to assure increased output of canned food supplies, the Office of Price Administration and Civilian Supply has provided for allocation of equipment and materials required by the canning industry for the construction and repair of food processing machinery. This emergency allocation program will extend until August 1 and will operate to prevent scarcity of canning equipment and forestall a resultant loss of part of the year’s perishable fruit and vegetable crop.

After August 1, repair and maintenance materials for the canning industry will be provided under the joint OPM-OPACS program to give priority status to essential civilian services. The Civilian Supply Allocation Division of OPACS is initiating a broad effort to assist food industries in operating at top efficiency and in expanding production where advisable. As an example: machinery will be made available for increased output of canned milk, processed cheese, and other processed and preserved foods wherever the Department of Agriculture indicates that supplies, fuel, and power are available.

Further to supplement commercial supplies and prevent fruits and vegetables from going to waste, a program is under way to promote cooperative canning and storage of local surpluses which may remain after commercial marketing. Under the joint sponsorship of the Consumer Division of OPACS, the Department of Agriculture and the Coordinator of Health, Welfare and Related Defense Activities, local community resources are being enlisted for storing, drying, and preserving such surpluses. These foods will then be made available to school lunch programs, community kitchens in defense communities and similar community food programs.

Consumers can assist in collecting the local surpluses and contributing jars, and in the preparation and processing in community centers, school home economics departments and other local centers with available facilities. Retail and wholesale dealers may find it possible to contribute fruit and vegetable supplies which are unsold and which are suitable for preserving.

Tires

The fact that Administrator Hendon does not consider it necessary to set maximum prices for rubber products at this time should be sufficient indication to civilian buyers that adequate supplies are available at fair prices, OPACS rubber price executives pointed out this week. The establishment of ceiling prices on auto tires, tubes, and other rubber products contemplated last month by the Office of Price Administration and Civilian Supply, was deferred on the basis of indications that unjustified price increases were being curbed by active competition in the market place and by voluntary industry measures. OPACS is watching the rubber price situation closely and is prepared to take action if an inflationary situation shows signs of developing in rubber products.

On June 23, OPACS, in cooperation with the Office of Production Management, initiated a program to reduce civilian consumption of rubber in order to insure adequate supplies for military purposes. The reduction is a moderate one and no disturbing shortage of rubber products is in prospect if consumers and retailers continue normal purchasing and do not overstock.

Tires and tubes have customarily used about 75 percent of the rubber entering into industrial production in this country. The reduction in automobile production, made necessary by defense requirements of materials, labor and plant facilities, will free considerable supplies of rubber for military requirements and for other essential civilian needs. The Civilian Supply Allocation Division of OPACS is currently working to assure necessary supplies of rubber for vital civilian purposes.

In addition to encouraging consumers to get longer life out of their tires, the Consumer Division of OPACS is urging them to take better care of their tires. Driving at moderate speeds, proper tire inflation, alignment, and the avoidance of holes and rubble while driving will add considerably to tire service. More detailed information on care of automobiles and tires is contained in the June 30 issue of Consumer Prices, available from the Consumer Division of OPACS.

Conservation of tires and tubes, coupled with purchases of new tires only as actually needed for immediate use, will be of great assistance in the maintenance of stable prices, OPACS officials say. Consumers are urged in particular not to throw away outworn tires and tubes. Much of the rubber in these articles can be made available for reclaiming and re-use.

Retailers can assist by maintaining stable prices and inventories and by helping inform consumers on better tire use and conservation.

Clothing

Discussions of an increase in the size of the Army have raised a question about further clothing purchases for the armed services. Defense purchasing officials report that present clothing procurement plans are adequate to take care of an increase of as many as 400,000 men, if Congress should provide for an expanded Army to that extent. Current purchasing schedules, combined with clothing supplies already bought, would be sufficient for such an increase.

OPACS clothing price executives report that the retail price bracket system is working particular hardship on low-income groups in their purchases of work clothing. While some manufacturers and retailers are absorbing part of the cost increase, many retailers are reported shifting work-clothing items into the next higher price bracket when a rise in cost appears. This is resulting in retail prices higher than warranted even by the cost advance. OPACS is investigating the extent and effect of this practice in work clothing and other apparel items.
PURCHASES...

$755,687,421 War Department contracts cleared July 3 through July 9

Defense contracts and letters of intent totaling $1,032,421,510 were awarded by the War Department and cleared by the Division of Purchases, OPM, during the period July 3 through July 9. Similar commitments in the previous week were $1,172,281,870, bringing the total for two weeks to $2,264,703,380. Total contract awards in the latest week were $755,687,421 which compares with $906,608,645 for the previous week. Letters of Intent totaled $767,734,088 compared with $265-, 675,225 a week earlier.

Of the $2,264,703,380 contracts and letters of intent for aircraft and aircraft parts, $125,321,715 were awarded to General Motors Corporation, Allison Division, Indianapolis, Ind.; $141,666,660 to Nash Kelvinator Corporation, Detroit, Mich.; $157,271,500 to Pump Engineering Service Corporation, Cleveland, Ohio; and $1,238,459 to Curtiss-Wright Corporation, Airplane Division, Buffalo, N. Y.; $1,238,459 to Curtiss-Wright Corporation, Aircraft Division, Caldwell, N. J.; $1,238,459 to contract controls; and $1,238,459 to seven contracts totaling $63,667,000.29.

