8-5-1941

Defense Vol 2, No. 31

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WASHINGTON, D. C.  AUGUST 5, 1941  VOLUME 2, NUMBER 31

DEFENSE PROGRESS

MANPOWER
United States Army, July 31........ 1,506,500
Navy and Marine Corps, June 30... 327,000
Nonagricultural workers, June..... 38,790,000
Percent increase since July 1940 9.5
Sixteen defense industries, June... 2,440,500
Percent increase since June 1940 47.1

FINANCE
June 1940-June 1941 (in millions)
Authorized program................ $471,116,000,000
Contract awards..................... $23,825,000,000
Army................................ $69,333,000,000
Navy................................ $10,833,000,000
Other defense......................... $83,450,000,000

PRODUCTION
July 1940-June 1941
Paid on contracts.................... $5,596,000,000
Military aircraft in June............ 1,478
Combat vessels in June.............. 13
Merchant ships in June.............. 9
Week ended July 25
Significant defense strikes in progress during week... 8 6,900
Number settled...................... 2 570

AIRPLANE PRODUCTION
Airplanes produced by military plane manufacturers.

JULY 1940 561
JAN. 1941 1036
JUNE 1941 1476

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Review of the Week in Defense

The Far Eastern crisis, with the cessation of imports from Japan, reacted acutely on American women last week as the OPM Priorities Division ordered all manufacturing of silk stockings and other civilian silk goods to stop.

The order was issued to preserve for military purposes silk still in the mills and warehouses. While silk stockings take about 90 percent of silk imports, the Japanese-produced fiber also is used to make parachutes and powder bags. Army and Navy officials estimated that silk stocks just equal military requirements for the next two years.

Other defense agencies moved promptly to avert sudden price rises, hoarding, and unemployment.

Women urged not to over-buy

OPACS imposed a ceiling on prices of raw silk and silk waste, ordered rayon producers to set aside 10 percent of their stock for hosiery mills. Miss Harriet Elliott, chief of the OPACS consumer division, pleaded with women not to buy more hose than necessary. To do so, she said, would be unfair.

A joint conference of labor, management, and government officials authorized Sidney Hillman, OPACS Associate Director General, to set up a committee to help find defense jobs for 175,000 silk hosiery workers.

Steps to check inflation

Legislation authorizing Government control of prices and rents meanwhile was introduced in Congress after President Roosevelt in a special message had warned that “we face inflation unless we act decisively and without delay.”

Hearings on the bill, which will give the President broad powers to check in wall of passenger-car production. Further conferences were scheduled.

OPACS allowed a 5-percent rise in the wholesale price of tires but ordered an investigation of aluminum. It imposed a ceiling on Douglas fir plywood, warned against tin price increases, allocated supplies for hospitals, clinics and sanatoria, allocated tinplate and zinc oxide, used in making smokeless powder as well as to disinfect swimming pools and calcium-silicon, which makes steel tougher. Control of copper was tightened.

A rubber priority order was modified to avoid sudden unemployment, and ratings which will assure supplies were given makers of cutting tools, cranes and hoists, and mining equipment.

Drive to save scrap for defense

One scrapped auto—and there are 2,500,000 every year—has enough iron and steel to make a light cannon. Twenty cars have enough for a light tank. Under the sponsorship of OPM, auto wreckers and scrap dealers met in Columbus, Ohio, to map a drive for using this scrap in defense industries. Other sectional meetings are to follow.

Meanwhile, OPM Director General William S. Knudsen and OPACS Administrator Leon Henderson presided jointly at a meeting of auto makers to reconcile their differences on curtailment of passenger-car production. Further conferences were scheduled.

OPACS allowed a 5-percent rise in the wholesale price of tires but ordered an investigation of aluminum. It imposed a ceiling on Douglas fir plywood, warned against tin price increases, allocated supplies for hospitals, clinics and sanatoria, allocated tinplate and zinc oxide, used in making tin cans needed to pack the season’s food crops.

Suggestions to conserve power

Anticipating a shortage in electric power for the home, OPACS’ consumer division issued a list of suggestions for efficient operation of refrigerators, radios, et cetera.

The OPM Labor Division created a Priorities Branch to assure labor’s influence in cushioning layoffs due to reduced automobile and refrigerator production.

Sidney Hillman backed women for defense jobs in letters to aircraft manufacturers, persuaded striking electrical workers at the Brooklyn Navy Yard to return to their jobs pending an OPM investigation of the dispute.

OCD Director F. H. LaGuardia cited the aluminum scrap campaign as evidence of public determination “to get behind the defense program.”

Allocation of public funds for 2,045 defense homes, award of 1,757 contracts, and completion of 2,043 for week ending July 26 were announced by Defense Housing Coordinator C. F. Palmer.

**Defense in Action**

“Defense in Action” to be broadcast August 6

DEFENSE IN ACTION, the sixth report of the Nation’s progress along defense production lines, will be presented on August 6, at 8:30-9 P. M. EST, over the Mutual Broadcasting System.

The program will present the dramatic contribution of “Women in Defense.” From the Vultee airplane plant in California, Mutual’s microphones will pick up interviews with women workers in the plant. From Washington, D. C., Miss Lou Schank, secretary to Senator D. Worth Clark of Idaho, will tell of women’s part in aviation. Miss Schank is also an instructor at Hyde Field, outside of Washington.

Switching to Boston, Mass., Major Margaret McSweeney, of the Massachusetts Women’s Civilian Defense Corps, will be interviewed on behalf of 5,000 air-raid wardens.

At the Edgewood Arsenal, outside of Baltimore, Md., the traveling microphone will interview Negro women engaged in the manufacture of gas masks. In New York City, two mothers of draftees will be interviewed.

The broadcast will close with the guest speaker of the evening, Miss Harriet Elliott, Associate Administrator of the Office of Price Administration and Civilian Supply.

DEFENSE


Subscription rates by mail: 75¢ for 52 issues; 5¢ for 13 issues; single copies 5¢, payable in advance. Remit money order payable directly to the Superintendent of Documents, Government Printing Office, Washington, D. C.
Rayon allocated to silk hosiery and weaving industry to avert dislocation

Moving swiftly to avert complete dislocation of the silk hosiery and civilian silk weaving industry, now threatened by suspension of all civilian silk processing, the Office of Price Administration and Civilian Supply announced August 3 an emergency program requiring rayon yarn producers to set aside immediately an amount equal to one-tenth of their total daily output and a like amount of yarn stocks on hand, for allocation among the manufacturers of hosiery and other products heretofore made largely or wholly of silk.

70 percent for hosiery mills

It is required that the types of yarn set aside be those types adaptable to the manufacture of hosiery and other products normally made of silk. Of the total stocks of yarn thus accumulated, not less than 70 percent will be made available at once to hosiery mills. The remaining 30 percent will be available to manufacturers whose products have been made largely or wholly of silk or to relieve cases of undue hardship which the order may result in to present customers of the rayon industry or others.

Because of its emergency character, the present program will only apply to rayon yarn production for the months of August and September.

Advisory panel to be appointed

In the meantime, an advisory panel will be appointed by OPACS to consider such future adjustments of the program as may become necessary as rayon production increases, consumer reactions to silk substitutes are observed, and present customers of the rayon industry adjust themselves to the new conditions. On this panel will be represented the rayon industry and its present customers the hosiery industry, employees of all industries concerned, distributors and retailers of all the products involved, and the consuming public.

Total present capacity of the rayon industry is not sufficient to satisfy the aggregate requirements of defense and civilian industries, plus the new overnight demand that has arisen from hosiery mills and others now cut off from all raw silk supplies.

All processing of raw silk stopped by priority order

Moving promptly after notification from Army and Navy authorities that minimum military requirements for silk during the next 2 years will approximately equal the total stocks now in the United States, E. R. Stettinius, Jr., Director of Priorities, OPM, on August 2 ordered complete stoppage of all processing of raw silk, effective at 12 o'clock that night.

The new action was in the form of an amendment to the general preference order issued a week earlier. The amendment directs that:

"No person shall after 12 o'clock midnight on Saturday, August 2, 1941, throw, spin, or otherwise process raw silk, unless specifically authorized by the Director of Priorities."

The previous order had the effect of prohibiting movement of raw silk from warehouses to mills. This amendment prohibits any processing of raw silk, even by mills which have the raw silk in their possession. A mill which possesses any thrown silk—silk in the semiprocessed state, ready for weaving or knitting—may use up the stocks which it possesses. Aside from that, and from such mills as may obtain specific permission to operate in order to fill Army or Navy contracts, there can be no further silk manufacture for civilian purposes under present conditions.

Ceilings set on principal grades of raw silk, silk waste

Ceiling prices on the principal grades of raw silk and silk waste, based on quotations that prevailed on July 21, 1941, are established in Price Schedule No. 14, announced August 2 by OPACS Administrator Henderson.

No provision is made in the schedule for completion of existing contracts on the spot market or liquidation of open positions on the Commodity Exchange, Inc., New York, at higher than maximum prices. These problems will be considered by OPACS when the exact procedure that other agencies of the Government will follow to obtain silk supplies for defense needs has been worked out.

Maximum price for the basic grade of raw silk, known as D Grade, 13/15 denier, is set at $3.08 per pound. Other grades, weights, and types are priced in relation to this basic grade.
LABOR . . .
Committee of U. S., labor, industry urged to relieve silk workers forced from jobs

On August 1, prospective closing down of all silk production for civilian uses (which was ordered the next day) brought from a joint conference of labor, management, and Government officials a proposal that Associate Director General Hillman, OPM, appoint a committee representing industry, labor, and Government to survey the acute situation and take remedial action through the Government.

The conference, attended by 75 labor leaders, both CIO and AFL, and representatives of the various branches of silk processing and weaving industries, unanimously approved a plan suggested by Emil Rieve, president of the United Textile Workers Union, asking Mr. Hillman to appoint the committee.

Eli L. Oliver, chief labor adviser of the Labor Division of OPM, who presided over the meeting, said he expected Mr. Hillman to take quick action on the request.

Union chief urges more synthetics

Substitution of synthetic fibers for Japanese silk, which has been entirely cut off by the Pacific crisis, and a substantial increase in the production facilities for rayon, nylon, and the other synthetics, are major features of Mr. Rieve's plan. The plan also includes specific proposals for shifting displaced silk workers into defense jobs, and providing relief for them during the transition period. There are 175,000 workers in the industry.

Mr. Rieve estimated that the synthetic-fiber industry, which is now producing to near capacity, would have to increase its production by 45,000,000 to 50,000,000 pounds a year. Current production of these fibers is 476,000,000 pounds annually, and from 35,000,000 to 50,000,000 pounds of raw silk have been imported annually in recent years.

Earl Constantine, president of the National Association of Hosiers Manufacturers, and other management representatives supported the Rieve plan in general.

Frank Walton, chief of the Textile Branch, Division of Purchases, OPM, told the conference that a complete inventory has been taken of all silk supplies in the United States and that the figures will be tabulated soon. A parallel study is being made, he said, to determine probable requirements of the Army and Navy, and amounts that will be needed under the Lend-Lease Bill.

OPACS aid promised

Every possible assistance in increasing production of synthetic fibers was promised by Paul O'Leary, of the textile section. Leading producers are strongly disposed to expand productive capacity, he said, provided they can get the necessary material and equipment; they have been asked by OPACS to show exactly what is needed, so that steps can be taken to make the needed materials available.

William Leader, of the American Federation of Hosiers Workers, said some of the 10,000 silk workers in his region were already "on the streets." He emphasized that many of them could be placed in defense industry jobs, and said that 3,500 members of his union in Philadelphia had been placed in defense industries in the last year.

A. F. Hinrichs, acting chief of the Bureau of Labor Statistics, announced that the Bureau will ask for employment reports from plants in this industry by telegraph, and will ask employers for permission to use such information with other Government bureaus and agencies in planning for relief and job transfers.

Priorities Branch created to administer U.S.-labor effort against unemployment

Associate Director General Hillman, OPM, together with AFL, CIO, and R.R. Brotherhood leaders, has laid down a broad-gaged policy by which the labor movement can cooperate with the Government in preventing lay-offs and other dislocations as production is cut in nondefense industries such as automobiles and refrigerators.

These cuts are necessary because the raw materials that go into automobiles and refrigerators—steel, zinc, nickel, and chrome, plus many others—are needed for planes and tanks and battleships.

Priorities Branch set up

Mr. Hillman has set up a Priorities Branch in the Labor Division of OPM to administer this program. Labor is represented by Matthew J. Burns of New York, for the AFL, and R. R. Brooks, of Massachusetts, for the CIO.

"There is room for unlimited initiative on the part of labor leaders in working out ways to prevent dislocations," Mr. Hillman said. "These are some of the things you, as a worker, can help us do: (1) Use your influence to help in the program to increase the number of subcontractors to keep the firms affected by priorities operating. (2) Suggest any ideas you have about substitutes that might be used for the raw materials we need so badly. (3) Work with us in increasing the number of schools for retaining workers who must find jobs in new industries. (4) Help manufacturers whose production will be cut to adapt their machines and factories to defense work."

Suggestions should be sent from locals to the national offices of the AFL, CIO, or Brotherhoods, Mr. Hillman said. Then the national office will send them to its representative in the Priorities Branch.

The Priorities Branch is the third major agency set up by Mr. Hillman in the last two weeks to give labor a greater share in control of the defense program. The other two new units of the Labor Division of OPM are the Labor Defense Advisory Committees for each industry, and the Labor Supply Branch, which is set up to see that there is no shortage of skilled labor.

Committee urges rubber allocation by plants

The labor defense advisory committee for the rubber industry proposed July 30 to the Office of Production Management a change in allocation of rubber supplies, which will be endangered and possibly reduced by the current Pacific crisis, in order to avoid unemployment and other economic hardships in some production centers.

