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Steel, the most vital of all metals in defense production, was placed under complete priority control last week. This action means that defense orders for all iron and steel products, including alloy steel, must have the right-of-way over civilian demands.

Faced with a serious shortage of both pig iron and iron and steel scrap, OPM also asked steel companies to submit proposals for expanding production of Bessemer ingots, which require little scrap. In addition it carried a jalopy salvage campaign, already opened in Ohio, into New England.

At the same time, the Justice Department began an investigation of monopolistic practices in the scrap iron and steel trade at the request of OPACS. Holding in anticipation of price increases, OPACS said, is hampering defense steel production.

Construction with U. S. funds of a 780,000-ton high speed plate mill at the Bethlehem Steel Co.'s plant at Sparrows Point, Md., was recommended by OPM to Federal Loan Administrator Jesse H. Jones.

Program to stretch silk supply

The shortage of silk, caused by the Far East crisis, continued to occupy the attention of several defense agencies.

A three-point program for stretching out the limited supply of silk and nylon in hosiery manufacturing was adopted at an emergency conference of OPM and OPACS with industry representatives.

The plan provides for half-silk hose, to be made out of stocks of thrown silk which cannot be used for defense, and both half and full nylon hose. Hosiery manufacturers were advised to buy rayon only for current consumption.

Priorities Director Stettinius placed the entire domestic supply of silk waste, silk nylons, and reclaimed silk fiber under mandatory priority control. These materials are used in the manufacture of powder bags and ignitor cloths for large caliber guns.

Asked to limit work-week

All processors of silk, rayon, and hosiery were asked by OPM Associate Director General Sidney Hillman to limit their work-week rigidly to 40 hours to minimize the unemployment threat to 175,000 workers.

Miss Harriet Elliott, associate administrator of OPACS, charged that hosiery retailers and wholesalers had taken advantage of the shortage to raise prices. She advised consumers to refuse to pay the higher prices.

Meanwhile, 150,000 producers, manufacturers, and agencies in nine essential industrial classifications were assured a steady flow of maintenance and repair parts in a plan announced by the Priorities Division.

Ceiling set on copper

The manufacture of white sidewall auto tires was prohibited by Mr. Stettinius to save 6,000 tons of crude rubber a year. White-wall tires use two more pounds of crude rubber per tire than ordinary black tires.

OPACS set a ceiling of 12 cents a pound on copper, widely used in defense production, and sharply restricted civilian use of synthetic rubber and plastics made from formaldehyde. It gave the petroleum industry preference in obtaining materials and equipment, and disclosed an agreement by which salmon cannery operators will make 1,200,000 cases, or 20 percent of the season's pack, for the lend-lease program.

Administrator Leon Henderson asked State vehicular authorities to conserve 1941 auto license plates because of the sheet steel shortage, asserted that no increase in retail prices of tires beyond 5 percent allowed manufacturers is justified, and approved a base price increase of $2.50 a ton for paper board east of the Rocky Mountains.

Mediation Board has five new cases

The National Defense Mediation Board held four hearings, obtained two agreements, and received five new cases as strikes again flared up following a prolonged halt.

The OPM Labor Division took prompt steps to alleviate the dismissal of 3,600 auto workers in Buffalo, N. Y., by means of a program of reemployment and training in which the Government, management, and labor are cooperating.

Mr. Hillman notified Gulf Coast shipyards that zone labor standards had been ratified by the AFL and CIO. He received letters from railroad labor and management groups pledging cooperation in transferring available railway workers to defense jobs.

Steel in all forms put under full control

Steel in all forms, including alloy steel, was placed under full priority control August 19 in an order signed by Priorities Director Stettinius.

With this action, all iron and steel products are under priority control, so that defense needs can be put uncompromisingly ahead of nondefense needs.

While alloy steels are included under the present order, a separate order is to be issued shortly, giving details of the regulations applying to alloys.

Made necessary by a growing shortage in certain types of steel products, the step taken August 19 is one of a series of moves which the Priorities Division has made since the first of the year to make sure that iron and steel products flow promptly to defense channels.

CHART SHOWS FIRST STAGES OF NAVAL CONSTRUCTION

In the chart on the front cover of this issue of DEFENSE, the line showing "Program" represents the total cost of the naval ship program authorized by Congress.

The line showing "Contracts" represents estimated total cost of the vessels, not including ordnance, for which contracts have been let, or which are being constructed in Navy Yards. Disbursements are shown on a check-issued basis. They are expected to climb more rapidly when new shipways now under construction are completed, and still more rapidly when construction reaches the stage of installation of machinery and equipment. Work is progressing faster than at first planned, since schedules for completion of the program have been stepped forward by two years.

Subscription rates by mail: 75¢ for 52 issues; 25¢ 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.
800 rehired, 500 more to get jobs in model treatment of defense unemployment

Machinery set up through Government, management and labor cooperation for reemployment and training of 3,600 displaced automobile workers in the Buffalo industrial area should serve as a national model in overcoming the unemployment created by shutdown of nondefense plants, Acting General Hillman of OPM said August 9.

Hillman received reports from Arthur S. Flemming, chief of the Labor Supply Branch of OPM, and Elly Oliver, chief of OPM's Labor Relations division, that four big defense plants in the Buffalo area agreed in a conference August 8 to employ at once 50 of the workers who lost their jobs when the North Tomato Chevrolet plant closed down for retooling. The plant will reopen in several months as an airplane engine factory.