CONSTRUCTION

Ford Motor Co., Ypsilanti, Mich., establishment of new plant with necessary machinery and equipment for manufacture of $47,602,290. (Defense Plant Corporation agreement.)

Hughes Tool Co., Houston, Texas; rehabilitation of structure and acquisition of machinery and equipment to establish plant for the production of landing gear strut; $3,725,001. (Defense Plant Corporation agreement.)

E. I. Du Pont de Nemours & Co., Wilmington, Del.; additional facilities at Morgan-town, West Va.; $16,040,000. (Total estimated cost of plan is $21,162,000, of which $20,700,000 is for equipment.)

Two contractors: Foirier & McClane Corporation and John W. Harris & Associates.

Makers, repairers of canning machines or equipment given A-2 priorities

In order to prevent loss of a portion of the 1941 fruit and vegetable crop, the Priorities Division of OPM issued July 10 an order providing an A-2 preference rating which may be applied to deliveries of materials needed by plants constructing or repairing canning machinery and equipment.

The A-2 rating may be used, however, only in accordance with specific instructions and regulations contained in the order (P-17).

Reasons for the new order are:

1. Insufficient machinery and equipment is now available for preparing and processing the 1941 crop of fruits and vegetables and for filling, labeling, closing, and packaging the required containers.

2. There is also a scarcity of many of the materials required for construction and repair of canning equipment.

3. The Office of Price Administration and Civilian Supply has issued a program statement that such materials should be given an emergency preference rating.

Can cover suppliers

The order provides that a producer of the canning equipment required may apply the A-2 rating to his deliveries by accepting the terms of the order in writing and serving a copy of it on his supplier. Provisions are also included whereby the rating may be used to expedite deliveries to suppliers and subcontractors of the producer.

It is stipulated that the rating may be applied only to materials which appear on the Priorities Critical List.

It is also provided that the order is a temporary one, taking effect on July 9 and expiring on August 31, 1941. About 35 producers of machinery and equipment are on the initial list of those who will receive the order. All of them are urged not to use critical materials such as aluminum, or stainless steel containing nickel, if substitutes can be used.
Inc., both of New York City; construction of Seneca Ordnance Depot at Kendalia, N.Y.; architects and engineers, William S. Leiter, Rochester, N.Y.; $6,358,454.


E. E. Dixon Co., Los Angeles, Calif.; additional facilities at Camp San Luis Obispo, Calif.; architects and engineers, Leeds, Bull, Barnard, and Jewett, Los Angeles; $2,617,888.


Stoie & Webster Engineering Corporation; additional facilities for production of lead cartage at Kansas Ordnance Works, Joliet, Ill.; $908,957.

Plant will be operated by E. I. du Pont de Nemours of Wilmington, Del.; total estimated cost now $3,679,967.

Robert E. McCue, Los Angeles, Calif.; construction of wharf, Benicia Arsenal, Calif.; $633,064.76.

Walt & Sinclair of Florida, Palm Beach, Fla.; construction of barracks, recreation building, chapel, officers' quarters, nurses' quarters, at Camp Blanding, Fla.; $1,623,714.

Y. P. Left, Twin C, N. J.; construction of 64 miscellaneous buildings and 20 regimental chapels at Fort Bragg, N. C.; $729,000.

Two contractors: Fruin-Colman Construction Co. and Price Construction Company, both of St. Louis; installation of equipment and machinery for St. Louis Ordnance Plant; $25,250,000.

E. I. du Pont de Nemours and Co., Wilmington, Del.; TNT, DNT, and Tetryl facilities, Alabama Ordnance Works, Sylacauga, Ala.; $14,972,800 for construction, and $10,650,000 for equipment.

Sands & Porter, New York City; additional shell loading facilities at Elwood Ordnance Plant, Joliet, Ill.; $5,778,075.


Central Contracting Co. of Atlanta and Beckley & Brooks, Perry, Ga.; motor repair base at Atlanta Quartermaster Depot; architects and engineers, Robert & Co., Inc., Atlanta, Ga.; $2,529,778.


W. R. Grimshaw Co., Tulsa, Okla.; motor transport facilities at Fort Sill, Okla.; $1,976,659.

Two contractors: George F. Teufel & Paul N. Carlson of Seattle, Wash.; motor repair shops at Fort Lewis, Wash.; $1,093,251.

The American Construction Co. of Houston, Tex.; motor repair facilities at Normy Quartermaster Depot, San Antonio, Tex.; $829,630.

Sound Construction Co. of Seattle, Wash.; replacement depot at Fort Lawton, Seattle, Wash.; $627,100.


LETTERS OF INTENT

EQUIPMENT AND SUPPLIES

Sperry Gyroscope Co., Inc., Brooklyn, N.Y.; gyro horizon, gyro direction and turn indicators and automatic pilots; $60,000.