The committee declared that supplies should be allocated on a plant-by-plant basis, as well as on the current company-by-company basis. Otherwise, it was declared, parent companies may make allocations which will cause undue labor displacement and distress in some areas.
MEDIATION BOARD...

Three disputes settled; Board starts new week with no strikes or lockouts

For the first time since its establishment four and a half months ago, the National Defense Mediation Board starts a week with no strikes or lock-outs. Settlement of three strikes last week cleaned the Board's slate of defense stoppages. The record piled up since the Board's creation March 19 now reads: In all 53 cases certified, involving 728,306 workers, men have either returned to work as a result of settlements or postponed threatened strikes at the request of the Board.

The three strikes settled last week were those at the American Potash and Chemical Company, Trona, Calif., Air Associates, Inc., Bendix, N. J., and Gulf States Utilities Co., Baton Rouge, La.

Changes in Board personnel

During last week, two new changes in the Board's personnel were announced. Charles E. Wyzanski, Jr., Boston attorney, was appointed a regular member of the Board to replace C. A. Dykstra, former Board chairman, who became an alternate public member. Mr. Wyzanski had been serving as an alternate public member since April 4. Walter T. Fisher, Chicago attorney, was appointed an alternate public member of the Board, bringing the total of regular and alternate public, employer, and employee members to 39.

Western Cartridge Co.

At the request of the Western Cartridge Co., East Alton, Ill., the Board on Monday, July 28, postponed for one day its deadline for receiving an acceptance or rejection of its recommendations in the dispute between this company and the Chemical Workers Union—AFL. On July 29, after a long conference between representatives of the company, Panel Chairman Charles E. Wyzanski, Jr., and Dr. Frank F. Abraham, acting chairman of the Board, the company filed the following memorandum with the Mediation Board:

"The Companies accept the recommendations of the National Defense Mediation Board with the exception of the recommendations regarding wages and vacations. Both the Companies and the Union join in requesting that instead of arbitration, the parties be given an opportunity by collective bargaining to adjust their differences on these points.

"In accepting these recommendations, the Companies are acting on the basis of the understandings which they and the Union have worked out in conferences yesterday and today with respect to the cancellation of individual contracts and with respect to the seniority clause."

Accordingly, negotiations on wages and vacations between the company and the union opened in East Alton, July 31.

Air Associates, Inc.

The panel of the Board which heard the dispute between Air Associates, Inc., of Bendix, N. J., and the United Automobile Workers of America—CIO, met July 29, to consider the company's answer to the Board's recommendations. Following this meeting, the panel issued an implementation and clarification of these recommendations. The company had raised two points with regard to the Board's recommendations of July 23. In the first place, it pointed out that the National Labor Relations Board, by a subsequent order in the case against the company, had issued a formal complaint charging the company of back pay for certain employees allegedly discriminated against. The Board had recommended that instead of arbitration, the matter be referred to between the parties to arbitration. In its clarification, the Board stated that this new development made the back pay automatically subject to the decision of the NLRB. The second point raised by the company was that the Board's recommendation that all issues not settled by collective bargaining by August 9 be submitted to arbitration. The company said that it did not want to commit itself to such a course of action prior to August 9. Since, under the terms of the Executive order creating the Board, arbitration, to become operative, must be accepted by both parties to a dispute, the Board recommended the following:

"The Board sets the date of August 9, 1941, as a reasonable time in which negotiations may be extended by mutual agreement of the parties. Such issues as are not agreed to between the parties may be submitted to arbitration by mutual agreement of the parties. The Board recommends that Professor Harry Shulman, Sterling Professor of Law, Yale University, to serve as arbitrator for such purposes. Issues on which no agreement is reached and which are not submitted to arbitration shall be the subject of prompt and thorough investigation by Professor Shulman. Following such investigation, he shall make his report to the National Defense Mediation Board and the Board will issue formal recommendations."

This clarification was immediately accepted by both parties and work was resumed the following morning.

Gulf States Utilities Co.

Following two days of hearings, July 28 and 29, in the dispute between the Gulf States Utilities Co., Baton Rouge, La., and the International Brotherhood of Electrical Workers—AFL, a settlement was reached which resulted in a return to work the following day of 200 men on strike in July. The strike had been called over the question of recognizing the IBEW. The Gulf States Utilities Co. has a collective bargaining contract with an independent union. When the case was certified July 22, both parties demanded arbitration, and, at the Board's request, the union loaded 40 tons of the company's products for delivery to the Navy. The strike itself was finally settled by a company offer of a wage increase.

(1) The employees of the company now on strike shall immediately return to work with all employment relationships unbroken, including their classifications and seniorities.

(2) Any individual employee or group of employees shall have the right to present any grievance or grievances to the Company for the application of any rules or standards of employment, either in person or by any person or persons, including representatives of the International Brotherhood of Electrical Workers, when such employee or employees desire such representation.

(3) These procedures shall be effective immediately and pending a disposition of the charges of unfair labor practices now on file with the National Labor Relations Board, made by the International Brotherhood of Electrical Workers.

In the event the parties hereto are unable mutually to agree to a satisfactory adjustment of any grievance or grievances referred to herein, the matter shall be taken up with the proper Federal agencies or with the larger division of the Office of Production Management for assistance in effecting a settlement.

John A. Roebling Sons Co.

As at the request of the parties, the panel recommended the hearing between John A. Roebling Sons Co. and the Steel Workers Organizing Committee—CIO. A strike had threatened to break out in the company's two plants at Trenton and Roebling, N. J., involving 6,000 workers manufacturing aircraft control cables for the Army. The Board had succeeded in settling a previous strike when the case was first certified in April. The issue at that time was recognition of the union. It was settled by the union agreeing to return to work pending the outcome of a Labor Board election which the Mediation Board asked the NLRB to expedite. The SWOC won sole collective bargaining rights in both plants in this election and opened negotiations with the company over the terms of a new contract. The second strike was threatened when negotiations broke down over a demand by the union for a union shop and the checkoff. At the request of the Board the strike was postponed until the negotiations before the Board on Friday, August 1. After two days the hearings were recessed until August 5.

American Potash and Chemical Co.

The four-and-a-half-month strike of the International Union of Mine, Mill and Smelter Workers—CIO, at the Trona, Calif., plant of the American Potash and Chemical Co. was ended last week when some 300 men still on strike voted to return to work. The company employs 1,380 workers, most of whom had returned to work following a company offer in late June.

The case was certified to the Board April 23. In the middle of June, at the request of both parties, the Board withdrew from the case on the understanding that arrangements would be made to end the strike's interference with defense production. Priorities were established to insure an adequate supply of borax to the glass companies. The dispute was finally settled by a company offer of a wage increase.
PRODUCTION...

OPM looks to auto graveyards for million tons more scrap a year; Ohio pledges aid

Beginning an effort to convert millions of derelict automobiles into scrap iron and steel needed for defense, the Office of Production Management received from Ohio wreckers July 30 a pledge of speedier junking to double their production.

The action was decided in Columbus, at a conference of 20 Ohio wreckers who had been appointed as a committee by OPM after a preliminary convention of some 1,000 there July 25. Representatives of OPM, the Office of Price Administration and Civilian Supply, the Institute of Scrap Iron and Steel and the Scrap Iron and Steel Defense Industry Advisory Committee attended the preliminary meeting. It is expected that similar conferences in other parts of the country will follow.

Million-ton increase sought

The objective of OPM's program is to increase by at least 1,000,000 tons, and possibly many times more, the amount of scrap iron and steel produced in a year by the scrapping of worn-out automobiles. It is estimated that there are 4 to 7 million of these in "graveyards," not including motor cars on used car lots. About 2,500,000 now are scrapped annually.

One car provides enough scrap for a light cannon; 20 cars enough for a tank. Robert H. Riggs, scrap consultant for OPM, asserted at the July 30 conference that "auto wreckers can scrap at least 50 percent more cars without the least stripping them of parts which are all the more required to service cars now on the highways because output of new cars is being curtailed. Each car wrecked yields about 1,500 pounds of iron and steel scrap, 20 pounds of aluminum, 60 pounds of copper and brass scrap, and other valuable secondary materials."

30 million tons of scrap a year needed

R. C. Allen, deputy chief of OPM's Iron and Steel Branch, in charge of raw materials, explained at the preliminary meeting that about 35,000,000 tons of iron and steel would be required annually to maintain steel ingot production at the 82,000,000-ton annual rate recorded during the first 6 months of this year. Scrap collection must be increased about 25 percent above present levels, he said, to maintain steel production at this rate.

Three means of increasing the flow of scrap to steel mills were discussed:

1. Scrapping millions of old cars now parked in auto "graveyards," where normally they remain for years, or until all saleable parts have been sold. Auto wreckers at the preliminary Columbus meeting said they would employ additional labor to strip their old cars of parts and prepare the bodies and engine blocks for scrapping immediately.

2. Use of farmers' trucks to bring to town worn-out machinery and other scrap now lying about farmyards.

3. Encouragement of small plant owners to gather up and market scrap that in many cases has been lying about their premises for a long time.

Edward A. France, Jr., representing the Office of Price Administration and Civilian Supply, told the first meeting there would be no change in OPACS' present scrap price ceiling of $29 per ton for No. 1 heavy melting steel scrap delivered at Pittsburgh. The ceiling price applies to scrap delivered to the mills ready for use.

Tin consumers asked to let stocks decline

The following telegram signed by E. Vogelsang, chief, Tin Branch, Production Division, OPM, was sent to tin consumers in the United States:

Tin consumers were requested in July 1940 to assist in the general accumulation of stocks in the United States and prompt cooperative action on their part assisted this accumulation. Due to the unstable conditions of the tin market at present time preventing further acquisitions to the government stockpile the Office of Production Management now requests consumers not only to refrain from increasing their stocks but also to cease replacing their current consumption until such time as the increase acquired by them since June 1940 is reduced by one-half. Your immediate cooperation is requested.

Contract service coordinators appointed for five cities


The coordinators will be in charge of Defense Contract Service field offices at Federal Reserve Banks or branch banks in the cities named. It is expected that they will also coordinate field offices of the Priorities Division, OPM, as soon as such offices are established in these cities.

Appointees listed

The appointees:

John J. Lenahan, Buffalo. Mr. Lenahan is president of Frank Lenahan and Sons, Inc.; president and chairman of the board of the Irish American Savings and Loan Association, and president of the Excelsior Steel Ball Co.

George W. Simons, Jr., Jacksonville. Mr. Simons, a native of Portland, Oreg., is consulting city plan engineer to Jacksonville; vice president and chief engineer of the Consolidated Development and Engineering Corporation, and president of the Excelsior Steel Ball Co.

Thompson at Little Rock


Charles W. Allen, Louisville. Mr. Allen is vice president and general manager of the Belknap Hardware and Manufacturing Co.


The Defense Contract Service is a branch of OPM designed to help the Army and Navy spread defense work into additional factories.
States will aid in OPM plan to spread defense work, avoid labor dislocations

A plan to spread defense work more widely, both to speed up defense production and avoid industrial and labor dislocations as much as possible, was agreed upon July 31 by the Office of Production Management and a committee of the Council of State Governments.

It was agreed that each State Defense Council should designate a production committee, if it has not already done so, to work with OPM's Defense Contract Service in its effort to acquaint Army and Navy procurement officers and prime defense contractors with suitable plants that have not yet received defense contracts or subcontracts.

The Defense Contract Service now has field offices in Federal Reserve Banks and Branch Banks in 36 cities throughout the United States. The Committee on Production of the Council of State Governments advised OPM officials that similar field offices are needed in numerous other cities.

Councils to open advisory offices

In industrial centers where the Defense Contract Service does not now have field offices, State Defense Councils will open offices, manned by experienced production men, to advise and assist present and prospective defense manufacturers.

In order to decentralize the activity as much as possible, it was agreed that these additional offices should be established and financed by the State Defense Councils but should work closely with the Defense Contract Service. Locations of the offices are yet to be decided by the individual State Defense Councils.

The committee was advised that State and municipal authorities could aid the defense program by revising building codes so that satisfactory substitutes could be used in place of scarce materials needed for defense. It was agreed that sample codes would be prepared for submission to local authorities.

Essential services to get preference

The committee was informed also that early action would be taken by the Federal Government to give preference to State orders for materials needed to repair and maintain essential services, such as highways and water systems. OPM officials suggested that State Defense Councils designate someone in each State to come to Washington and receive special training in priorities matters.

Persons receiving such training would then be in a position to advise State and municipal purchasing agents on the procedure they should follow to obtain necessary materials.

Those who attended the meeting with William S. Knudsen, director general of the Office of Production Management, included Frank Bane, executive director of the Council of State Governments; Governor Frank M. Dixon of Alabama, chairman of the Council's Committee on Production; Charles Jones, director of the Ohio Department of Commerce, who represented Governor John W. Bricker of Ohio, vice chairman of the committee; Clarence A. Jackson, Civilian Defense director for the State of Indiana; A. H. Stepan, chairman of the New Jersey Council of Defense, and Harold Ostertag, chairman of the New York State Joint Committee on Interstate Cooperation.

** Fabricated alloy steel for planes to be tripled

Steps are being taken to triple the supply of fabricated alloy steel for aircraft manufacture before the end of 1942, the Iron and Steel Branch of the Office of Production Management disclosed July 29.

The increased supply is to be obtained not only by expanding the steel industry's electric furnace, heat treating, and other finishing capacity, but by allocation of orders so as to obtain maximum output from present facilities.

Details of the expansion program have not yet been worked out.