800 already rehired

Eight hundred others have already been rehired, and 225 others are being retrained.

Mr. Hillman pointed out that the Buffalo area problem was typical in many respects of the labor dislocations expected to result in the next few months from conversion of nondefense plants and from the operation of defense priorities which will deprive factories of their essential materials. In one-industry cities, additional steps for rehiring will be necessary, such as the awarding of defense contracts to consumer-goods plants, especially among the small and medium-sized enterprises, he noted.

Flemming predicted at least half of the 3,600 would be employed within a month.

Training to be streamlined

"Defense training facilities in the public vocational schools of the Buffalo area will be readjusted and streamlined to provide opportunity for training in the shortest possible time to those of the Chevrolet employees who are not now completely qualified, and who desire to equip themselves for future employment," Flemming reported. He estimated about three-fifths of the 3,600 will need some retraining to qualify for defense jobs.

Flemming also pointed out that the retraining period averages from three to five weeks, that the Buffalo plants have signified their willingness to hire all workers qualified by retraining and that each trainee will receive $15 a week as unemployment compensation during the period of training.

Unions help

Oliver reported that Walter Reuther, director of the General Motors Division of the United Automobile Workers, CIO, had taken special steps to cooperate and speed up the registration of the auto workers with the public employment offices. Under this procedure, Reuther is assigning union representatives of the employment offices to assist in registration and classifying of workers.

Expansion of fields of employment for the furloughed Chevrolet workers was promised through a statement by Nathan Cowan, sub-regional director of the Steel Workers Organizing Committee.

The four defense plants whose executives met with OPM representatives in working out the procedure were: Bell Aircraft Corporation, Worthington Pump and Machinery Corporation, Buffalo Arms Corporation, and the Curtiss-Wright Corporation.

Rayon to be available to hosiery mills immediately, says OPACS

Responding to requests for interpretation of the Civilian Allocation Program for rayon yarn announced August 2, the Office of Price Administration and Civilian Supply August 8 issued the following statement:

The Civilian Allocation Program for rayon yarn, announced by OPACS on August 2, does not contemplate any further action as a prerequisite to sale of rayon yarn to hosiery mills. The program requires that each producer of rayon yarn set aside an amount equal to 10 percent of his daily output, and also requires that each producer set aside 10 percent of all stocks of rayon yarn on hand on August 4. The program further provides that of the rayon thus set aside, "70 percent shall be made available immediately to manufacturers of hosiery."

OPACS expects producers of rayon yarn to fill orders from hosiery mills out of the 70 percent so required to be set aside. If such orders exceed the amount set aside, producers of rayon are to use their own judgment in filling orders, until such time as further programs are announced.
PRODUCTION . . .

OPM asks proposals for more Bessemer production to eke out scanty scrap supply

In an effort to maintain and increase steel production despite a shortage of iron and steel scrap at many mills, the OPM asked steel companies August 6 to submit proposals for expanding wherever practicable their capacity to produce Bessemer ingots, which require very little scrap.

The OPM's Steel Branch sent telegrams to the industry urging that proposals be submitted with all possible speed.

Companies now operating both blast furnaces, in which pig iron is made, and open hearth furnaces, in which pig iron and scrap are converted into steel, were asked to submit proposals for construction of any warranted Bessemer converters, in which steel is made from pig iron with the addition of a minimum of scrap.

These same companies were requested to list products now made of open hearth steel that could be made suitably of Bessemer steel. Bessemer steel is considered satisfactory for wire, light structural material, reinforcing bars for concrete, pipe, certain grades of tinplate and some ship plates.

Proposals for air conditioning

Telegrams went also to operators of blast furnaces, asking them to submit proposals for any warranted air conditioning of such furnaces and to list any blast furnaces susceptible to further enlargement. Air conditioning is a means of speeding up operation of blast furnaces and increasing their capacity.

A third telegram went to steel finishing companies that do not operate blast furnaces or open hearth furnaces. They were asked to list their open hearth steel products that could be made suitably of Bessemer steel if the latter were made available to them.

The possibility of integrated companies' increasing their Bessemer capacity was suggested not only to increase production of Bessemer ingots needing very little scrap but to provide a means of maintaining and increasing open hearth operations if insufficient scrap is available for them.

Bessemer converters sometimes are used in the duplex process, in which steel is made partly in a Bessemer converter and then transferred to an open hearth furnace to complete the process. Open hearth furnaces can produce duplex steel faster than they can turn out straight open hearth steel; use of the duplex process therefore increases their capacity.

A first step toward increasing Bessemer capacity was taken by OPM on July 23, when it recommended an initial expansion of 6,808,950 tons in annual pig iron capacity. This program included construction of two new Bessemer converters, with an annual steel capacity of 600,000 tons, at the Edgar Thomson works of the Carnegie-Illinois Steel Corporation, a subsidiary of the United States Steel Corporation, at Braddock, Pa.

Construction of the new facilities recommended at the Edgar Thomson works is to begin immediately.

It is expected that construction of additional Bessemer capacity will require 12 months, air conditioning of blast furnaces 6 to 12 months, and enlargement of blast furnaces about 6 months.

In the meantime the OPM is striving to increase current collection of scrap iron and steel to keep existing steel capacity operating at the highest rate possible. A trial effort already undertaken in Ohio, with the cooperation of scrap dealers and automobile wreckers, is expected to be extended shortly to many other sections of the country.