Army and Navy requirements for canned fruits and vegetables from the 1941 pack will equal about 8.3 percent of the total 1940 pack of canned vegetables and 4.9 percent of the total 1940 pack of canned fruits, according to estimates sent out July 11 to American canners by the Division of Purchases, OPM.

Invitations to bid on the Army's and Navy's fruit and vegetable requirements will be sent out during July and August by the Army's central purchase offices in Chicago, San Francisco, and New York.

In a letter sent to all canners by the Division of Purchases, canned fruits were urged to quote on delivery at as many delivery points as possible.

"It is impossible for us to advise each canner individually how many cases of his pack he should reserve for the needs of the armed services," said the letter. "We do know, however, approximately how many cases of each item the Army and Navy plan to use from the 1941 pack."

In consequence there is attached hereto a table showing those amounts, the 1940 pack of each item and the percentage, separately, of the Army's and the Navy's needs. By intelligent use of this table each canner can ascertain how many cases of an item he ought to assume as his share of the Army and Navy requirements. Of course, those who can offer more should do so, as some canners may not be able to offer extra standards."

Steps to simplify industry's task

The letter reviewed steps that have been taken to simplify the industry's task of meeting the Services' requirements. Overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on future contracts for most seasonal perishable items. Neither bidders' bond nor performance bond is required, inspection of carload lots is to take place before shipment, regular trade labels are not required, and separate invitations will be used for each major product.

"Many canners have told us that they realize that a voluntary and equal sharing (Continued on page 18)
Canned vegetables

(Continued from page 17)

The weight of the defense burden is true evidence of a real democracy and that they want guidance as to how they can assume their share of this burden," the letter said. "Some have far-sightedly remarked that in addition to the motive of democratic patriotism, they are keenly aware of the fact that increasingly in the future, industries participating in the defense program must necessarily be given priority for supplies and materials over nondefense industries, not as a matter of discipline but on account of the necessities of an 'all-out' effort, and that this probability is also worthy of consideration."

Plant expansion commitments

Commitments for defense plant expansion at the end of May had risen to a total of $3.061 million dollars covering 1,847 projects, the Bureau of Research and Statistics, OPM, announced July 8. In addition, application had been made for Certificates of Necessity on plant facilities totaling $281 million dollars upon which action had not been taken, bringing the total to $3,342 million. Government obligations comprise 75 percent of the money allocated, and 22 percent of the projects in this tabulation. This does not include private projects for which Certificates of Necessity have not been requested.

Government commitments as of May 31 cover 397 projects estimated to cost $2,291 million dollars while private commitments at the same date covered 1,450 plants estimated to cost $770 million. Of the total Government commitments, 927 million represents the share of the Navy and 730 million represents the Navy's commitments. The Defense Plant Corporation has committed itself for 505 commitments at the end of April totaled $129 million. Government commitments total 129 million. Government commitments at the end of April totaled 2 billion, 56 million dollars.

Army develops rules for moving heavy equipment

Special transportation problems created by the expanding mechanization and motorization of the Army has resulted in the development by the War Department, in cooperation with the Association of American Railroads, of a master plan for loading and transporting such equipment on open top cars.

CANNED FRUITS AND VEGETABLES—ARMY AND NAVY REQUIREMENTS FROM 1941 PACK

<table>
<thead>
<tr>
<th>Product</th>
<th>Army requirements from 1941 pack</th>
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<tr>
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<td>Basis 24/2/2's cases (fruits); 24/2's cases (vegetables)</td>
<td>Basis 24/2/2's cases (fruits); 24/2's cases (vegetables)</td>
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<tr>
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<td>Percent 1940 pack</td>
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NOTE.—In the above table all figures are listed in cases of 24/2/2's (fruits) and 24/2's (vegetables) in order that they may be comparable. Army and Navy purchases with, however, be in the car sizes and of the grades listed below, the first named size being preferred. Apples, Standard 2 1/2's or 10's; Apple Sauce, Fancy 10 or 24's; Cherries, Choice 10 or 24's; Cranberries, Fancy 10 or 24's; Peaches, Choice 10 or 24's; Peas, Choice 10 or 24's; Tomatoes, Fancy 10 or 24's; Tomatoes, Fancy 10 or 24's; Spinach, Fancy 10 or 24's; Sweet Potatoes, Fancy 10 or 24's; Tomatoes, Fancy 10 or 24's; Other vegetables, Fancy 10's.

Dr. M. L. Wilson appointed to direct nutrition activities for defense

Paul V. McNutt, Coordinator of Health, Welfare and Related Defense Activities, announced at a press conference July 8 that Dr. M. L. Wilson had been appointed Director of Nutrition in the office of the Coordinator. Dr. Wilson took part in the conference, explaining what his program would be. Excerpts follow:

Mr. McNutt: I am very happy to say that Dr. M. L. Wilson is to direct our efforts in nutrition.

Directs all U. S. nutrition activities

Q. Does this, Dr. Wilson, put you, then, in charge of all the Government nutrition activities that would include any work that the Public Health Service is doing, home economics, and all the other Government agencies?