In announcing the undertaking, the Iron and Steel Branch said the requirements of the aircraft industry had been determined accurately and in detail through the cooperation of the aircraft industry, the Army and Navy, the Iron and Steel Institute, and the Aircraft Branch and the Bureau of Research and Statistics in the OPM.

** H. Edgar Lewis added to Steel Industry Committee

The Bureau of Clearance of Defense Industry Advisory Committees, OPM, announced July 31 that H. Edgar Lewis, chairman of the Board and president of the Jones & Laughlin Steel Corporation, Pittsburgh, has been added to the Steel Defense Industry Advisory Committee.

Cutting tool makers get limited blanket preference

To insure an adequate supply of cutting tools vitally needed for the defense program, Priorities Director Stettinius on August 1 issued a limited blanket preference rating to approximately 100 cutting tool manufacturers.

Manufacturers granted the use of the order may apply a rating of A-1-a to deliveries from their suppliers. Provisions are made so that the suppliers may, in accordance with the terms of the order, extend the rating to their own suppliers.

The A-1-a preference rating, however, is to be used by the manufacturers only for the production of specified defense products.

Drills of all types and sizes; reamers; countersinks; taps; high speed chasers; machine tools of all sizes and types; hobs of all sizes and types; taps; high speed chasers for self-opening die heads; high-speed chasers for collapsing taps; machine broaches; and cemented carbide cutting tools of all types.

In addition, it is stipulated that the rating may only be applied to deliveries of certain specified materials set forth in exhibit A of the order. The materials to which the preference rating may be applied are high speed steel, carbon tool steel and alloy steel bars, sheets, rods, shapes, forgings and castings; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities).

** Limited blanket rating granted for mine machinery, equipment

To facilitate the production of mining machinery and equipment, which is of crucial importance to the defense program, Priorities Director Stettinius issued July 29 a limited blanket rating to about 40 manufacturers of this equipment.

The rating provided in the order is A-3 and is applicable to all deliveries of materials which appear on the Priorities Critical List, except that when a higher preference rating has been given to some particular item, the higher rating may be applied. Provision is made for the extension of the A-3 rating to subcontractors of manufacturers granted use of the order.
PRIORITYES...

Pig iron put under full priority control to assure iron, steel for defense

Pig iron was put under full priority control August 1 in a general preference order signed by Priorities Director Stettinus. The order is designed as a further step by the Priorities Division to make sure that iron and steel products flow promptly to defense channels.

The order states that producers will be required to set aside stipulated quantities of pig iron each month in an emergency pool, for special allocation, and also provides that schedules of pig-iron shipments to customers must be approved by the Priorities Division.

By directing deliveries of pig iron, both from the emergency pool and in accordance with the usual priority ratings, the Director can make sure that pig iron goes to iron foundries and steel plants and other consumers in quantities necessary to fulfill defense requirements.

While the order does not constitute any additional priority control over steel, it does provide control over the pig iron which is the major part of that steel.

At present, the pig iron and scrap used in the production of steel are divided about as follows: 56 percent pig iron and 44 percent scrap.

Steel already subject to control

Steel itself is already subject to three kinds of control. It is on the Priorities Critical List (giving Army-Navy orders priority); it is under General Metals Order No. 1 (preventing accumulation of excess inventories); and it is subject to the General Steel Preference Delivery Order No. 1, which sets up a system whereby a defense customer for steel may have his orders expedited if necessary.

The order issued August 1, therefore, is another step in this series of regulations. The new control will make it possible to do two things:

1. To see to it that foundries get enough pig iron to produce their defense orders for castings and other products.
2. To regulate the distribution of pig iron among steel plants in such a way as to make sure that all steel plants with defense orders can fill them.

Terms of the order

The pig-iron order (M-17, to "Conserve the Supply and Direct the Distribution of Pig Iron") has seven main points:

1. All defense orders (Army, Navy, British, etc.) carry a preference rating of A-10 unless higher ratings are specifically assigned.
2. Defense orders must be accepted in preference to and given priority over nondefense orders.
3. During each month, beginning with September, each producer of pig iron must set aside a quantity to be specified by the Director of Priorities. The total amount thus set aside will form an emergency pool, out of which the Director may make allocations for the following month to meet emergency needs.
4. Beginning on August 1, any customer ordering pig iron must do so on a special form in accordance with instructions from the Director.
5. Each producer of pig iron is required to submit before the 15th of each month a proposed shipment schedule of pig iron for the following month, not including the pig iron withheld for allocation. Beginning September 1, no shipments may be made to any person unless these shipments have been approved on the schedule or unless special provisions have been made by the Director of Priorities.
6. In regulating the distribution of pig iron for nondefense purposes, the Director of Priorities will be guided by any Civilian Allocation Program promulgated by the Office of Price Administration and Civilian Supply.
7. The order contains provisions designed to prevent the building up of excess inventory.

The indicated shortage in pig iron for 1941 will range above 6,000,000 short tons, according to data of the OPM Bureau of Research and Statistics.

Calcium-silicon put under full priority control

Calcium-silicon, used for the treatment of certain high-grade steels needed for defense production, was put under full priority control July 28 in a general preference order signed by Priorities Director Stettinus.

The order requires consumers of calcium-silicon to file reports with their suppliers when placing orders, and states that the Director of Priorities will issue instructions for the allocation of all available supplies to customers.

Only one producer

Calcium-silicon is a commercial product used in the treatment and refining of certain steels, such as steel for bearings, tool steel, and stainless steel. At present there is only one producer. This company's monthly production is considered insufficient for all defense and civilian needs.

Scheduled deliveries of calcium-silicon may be made during August as planned, but deliveries thereafter, beginning with September deliveries, can be made to consumers only in accordance with instructions from the Director of Priorities.

Defense orders for calcium-silicon must be accepted by producers in preference to nondefense orders.

Zinc pool for August is 27 percent of June output

The emergency zinc pool for August was announced July 30 by Priorities Director Stettinus.

Producers of metallic zinc will set aside an amount equal to 27 percent of June production. For August this will amount to approximately 19,000 tons. The pool for July was 22 percent of May production.

Producers of zinc oxide will set aside an amount equal to 10 percent of June production. This pool will amount to approximately 1,000 tons.

Producers of zinc dust are not required to set aside any part of their production.

The zinc pool, provided in the order which imposes priority control on zinc, is created so that the Director of Priorities can make allocations to emergency needs whenever necessary.

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Borax priorities extended

E. R. Stettinus, Jr., Director of Priorities, announced July 30 that the order imposing priority control on borax and boric acid had been extended to August 30.

The original order was made necessary by a strike at a borax plant in Trona, Calif. The strike has been settled, but the supply situation on borax has not entirely returned to normal.
75 makers of cranes, hoists given limited blanket ratings

To assure the prompt production of cranes and hoists which are vital to manufacturing plants engaged on Army, Navy, and other defense projects, Priorities Director Stettinius issued July 30 a new limited blanket preference rating to about 75 producers of this equipment.

The new order, P-5-a, takes the place of order P-5 which expired on July 31, and expands the list of materials to deliveries of which the rating may be applied.

Manufacturers of cranes and hoists, Mr. Stettinius explained, are finding it increasingly difficult to obtain the necessary materials and equipment to fabricate their products.

May apply A-1-a to expanded list

The 75 producers granted the order are permitted to apply a rating of A-1-a to deliveries of the specified materials.

Provisions are included so that the producers' suppliers and subsuppliers may apply the rating to deliveries from their own subcontractors.

Defense products in the manufacture of which the rating may be used include: cranes and hoists of the following types to be produced by the producer: bridge cranes; tramrails; chain hoists; air hoists; electric hoists; trolleys; monorail systems and trackage; locomotive, tractor, crawler and truck cranes; gantry cranes; whirly cranes; wall cranes; jib cranes; dry dock cranes; hammerhead cranes; derrick cranes; and shearegs.

Producers and suppliers who use the rating, however, may apply it only to deliveries of the following materials:

Motors and other electrical equipment; alloy and carbon steels in bars, forgings, castings, plates, shapes, and tubes; ferrous and nonferrous castings; machine parts and equipment; cutting tools, including cemented carbides; abrasives; measuring instruments and gauges; brass, copper, and steel tubing and fittings; oil-resisting hose; hydraulic valves; bridge brakes; gasoline and diesel engines and accessories; maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities); paints, lacquers, and finishing materials.

Foundry supplies consisting of: Steel rail and other steel scrap, slivery pig iron, regular pig iron, coke, ferrosilicon, ferromanganese, vanadium, nickel, molybdenum, and chromium.

Manufacturers expected to use existing inventories pending preference deliveries

In a statement designed to amplify regulations pertaining to inventory levels, Priorities Director Stettinius said July 31 that manufacturers are expected to use inventory materials on hand to begin production, while waiting for material being delivered under preference ratings, if such action will be helpful in meeting required delivery dates.

He pointed out that this practice would enable a manufacturer to speed delivery on contracts. In such cases a manufacturer may begin production, using his inventory materials, and then may replace this used-up inventory with the preference-rated materials as they arrive.

Typical case

A typical case in which such procedure would be helpful is as follows:

Suppose Manufacturer X has a defense contract on which early completion is desired. Suppose he has placed orders for material with his supplier, and has had a preference rating assigned to his order.

Since a preference rating applies usually to a specific order, some manufacturers have felt that they must wait until the ordered material had actually arrived before beginning production on the contract involved.

However, Manufacturer X may have a sufficient quantity of the necessary material on hand, in inventory, which he could use to start production on the contract. It may save considerable time if he uses the inventory material and then, when the preference-rated material arrives in his plant, use this to replace the stock already used up.

To speed production

The purpose of the interpretation issued by Mr. Stettinius is not only to hold in the usual use of the Defense Supplies Rating Plan.

Limited blanket preference to be given urgent projects

E. R. Stettinius, Jr., Director of Priorities, announced July 23 a new plan for granting limited blanket preference ratings to important defense projects.

Under the new plan, a defense project selected for such treatment will receive a blanket preference rating order which can be used to expedite deliveries of material going into the project, so long as those materials are on the Priorities Critical list.

The new blanket rating will be carefully restricted and may be used only on projects which, in the opinion of the Division of Priorities, are essential and must be completed promptly in the interests of the defense program.

Heretofore project ratings have been handled by the issuance of letters of intension. These letters authorized selected companies to negotiate with their suppliers for necessary material and equipment, with the provision that deliveries of such material would be assigned a stated preference rating.

To operate under this old system, project suppliers were required to apply for individual preference rating certificates bearing the specified rating.

The new system will eliminate most of the routine detail work. When an order bears a preference rating, deliveries are sometimes delayed, and there is no point in holding up a defense contract until the rated material has physically arrived in the plant if stock on hand can be used and then replaced.

In such cases, of course, the manufacturer should be sure that the quantity of material ordered under a preference rating, and used to restock inventory, is no more than the amount which he has used to complete the order.

Mr. Stettinius added, however, that this interpretation applied only to current production where there is definite identification of the defense item against which a preference rating has been obtained or applied for. Any effort to obtain inventory based on past consumption of material must be carried out through the usual use of the Defense Supplies Rating Plan.

August 5, 1941

★ DEFENSE ★
Chlorine put under full priority control
to assure supply for powder, other uses

Chlorine was placed under full priority control July 28 in a general preference order signed by Priorities Director Stettinius. The order requires that defense orders for this important chemical be filled ahead of nondefense contracts and also stipulates that producers must accept defense orders in preference to all nondefense calls. For the present, it is not expected that the volume of defense orders will be greatly increased. Meanwhile, manufacturers are free to make other deliveries if they have sufficient capacity to do so after meeting defense orders.

All defense orders which do not bear a higher preference rating are assigned a rating of A-10, thus placing them ahead of orders bearing lower ratings or no ratings.

Principal civilian uses for chlorine are in bleaching cotton linters for smokeless powder, and in the chemical warfare area, including the production of gases and smoke-screen materials.

Principal civilian uses, in the chemical industry, are for bleaching paper, for the production of dry-cleaning materials, anti-freeze compounds, and premium gasolines. About 25 percent of the production has been used recently for bleaching paper, and this use is now being restricted voluntarily by the industry.

Cut will affect color of paper

In general, chlorine is not essential for the production of paper, but it is necessary for the bleaching of the paper produced. It is expected that certain paper products will be more affected than others. Restrictions in the amount of chlorine for bleaching will affect the coloring of writing papers, glossy and other papers for magazines, and high grade paper for books.

Newsprint will be unaffected.

The first horizontal cut of 10 percent accepted by the paper industry will result in a difference of approximately 5 percent in paper shadings. Studies are now being made toward further possible reductions.

Rubber priorities adjusted to relieve small firms

To avoid sudden unemployment and to make other adjustments desirable to prevent hardship for small processors, Priorities Director Stettinius announced July 28 several changes in the order imposing priority control over rubber.

About 144 large processors, representing about 90 percent of the total consumption, were informed that no changes are being made in their cases and that they must comply with the terms of the order requiring consumption cuts for August.

About 247 firms, which consumed less than 10 tons a month during the 12-month base period ending March 1941, were informed that they need not observe the stipulated cuts in their case, provided that they do not consume more than 10 tons of rubber in that month.

Defense firms get special treatment

About 86 other firms were sent telegrams giving them special adjustments for August. Most of these firms are engaged largely on defense work.

The rubber order is designed to cut the consumption of rubber from the rate of about 817,000 tons a year (during the early part of the year) to a rate of about 600,000 tons for the last half of the year.

July consumption 67,000 tons

June consumption of rubber was above 84,000 tons. In July, because of the operations of the order, consumption was cut to about 67,000 tons. Average monthly consumption during the base period—April 1940 to March 1941—was about 57,000 tons.

The order is designed to cut rubber consumption to 50,000 tons a month by December.