Hayden appointed Lend-Lease representative of OPM

The Office of Production Management on August 8 appointed H. B. Hayden to serve as representative of the OPM in handling Lend-Lease matters.

Mr. Hayden will represent the OPM on the defense aid supply committee of the War Department. In addition to continuing his present duties as chief of the Lend-Lease clearance section of the Division of Purchases, Hayden appointed Lend-Lease representative of OPM

OPM recommends building of 780,000-ton plate mill

Construction of a 780,000-ton high speed plate mill at the Sparrows Point, Md., plant of the Bethlehem Steel Co. was recommended by the Office of Production Management August 7.

Director General Knudsen, OPM, wrote Jesse H. Jones, the Federal Loan Administrator, that the project was needed urgently for defense purposes and would require Federal financing.

The proposed construction includes, in addition to the 123-inch continuous plate mill, an open hearth furnace with an annual capacity of 180,000 tons. Steel to operate the mill would be obtained from this furnace, three other company-financed open hearth furnaces now being completed, and additional furnaces existing at the plant.

Cost of the proposed facilities was estimated by the Bethlehem Co. at $257,097,000.

Eugene G. Grace, president of Bethlehem, submitted the program to OPM as a partial solution of the critical plate situation growing out of the naval and merchant ship construction programs, railroad car building and other defense undertakings.

Taub appointed chief technical consultant of automotive branch

Appointment of Alex Taub, designer and development engineer for Vauxhall, Ltd., of England, to be chief technical consultant of the automotive branch of OPM was announced August 3. Mr. Taub is an American citizen.

His task will be to assist the automobile industry and the armed services in solving the technical problems involved in shifting more facilities from passenger car to defense production.

Mr. Taub has had long experience in American automobile plants as well as with Vauxhall, the British subsidiary of General Motors. First loaned by Vauxhall to the British Air Ministry in London, he was transferred later to the British Air Commission in Washington to introduce the Sabre aircraft engine to this country, then loaned by the British Air Commission to the Office for Emergency Management, and now loaned by OEM to OPM's Automotive Branch.
LABOR

Wage and no-strike standards for Gulf shipbuilding, ratified, go into effect

Associate Director General Sidney Hillman of OPM notified Gulf Coast shipyards August 7 that zone labor standards for their region have been ratified by both AFL and CIO groups and will become effective as of the beginning of the first day shift, August 1.

Official notice of ratification by the Gulf Coast Metal Trades Council for AFL workers was received from John P. Frey, president, Metal Trades Department, AFL. The CIO shipbuilding and repair union had previously ratified the zone standards. The Navy and the Maritime Commission also have approved the standards.

Wage increases provided

Morris L. Cooke, chairman of OPM's Shipbuilding Stabilization Committee, said the standards, as drafted by joint zone committees representing labor, industry, and Government, provided wage increases generally for nearly all of the Gulf Coast's ship workers.

The standards provide a basic wage of $1.07 an hour for standard skilled mechanics, with "equitable raises for other employees," a 40-cent additional pay for second and third shifts, time and one-half for overtime, with double time on Sundays and holidays, and double time for all ship repair except large Government conversion jobs. Strikes, lockouts, and all limitations on production are banned, and machinery for adjustment of complaints, disputes, and grievances, with provision for arbitration is outlined. The wage rate is to be modified at the end of 1 year if the cost of living in 10 Gulf cities varies by 5 percent or more, and the standards remain in effect for 2 years, and thereafter unless either party desires to modify or to terminate them.

Unions and shipyards notified

Mr. Hillman sent formal notifications of the effect of the date to officials of the unions concerned and to the following Gulf shipyards:

- Tampa Shipbuilding Co., Tampa, Fla.;
- Gulf Shipbuilding Corporation, Chickasaw, Ala.;
- Alabama Dry Dock & Shipbuilding Co., Mobile, Ala.;
- Ingalls Shipbuilding Corporation, Pascagoula, Miss.;
- Todd-Johnson Dry Docks, New Orleans, La.;
- Delta Shipbuilding Co., New Orleans, La.;
- Consolidated Steel Corporation, Ltd., Orange, Tex.;
- Pennsylvania Shipyards, Inc., Beaumont, Tex.;
- Todd-Galveston Dry Docks, Inc., Galveston, Tex.;
- Houston Shipbuilding Corporation, Houston, Tex.;
- Gibbs Gas Engine Co., Jacksonville, Fla.;
- Merrill Stevens Dry Dock & Repair Co., Jacksonville, Fla.;
- Donald Roebling, Clearwater, Fla.;
- Grinr's Boat Works, Coco, Fla.;
- Miami Shipbuilding Corporation, Miami, Fla.;
- Warren Fischer Co., Pensacola, Fla.;
- Higgin's Industries, Inc., New Orleans, La.;
- Weaver Shipyards, Orange, Tex.;
- Seabrook Yacht Corporation, Seabrook, Tex.;
- Plateau Boat Works, Houston, Tex.;
- Westergard Boat Works, Inc., Rockport, Tex.

Labor committee appointed to help in silk emergency

Associate Director General Hillman, OPM, appointed on August 7 a labor committee to cooperate with the new special joint commodity section on silk and with an industry committee which also was to be appointed. The labor committee took part last week in OPM conferences on the emergency caused by the shortage of silk. Members are:

- Emil Riefe of New York, president, Textile Workers Union of America; George Baidan, executive vice president, Textile Workers Union of America; Carl Goldmacher of Newark, N. J., manager of the Joint Board, New Jersey, Textile Workers Union of America; Alexander McKeeowen, president, American Federation of Hosiery Workers; Frederick Umhey, executive secretary, International Ladies Garment Workers (AFL); C. M. Fox, president, United Textile Workers of America (AFL).