Mr. McNutt: That is right: that is what the job is.

Q. What are the ramifications of this nutrition program? What is the purpose of it?

Dr. Wilson: I would say that this would follow up the President's nutrition conference, you recollect, which was held on the 26th and 27th of May.

There are really four angles to the problem: One is the low-income people, whose diets are unsatisfactory because they don't have sufficient income with which to get the foods that are necessary to give them a good diet. The food stamp plan, you see, and school lunches, are operating in that field.

Then there is another group of people who have sufficient income, that have good food, that have good diets, but their food habits are such that they don't eat the right foods or eat the right combinations of foods. That has to be attacked largely through education.

Another problem comes in the preparation and cooking and combination of foods. There are a lot of vitamins, and, many times, the nutrition elements of food are lost through improper cooking, or the diet doesn't get the right combination.

Then there is the fourth item which comes about through the over refinement of certain of the mass foods in the diet.
AGRICULTURE...

Boards set up in every State and county to put defense first in agriculture

Federal Department of Agriculture administrative defense boards have been established in every State and every county of the United States by Secretary of Agriculture Claude R. Wickard.

In creating the boards, Secretary Wickard declared that “national defense is the first order of business in the U. S. Department of Agriculture.” He also pointed out that the President’s recent action in establishing the Office of Agricultural Defense Relations as part of the Secretary’s office “signifies, as do other developments, the vital importance of agriculture in the defense program.”

The membership of the defense boards comprises a representative from each of the Department agencies whose services will be called on by the Secretary to administer actions necessary to carry out his departmental responsibilities in national defense. The chairman of each county board is the chairman of the county AAA committee. Secretary Wickard pointed out that the major part of the Department’s defense job involves field work centers on adjustment of farm production.

The agencies represented

The agencies of the Department whose representatives serve on the State defense boards include the Agricultural Adjustment Administration, the Bureau of Agricultural Economics, the Farm Security Administration, the Soil Conservation Service, the Farm Credit Administration, the Surplus Marketing Administration, the Agricultural Marketing Service, the Forest Service, the Rural Electrification Administration and the Federal-State Cooperative Extension Service.

The membership of the county board will be made up of the principal employees of each of these agencies which maintains an office in any given county. The agencies maintaining local offices, although not uniformly in every county, include besides the AAA, the Farm Security Administration, the Soil Conservation Service, the Forest Service, the Rural Electrification Administration, the Federal-State Cooperative Extension Service, and the Farm Credit Administration.

County groups responsible to State boards

The USDA county defense boards are responsible through their chairmen to the USDA State defense boards. The USDA State defense boards are responsible through their chairmen to the Secretary of Agriculture.

Secretary Wickard’s memorandum establishing the boards sets up the responsibilities of the State and county boards as follows:

Under direction of the Secretary, the U. S. Department of Agriculture State defense boards are authorized to confer with, advise, and arrange cooperation with other defense agencies having State or local offices, and to arrange for maximum cooperation of all Department field personnel in defense undertakings. Other specific functions will be assigned to the boards from time to time by the Secretary. While specific defense assignments also will be given to specific agencies of the Department, information about such assignments will be given to the boards and responsibility for seeing that Department field personnel generally is fully informed and enabled to cooperate is within the function of the boards. The U. S. Department of Agriculture defense boards are expected also to report to the Secretary field problems and developments felt to affect the progress of defense efforts.

Assignments passed along

The U. S. Department of Agriculture State defense boards shall assign to the U. S. Department of Agriculture county defense boards county responsibility for such assignments as are given the State boards by the Secretary.

The Secretary’s memorandum also points out that the usual cooperative relations with State Extension Services are not altered, nor is the normal functioning of the Department agencies in effectuating their non-defense responsibilities.

OADR assistant director and chiefs of four over-all divisions announced

Administrative personnel of the recently established Office of Agricultural Defense Relations has been announced by the Department of Agriculture.

The OADR is a planning, advisory and liaison unit within the Office of the Secretary of Agriculture. It serves as a clearing house for consideration of agricultural needs as they relate to defense. It has been organized with four over-all divisions.

In addition to M. Clifford Townsend, director, other administrative personnel are:

David Meeker, former assistant to the Secretary of Agriculture, who will serve as assistant director.

Division to help adjust production

D. A. FitzGerald, assistant chief of the Division of State and Local Planning, Bureau of Agricultural Economics, who will be chief of the Production Division. This division will help in adjusting production to meet the military, domestic and lease-lend demands for agricultural products, and be responsible for contacts with OPACS.

L. L. Needler, former secretary of the Indiana Farm Bureau and former purchasing agent of the State of Indiana, who will be chief of the Farm Equipment and Supplies Division. This division will assist in securing priorities for agriculture.

Marketing arrangements

James E. Wells, Jr., now serving as special assistant to the Secretary of Agriculture, who will serve on detail as chief of the Transportation and Marketing Division. This division will help to secure transportation, warehousing, packaging and marketing facilities for agricultural products and supplies.