Borax allocation extended

Expiration date of the allocation program for borax and boric acid used in the manufacture of borosilicate glass was extended last week from July 30 to August 31, 1941, by the Civilian Allocation Division, OPACS.

The fact that available supplies continue below the amounts demanded by defense and civilian industries occasions amendment of the program.

Aluminum allocated to assure maintenance of radios

Priorities Director Stettinius announced July 29 a program which will make available a limited quantity of aluminum for the manufacture and maintenance of radio sets for civilian use, to maintain the radio communication system and to keep the manufacturing system in operation until new defense orders begin to take up the slack.

For July operations the Office of Production Management has made available 110,000 pounds of aluminum for radio purposes, of which 70,000 pounds represents aluminum scrap.

The new program will provide enough aluminum to supply maintenance and repair parts for existing radios. But there will be a sharp reduction in the number of new sets manufactured by the industry.

Under the arrangement made, the radio industry is required to resort to substitutes as rapidly as possible, so that even further reductions may be made in the amount of aluminum going into private radio sets.

Broad substitutions already made

Broad substitutions have already been made in the radio industry. In 1940 the industry consumed virgin aluminum estimated at 4,000,000 pounds. The July allocation of virgin aluminum is only one percent of the amount used last year.

In future months allocations of aluminum in the radio industry will be made on a decreasing scale.

Mr. Stettinius explained that the industry is required to give priority to the production of maintenance and repair parts.

** Chlorine allocated for seven essential public services

Allocation of supplies of chlorine adequate to take care of requirements in seven essential public services and industries was ordered July 30 in a civilian allocation program issued by the Civilian Allocation Division of OPACS.

Included are water purification, sewage treatment, sanitation, refrigerant gases for existing equipment, slime control in industrial plants, preparation of products for medicinal use, and preservation and processing of food products.

The program is to be administered and enforced by OPM.
PRICES AND CIVILIAN SUPPLIES . . .

President says inflationary rises threaten to undermine defense; asks legislation

President Roosevelt on July 30 told Congress that inflationary price rises are threatening to undermine the defense effort, and called for legislation to deal with the threat. (Similar price control bills, S. 1810 and H. R. 5479, were introduced in the Senate and House August 1.)

The text of the President's message follows:

Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort. I am therefore recommending to the Congress the adoption of measures to deal with this threat.

We are now spending more than $30,000,000 a day on defense. This rate must and will increase. In June of this year we spent about $608,000,000—more than five times the $135,000,000 we spent in June 1940. Every dollar spent for defense presses against an already limited supply of materials.

Expanding civilian demand

This pressure is sharply accentuated by an ever-increasing civilian demand. For the first time in years many of our workers are in the market for the goods they have always wanted. This means more buyers for more products which contain steel and aluminum and other materials needed for defense. Thus a rapidly expanding civilian demand has been added to a vast and insistent demand by the Government.

Those who have money to spend are willing to bid for the goods. The Government must and will satisfy its defense needs. In such a situation, price advances merely determine who gets the scarce materials, without increasing the available supply. We face inflation unless we act decisively and without delay.

The consequences of inflation are well known. We have seen them before. Producers, unable to determine what their costs will be, hesitate to enter into defense contracts or otherwise to commit themselves to ventures whose outcome they cannot foresee. The whole production machinery falters.

Speculators, anticipating successive price advances, withhold commodities from essential military production.

Costs to the Government increase, and with it the public debt.

Increases in the workers' cost of living, on the one hand, and excessive profits for the manufacturer, on the other, lead to spiraling demands for higher wages. This means friction between employer and employed.

Great profits are reaped by some, while others, with fixed and low incomes, find their living standards drastically reduced and their lifelong savings an upward sweep of the whole price structure. The worker, the white-collar worker, the farmer, the small businessman, and the small investor all find that their dollar buys ever less and less.

The burden of defense is thrown harmlessly and inequitably on those with fixed incomes or whose bargaining power is too weak to secure increases in income commensurate with the rise in the cost of living.

And over all hovers the specter of future deflation and depression, to confuse and retard the defense effort and inevitably to aggravate the dangers and difficulties of a return to a normal peacetime basis.

Must bear economic sacrifices

Economic sacrifices there will be and we shall bear them cheerfully. But we are determined that the sacrifice of one shall not be the profit of another. Nothing will sap the morale of this Nation more quickly or ruinously than penalizing its sweat and skill and thrift by the individually undeserved and uncontrollable poverty of inflation.

Our objective, therefore, must be to see that inflation, arising from the abuse of power to increase prices because the supply is limited and the demand inflexible, does not occur during the present emergency.

Today we stand, as we did in the closing months of 1915, at the beginning of a similar period since the World War. In May 1915, the cost of living was greater than during any similar period since the World War. But even yet the index does not fully reflect past increases, and only in a few months will it respond to current increases.

In 1915 the upward price movement proceeded unchecked so that when regulation was finally begun it was too late. Now we have an opportunity to act before disastrous inflation is upon us. The choice is ours to make; but we must act speedily.

Efforts to maintain stable prices

For 12 months we have tried to maintain a stable level of prices by enlisting the voluntary cooperation of business and through informal persuasive control. The effort has been widely supported because far-sighted business leaders realize that their own true interests would be jeopardized by runaway inflation.

But the existing authority over prices is indirect and circumscribed and operates through measures which are not appropriate or applicable in all circumstances. It has further been weakened by those who purport to recognize need for price stabilization yet challenge the existence of any effective power. In some cases, moreover, there has been evasion and bootlegging; in other cases the Office of Price Administration and Civilian Supply has been openly defied.

Faced now with the prospect of inflationary price advances, legislative action can no longer be postponed. Our national safety demands that we take steps at once to extend, clarify, and strengthen the authority of the Govern-
ment to act in the interest of the general welfare.

Need legislative authority for ceilings

Legislation should include authority to establish ceilings for prices and rents, to purchase materials and commodities when necessary, to assure price stability, and to deal more extensively with excesses in the field of installment credit. To be effective, such authority must be flexible and subject to exercise through license or regulations under expedientious and workable administrative procedures. Like other defense legislation, it should expire with the passing of the need, within a limited time after the end of the emergency.

The concept of a price ceiling is already familiar to us as a result of our own World War experience. Prices are not fixed or frozen; an upper limit alone is set. Prices may fluctuate below this limit, but they cannot go above it.

To make ceiling prices effective it will often be necessary, among other things, for the Government to increase the available supply of a commodity by purchases in this country or abroad. In other cases it will be essential to stabilize the market by buying and selling as the exigencies of price may require.

Housing is a commodity of universal use, the supply of which cannot speedily be increased. Despite the steps taken to assure adequate housing for defense, we are already confronted with rent increases ominously reminiscent of those which prevailed during the World War. This is a development that must be arrested before rent profiteering can develop to increase the cost of living and to damage the civilian morale.

Of course, there cannot be price stability if labor costs rise abnormally. Labor has far more to gain from price stability than from abnormal wage increases. For these are likely to be illusory and quickly overtaken by sharp rises in living costs which fall with particular hardship on the least fortunate of our workers and our old people.

Problems of wage adjustment

There will always be need for wage adjustments from time to time to rectify inequitable situations. But labor as a whole will fare best from a labor policy which recognizes that wages in the defense industries should not substantially exceed the prevailing wage rates in comparable nondefense industries where fair labor policies have been maintained. Already through the efforts of the National Defense Mediation Board and wage-stabilization committees, wage standards are being established and a measure of wage stability is being brought to particular industries. It is expected that such activities will be continued, extended, and made increasingly effective.

I recognize that the obligation not to seek an excessive profit from the defense emergency rests with equal force on labor and on industry, and that both must assume their responsibilities if we are to avoid inflation.

I also recognize that we may expect the wholehearted and voluntary cooperation of labor only when it has been assured a reasonable and stable income in terms of the things money will buy and equal restraint or sacrifice on the part of all others who participate in the defense program. This means not only a reasonable stabilization of prices and the most of living, but the effective taxation of excess profits and purchasing power. In this way alone can the Nation be protected from the evil consequences of a chaotic struggle for gains which must prove either illusory or unjust and which must lead to the disaster of unchecked inflation.

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Henderson asks restricted areas be opened to paper collectors

Mayor Edward J. Kelly of Chicago was asked July 28 "to do everything possible" to permit waste paper collectors to work in areas of that city from which they are now barred, in a letter sent by OPACS Administrator Henderson.

Pointing out that supplies of waste paper are at present inadequate to permit paperboard mills to meet expanding civilian and defense needs, the letter states that entry of waste paper collectors into restricted residential areas in Chicago would permit collection of an additional 4,000 or 5,000 tons of waste paper each month.
COMMITTEES DISCUSS DURABLE GOODS CUTS

Effects of cuts in consumers durable goods on the wholesale and retail trades were discussed July 29 at a meeting called by the Office of Price Administration and Civilian Supply with the retailers' advisory committee and the advisory committee on wholesale distribution, both of which were formed last summer by Harriet Elliott, now Associate Administrator in charge of the Consumer Division of OPACS.

Four appointed to OPACS legal staff

The following appointments to the legal staff of the Office of Price Administration and Civilian Supply were announced July 31 by C. David Ginsburg, general counsel:

Thomas I. Emerson, formerly a special assistant to the Attorney General of the United States, was appointed associate general counsel of OPACS. Mr. Emerson entered the service of the Federal Government in June 1933 as assistant counsel of the NRA. Thereafter, he served in various capacities in the legal departments of the old Labor Relations Board, the Social Security Board, and the National Labor Relations Board.

Brunison MacChesney was appointed assistant general counsel in charge of enforcement. Mr. MacChesney became associate professor of law at Northwestern University in the fall of 1940. He has served in recent years as special assistant to the Attorney General of the United States in the Antitrust Division of the Department of Justice, and as acting chief of the Wage and Hour Unit of the Department of Justice in charge of criminal enforcement of the Wage and Hour law.

Harold Leventhal, formerly law secretary to Chief Justice Harlan Fiske Stone and Associate Justice Stanley Reed, was appointed an assistant general counsel to the Price Division. Mr. Leventhal has also served as chief of the Litigation Section in the Bituminous Coal Division of the Department of the Interior.

David Cobb also was appointed an assistant general counsel to the Price Division. Mr. Cobb has been with the Federal Government since 1935, serving successively with the Securities and Exchange Commission and with the Wage and Hour Division of the Department of Labor.

Hospital, clinic, and sanatoria supplies put first by OPACS

Supplies and equipment necessary to continued operation of hospitals, clinics and sanatoria at their maximum efficiency were accorded a preferred status over other civilian needs in an allocation program announced July 30 by the Civilian Allocation Division, OPACS.

At the same time, the allocation program for materials used to make hospital apparatus and equipment and surgical implements and supplies, promulgated July 17, was amended to list specifically the items covered thereunder.

No shortage at present

No shortages of supplies and equipment, such as fuel, linen, and cooking utensils, used by hospitals, clinics and sanatoria exist at present, the latest program states, but the vital importance of these institutions to the public welfare makes it essential to insure that adequate supplies continue to be available. To this end, the program provides that sufficient supplies and equipment shall be allocated to these institutions and that, if necessary, the highest civilian preference rating shall be given to orders for supplies and equipment placed by them. Such rating, it is stipulated, shall be on an equal basis with that proposed for materials and equipment used in the maintenance and repair of hospitals, clinics and sanatoria, already covered in an earlier allocation program.

Details of materials order

The amendment to the allocation program of July 17 for materials used in the manufacture of hospital apparatus and equipment and surgical implements and supplies lists the various items covered thereby as follows: adhesive plasters, anesthetics, apparatus and supplies, biologicals, antitoxins and serums, clinical thermometers, diagnostic instruments, hospital laboratory equipment and supplies, hospital operating room equipment, hypodermic syringes and needles, instruments (surgical and dental), medicinal chemicals, rubber hospital sundries, sterilizers (hospital), surgical dressings and X-ray equipment and supplies (medical and dental).

Full production directed

Sufficient material shall be allocated to the manufacturers or producers of these items, according to the program, to make possible their production at the full rate.

GRAIN BIN METAL ALLOCATION CHANGED

Revision of an earlier allocation program, designed to aid farmers facing a serious shortage of storage space for the current grain harvest, was announced July 31 by the Civilian Allocation Division, OPACS.

By the amendment, the quantities of materials allocated for construction of grain bins are changed to 16,000 short tons of 24- to 26-gage sheet steel suitable for galvanizing and 1,500 short tons of zinc. Initially the program had provided for 10,000 tons of galvanized sheets and 5,000 tons of black sheets.

New appointments in OPACS accounting division

Four appointments to the accounting division, OPACS, were announced July 26 by Dr. H. F. Taggart, assistant administrator in charge.

Frank P. Smith, professor of accounting at the University of Rochester, was named policy assistant. Mr. Smith, who also has taught at Yale University, was a research accountant with the Securities and Exchange Commission during 1939-1940 while on leave from the University of Rochester.

Herbert Wachsmann was named industrial assistant. He comes to OPACS from the engineering staff of Keasbey & Mattison Co., Ambler, Pa., manufacturers of asbestos, magnesium, and asbestos cement products. Mr. Wachsmann has had international experience in the consulting engineering in many industries.

Arthur Nilsson was appointed a consultant. He is professor of economics at Oberlin College and previously was on the faculties of William and Mary College, University of Oregon, and Yale University. In the summer of 1940 Mr. Nilsson was economic adviser in the Consumers Division of the National Defense Advisory Committee. From 1924 to 1927 he was head security analyst in the registration division of the Securities and Exchange Commission.