In discussion of the problems last week, Purchases Director Nelson pointed out that the industry would have faced a complete lack of silk even if no priority order had been issued.

Rail unions and management pledge aid in diverting skilled men for defense

Associate Director General Hillman, OPM, announced on August 6 receipt of a joint letter from railroad labor and management assuring that both groups would do all they could to help meet skilled labor shortages in other defense industries out of the available supply of railway workers.

The letter was signed by B. M. Jewell, president, Railway Employes Department, AFL, and J. J. Pellely, president, Association of American Railroads. It resulted from a recent conference in Chicago between OPM and railroad management and labor.

Labor Executives cooperate

A separate letter from J. G. Luhrensen, executive secretary-treasurer of the Railway Labor Executives Association, which represents twenty national railroad unions, emphasized the willingness and readiness of these organizations to cooperate in obtaining additional manpower for defense, and suggested methods to be followed in voluntary recruiting and up-grading of available railroad men.

20,000 skilled men believed jobless

OPM officials estimated there were about 20,000 skilled mechanics in the railroad field now out of work, plus 80,000 learners and apprentices who can be "up-graded" in short order to release skilled workers to other industries.

Hillman disclosed that detailed procedure for recruitment of available railway workers is being prepared and will be issued soon. In general, the railroad labor organizations will take the lead in calling the needs of specific defense industries to the attention of workers who are not fully employed, or whose skills can be diverted for the period of the emergency. It is understood that the seniority status of these workers will be safeguarded against their eventual return to railroading.

To use regional committees

The services of the new regional labor supply committees set up by OPM will be utilized in determining and reporting the skilled labor needs of defense production industries.
MEDIATION BOARD...

Hearings opened on four cases in week; five new disputes certified to Board

With its most crowded calendar to date, the National Defense Mediation Board last week (August 4-10) opened hearings on four cases and received certification of five additional disputes. Of the four hearings began last week, agreements subject to union ratification were reached in two, and in the two remaining cases, agreements were reached on most points at issue and recommendations will be made on those still unsettled. In two of the five new cases, workers voted to end defense strikes on learning that their disputes were in the hands of the Board.

Federal Shipbuilding & Drydock Co.

Most important single development of last week was the Wednesday midnight strike at the Kearny, N. J., shipyards of the Federal Shipbuilding & Drydock Co., called by the Industrial Union of Marine and Shipbuilding Workers—CIO, over refusal by the company to accept a recommendation by the Mediation Board. This is the first case in which an employer has refused to accept a Board recommendation.

After 5 days of hearings early in July, during which all issues in dispute except the union's demand for a union shop were settled by agreement between the parties, and after the Board had considered the question for 5 hours at its regular biweekly meeting July 24, the panel issued its recommendation. The union had demanded the full union shop under which all employees after a probationary period would be required to join the union. The Board recommended a compromise maintenance of membership provision. The text of the recommendation follows:

In view of the joint responsibilities of the parties to the National Defense, of their mutual obligations to maintain production during the present emergency and of their reciprocal guarantees that there shall be no strikes or lockouts for a period of two years from June 23, 1941, as set out in the "Atlantic Coast Zone Standards," incorporated herein and made a part hereof, the Company engages on its part that any employee who is now a member of the Union, or who hereafter voluntarily becomes a member during the life of this agreement, shall, as a condition of continued employment, maintain membership in the Union in good standing.

The recommendation was signed by Walter P. Stacy, Chief Justice of North Carolina, representing the public, and James B. Carey, secretary of the CIO, representing labor. Charles E. Adams, chairman of the board of the Air Reduction Co., representing employers, dissented.

The Board's recommendation was twice rejected by the union—first at a meeting July 27, then by mail ballot the following week. Finally, at a meeting August 3, the union voted to accept the recommendation. Meanwhile, the Board received word from the company that it refused to accept. At midnight, August 6, the union called a strike at the plant.

After considering the case at its regular meeting the following day, the full Board voted to take no further action in the dispute. Dr. Frank Graham, acting chairman of the Board, told the press that the Executive order creating the Board provided for no further action by the Board beyond the issuance of recommendations.

Lincoln Mills

On Monday, August 4, a panel composed of Walter T. Fisher representing the public, Charles E. Adams representing employers, and Hugh Lyons representing labor, started hearings on the dispute between the Lincoln Mills of Huntsville, Ala., and the Textile Workers Union of America—CIO. A threatened strike of 1,800 workers over union security, wages, and an arbitration clause had been postponed at the request of the Board.

After 4 days of hearings during which most clauses of the contract were agreed upon, the parties returned home to await recommendations by the Board on those points still in dispute. The company makes cotton textiles and has contracts with both the Army and the Navy.

Borg-Warner Corporation

After 2 days of hearings in the dispute between the Mechanics Universal Joint Division of the Borg-Warner Corporation, Rockford, Ill., and the United Automobile Workers of America—CIO, both company and union representatives returned home to negotiate directly, and in case no agreement is reached by August 19, either the parties will reconvene in Washington for further negotiations or recommendations will be made by the Board. A strike, postponed at the request of the Board, had been threatened over demands by the union for increased wages and a union shop.