Raymond C. Smith, chief program analyst of the BAE, who will serve on detail as chief of the Labor and Rural Industries Division. The division will be responsible for developing and planning programs in cooperation with existing agencies to assist in handling farm labor problems. It will also review and analyze requests for the location of military establishments, and consult with the Labor Division of the OPFM.

(Information furnished by Office of Agricultural Defense Relations, U. S. Department of Agriculture)
Conferees recommend recreation program to fit needs of three-shift defense work

Round-the-clock community leisure-time activities, paralleling and complementing the 24-hour schedule of defense industry, were emphasized at a conference on recreation for defense workers held in Washington July 11. The meeting, called by Federal Security Administrator Paul V. McNutt, who is Coordinator of Health, Welfare and Related Defense Activities, brought together representatives of labor, industry, national voluntary organizations, and Federal agencies concerned in meeting the leisure-time needs of workers.

"Not so glamorous as entertaining the young men in our armed forces, but certainly of equal importance," Mr. McNutt called this problem in opening the discussion. "Without relaxation and change," he continued, "morale, productive activity, and health are threatened—and that is something national defense cannot afford."

Can't have one-shift social life

Citing actual experience, H. G. Pfeif, of the General Electric Company, and others supported this point of view. "A town with three-shift industries can't go on living a one-shift social life," in the opinion of Anna M. Rosenberg, regional coordinator of health and welfare activities for New York State.

Must consider needs in new building

As one major step toward meeting these problems, the conference recommended additional consideration of recreation needs in connection with new housing projects, particularly those under Federal auspices. These, it was felt, should include adequate indoor and outdoor provision for preschool and school children and their mothers, for youth, and for adult workers, both men and women.

In comparing recreational provisions for men in military service and for defense workers, Charles P. Taft, Assistant Coordinator, who acted as chairman of the conference, pointed out that the wage differential between enlisted men and the thousands of young unskilled and semiskilled men and girls in industry "is not actually so great as some people assume. The soldier, who gets maintenance and clothing as well as pay, may have so much less than the lower paid industrial worker to spend on recreation. Both need community provision for free and low-cost amusements."

Summarizing the recommendations of the conference, Assistant Coordinator Taft enumerated the following seven-point resolution:

1. The morale needs of the defense program demand that adequate recreation for children and adults be provided.
2. In the marshalling of the total recreational resources of the community, it is essential that the municipality take the lead and discharge its responsibility from public funds.
3. Over-all planning for recreation, by all groups concerned, including public and private agencies, industries, unions, and leading citizens, is necessary in each community.
4. Commercial recreation interests should be encouraged to explore the possibilities of providing desirable recreation.
5. All housing projects should include recreational facilities and leadership for children and adults as an essential part of their development.
6. Every effort should be made to awaken public recognition of the necessity for adequate recreation.
7. Industries—employers and employees—should, in addition to whatever they might do for their own plants, have a responsibility for the promotion of adequate community recreation.

Tank car owners and lessees appoint coordinating group

Meeting in Chicago on July 7, at the call of Ralph Budd, Transportation Commissioner, O.E.M., the owners and lessees of tank cars used in railroad transportation agreed to appoint a tank car service committee. This committee will coordinate the utilization of existing tank car supply.

The committee, which will function through a paid executive secretary to be appointed, consists of 15 members. It includes B. C. Graves of the Union Tank Car Co., L. H. S. Roblee of the North American Car Corporation, Robert Rogers of Shippers Car Lines, and H. E. Coyle of General American Transportation Corporation on behalf of tank car leasing companies; J. S. Wood of Pan American Petroleum and Transport Co., J. D. Reardon of Union Oil Co. of California, C. R. Musgrave of Phillips Petroleum, and P. G. Anderson of Lion Oil and Refining Co. on behalf of petroleum company tank car owners; Lee Coles of Standard Oil Co. of Indiana and R. J. Walsh of the Texas Co. on behalf of petroleum shippers; J. J. Mahoney of the Atchison, Topeka & Santa Fe Railway was selected to represent railroad owners of tank cars; H. M. Makley of Matheson Alkali Works to represent the chemical industry; T. C. Burwell of A. E. Staley Manufacturing Co. to represent the edible and non-edible oil users of tank cars, R. R. Lutdecke of Fleischman Transportation Co. to represent molasses users of tank cars, and H. E. Seid of Commercial Solvents Corporation to represent alcohol users of tank cars. Payette B. Dow, consultant to Commissioner Budd on oil transportation matters, presided at the meeting.

Holiday and miners’ vacation pull carloadings below peak

Revenue freight carloadings during the week ended July 5 totaled 740,493 cars, an increase of 16.2 percent over the 637,169 cars loaded during the corresponding week in 1940. Due principally to the Fourth of July holiday, this was a decrease of approximately 168,000 cars under the peak loadings recorded during the week ended June 28.

Livestock and coal decrease

Increases over the corresponding week in 1940, which also included the holiday, were recorded in all major commodities with the exception of livestock and coal, livestock decreasing 19.2 percent and coal, 9.3 percent. The unseasonal loss in coal movement was due to the miners’ vacation, July 3 through July 7. This will result in one day’s loss in coal loadings in the figures for the week ended July 12.