Harold B. Barnett, of Barnett & Belanger, public accountants, New York, was named executive assistant. Mr. Barnett is a graduate of the Wharton School of Finance and Commerce, University of Pennsylvania, and for several years was in the Philadelphia office of Lybrand, Ross Bros. & Montgomery, public accountants.
Ceiling placed on Douglas fir plywood; 20 percent rise considered unjustified

Ceiling prices for Douglas fir plywood, as well as for the Douglas fir peeler logs from which such plywood is made, are established in Price Schedule No. 13, announced August 1 by OPACS Administrator Henderson.

Price advances so steep as to be inflationary in character have accompanied the greatly increased demand for plywood from defense and civilian sources, Mr. Henderson stated, and his office has determined that maximum prices for plywood and peeler logs should be imposed at the price levels prevailing on or about May 1, 1941.

Price has increased 20 percent

In the case of plywood and plypanel, two types of plywood widely used for a variety of defense and civilian purposes, price increases totaling about 20 percent have taken place in slightly less than a year, with the most recent advance of 6 percent going into effect on May 15, 1941. This latter increase is eliminated by the price schedule.

"Price increases of the extent that have occurred in the plywood industry are unwarranted and cannot be justified by the moderate advances that have taken place in costs," Mr. Henderson said. "Since demand has grown to the point where it cannot be satisfied by the existing capacity of the industry, the sharp rise in prices cannot increase supplies and, hence, can serve no other purpose than to contribute to an inflationary spiral."

Efforts of OPACS to obtain voluntary cooperation from producers of plywood have been frustrated by the refusal of certain members of the industry to join in such a program.

Many defense uses

In the defense effort Douglas fir plywood in its several forms is used in the production of airplanes, pontoon bridges, and small boats. It finds a multitude of applications in the construction industry and in the building of houses and cantonments.

The schedule stipulates that on and after August 5, 1941, regardless of the terms of any contract of sale or purchase or other commitment, no manufacturer or manufacturer's agent shall sell or deliver any Douglas fir plywood at prices in excess of the following maximums for the principal grades:

<table>
<thead>
<tr>
<th>Type</th>
<th>Use</th>
<th>Maximum Price per Thousand Board Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plywall (5/16-inch)</td>
<td>Wallboard</td>
<td>28.00</td>
</tr>
<tr>
<td>Plywood (1/4-inch)</td>
<td>Blanking</td>
<td>25.00</td>
</tr>
<tr>
<td>Plywood (3/8-inch)</td>
<td>Concrete forms</td>
<td>77.10</td>
</tr>
<tr>
<td>Plywood (5/4-inch)</td>
<td>Formations</td>
<td>41.45</td>
</tr>
</tbody>
</table>

The foregoing prices are f. o. b. mill points for carload lots. Maximum prices for less-than-carload lots average about 9½ percent higher, according to the schedule.

No present restrictions on distributors

The schedule is confined to logging companies producing peeler logs and manufacturers of plywood. No present restrictions are imposed on distributors. However, by separate negotiation with the Office of Price Administration and Civilian Supply, the United States Plywood Co., of New York City, and Harbor Plywood Corporation, Hoquiam, Wash., the two large producers of plywood which also do their own distributing, have agreed that in cases where delivery to the buyer is made from one of their warehouses, rather than directly from their mills, the delivered price to buyers within the usual free delivery zone shall not exceed the f. o. b. mill carload price of the schedule plus the freight charge from the mill to the warehouse, where paid by the manufacturer, plus 20 percent on purchases of $200 or more, or 25 percent on purchases of less than $200. A lesser margin shall be charged wherever possible, according to each separate agreement. These agreements go into effect concurrently with the price schedule.

Others expected to adhere

"It is expected that other distributors and retailers will adhere to the maximum margins set up by these agreements," Mr. Henderson stated.

Douglas fir peeler logs, the primary source of Douglas fir plywood, are cut for the most part in Oregon and Washington. In general, peeler grades are determined by the diameter of the log, which ranges downward from somewhat about 55 inches to a maximum of 38 inches. Logs of lesser diameter also are usable, however, with the lowest grade around 20 inches.

Because grading practices differ among logging companies throughout the northwest, OPACS in its price schedule based the ceiling prices for peeler logs on the quotations that prevailed on May 1, 1941, in order to enable logging operators to adjust their business with a minimum of disturbance.

Prices of peeler logs on May 1, 1941, ranged from approximately $26 to $39 per thousand board feet, log scale, in the State of Washington, and from approximately $24 to $34 per thousand board feet, log scale, in the State of Oregon, depending on quality. These prices provide a liberal margin over costs.

Detailed records required

The schedule requires manufacturers of plywood to keep detailed records of every sale of plywood and of every purchase of peeler logs, for inspection by OPACS.

Another section of the schedule forbids direct or indirect evasions of the ceiling prices by means of excessive delivery charges or unusual terms of sale. The purchaser in all cases is given the option of making his own transportation arrangements.

Ceiling to be put on burlap as prices rise over 100 percent

A schedule of ceiling prices is to be placed on burlap in the near future as result of an increase of over 100 percent in prices during the past year, OPACS Administrator Henderson stated July 26.

Invitations were sent to representatives individuals in the burlap trade to attend a meeting in Washington July 30 to advise OPACS officials in working out details of the ceiling.

From 6.5 to 14.2 cents

From a level of 6.5 cents in August, 1940, the New York spot price of 10 ounce, 40-inch burlap has risen to 14.2 cents; during the same period the 7½ ounce, 40-inch cloth has advanced from 4.8 to 10.75 cents.

The rise in the price of burlap, most of which is imported from India, is widely attributed in the trade to a shortage of shipping space. Mr. Henderson stated, however, that while current stocks of burlap are about one-third below normal, during the present emergency price increases cannot be justified or allowed on the basis of a shortage of supply alone.
**News for Retailers**

**Consumers Durable Goods Prices**

Although substantial cuts in the production of cars, refrigerators, and household mechanical laundry equipment were tentatively announced for next year, there should be no appreciable increase in their prices, according to OPACS price executives.

During the past year these durable consumer goods has been rising in recent months, but demand may not run as far ahead of supply as has been popularly supposed.

Higher excise taxes and income taxes next year are expected to discourage buying. Defense bond sales will drain off a certain amount of purchasing power.

Another factor, which the auto and home appliance manufacturers are recognizing, is that they already have "sold into next year." During recent months auto retail sales ran over 40 percent above the corresponding period a year ago, refrigerator factory sales showed a 34 percent increase, and the production of washing machines and ironers was up 18 and 80 percent, respectively.

Many of the sales that took place recently, OPACS points out, were due to the fact that many buyers feared there would be no production of these goods at all during the emergency. When the fact is realized that there will be production, even though it is curtailed, much of this buying in advance of need is expected to fall off.

In the case of automobiles, the number of cars in use in 1940 was the highest in history, an increase of 18.3 per cent above 1929. There was 1 car in use for every 4.80 persons in the country last year, compared to 1 car for every 5.24 people in 1929.

If we produced no cars at all in 1942, OPACS executives comment, this country would still have the same number of cars in use by the end of the year as in 1940 (allowing for the expected amount that will go out of use). If we stopped for 2 years we'd have nearly as many as we had in 1929. As it is, manufacturers are expected to produce enough cars to replace the number that fall into disuse.

Similar supply factors will be at work in the other consumer goods industries, OPACS states. In the event that production falls considerably below demand, some form of quota or rationing system coupled with price ceilings may have to be instituted.

In the light of the reduction in sales of new consumer goods, dealers are advised to feature their service and repair departments. OPACS has given preference to the manufacture of repair and maintenance parts for consumer durable goods, and the Consumer Division is promoting the conservation and prolongation of life of existing cars, refrigerators, and durable home equipment of all sorts.

**Retail Tire and Tube Prices**

The rise in wholesale prices of tires and tubes allowed manufacturers by OPACS Administrator Leon Henderson will not raise costs to retailers by more than 5 percent for any tire or tube, and does not warrant an increase beyond 5 percent in retail prices to consumers, according to OPACS rubber price authorities.

The increase in wholesale prices will be effected in some instances entirely by changes in list prices, but for the most part it is expected that manufacturers will separate the present excise tax from present list prices, bill the tax separately, and increase the list price after such deduction by approximately 2.4 percent.

The effective margin between wholesale and retail prices will depend on competitive conditions in the market, OPACS officials state.

OPACS is undertaking a continuing survey of retail tire prices so that the effect of the new wholesale increases on retail prices can be closely observed and further control policies determined.

If retail prices rise more than the full 5 percent, OPACS states that remedial action on the retail level may be necessary.

The 5 percent increase in wholesale prices was allowed, OPACS administrators state, because of a demonstrated increase in material costs for rubber and fibre. Manufacturers in some other industries have been expected to absorb such increases through larger sales volume; however, civilian rubber consumption is being cut to 600,000 pounds per year in the interest of conserving defense materials and transportation facilities. Lower overhead costs are therefore not anticipated.

The increase is tentative, subject to revision if extensive cost studies of the industry, now being made by OPACS, indicate such action is warranted.

**Silk Prices**

In regard to the price aspects of the silk situation, OPACS Administrator Henderson has called on retailers to maintain prices of silk products at present levels. There have been no increases in costs due to the stoppage of silk processing. Cost increases in the future may be incurred through expenses attendant to preparing machines for the use of substitutes. But advances in silk prices on the wholesale or retail level can be attributed, therefore, only to the prospect of shortage and possible increase of overhead per unit of output, OPACS textile price executives state.

The Consumer Division of OPACS is enlisting consumer cooperation in the silk situation by urging consumers to refrain from stocking up heavily on silk hose, thus entirely depriving those who are unable to make large purchases. Consumers are also being informed of substitutes and of proper care.

**Refrigerator Use**

The Consumer Division recommends in the latest issue of its biweekly publication, **Consumers Packs**, that domestic users make a particular effort to use their refrigerators efficiently and cut down on unnecessary use of electric lights. "Most consumers can, without undergoing any hardship, cut their electric bills," the bulletin points out. "It is the mounting up of little savings that counts most."

Among the suggestions for efficient use are checking over by repairmen, if the refrigerator, after it has been properly cleaned and defrosted, runs oftener than formerly. Reinsulation and sealing of gaps in the refrigerator door are recommended.

Suggestions for efficient operation of refrigerators and other electrically powered devices in the home are included in the bulletin, which is available on request to the Consumer Division of OPACS.

The attention of retailers is being called to the conservation program announced recently by OPACS Administrator Leon Henderson. "No shortage in rubber or rubber products is necessary if consumers do not overstock in anticipation of shortage," his statement said. Retailers are requested to refrain from selling rubber goods unless needed for the buyer's immediate consumption.
Henderson declines to raise ceiling on combed cotton yarn except for superfines

Following conferences between industry representatives and the Office of Price Administration and Civilian Supply, Administrator Henderson announced August 2 that combed cotton yarn ceiling prices established in Price Schedule No. 7, as amended, would be continued for the present, excepting as applied to superfine yarns (86s and higher), which are being adjusted upward from 11 to 24 cents a pound by a new amendment to the general schedule.

The Administrator requested that normal trading operations continue at present prices, adding that this was the only basis that would make it possible for OPACS to avoid placing ceiling prices for combed cotton yarn on a permanent and non-adjustable basis. Industry representatives had drawn attention to increases in raw material costs since a ceiling was first imposed and argued that these increases justified a price advance in excess of the 3c (30s basis) which was allowed on July 21, 1941.

Cost rises provided for

Mr. Henderson pointed to the generally favorable earnings in the industry at the present time and to the fact that the original ceilings allowed for a cushion on increases in raw material costs. Moreover, he said, the present unsettled state of the cotton market does not provide a stable basis for upward adjustment of the ceiling. Stocks of cotton are large and it seems unnecessary to make adjustments which are based on a continuous rise of cotton prices. Stabilization at fair levels must be the long-run goal of all branches of the textile industry.

It was agreed that representatives of the industry would meet periodically with OPACS for a review of the situation and that the next meeting would be held in about 2 weeks.

New price schedule

On the superfine yarns the new schedule prices per pound are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Single 2-ply</th>
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</thead>
<tbody>
<tr>
<td>86s</td>
<td>$1.00</td>
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<tr>
<td>90s</td>
<td>$1.08</td>
</tr>
<tr>
<td>100s</td>
<td>$1.23</td>
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<tr>
<td>110s</td>
<td>$1.38</td>
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<tr>
<td>120s</td>
<td>$1.50</td>
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</tbody>
</table>

These prices represent upward revisions which have been found equitable because of the higher cost of producing superfine yarns. Also taken into account in the higher prices are the probable increased demand for these high-count yarns in hosiery manufacture and the need for special efforts to increase production.

By a minor amendment to the schedule, reverse twist yarns are added to the special grades for which a premium over the ceiling prices may be charged because of higher manufacturing costs.

Price agreement extended on low-grade wastepaper

Voluntary price agreements on three low grades of wastepaper, worked out by trade representatives and the Office of Price Administration and Civilian Supply, have been extended for a period of 60 days beginning July 1, 1941.

As to higher grades of wastepaper, Leon Henderson, OPACS administrator, asked dealers and consumers in notices issued July 30 not to exceed prices prevailing during the week ending July 26, 1941, pending an investigation of the price structure for higher grades. No agreement was reached on prices for the higher grades of wastepaper at a meeting on July 25 with trade representatives, since it was not possible to work out grades and differentials at that time.

Extension of the voluntary price agreements on low grades, which were first established on June 18 and reaffirmed at the recent meeting with the trade, was announced in notices sent July 30 to dealers and consumers of wastepaper. Prices per short ton at New York and Chicago, under the agreement, are:

<table>
<thead>
<tr>
<th></th>
<th>New York</th>
<th>Chicago</th>
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</thead>
<tbody>
<tr>
<td>No. 1 mixed paper</td>
<td>$11.60</td>
<td>$13.00</td>
</tr>
<tr>
<td>No. 1 baled news</td>
<td>13.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Used corrugated boxes</td>
<td>16.50</td>
<td>16.00</td>
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</tbody>
</table>

Gerald Gould appointed coal price consultant

Appointment of Gerald B. Gould, president of the Fuel Engineering Co., New York, as advisory consultant on coal prices in the fuel section of OPACS, was announced July 28 by Dr. J. K. Galbraith, assistant administrator in charge of the Price Division.