The company employs 668 workers and makes bomb fuses and magazine loading devices, and supplies material for the Rock Island Arsenal.

Aluminum Co. of America

Hearings on the dispute between the Vernon, Calif., plant of the Aluminum Company of America and the United Automobile Workers of America—CIO, opened on August 6 before a panel consisting of Dr. Frank P. Graham representing the public, Gerard Swope representing employers, and Clinton Golden representing labor. The next day, August 7, an agreement subject to ratification by the local union, was reached on all points and signed by the company and the union.

The issues of wages, union shop, vacations, and paid holidays were the basis for a threatened strike which had been postponed at the request of the Board. The company makes aluminum aircraft parts and employs 1,750 workers at its Vernon plant.

Armour and Company

The dispute between Armour and Company of Chicago, Ill., and the Packinghouse Workers Organizing Committee—CIO, over wages, closed shop, overtime, checkoff, and a master agreement covering 15 of the company's plants came before a panel of the Mediation Board on Thursday, August 7. Late the next evening, August 8, after 2 days of hearings, an agreement was reached subject to union ratification. The terms of the agreement were not made public.

The company supplies one-third of its output of meat, butter, and eggs to the Army. Over 14,000 employees were involved in the dispute.

A meeting was held on August 5 continuing the hearing in the dispute between the John A. Roebling Sons Co. and the Steel Workers Organizing Committee—CIO. Hearings were to reopen August 11 at which George Trundle of the Trundle Engineering Co., Cleveland, Ohio, was to be present. Mr. Trundle had been appointed by the Board to report on certain phases of operations in the Roebling plants and his report was made some time ago.

The case returned to the Board over issues involved in the negotiation of a contract covering the Trenton and Roebling, N. J., plants of the company employing 6,500 workers.
PRIORITIES . . .

Priorities for oil industry systematized by OPM, OPACS, and Coordinator

A coordinated program for handling the needs of the petroleum industry for priority or preference in securing materials and equipment has been worked out by the Office of Production Management, the Office of Price Administration and Civilian Supply, and the Office of the Petroleum Coordinator.

Under this arrangement, the petroleum industry or any section of the industry which needs priority assistance will make applications directly to the office of Harold L. Ickes, Petroleum Coordinator. The Petroleum Coordinator will weigh and appraise the applications and will make recommendations to OPACS and the Priorities Division of OPM. Priority orders or certificates will be issued by the Priorities Division, OPM. This arrangement makes it the responsibility of the Petroleum Coordinator, rather than individual units of the oil industry, to present to OPM and to OPACS factual data as to the minimum quantities of material required by the industry to meet the demands made by the defense program and the essential civilian demand.

The critical material requirements of all programs and projects recommended by the Office of the Petroleum Coordinator will be submitted to OPM and OPACS for review and adjustment to the needs of other defense and civilian industries for the same materials.

Considered according to broad plan

All applications for priority aid made by the petroleum industry for materials and supplies will be considered by the Petroleum Coordinator with regard to a broad general plan, now being worked out by the interested agencies, for the most effective use of essential materials to maintain supplies of petroleum products at necessary levels and for the production of petroleum products in such a manner that neither the defense needs of the present nor the public needs of the future will be impaired or prejudiced.

In order to expedite adjustment of the industry to an emergency condition which involves a limited supply of materials, five district offices of the Petroleum Coordinator are to be established and will be available to receive applications from the industry for transmission to the Petroleum Coordinator's office.

System to avert confusion

Until these district offices are opened, all applications for priorities for the purchase of materials, supplies, or equipment needed by the petroleum industry should be accompanied by explicit and detailed statements regarding the purpose for which the materials are needed and should be addressed to the Office of the Petroleum Coordinator, Washington, D. C.

The new arrangement will avoid any necessity for the petroleum industry to go to various agencies to straighten out its problems.

The arrangement covers all branches of the petroleum industry with respect to their requirements for materials and supplies.

Los Angeles, Seattle, and Kansas

Three new field offices are being opened by the Priorities Division, Office of Production Management, it was announced August 7 by Priorities Director Stettinius.

E. C. Laird, Jr., and L. Edward Scriben, assistant deputy directors of the Priorities Field Service, will direct the activities of these offices, in addition to those of the other 13 field offices opened recently.

The three new offices will be in Kansas City, Seattle, and Los Angeles.

Clifford H. Carr at Kansas City

The Kansas City office is a branch of the St. Louis office, of which Louis E. Crandall is district manager. Clifford H. Carr, assistant district manager, will operate the Kansas City branch office which will serve the western part of Missouri, all of Kansas, Nebraska, and Oklahoma.

Mr. Carr is an electrical engineer, a member of the Engineers Club of Kansas City and the Missouri Society of Professional Engineers. He was commissioned in the Naval Reserve during the World War after completing the naval steam engineering course at Stevens Institute.

William D. Shannon heads Seattle office

The Seattle district office will be in the Stuart Building and will be operated by William D. Shannon as district manager.

City to get field offices

Mr. Shannon was for many years northwest manager of the Stone & Webster Engineering Corporation, in charge of the construction of many of the power plants in the Puget Sound area, including Rock Island, on the Columbia River. He also built the first trunk transmission lines over both the Cascades in Washington and the Sierra Nevadas in California. He has lived in Seattle since 1901.