For the year to date, cumulative weekly carloadings (27 weeks) are in excess of 3,000,000 or 17.3 percent ahead of the corresponding period in 1940.

The details follow:

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<tr>
<th>CARLOADINGS WEEK ENDED JULY 5</th>
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<tr>
<td></td>
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<tr>
<td>Grain and grain products</td>
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<td>Livestock</td>
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<td>Coal</td>
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<td>Coke</td>
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<td>Forest products</td>
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<td>Ore</td>
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<td>Petroleum coke and by-products</td>
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<td>Miscellaneous</td>
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<td>Total</td>
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<td>Cumulative (27 weeks)</td>
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<sup>1</sup> Decrease.
TRANSPORTATION...

Short line railroads, in many cases vital links, handle heavy defense traffic

The independently owned and operated short line railroads of the country are satisfactorily handling their part of the defense transportation load, J. M. Hood, consultant on short line railroads, Transportation Division, OEM, announced after a survey of members of the American Short Line Railroad Association.

Short lines generally have participated in the general increase in railroad traffic caused by the defense program and growing civilian requirements. However, a number of the short line railroads are so situated that they provide the only service to and from important Army camps, arsenals, or other military establishments.

The survey made by Mr. Hood revealed the following instances of special participation in the defense transportation effort:

Railway Valley Railroad

Participates as an overhead carrier in the movement of munitions from the U. S. Naval Arsenal at Picatinny, N. J., to Raritan Arsenal at Nixon, N. J. Has the shortest rail mileage entirely outside of any congested territory between these two points and in an emergency would prove to be the vital link.

Washington & Old Dominion Railroad

Has participated directly to the extent of handling horses for the cavalry post at Fort Myer, Va.: indirectly by handling materials used in construction of homes and apartments in Arlington and Fairfax Counties, Va. Residential construction in Arlington County has tended to alleviate the housing shortage in Washington brought about by the influx of thousands of defense workers.

Aberdeen & Rockfish Railroad Co.

Handles all traffic for Port Bragg, N. C., which is being greatly expanded. Is relaying with heavier rail. Has constructed additional passing tracks and purchased two additional steam locomotives and one passenger motor car. Pursuing program of grade-crossing elimination and protection. Forty percent increase in personnel.

To facilitate handling the increase, the A. & R. has just let contracts for relaying approximately 2 1/2 miles of track, and reducing the grade. This project will involve 50,000 cubic yards of grading.

Savannah & Atlanta Railway Co.

Has enlarged its Savannah yards increasing its capacity by approximately 20 percent and placed an additional switch engine in service. Extra service was instituted for the handling of train-loads of material for use in the building of an army camp at Hinesville, near Savannah.

A grading and realignment project is being undertaken and when completed the section affected will be re-laid with heavier rail. A 6-day week has been established for shop forces to expedite repair of equipment.

San Diego & Arizona Eastern Railway Co.

Has branch line serving Naval Air Station at North Island, San Diego, Calif., and has handled major portion of materials used in the construction of additional facilities, totaling about $5,000,000. Also active in the handling of materials for construction of housing facilities for personnel.

A cavalry camp to cost over $1,000,000 is being constructed on the SE&AE about 65 miles east of San Diego and additional station facilities and track will be provided as needed.

San Francisco & Napa Valley Railroad

Only railroad serving Mare Island Navy Yard, Calif. Week of April 21st handled 138 cars into the yard.

Bamberger Railroad Co.

Only railroad serving Ogden Ordnance Depot, Utah. Recently constructed a half-mile spur in order to render better service; additional trackage will be built as occasion requires. Recently constructed over one-half mile of track to serve Ogden Air Depot.

Salt Lake, Garfield & Western Railway Co.

Serves U. S. Army Bombing Base 4 miles north of Salt Lake City. Operates two freight trains daily but can give almost immediate service when necessary.

Narragansett Pier Railroad

This short line serves the newly constructed Fort Nathanial Greene. In order to provide adequate service has added new Diesel locomotive, increased bridge loads, and doubled the scheduled passenger service. An additional Diesel locomotive is on order.

Patapsco & Back Rivers Railroad

In the past year has provided additional trackage and two 1,600 horsepower Diesel locomotives—two additional Diesels on order to be delivered in August. Has increased available cars for on-line service by 250; placed in service a new coal handling plant, a new track scale, and a new inter-change yard connecting with the B. & O. Railroad. The volume of traffic on this short line has increased 8,000 cars per month in 1941 compared to 1940.

Public warehouse use by Army quartermasters

Harry D. Crooks, consultant on warehousing, Transportation Division, announced last week that Maj. Gen. E. B. Gregory, the Quartermaster General, has issued instructions to depot quartermasters permitting the use of public warehousing facilities when depot storage space is inadequate.

Negotiated contracts may be made with individual warehousemen or groups of warehousemen according to the needs of the responsible officer. Quotations will be on a per-package-per-month basis for storage and handling according to commercial practice.