It's unfair to stock up on stockings, says Miss Elliott

Women who stock up heavily on silk hose today are taking unfair advantage of the majority who do not have the income to buy in quantity, Harriet Elliott, Associate Administrator in charge of the Consumer Division of the Office of Price Administration and Civilian Supply, said August 1. She stated further:

"Reports have come across my desk from retail centers that a certain small percentage of their customers are buying hose in quantity. Since the amount of silk available for hosiery manufacture will be limited, these large purchases constitute a selfish raid upon the Nation's supply. In the interests of fair play, I am asking all consumers to voluntarily ration their hosiery purchases—that is, to buy today only for current use—in order to give those consumers with limited incomes an opportunity to share in the available supply."

"Don't pay higher prices"

"Don't pay higher prices for silk hose you buy for current use," warned Miss Elliott. "Retailers have been asked by Leon Henderson, Administrator of OPACS, not to increase hosiery prices. Such price rises are attempts to take unfair advantage of the national emergency and should be reported to me if they occur."

"Consumers should conserve their own supply of silk by taking good care of the hosiery they now have to make it last as long as possible," she advised.

Violent upward price move to bring ceiling on shortleaf pine

Maximum prices on the various grades of shortleaf Southern pine will be established after a meeting between the Office of Price Administration and Civilian Supply and representatives of the Southern pine branch of the lumber industry on August 6, 1941, according to an announcement made August 1 by OPACS Administrator Henderson.

Invitations to attend the meeting have been sent to 56 representative lumber companies handling Southern pine.

The establishment of a price ceiling on shortleaf Southern pine is considered necessary by OPACS, Mr. Henderson stated, because of the violent upward movement of prices over recent weeks.
Allocation program announced to augment chemical grade cotton linters

Provisions for a substantial increase in the supply of chemical grade cotton linters, essential to the production of rayon and smokeless powder, are contained in a civilian allocation program promulgated August 2 by the Office of Price Administration and Civilian Supply.

At the same time, OPACS requested the trade not to charge in excess of 3.35 cents per pound for raw linters of chemical grade, 73 percent cellulose, f. o. b. crusher's mill, with a quality differential of plus or minus 0.07 cent per pound for every 1 percent of variation in cellulose content from the basic 73 percent.

This program was decided upon by OPACS after consultation with producers of cotton linters, bleachers who process linters for the chemical industry, and representatives of the Army, the OPM, and the Department of Agriculture.

Three principal grades

Cotton linters are obtained by cutting from cottonseed the lint that remains after ginning. Linters come in three principal grades: "Mill run," obtained by cutting all of the lint from the seed in one operation; "first cut," gathered by making a first cut of lint further away from the seed pod than in cutting mill run; and "second cut," obtained by a second cut made after the first cut. It is the second cut that finds its principal outlet in the manufacture of chemical cellulose, a base material in rayon and smokeless powder.

Estimates are that unless supplies are augmented the greatly increased demand for chemical grade linters by makers of smokeless powder will leave an insufficient amount available for civilian industry, principally rayon producers.

Two methods for increasing supplies

The program proposes to provide substantially increased supplies by two methods: first, by requiring that no cottonseed-oil crushing mill using more than one cut in the production of linters shall cut "first cut" linters to a higher proportion than 20 percent of its total cut; second, by providing that all "second run" chemical grade linters and at least 80 percent of "mill run" linters produced by cottonseed-oil crushing mills must be sold, if at all, for ultimate use in the chemical industry.

Processors of "mill run" or second cut chemical grade linters may not make any deliveries of these grades other than for use in the chemical industry on and after July 31, 1941, regardless of any prior contracts or other commitments.

Relief from this latter provision may be sought and permission to make delivery may be granted by the Director of Priorities of the Office of Production Management with the concurrence of the Director of Civilian Allocation of the Office of Price Administration and Civilian Supply.

None of the restrictive measures contained in the program apply to sales or deliveries to the United States Government or to any other government whose defense the President deems vital to the defense of the United States.

Cottonseed-oil crushing mills producing linters are required to report monthly to the OPM the manner of their compliance with the program.

The program will be administered by the Office of Production Management.

Hillman urges defense jobs for women without lowering working standards

Employment and training of women in defense jobs without lowering wage, hour, and other working standards, was urged July 29 by Associate Director General Hillman, OPM, in letters to nearly 200 airplane companies and other defense contractors.

To avoid unnecessary importation of "out-of-town" labor and the resultant housing difficulties and uprooting of families, Mr. Hillman urged these manufacturers to seek qualified women workers to fill a long list of operations which they can satisfactorily perform. It was noted that shortages in available and qualified male workers are occurring already in defense industries in some sections.

Women competent in many jobs

"Defense employers should indicate to the State Employment Service those occupations in which women will be used, and training agencies will establish defense training courses for women in those occupations requiring training," the letter said.

Surveys of the aircraft industry show women are competent in such work as machine shop, press and forming, metal fabrication, bench and stainless steel assemblies, fuselage assembly, wings, control surfaces, cowling, fairing, tank, final assembly, painting, covering, heat treating, sandblasting, welding, and many other operations.

Ability demonstrated in World War

Radio, electrical manufacturing, small parts producers, and other defense industries have successfully employed women in many occupations. Mr. Hillman's letter noted that the ability of adequately trained women to do such jobs was demonstrated during the World War, and since that time in industry itself.

"It is necessary," he said, "that the hours of work, rates of pay, and conditions of work conform with established standards for the industry, in order that there may be no disturbance due to a lowering of these standards."

The letter was addressed to about 75 airplane and airplane parts companies in southern California, about 12 companies in Wichita, Kans., and 90 defense manufacturers, covering a wide variety of products, in Connecticut.

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ECONOMISTS NEEDED IN DEFENSE AGENCIES

To secure economists in all branches of economics for Government service, the Civil Service Commission has announced an examination for positions paying $2,600 to $5,600 a year. Defense agencies are among those having an especial need for economists.

Further information and application forms may be obtained at any first- or second-class post office or from the Civil Service Commission in Washington.

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Pamphlet outlines "What the Schools Can Do"

Ways in which U. S. schools may play a vital role in national preparedness are outlined in "What the Schools Can Do," a new U. S. Office of Education defense pamphlet.
Purchases...

$322,367,841 war department contracts cleared July 24 through July 30

Defense contracts, including informal letter contracts totaling $322,367,841, were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period July 24 through July 30. Formal contracts totaled $381,529,351. This compares with $421,020,037 for the previous week.

Contracts and informal letter contracts for construction amounted to $253,068,175; contracts for ordnance to $35,546,117; contracts for equipment to $166,070,567; and informal letter contracts for aircraft to $17,145,170.

The Maritime Commission did not report any contracts.

Contracts awarded during the period were:

CONSTRUCTION


Three contractors: Olson Construction Co., Dobson & Robinson, Peter Kiewit Sons Co., Ogden, Utah; construction of shell-loading plant, fuse-loading plant, and primer-loading plant at Ogden Ordnance Depot, Ogden, Utah; $3,305,000.

J. W. Bateson, Austin, Tex.; construction and remodeling mobilization buildings at Fort Sill, Okla.; $1,538,000.

George A. Whitmeyer & Sons Co., Ogden, Utah; construction of warehouses, including utilities at Utah General Depot, Ogden, Utah; $16,960,000.

C. G. Kershaw Construction Co., Birmingham, Ala.; construction of 240,000 sq. ft. of a Chemical Warfare Service Arsenal at Huntsville, Ala.; architect and engineer, Whitman, Requardt and Associates, New York City; $790,000.

Crucible Steel Co. of America, New York, N. Y.; additional construction facilities, including machinery and equipment at Harrison, N. J.; plant; $1,000,000 (Defense Plant Corporation agreement).

Lone Star Defense Corporation, Akron, Ohio; subsidiary of the B. F. Goodrich Co.; construction, management, and operation of Lone Star Ordnance Plant at Texarkana, Tex.; $78,640,000. Designing and construction of plant will be subject to a later date.

Three contractors: Charles M. Dunning Construction Co. and Guy H. James, of Oklahoma City, and Patterson Steel Co., of Tulsa, Okla.; construction of Midwest Air Depot at Oklahoma City, Okla.; $14,270,000.

Del E. Webb, Phoenix, Ariz.; construction of temporary buildings and appurtenant facilities, Mesa Military Airport, Higley, Ariz.; $1,364,301.

Ford J. Tweets, Los Angeles, Calif.; construction of temporary buildings and appurtenant facilities, Victorville Military Airport, Victorville, Calif.; $2,147,100.

Mead Bendix Aircraft Co., Denver, Colo.; construction of additional temporary housing and hospital facilities, Lowry Field, Denver, Colo.; $1,194,635.

Charles J. Doffman, Los Angeles, Calif.; construction of runways, taxiways, and drainage facilities, Wendover bombing range, Wendover, Utah; $697,572.

Robert E. McKee, El Paso, Tex.; construction of hospital unit and utilities, Aviation Mechanic School, Wichita Falls, Tex.; $1,650,217.

W. W. Petley, Los Angeles, Calif.; construction of water, gas, sewer, storm drains and electrical systems, streets, sidewalks, temporary buildings, and appurtenant facilities, Merced, Calif.; $1,450,533.

Franceschi Construction Co., San Francisco, Calif.; construction of temporary buildings and appurtenant facilities, and the construction of water, gas, storm drain and electrical systems, streets, and sidewalks, Lemoore, Calif.; $1,962,563.

Hardaway Contracting Co., Columbus, Ga.; additional construction at Air Corps Flying School, Alhambra, Calif.; $1,194,250. (Total estimated cost of flying school now $4,079,015.)

The Champion Machine and Forging Co., Cleveland, Ohio; purchase of land, construction of buildings and equipping them with machinery and equipment for manufacture of steel forgings for aircraft struts and engines; $2,859,680. (Defense Plant Corporation agreement of lease.)

The Emerson Electric Manufacturing Co., St. Louis, Mo.; purchase of land, construction of buildings, and installation of machinery and equipment for manufacture of gun turrets; $10,529,173. (Defense Plant Corporation agreement of lease.)

The United States Rubber Co., New York, N. Y.; construction of Des Moines, Iowa, Ordnance Plant, management and operation services, $866,058,331. (Subcontracts for the construction work will be awarded later.)

ORDNANCE

American Brake Shoe & Foundry Co., American Forge Division, Chicago, Ill.; steel forgings; $638,600.

Robert Brothers Co., Troy, Ohio; generating units; $691,649.


Globe-Union, Inc., Milwaukee, Wis.; fuses; $720,000.

Oliver Farm Equipment Co., Chicago, Ill.; shives; $648,050.

Stewart-Warner Corporation, Chicago, III.; fuses; $2,516,465.

Standard Tube Co., Detroit, Mich.; shells; $1,686,900.

Savage Arms Corporation, Utica, N. Y.; machine guns; $14,334,470.

Oshkosh Machine Co., Madison, Wis.; equipment for turret lathes; $550,400.

International Harvester Co., Chicago, Ill.; packing stop for centrifuges; $735,393.

A. O. Smith Corporation, Milwaukee, Wis.; bomb bodies; $2,294,000.


Mack Mfg. Corporation, Long Island City, N. Y.; tank assemblies; $6,141,491.

EQUIPMENT AND SUPPLIES

Jacobs Aircraft Engine Co., Pottstown, Pa.; aeronautical engines; $5,066,577.

Bendix Aviation Corporation, Europe Aviation Division, Bendix, N. J.; starter assemblies; $5,361,200.

Equitable Equipment Co., Inc., New Orleans, La.; cargo vessels and tugs; $640,000.

A. D. Juilliard & Co., Inc., New York, N. Y.; 1,800,000 yards cotton tent duck; $604,000.


Midland Structural Steel Co., Cicero, Ill.; structural steel; $2,488,200.

Shell Oil Co., Inc., New York, N. Y.; fuel; $600,280.

INFORMAL LETTER CONTRACTS

CONSTRUCTION

Frank Messer & Sons, Inc., Cincinnati, Ohio; construction of a temporary equipment warehouse, aircraft supply warehouse, and armament laboratory at Wright Field; $608,100.

James I. Barnes Construction Co., Dayton, Ohio; two temporary Air Corps storage warehouses with necessary utilities at Fairfield Air Depot, Patterson Field, Dayton, Ohio; $1,200,000.

National Concrete Fire Proofing Co., Cleveland, Ohio; construction of a "869" test laboratory and engineering shops at Wright Field, Dayton, Ohio; $1,900,000.

Charles H. Shook, Dayton, Ohio; construction of addition to engine test stands at Fairfield Air Depot, Patterson Field, Ohio; $650,000.

Two contractors: Turner Construction Co., New York City, and Louis Mayerson, Alhambra, Calif.; construction of larger part of Air Corps supply and repair depot at Rome, N. Y.; architects and engineers, Air Depot Engineers of New York City, a partnership consisting of Alfred Estafon, Poor, Gibbs & Hill, Inc., and Fred N. Severud; $10,000,000.

AIRCRAFT

War Supplies, Ltd., Ottawa, Canada; advanced trainers with spare parts and technical data; $12,604,100.

War Supplies, Ltd., Ottawa, Canada; British-type trainers for instrument flying and landing; $2,132,250.