G. Howard Hutchins at Los Angeles

The Los Angeles office will be at 1151 South Broadway, and will be operated by G. Howard Hutchins, district manager, who has served manufacturing industry in an administrative capacity for more than 20 years. He has lived in Los Angeles for the past 15 years, having spent 5 years as president of the Filter Co. of California. He also served as Federal receiver for the Alco Oil Tool Co. Since 1937 Mr. Hutchins has been associated with William Clayton in the management of the Clayton Manufacturing Co. and allied interests in Alhambra.

Each of the new district offices will be staffed by local men who have a thorough knowledge of conditions and manufacturing operations in their respective areas.

The district managers will be available to aid businessmen and manufacturers who need information or advice in connection with the priorities system.

Petroleum Coordinator with regard to a broad general plan, now being worked out by the interested agencies, for the most effective use of essential materials to maintain supplies of petroleum products at necessary levels and for the production of petroleum products in such a manner that neither the defense needs of the present nor the public needs of the future will be impaired or prejudiced.

In order to expedite adjustment of the industry to an emergency condition which involves a limited supply of materials, five district offices of the Petroleum Coordinator are to be established and will be available to receive applications from the industry for transmission to the Petroleum Coordinator's office.

Furniture makers discuss ways to meet defense problems

Ways in which the furniture industry can meet its problems and responsibilities under the defense program were discussed August 7 at a meeting of 15 representatives of the industry with Government officials in the office of John M. Brower, consultant on furniture in the Equipment and Supplies Branch, Division of Purchases, OPM.

Among the issues discussed were the growing shortage of sheet steel, which may require substitution of wood in many types of furniture; the extent to which simplification of lines and styles could conserve material; and the possibility of making some defense items in furniture factories.

Appointment of a permanent informal industry group for the furniture industry was recommended by the industry men.

Furniture makers discuss ways to meet defense problems
Maintenance and repair rating plan to assure parts for essential industries

Assuring a steady flow of maintenance and repair parts to essential industries, E. R. Stettinius, Jr., Director of Priorities, announced August 8 that a new maintenance and repairs rating plan is being made available at once to more than 150,000 producers, manufacturers, and agencies in nine industrial classifications. Additional industrial classifications will be added to the list as rapidly as facilities permit.

Those granted the use of the plan will get an A-10 rating which they can apply to their orders for necessary repair and maintenance parts.

Industrial classifications in which the plan is being made immediately available are:
1. Commercial air lines maintaining regular scheduled service.
2. Explosives—plants engaged principally in manufacturing explosives.
4. Mines, including smelting and processing plants and smelting facilities.
5. Federal, State, county, and municipal services—protective services (fire and police); utilities—electricity (production and distribution), gas production and distribution (manufactured and natural), water production and distribution, sewer service; Common carrier passenger transportation by urban, suburban, and interurban electric railways, also by urban and suburban motor and electric coach.
6. Public utilities (privately owned)—electricity (production and distribution), gas production and distribution (manufactured and natural), water production and distribution, and sewer service.
7. Railroads.
8. Coke converters.
9. Common carrier passenger transportation by urban, suburban, and interurban electric railways also by urban and suburban motor, and electric coach (privately owned).

Must apply to get rating

The A-10 rating is not automatically available to any producer, manufacturer, or agency in one or more of these classifications. Before any person may use the rating, he must apply for its use on a special form—PD-67—which may be obtained by writing to the Priorities Division, Atttention, Maintenance and Repairs Section, 482 Indiana Avenue, Washington, D. C., or by writing to any one of the Priorities Division field offices. Copies of application forms will be available in these offices next week.

If an application is granted, the approved firm or agency will receive an authenticated copy of the new order (P-229). Each producer or agency granted the use of the rating must agree to its terms in writing, executing a copy of the order and filing it with the Priorities Division, before the rating can be applied.

Each order issued will bear a serial number. The rating can be applied by executing a copy of the order, inserting the serial number, and serving it on the supplier. Additional orders placed with suppliers must be identified by insertion of the number assigned.

The plan includes provisions so that a supplier, when served with a preference rated order, may in the same manner extend the rating to his own suppliers. Printed copies of the order for such purposes may be obtained at field offices or from the Priorities Division.

A-1-a in extreme emergency

Although the rating to be used generally is A-10, a special emergency rating of A-1-a may be assigned within the nine industrial classifications named in cases of extreme urgency. This rating may be used, however, only when telegraphic applications have been granted.

The A-10 rating can be applied only to deliveries of maintenance and repair parts, as defined in the order, to be used in the plant which has been granted the rating. It may not be used to obtain materials flowing into production, may not be used to obtain excess inventories of maintenance and repair parts, and may not be used to obtain parts or material for plants expansion.

Representatives of the Priorities Division and the Office of Price Administration and Civilian Supply have worked out the plan and have agreed on the initial nine industrial classifications to be included. As the plan gets under way, other industrial classifications will be added to the list and announcements will be made of all such additions.

Will also increase Defense Supplies ratings

Mr. Stettinius pointed out that the new plan will not only benefit essential industries which have need of repair and maintenance parts, but will also aid some suppliers and producers to qualify under the Defense Supplies Rating Plan. The Defense Supplies Rating Plan provides special ratings for certain producers based on that percentage of their production which is clearly covered by defense orders.

If a supplier accumulates a number of preference rated orders under the maintenance plan, for example, he can then use these orders in calculating the percentage of his business which is defense. When such a supplier can demonstrate that a substantial percentage of his business is defense, he can then enter an application for use of the Defense Supplies Rating Plan.