How to obtain bids and arrange contracts

Instructions given to depot commanding officers outline the methods which may be used to secure bids and to arrange contracts. The following terms will be obligatory:

1. Issuance of nonnegotiable warehouse receipts.
2. Delivery of any portion on written order without surrender of warehouse receipts.
3. Goods shall be kept separate from those of private owners, even if customarily fungible, but need not be stored in separate rooms or separate floor levels.
4. Storage and other charges to be rendered monthly. Payment will be made monthly.
5. Warehouses will waive their customary lien for storage and preservation of the goods.
HOUSING...

100,000 homes started under FHA since Jan. 1; 85 percent contribute to defense

More than 100,000 new small homes have been started under the Federal Housing Administration's mortgage insurance plan since January 1. Construction is beginning every working day on approximately 1,000 homes. This has been a substantial contribution to the Coordinated Defense Housing program.

Recent surveys show that about 70 percent of all homes now being built under the FHA are in the 193 defense areas so far designated specifically by the President as having present or impending acute housing shortages. A substantial proportion of the remainder are in areas not legally so designated but nevertheless important to the defense program in an industrial or an agricultural capacity. Thus, as much as 85 or 90 percent of all FHA-insured houses are related to defense needs.

Repair loans at record volume

Title I loans for repair and alteration of homes and commercial properties also proceeded in record volume during the first 6 months of the year, exceeding $300,000,000. It is estimated that approximately 50 percent of this volume involves properties located in or close to the 193 designated areas.

Recent changes in the National Housing Act, including the extension of Title I insurance for 2 years, are expected to stimulate loans for the conversion of old homes into apartment units as the means of supplying dwellings in defense areas. Loans for this purpose may now run as high as $5,000 for as long as 5 years as against the limits of $2,500 and 3 years for other Title I loans.

Meanwhile, applications for small home mortgage insurance under Section 203 continue substantially ahead of last year.

Since FHA mortgage insurance applications are customarily an accurate barometer of housing activity throughout the country, these figures indicate private residential building for the coming few months will maintain its rapid pace.

A report by the WPA on the Washington, D.C., real estate market states that "it appears that the construction of the 2,675 non-rental units will have added about 1,550 rental units to the District of Columbia housing supply." Assuming this ratio to hold for the entire country, it can be estimated that for every 100 dwelling units constructed for sale, 57 units are released for the rental market.

Expressed in terms of FHA's contribution to the rental field through its operations in the small homes field, because of the 100,000 new homes started in the 6 months ended June 30, more than 8,500 units would be released to the rental market.

Allocations made for 10,000 homes

Allocations were made for more than 10,000 homes during the week ended July 5, C. F. Palmer, Defense Housing Coordinator, has announced.

These homes for defense workers and their families will be in 34 locations of 21 States, and the District of Columbia. Among the localities are Baltimore; Cleveland; Jacksonville; Savannah; Wichita, Kans.; New Orleans; Seattle; and Richmond, Calif.

Of the new allocations, 5,425 homes will be constructed by the United States Housing Authority, 1,525 by the Public Buildings Administration, 1,450 by the Federal Works Agency, 1,250 by the Navy, and another 600 by the local Housing Authorities and the Office of the Federal Works Administrator.

Also more than 1,600 homes were completed during the week. This raises the total number of completions, as of July 5, to 19,047 homes in 65 localities of 29 States and territories.

Among the areas where defense homes were completed are Erie, Pa.; Bremerton, Wash.; Hickman Field, Hawaii; Muscle Shoals, Ala.; and Fort Bliss, Texas.

Allocations made under the coordinated housing program now total 107,383 homes. The number of these contracted for totals 70,146. Of the allocations, 77,298 are for civilians, and 30,085 are for enlisted personnel.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JULY 5, 1941

<table>
<thead>
<tr>
<th>Funds allocated</th>
<th>Contracts awarded</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 5</td>
<td>June 28</td>
<td>July 5</td>
</tr>
<tr>
<td>Number of States and Territories</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Number of localities</td>
<td>179</td>
<td>182</td>
</tr>
<tr>
<td>Number of projects</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Number of family dwelling units (regular)</td>
<td>107,293</td>
<td>107,313</td>
</tr>
<tr>
<td>Number of families of single persons</td>
<td>47,455</td>
<td>47,455</td>
</tr>
<tr>
<td>Number of families of two persons</td>
<td>19,201</td>
<td>19,201</td>
</tr>
<tr>
<td>Number of families of three persons</td>
<td>10,742</td>
<td>10,742</td>
</tr>
<tr>
<td>Number of families of four or more persons</td>
<td>3,194</td>
<td>3,194</td>
</tr>
<tr>
<td>Number of units for single persons</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Total for single persons</td>
<td>8,691</td>
<td>8,691</td>
</tr>
</tbody>
</table>

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

| Jan. 1 to July 5 | 103,343 |
| Week ended July 5 | 4,722 |
CIVILIAN DEFENSE

Second class in combating bombs to include officers from 47 cities

Forty-seven cities along the Atlantic Seaboard have accepted the invitation of Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, to send officers of their police and fire departments to the school at Edgewood Arsenal, Md., for training in methods of combating bombing attacks.