War Supplies, Ltd., Ottawa, Canada; Primary trainers with spare parts and technical data; $1,324,570.

General Motors Corporation, Delco Products Division, Dayton, Ohio; landing gear assemblies; $1,174,260.

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New Hampshire State Council to publish Information Bulletin

The Defense Information Bulletin, official weekly publication of the New Hampshire State Council of Defense, will serve as a channel of information to all local cooperating committee chairmen and their communities, according to the introductory issue received by the Office of Civilian Defense. Governor Robert H. Blood is chairman of the State defense council.

The Bulletin is to combine under a single cover announcements from all State Advisory Committees. The preliminary issue discusses the role of a State council of defense, duties and functions of local and county cooperating committee chairmen and of the State advisory committee chairmen.
Housing...

Funds allocated for 2,045 homes, 2,043 completed, in week ending July 26

Allocation of public funds for 2,045 defense homes, award of construction contracts for 1,757, and completion of 2,043 for the week ending July 26 were announced August 1 by C. F. Palmer, Coordinator of Defense Housing.

Civilian workers get new homes

New allocations included 900 homes for Beaver County, Pa.; 700 for Seattle; and 200 for Buffalo, N. Y.; all to be built for civilian workers, with construction assigned to the United States Housing Authority. The Public Buildings Administration has been assigned the construction of 85 homes at Manchester, N. H., for enlisted and civilian personnel.

1,247 near Pittsburgh

Construction contracts were awarded by the Federal Works Agency for 1,247 homes for civilian workers in the Pittsburgh locality. The Public Buildings Administration awarded a contract for 160 homes at Norfolk, Va., for civilian workers and enlisted personnel. Of this number, 76,374 have been placed under construction contract and 24,670 have been completed.

The 2,043 homes reported completed for the week raise the total number of completions for the month of July, alone, to 7,048. Among the homes completed for the week are 205 at Corpus Christi, Tex., and 145 at San Diego, both built by the Navy for civilian workers. The Public Buildings Administration reported 103 completions at Mitchel Field, N. Y., and 150 at Fort Sill, Okla., for enlisted personnel.

Dormitory units allocated

Under the temporary-shelter program, 120 trailers were allocated for use at Weldon Springs, Mo. In addition, 500 dormitory units were allocated for Ravenna-Warren, Ohio, and completion of 61 dormitory units was reported at Baltimore, Md.

110,000 homes allocated to date

As of July 26, the Division of Defense Housing Coordination had allocated approximately 110,000 homes for defense workers and enlisted personnel. Of this number, 76,374 have been placed under construction contract and 24,670 have been completed.

Army substitutes civilians in "housekeeping" jobs

The Army will gain 30,000 more men for its combat organizations by giving military "housekeeping" jobs now held by soldiers to civilian employees, the War Department announced recently.

The civilians will fill the following positions necessary for the management and upkeep of posts, camps, and other establishments of the Army: operators of telephone, teletype, and radio equipment; engineers, electricians, draftsmen, carpenters, blacksmiths, plumbers, steamfitters, machinists, sheet metal, leather, and canvas workers; butchers, watchmen, janitors, firemen, and clerks.

1,000 PLANES, 10,000 AIRMEN IN RECORD MANEUVERS

An estimated 1,000 planes and nearly 10,000 officers and enlisted men of the Army air forces will participate in this year's large-scale maneuvers, the War Department has announced.

Dive bombers of the Army, the Navy, and the Marine Corps will swoop down over the troops in simulated warfare that will be realistic to an unprecedented degree. Also light and medium bombers, fighters, and observation planes will carry out combat missions in cooperation with more than 500,000 troops in various maneuver areas.

"War" correspondents may be captured in realistic maneuvers

When "war" correspondents, radio men and cameramen enter the theater of operations to cover the Army's greatest maneuvers, to be held in Louisiana in September, they will be subject to capture as prisoners of war, the War Department has announced.

Detention of correspondents is one of the innovations made necessary by the type of maneuvers that have been prescribed by the General Headquarters of the Army. For the first time the Army will hold what are called free maneuvers on a grand scale. By this is meant that the opposing forces will not follow a preconceived scenario plan of operation that will have a preconceived result.
AGRICULTURE...

OPM will help agriculture meet defense demands, Knudsen tells Wickard

Director General Knudsen, Office of Production Management, last week promised Secretary of Agriculture Claude R. Wickard the cooperation of OPM in helping agriculture meet its responsibilities under the defense program. He made this statement at a conference of OPM and Agriculture officials.

Agriculture officials pointed out that the needs of America's armed services, increased purchasing power in the consumer market, and greatly augmented requests for foodstuffs for export to Britain under the Lend-Lease program, made necessary increased production of many farm products. This increased production, they said, is hindered by existing and potential shortages of certain types of farm equipment and machinery, by the necessity to expand processing capacity in many lines, and by a farm-labor shortage in some areas. Repair and maintenance parts for existing farm equipment, they added, are badly needed to maintain present farm production.

Special machinery needed

M. Clifford Townsend, Director, Office of Agricultural Defense Relations, pointed out that while surpluses of such crops as wheat and cotton now exist, there is a very heavy demand for foodstuffs like pork, eggs, and dairy products, and that special machinery is required for the production and processing of these. Shortages of farm labor, he said, tend to increase the need for mechanized equipment such as corn pickers, milking machines, etc.

Attending the conference from the Office of Production Management were William S. Knudsen, Director General; Sidney Hillman, Associate Director General; Donald M. Nelson, Director of Purchases; E. R. Stettinus, Jr., Director of Priorities; W. L. Batt, Deputy Director, Division of Production; Herbert Emmerich, Secretary; Douglas C. MacKechich, Deputy Director, Division of Purchases; Blackwell Smith, Deputy Director, Division of Priorities. Attending from the Department of Agriculture were Claude R. Wickard, Secretary of Agriculture; M. Clifford Townsend, Director, Office of Agricultural Defense Relations; David Meeker, Assistant Director, OADR; L. L. Needler, Chief, Farm Equipment and Supplies Division, OADR; Dr. D. A. Fitzgerald, Chief, Production Division, OADR. Liaison Officer Wayne Coy represented the Office for Emergency Management.

150 new sheer designs in cotton hose are ready in case silk supply is cut off

Full-fashioned cotton hose that are sheer, stylish and well-fitting are ready as substitutes for silk or nylon stockings in the event the raw silk supply is cut off and nylon is needed for parachutes and other military equipment.

For 3 years, the Department of Agriculture's Bureau of Home Economics has been carrying on extensive research in full-fashioned cotton hose for women. As a result, it now has 150 designs ready for release to manufacturers, and 269 more in preparation.

The designs range in variety and weight from cobweb mesh for dress wear to plain knits for every-day use. They call for combed, gassed and mercerized yarn spun of long-staple American cotton. Practically all can be woven on the same machines now manufacturing silk and synthetic hose.

Wilson says battle of nutrition is developing on lines of new knowledge

American people in all walks of life must be properly fed if the Nation is to keep going at the rate necessary to meet the present crisis.

In these words, M. L. Wilson keynoted the launching of the Food Stamp Plan in Indianapolis, Ind., on July 27. Mr. Wilson spoke in his dual capacity as Director of Nutrition, Office of the Coordinator of Health, Welfare and Related Defense Activities and as Director of the Extension Service, Department of Agriculture.

Excerpts from his talk:

Recently, we have learned some startling new facts about nutrition, that it plays an important part in keeping up a Nation's strength and morale; and that the kind and amount of food people eat determines their physical resistance and endurance.

The battle of nutrition

Knowledge of food and nutrition now has become an important means of defense. Military rations emphasize the protective qualities and vitamins. The food our soldiers get is the best-balanced of any Army in the world.

We must be realistic, however, and recognize that the enemies of democracy are also putting the new nutritional knowledge to work. And so, while there is a race in armaments and military action, a race in propaganda and counter-propaganda, a third and perhaps the most important phase of this whole situation has come to the front.

Fortunately, American agriculture is now organized to meet not only its home needs but the needs of people abroad. Here in America, we have developed the greatest food-producing plant the world has ever known.

Distribution imperfect

Unfortunately, however, we have not yet perfected our distribution of this food wealth so that it reaches the nutritional needs of all. A cruel paradox has existed in the United States. Our farmers have been able to produce more foodstuffs than they can sell at fair prices. At the same time, millions of low-income families have had to go short on their food supplies.
Tinplate, zinc oxide allocated to assure cans for 1941 season

To guard against the possibility that supplies of cans required to pack the current food crop may fall below the necessary total, the Civilian Allocation Division, Office of Price Administration and Civilian Supply, issued on July 28 an allocation program giving tinplate and zinc oxide needed for this purpose a preference over other civilian demands.

Announcement of the program followed a meeting between OPACS and principal can manufacturers at which the manufacturers agreed to furnish OPACS with data on the amounts of materials going into the various types of cans and on the different uses made of cans by industry at large. The manufacturers were told that iron and steel shortages may compel OPACS to place restrictions upon the use of cans for nonessential purposes.

No present shortage

There is no present shortage of tinplate or zinc oxide, but other civilian and defense demands and defense priorities may act to create one while the current food crop is being processed. Should this occur, there is danger that appreciable quantities of perishable food will spoil.

Any preferences obtained under the new program may not be used to accumulate excessive inventories of tinplate or zinc oxide, and manufacturers are cautioned to exercise the most rigid economy in the use of critical materials.

The Priorities Division, OFM, will administer the new program.

* * *

New process permits use of “weed” hardwood for paper

In the face of mounting shortages of critical defense materials, the Department of Agriculture August 1 called attention to a high-yield semichemical pulping process that permits the use of the “weed” hardwood species in new-paper print paper and thus offers the possibility of lessening the shortage of pulp and paper due to the curtailment of supplies from Scandinavian sources.

The process, recently developed by the Forest Products Laboratory of the Forest Service, is also applicable to low-cost container boards and, by a new technique, to an exceptionally high-yield and high-quality alpha cellulose.

Doubled U. S. buying from other republics evidences sound hemisphere defense

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, said July 26 that statistics of trade between this country and the other American Republics, made public by the Department of Commerce, give significant evidence of the effective implementation of the Good Neighbor policy. These figures, he asserted, prove that hemisphere defense is progressing on a sound economic basis.

May 1941 double May 1939

In the first 5 months of 1941, Mr. Rockefeller said, the United States has purchased $434,500,000 worth of goods—almost as much as we did during the whole year of 1938. In May alone, our purchases from Central and South America were $85,000,000, or more than 60 percent greater than May 1940, and double the imports in May 1939.

Further statements of Mr. Rockefeller follow:

It is particularly significant that our trade with the East Coast Republics, which have long been especially dependent upon European markets, has been greatly increased. During the first 5 months of 1941, our imports from Argentina, Uruguay, and Brazil increased $77,000,000 over the 1940 figures.

On July 12, Herbert Backa, Assistant Reich Food Minister, declared that all European states must expand their agricultural production in order to safeguard “for all time” the food supplies of their people. A short time before that Walter Funk, the Reich’s Minister of Economics, had declared that the “United European Continent” is aiming at self-sufficiency in grains and other primary commodities in order to make imports of these products unnecessary. Those statements by two responsible ministers of the German government are in direct contradiction to the arguments of Nazi propagandists at work among the republics of the western hemisphere, who claim that a conquered Europe would provide vast markets for the products of the Americas.

The American contrast

There is no doubt about which represents the true goal of the German government. It is the goal of autarchy toward which German leaders are driving the people of continental Europe, not the goal of healthy, free trade.

In striking contrast to the German “new order” of autarchy is the policy of the Americas which seeks to expand permanently the channels of inter-American trade by development of new sources of supply and by steady efforts toward raising the standard of living in this hemisphere.

Complete export control schedule to be published every month

Monthly publication of a pamphlet containing a comprehensive schedule of commodities and their forms, conversions, and derivatives subject to export control was announced August 1 by Brig. Gen. Russell L. Maxwell, Administrator of Export Control.

The first issue of the publication contains more than 3,500 separate entries, the control of which has been announced previously in schedules 1 to 14, inclusive, and is designed as an aid to shippers, manufacturers, and others interested in export matters. Revised copies of the comprehensive schedule will be released on the first of each month in the future.

Continue interim schedules

The Administrator will continue to issue interim schedules as in the past, and these will be included in the monthly “comprehensives,” it was stated. Excluded from the complete schedule are those commodities appearing in the recently published Schedule Z, exportation of which is regulated with respect to shipments to firms and individuals listed on the “Proclaimed List of Blocked Nationals,” as amended.

Under the title, “COMPREHENSIVE EXPORT CONTROL SCHEDULES,” the complete listings are published in four sections. Section I lists all commodities subject to export control. Information pertaining to reference numbers is contained in section II, and section III is devoted to general information regarding export control. Section IV concerns information relative to exportation of technical data.
TRANSPORTATION...

Grain movements restricted to prevent freight-car tie-up

In order to prevent violation of the cardinal principle in defense transportation that freight cars must not be used for storage purposes, restrictions against grain movement have been placed in effect at various points where public storage elevators are unable to handle additional grain, according to Ralph Budd, Transportation Commissioner.

Since July 16, when it was found necessary to prevent shipments of grain to Kansas City, Mo.-Kans., for storage through issuance of railroad regulations which prevented acceptance of such shipments, similar restrictions in the form of embargoes have been placed covering a total of 15 grain-receiving terminals.

Restrictions on grain shipments

At present, under embargo restrictions issued on behalf of all railroads by the car service division of the Association of American Railroads, shipment of grain for storage is prohibited covering grain consigned to the following points: St. Paul; Minneapolis; Dulleh; Superior, Wis.; Racine, Wis.; Kansas City, Mo.; Kansas City, Kans.; Salina, Kans.; Cincinnati; St. Louis; and East St. Louis, Ill. While the embargoes prevent acceptance by railroads of grain for storage at these points, grain may still be freely shipped if for sale. In addition where prior arrangement has been made for storage, grain is permitted to move.