An example of how the maintenance and repair plan will work in a typical case is as follows:

Suppose a metallurgical plant, a smelter, applies for and is granted the use of the plan.

A little later a pump in the plant wears out and a new valve is needed.

The plant can then serve its preference rating order on its supplier of valves. The supplier will have to recognize the preference rating in meeting the required delivery date.

The supplier will also be benefited because he can either extend the rating directly or else can use the order served on him in qualifying under the Defense Supplies Rating Plan.

If the same plant needs additional valves in the future, it can apply the rating by citing the original order's serial number in placing contracts.

Field offices for information

Field offices of the Priorities Division, and the Field Service district managers from whom information about the plan may be obtained, are:
- Boston, Mass.—Alvin H. Kramazn, 30 Pearl St.
- New York, N. Y.—Phillip M. McCullough, 31 Liberty St.
- Dallas, Tex.—James B. Crockett, Wood and Alkard Sts.
- Detroit, Mich.—Walter H. Hall, 160 Fort St., W. Philadelphia, Pa.—Frederick W. Slack, 225 Chestnut St.
- St. Louis, Mo.—Louis E. Crandall, 411 Locust St.
- Chicago, Ill.—Warren L. Bailey, 230 S. LaSalle St.
- Cleveland, Ohio.—William T. Walker, E. 6th St. and Superior Ave.
- Denver, Colo.—Virgil Board, 17th and Arapahoe St.
- Pittsburgh, Pa.—Charles C. Cruciger, Grant St., and Ogie Way.
- Atlanta, Ga.—John B. Reeves, Federal Reserve Bank Building.
- San Francisco, Calif.—Andrew L. Kerr, Federal Reserve Bank Building.
- Cincinnati, Ohio—Bruce W. Burroughs, Union Trust Building.
- Seattle, Wash.—William D. Shannon, Union Trust Building.
- Los Angeles, Calif.—G. Howard Hutchins, 155 S. Broadway.
- Kansas City, Mo.—Clifford H. Carver (assistant district manager), Federal Reserve Bank Building.

Other industries to be included

As soon as the Priorities Division can handle the needs of the industries listed, the order will be extended to the following list of industries, all of which are also
August 12, 1941

DEFENSE

Copper orders are placed under specific control of priorities director

Copper was placed under additional priority control August 2 in an allocation order signed by Priorities Director Stettinius.

Unlike the previous order, which provided that nondefense orders might be filled after a stipulated amount of copper had been set aside for orders meeting national defense demands, the new order requires that, after August 6, no deliveries of refined copper can be made except upon specific directions of the Priorities Director.

Inventory control exercised

These will be given by means of allocation certificates issued to fabricators and dealers. Exception is made in the case of manufacturers who customarily buy from dealers, and who may continue to do so in their usual quantities without the necessity of an allocation certificate.

Inventory control is exercised by provisions which prohibit purchases of copper from dealers, and of copper alloys and copper products from any source, in excess of the amount required by a manufacturer to fill orders at his customary rate of production. This restriction does not apply, however, to deliveries of imported materials or to exports licensed by the Administrator of Export Control.

One paragraph of the order requires the acceptance of defense orders by dealers and manufacturers of copper products and copper-base alloys, and requires that all these be given priority over nondefense demands. Another provides that the restrictions imposed on deliveries of copper are applicable to intracompany transactions. This means that sales or transfers of metal to affiliated or subsidiary companies, and even by one division of a single company to another, are subject to control by the Director of Priorities.

Manufacturers and dealers who customarily obtain their supplies of copper from refineries should apply to the Copper Commodities Branch of the Office of Production Management for the necessary allocation certificates.

Supply to govern authorizations

The total quantities authorized for release by these certificates will be confined to the amount of copper available in the hands of refiners during a particular month. This, it is expected, will enable each dealer or manufacturer to find one or more refiners that can supply the amount that his certificate calls for.

After this month it is hoped that each manufacturer will be notified, two or three months in advance, of the amount of copper he will be entitled to receive, so that he may plan his schedules accordingly.

Application forms for allocation certificates are to be mailed to those who must use them.

Henderson urges Washington be closed to conventions

Washington, D. C., nerve center of the national defense effort, will be closed to conventions while the emergency lasts if recommendations made by OPACS Administrator Henderson are followed.

In a letter to the Hotel Association of Washington made public last week, Mr. Henderson takes issue with a published analysis purporting to show that the Capital has ample hotel accommodations despite the presence of large conventions. There is clear evidence, according to the OPACS administrator’s letter, that at certain periods there are practically no rooms available, a situation that appears to be traceable to the presence of conventions at those times.

OPACS, tin industry confer on possible price ceiling

OPACS officials met August 4 with representatives of the tin industry, to discuss details of a possible price ceiling. Administrator Henderson had announced July 28 that recent sharp increases in the price of tin, stimulated by developments in the Far East, might force imposition of a ceiling in the near future.

Should a price ceiling prove necessary, it was emphasized, no special consideration will be shown to persons who henceforth acquire tin at recent high prices. Higher prices for tin in the United States will not increase supplies, Mr. Henderson pointed out, because the supply problem is one of shipping.
PRICES AND CIVILIAN SUPPLIES

Price control bill would give authority for ceiling on any commodity

CPAACS has issued the following brief explanation as part of a longer description of the price control bill introduced in the Senate and House August 1:

The Emergency Price Control Act of 1941 is strictly an emergency measure designed to meet the threat of inflation and to check the rising cost of living.