This is the second class of such officers to take advantage of the training course established in conjunction with the chemical warfare service of the U.S. Army. The first class of 50 selected fire officers from 47 seacoast cities has just completed the 2-week course. These officers will return to their respective communities and train their own departments in the methods of combating demolition and incendiary bombs and poison gas.

Eighteen courses in all will be conducted at the Edgewood Arsenal school. Additional schools will be established to afford like training for cities along the Gulf, the Pacific Coast, and finally the Central States.


Municipal civilian defense plans received by Office of Civilian Defense

Comprehensive plans for civilian defense, including arrangements for air raid protection, have been submitted to the Office of Civilian Defense by a number of municipalities and States. Analyzing steps to be taken in a defense emergency and defining clearly where responsibility lies in such an eventuality, the plans include provision for the following services: Fire-fighting, police, medical, public works, utilities, maintenance of vital services, and public relations.

Among the more comprehensive municipal plans received by the Office of Civilian Defense, which is urging all State and local units to submit such plans, are those from New York City, Long Beach, Los Angeles, Berkeley, Spokane, Pasadena, and Oklahoma City.

Air raid wardens planned

Proposed defense measures of the New York City Police Department provide for an air raid wardens service and an auxiliary force. Detailed plans for enrollment of personnel and a proposed course of instruction for air raid wardens are included.

Emergency defense plans of the New York City Fire Department provide for formation, training, and instruction of an auxiliary fire corps and a corps of street wardens.

Existing disaster plans adapted

The Long Beach Emergency plan is a product of the Disaster Emergency Council, which was set up over 6 years ago. (See Defense, May 27, 1941.) The Los Angeles report includes a copy of the municipal ordinance establishing the Major Disaster Emergency Council under which plans for civilian protection have been made.

State and local governments are urged to submit civilian defense plans and reports of defense activities to the Office of Civilian Defense, Washington, D.C.
COMMUNICATIONS BOARD...

DCB perfects plans to prevent interruption of radio, cable service

Completion of certain plans to prevent interruption of radio and cable communications between the United States and foreign countries was announced July 7 by James Lawrence Fly, chairman of the Defense Communications Board.

During the last war, serious inconvenience both to military and to diplomatic services was occasioned by communication obstacles. International communication service may be impeded in various ways—for example, the cutting of cables, the jamming of radio circuits, injury to equipment, cutting off of power supply, and volume of message traffic in excess of capacity.

Many of the steps designed to prevent such interferences must remain confidential. However, some aspects of the plans can be discussed.

Substitute insulation tested

When a cable breaks or is cut, special cable repair ships must be sent to the approximate site of the break—which can be determined by skilled electrical methods. The DCB has made a careful survey of existing cable repair ships, and has checked to make sure that such ships will be made available for emergency use regardless of where the break occurs or what company owns the cable which has been interrupted. Specifications for converting additional ships for cable repair in case of need have also been readied.

The DCB has surveyed existing supplies of cable, as well as cable-manufacturing facilities, and has found that one special insulating material universally used in submarine cables, gutta percha, is grown only in certain distant tropical areas. Accordingly, experiments are under way by interested companies to find a substitute. One substitute insulating material, domestically manufactured, has undergone preliminary tests successfully, and will be used in experimental cable repair work shortly.

In the event of an emergency, special arrangements are in readiness to interconnect equipment belonging to different cable and radiotelegraph companies in order to reestablish routes through without delay. Possible interconnections at terminals and intermediate points are now available.

Literally hundreds of such possible interconnections among cable companies, among radiotelegraph companies, and between radiotelegraph and cable companies have been worked out. Messages may be carried in an emergency from the office of one company to the office of another by messengers in five minutes or less; or they may be transferred by pneumatic tube, belt conveyor, Morse telegraph, teletypewriter, or special telephone circuits.

Alternative radiotelegraph routes are also in readiness. Various radiotelephone circuits can be quickly converted into radiotelegraph circuits.

At the request of the DCB, each communications company has appointed a liaison officer at every major operating office to facilitate the interchange of traffic, interconnection of facilities, and other means of coordination in the event of an emergency. The DCB has prepared a directory of such liaison officers.

Supply bottlenecks uncovered

Surveys of reserve equipment have been made. DCB committees have uncovered five potential supply bottlenecks, none of them serious as yet. At the head of the list, it might be mentioned, is fabricated aluminum, which is vital for the shielding of important radio parts. While aluminum is therefore essential in communications work, the quantity needed is fortunately not large, and needless to say will be kept at a minimum.

The matter of priorities for radio and other communications materials has been of particular concern to Mr. Fly. In this connection he is closely cooperating with J. S. Knowlson, president of the Radio Manufacturers Association, as well as other industry spokesmen.

Priority arranged for urgent messages

The DCB has prepared a manual dealing with auxiliary power supplies, cutting the various possible means of insuring adequate power in case of emergency. In this connection, the DCB seeks to insure that so-called auxiliary power sources are in fact independent of the main source.

In spite of all these efforts specific routes may be swamped beyond capacity with urgent messages. To meet such a contingency, a message priorities plan has been readied, under which messages of military importance will be granted immediate precedence.