At other points, including Louisville; Toledo; Maumee, Ohio; Baltimore; and Philadelphia, individual elevators which are full have been embargoed. In most of these instances the embargoes have been issued under the usual embargo regulations by the individual railroads serving or owning the elevators.

In every instance these restrictions have been made effective only after consultation and agreement with the grain trade at the points affected and the special committees formed by the Department of Agriculture for obtaining and disseminating information concerning grain movement and storage.

Warehouse occupancy increases

The Census Bureau has just released a monthly report on Public Merchandise Warehousing as of May 31, 1941.

The occupancy trend which was checked in March has again moved upwards, varying greatly by regions. For the country as a whole, percentages of occupancy follow: May 31, 78.9; April 30, 78.1; March 31, 76.2.

Comparisons by regions are:

<table>
<thead>
<tr>
<th>Region</th>
<th>May 31</th>
<th>April 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Central</td>
<td>68.1</td>
<td>67.4</td>
</tr>
<tr>
<td>New England</td>
<td>69.1</td>
<td>67.8</td>
</tr>
<tr>
<td>South Atlantic</td>
<td>70.1</td>
<td>71.5</td>
</tr>
<tr>
<td>West Central</td>
<td>72.1</td>
<td>73.1</td>
</tr>
<tr>
<td>Mountain and Pacific</td>
<td>74.9</td>
<td>79.5</td>
</tr>
<tr>
<td>East North Central</td>
<td>83.2</td>
<td>82.1</td>
</tr>
<tr>
<td>Middle Atlantic</td>
<td>86.1</td>
<td>83.8</td>
</tr>
</tbody>
</table>

While this report shows conditions as of 2 months ago, the general indications are borne out by current information on the subject from other sources.

While New England shows an increase of 1.3 points, all the rest of the increase is in the Middle Atlantic and East North Central regions. The concentration of storage continues to increase in the heavy industrial production region East of the Mississippi in the States of Pennsylvania, New Jersey, New York Metropolitan Area, Ohio, Illinois, and Michigan.

A. V. Bourque appointed tank car consultant

Ralph Budd, Transportation Commissioner, July 31 announced the appointment of A. V. Bourque of Tulsa, Okla., as tank car consultant in the Transportation Division, Advisory Commission to the Council of National Defense.

Mr. Bourque has been in the oil industry in various capacities since 1906. He is executive secretary of the Tank Car Service Committee recently formed to coordinate use of existing railroad tank cars for efficiency in meeting increased demand for land transportation of petroleum and products resulting from diversion of tank ships from the Gulf to East Coast Service.

Headquarters of Mr. Bourque and the committee will be in Chicago.

Freight carloadings exceed same period of 1940 by 25 percent

Revenue freight carloadings during the week ended July 26 totaled 897,399 cars, an increase of 25 percent over the 718,033 cars loaded during the corresponding week in 1940. Due to a falling off of grain and grain products loadings, the performance during the current week represented a decrease of 2,000 cars under the preceding week.

Miscellaneous loadings totaled 367,972, an increase of 32.9 percent over the 276,600 cars of miscellaneous freight loaded in the corresponding week in 1940. This important item includes practically all manufactured products and represents 50 percent of the total loadings of carload freight (eliminating cars used for less than carload shipment), is currently running approximately 15,000 cars per week under the volume recorded during the last week in June, when total loadings reached a peak of 908,664.

The details for principal commodities follow:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1941</th>
<th>1940</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain and grain products</td>
<td>55,277</td>
<td>45,594</td>
<td>20.0</td>
</tr>
<tr>
<td>Livestock</td>
<td>18,026</td>
<td>12,790</td>
<td>42.5</td>
</tr>
<tr>
<td>Coal</td>
<td>169,428</td>
<td>127,122</td>
<td>33.8</td>
</tr>
<tr>
<td>Coke</td>
<td>13,528</td>
<td>10,671</td>
<td>26.8</td>
</tr>
<tr>
<td>Forest products</td>
<td>47,241</td>
<td>36,758</td>
<td>28.1</td>
</tr>
<tr>
<td>Ores</td>
<td>76,039</td>
<td>68,709</td>
<td>11.3</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>155,956</td>
<td>146,071</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td>697,069</td>
<td>718,033</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Hershey asks deferred men to aid civilian defense

All Selective Service registrants who have been deferred from military service have been urged by Brig. Gen. Lewis B. Hershey, Deputy Director of Selective Service, to offer their full assistance to State and local civilian defense agencies.

Many young men have been granted deferment because of their occupations, because they have dependents or because they are not physically capable of undergoing service in the armed forces, the General said. Nevertheless, he added, they are qualified to perform some work in connection with civilian defense.
CIVILIAN DEFENSE . . .

Million volunteers in all parts of U. S. contribute to success of aluminum drive

Committees throughout the Nation reported to Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, on the success of the aluminum campaign in their respective communities. Telegrams and letters continue to pour into the Mayor's office describing the cooperation of patriotic, fraternal, civic, and other organizations in the campaign.

LaGuardia praises cooperation

Mayor LaGuardia characterized the conduct of the campaign as "an extraordinary demonstration of the determination of the American people to get behind the defense program."

"From thousands of villages, towns, and cities in every section of the United States," Mayor LaGuardia said, "the response to the campaign was magnificent. Not less than a million volunteer workers in all walks of life participated in the campaign.

New Mexico plan for local councils outlines immediate and future functions

Six immediate functions and twelve proposed future functions for local defense councils in New Mexico were included in a suggested plan of organization recently issued by the New Mexico State Council of Defense, of which Governor John E. Miles is executive chairman. The plan urges that an open invitation be issued to all civic, patriotic, community, and service organizations to send representatives to participate in the meeting at which a local defense council is organized.

The six immediate functions outlined for the councils were:
(1) To organize for community or county participation in national aluminum collection campaign.
(2) To coordinate, assist, and sponsor defense activities, such as USO campaign, Defense Bond and Stamp sale, recreational and entertainment facilities for visiting soldiers and sailors; and to promote industrial cooperation with OPM and Defense Contract Service.
(3) To form study groups to assemble data on all phases of the defense program, such groups, in turn, to be nucleus for educational groups and informational bureaus.
(4) To study local needs for civil protection, fire defense, and fire-prevention education.
(5) To set up clearing houses or bureaus to receive, assemble, and brief all suggestions and requests for activity or aid in local defense efforts.
(6) To notify the Governor of local organization.

John B. Kelly appointed Physical Training Director

OCD Director F. H. LaGuardia, August 2 announced the appointment of John B. Kelly, of Philadelphia, to be National Director of Physical Training in the civilian defense program. The national office will be established in Philadelphia.

Mr. Kelly is a former world's champion in the single sculls, and a member of two Olympic rowing teams. He also was prominent in football, basketball, swimming, and other sports.

He was graduated at Spring Garden Institute in engineering, and has been engaged in the construction business.

J. Russell Young named defense coordinator for capital area

To coordinate plans for the defense of the Nation's Capital, OCD Director LaGuardia August 3 designated Commissioner J. Russell Young of the District of Columbia as United States Coordinator of Civilian Defense for the Metropolitan Area. At the same time Mayor LaGuardia designated cities and towns contiguous to Washington as the Metropolitan Area.

Designates Metropolitan Area

Mayor LaGuardia addressed the following letter to Governors Herbert R. O'Connor of Maryland and James H. Price of Virginia:

"In order that plans for the civilian protection of the Nation's Capital may be coordinated, I have designated the area contiguous to Washington, D. C., as part of the Metropolitan Area of Washington.

"I have designated Mr. J. Russell Young, Commissioner of the District of Columbia, as U. S. Coordinator of Civilian Defense for this Metropolitan Area. I request that you have the towns and cities in your State contiguous to Washington cooperate with the commissioner.

"One of the main reasons for this action, of course, is to see that proper firefighting equipment is made available for interchange between these communities in the event of an emergency."

The Mayor addressed Commissioner Young as follows: "It will be your duty and responsibility to see that complete, adequate steps are taken to insure proper civilian protection for this Metropolitan Area."

Two regional leaders named

OCD Director LaGuardia announced July 25 the appointment of two additional regional directors of his organization. They are:

E. R. Smith, of Houston, Tex., to be regional director of the Eighth Corps Area with headquarters in San Antonio, Tex. His assistant will be Julian Capers, Jr., of Longview, Tex. Charles R. Page, of San Francisco, named regional director of the Ninth Corps Area with headquarters in San Francisco.
President creates Economic Defense Board and directs defense agencies to cooperate

President Roosevelt, by Executive order of July 30, created an Economic Defense Board to develop and coordinate policies and plans for the strengthening of the Nation's international economic relations. The defense agencies, among others, were directed to cooperate and to appoint officers to represent them in their dealings with the Board. Text of the Executive order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, by virtue of the existence of an unlimited national emergency, and for the purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense, it is hereby ordered as follows:

1. The term "economic defense," whenever used in this order, means the conduct, in the interest of national defense, of international economic activities involving those relating to exports, imports, the acquisition and disposition of materials and commodities from foreign countries including preclusive buying, transactions in foreign exchange and foreign-owned or foreign-controlled property, international investments and extensions of credit, shipping and transportation of goods among countries, the international aspects of patents, international communications pertaining to commerce, and other foreign economic matters.

Vice President is Chairman

2. There is hereby established an Economic Defense Board (hereinafter referred to as the "Board"). The Board shall consist of the Vice President of the United States, who shall serve as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Attorney General, the Secretary of the Navy, the Secretary of Agriculture, and the Secretary of Commerce. The Chairman may, with the approval of the President, appoint additional members to the Board. Each member of the Board, other than the Chairman, may designate an alternate from among the officials of his Department to act on the Board in case of absence of the member or his alternate from the Board.

3. In furtherance of such policies and objectives as the President may from time to time determine, the Board shall perform the following functions:
   a. Advise the President as to economic defense measures to be taken or functions to be performed which are essential to the effective defense of the Nation.
   b. Coordinate the policies and actions of the several departments and agencies carrying on activities relating to economic defense in order to assure unity and balance in the application of such measures.
   c. Develop integrated economic defense plans and programs for coordinating action by the departments and agencies concerned and use all appropriate means to assure that such plans and programs are carried into effect by such departments and agencies.
   d. Make investigations and advise the President on the relationship of economic defense (as defined in paragraph 1) measures to post-war economic reconstruction and on the steps to be taken to protect the trade position of the United States and to expedite the establishment of sound, peaceful international economic relationships.
   e. Review VVeights and measures legislation relating to or affecting economic defense and, with the approval of the President, recommend such additional legislation as may be necessary or desirable.

Administration shall conform

4. The administration of the various activities relating to economic defense shall remain with the several departments and agencies now charged with such duties but such administration shall conform to the policies formulated or approved by the Board.

5. In the study of problems and in the formulation of programs, it shall be the policy of the Board to collaborate with existing departments and agencies which perform functions and activities pertaining to economic defense and to utilize their services and facilities to the maximum. Such departments and agencies shall cooperate with the Board in clearing proposed policies and measures involving economic defense considerations and shall supply such information and data as the Board may require in performing its functions and may arrange for the establishment of committees of departments and agencies to study particular commodities or services, geographical areas, types of measures that might be exercised, and other related matters.

6. To facilitate unity of action and the maximum use of existing services and facilities, each of the following departments and agencies, in addition to the departments and agencies represented on the Board, shall designate a responsible official or officers, subject to the approval of the Chairman, to represent the department or agency in its continuing relationships with the Board: The Departments of the Post Office, the Interior, and Labor, the Federal Loan Agency, the United States Maritime Commission, the United States Tariff Commission, the Federal Trade Commission, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the National Resources Planning Board, the Defense Communications Board, the Office of Production Management, the Office of Price Administration and Civilian Supply, the Office for Coordination of Commercial and Cultural Relations Between the American Republics, the Permanent Joint Board on Defense, the Administrator of Export Control, the Division of Defense Aid Reports, the Coordinator of Information, and such additional departments and agencies as the Chairman may from time to time determine. The Chairman shall provide for the systematic conduct of business with the foregoing departments and agencies.

7. The Chairman is authorized to make all necessary arrangements, with the advice and assistance of the Board, for discharging and performing the responsibilities and duties required of him or other authorized officers set forth in this order, and to make final decisions when necessary to expedite the work of the Board. He is further authorized, within the limits of such funds as may be allocated to the Board by the President, to employ necessary personnel and make provision for the necessary supplies, facilities, and equipment. The Chairman shall be authorized, with the approval of the President, to appoint an executive officer.

POSTER MATS AVAILABLE

Two-column, 65-screen mats of defense posters issued by the Division of Information, OEM, are available to newspapers and other publishers. Mats may be obtained of any poster desired, or publishers' names will be put on a mailing list on request to the Division of Information, Office for Emergency Management, Washington, D. C.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, Liaison Officer

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, Director.


DEFENSE COMMUNICATIONS BOARD: James Lawrence Flit, Chairman.

DEFENSE HOUSING DIVISION: C. F. Palmer, Coordinator.

HEALTH, WELFARE, NUTRITION, RECREATION, AND RELATED HUMAN ACTIVITIES: Paul V. McNutt, Coordinator.

INFORMATION DIVISION: Robert W. Horton, Director.

NATIONAL DEFENSE MEDIATION BOARD: Whl. H. Davis, Chairman.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, Director.

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


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

OFFICE OF PRODUCTION MANAGEMENT: Council.

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CONSUMER PRICE INDEX: Herbert Emmerich, Director.

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

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