The pricing provisions have been clearly indicated by the President in his message of July 30, 1941. Inflation is not a remote possibility; it is an immediate and serious threat. The time has come when we must have a broad and clear statutory basis for effective price control.

Generally speaking, the bill would authorize the President to establish maximum or ceiling prices for any commodities, principally on the basis of prices prevailing on July 29, 1941, with adjustments for various other factors. The bill further provides, with reference to agricultural commodities, that no ceiling may be established below 110 percent of parity, or the price prevailing on July 29, 1941, whichever is higher.

Ceilings subject to judicial review

Every determination of ceiling prices must be accompanied by a statement of the considerations underlying it, and is subject to complete judicial review by a three-judge emergency court of appeals, and by the Supreme Court of the United States on certiorari.

The President may also establish maximum rental ceilings, but only in defense areas and only with respect to relatively low-cost housing accommodations the rents of which have increased 10 percent or more since August 31, 1940. No rent ceiling can be established until the State or local authorities have been given an opportunity to remedy the situation in accordance with recommendations made by the President. If such State and local authorities fail to take the necessary action, the President may then, in these limited areas, establish rent ceilings which are subject to full judicial review in the same manner as commodity price ceilings.

The bill confers no power on the President with respect to wages.

Quarterly reports to the Congress are required.

Title I of the bill, detailing the general provisions and authority, is printed below.

Purposes, time limit

Section I. (a) It is hereby declared that it is in the interest of the national defense and security and the purposes of this act are (1) to preserve the value of the national currency against the consequences of price and credit inflation; (2) to stabilize prices and to prevent price raising, hoarding, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (3) to prevent prospects of price rises from encouraging the accumulation and withholding of materials needed for national defense, and from impeding long-term commitments for production; (4) to assure that defense appropriations are not dissipated by excessive prices; (5) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (6) to prevent speculative fluctuations in general prices, rents, and the cost of living.

(b) The provisions of this act, and all regulations and orders thereunder, shall terminate upon the expiration of time as hereinafter provided.

Secs. 2. (a) Whenever in the judgment of the President the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he shall by regulation or order establish ceilings for such commodity or commodities and will effectuate the purposes of this act, by, without regard to any provision of law requiring competitive bidding, buy, store, or sell at public or private sale, any such commodity upon such terms as he shall deem necessary to obtain the maximum production or supply of such commodity, or to prevent price increases inconsistent with the purposes of this act.

(b) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he shall issue declarations designating defense rental areas and defense area housing accommodations, and setting forth the necessary classifications and differentiations of such accommodations for any such accommodations have in the judgment of the President been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the President shall by regulation or order establish such ceiling or ceilings for such accommodations, and in selecting persons to administer such ceilings, the President shall be guided by the interests of all those subject to this act, with due regard for the dominant public interest in the accomplishment of the foregoing purposes.

(c) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, provide for such a substitute as to result in price increases inconsistent with the purposes of this act.

Sec. 3. (a) Any ceiling or ceilings may be established in such form and manner, may contain such classifications and differentiations, and may provide for such a substitute as to result in price increases inconsistent with the purposes of this act.

(b) Any ceiling or ceilings below the general market prices of such commodity or commodities, or below the rent or rents, as the case may be, shall be declared invalid unless and until the President shall by regulation or order establish such ceiling or ceilings.

(c) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, provide for such a substitute as to result in price increases inconsistent with the purposes of this act.
Farmers should remember crash of 1920, lead anti-inflation fight, says Galbraith

Speaking before farmers celebrating Annual Farm Home Week at Stillwater, Okla., August 6, J. K. Galbraith, assistant administrator in charge of the Price Division, OPACS, declared: "It has taken two decades to rebuild agriculture out of the wreckage left by the inflation of the last war. It is well to recall what happened these twenty years ago for we now have before us a basic choice. We can take the same path once more, or we can avoid that route and choose stability instead.

Price control the only alternative

During the last year our price structure has in some respects come into better balance than for many years. The basic agricultural commodities have risen so that they now stand in a more favorable relation to what the farmer buys for a decade; farm prices have risen 42 percent since August 1939; nonfood prices have risen about 12 percent. But all prices have reached the stage now where it is no longer a question of balance—it is now a question of an upward spiral in all prices. To stop this price increase we shall need a sound tax policy and a sound fiscal policy—but above all, we need the willingness to see price advances stopped and stopped firmly. There is no alternative to price advances but price control.

During the last few months, working with Leon Henderson, I have had a lot to do with prices. By voluntary procedures, and working under the emergency powers of the President, we have been seeking to maintain price stability. We have had a measure of success. But the informal methods we have been using will not last indefinitely. The man who is cooperating with us is suffering for his patriotism. The chiseler, the profiteer, and the speculator are on the make. These things are disturbing. I am more disturbed by something else. There are farmers who have started talking of 20 cent cotton and $15 hogs. I know how tempting these figures sound. But 20 cent cotton and $15 hogs do not mean balance—not any more. They once more mean the inflationary spiral of the last war.

Farmers should lead

If we are to prevent inflation we must be willing to advocate stability in the other fellow's prices, which is easy, and our own prices, which is very hard.

If American farmers accept the idea of inflation—the plain record of the effect of inflation on the farmer, what it is—then there is little hope of preventing inflation. All experience shows, however, that farmers should be, must be the natural leaders in the fight against inflation. If they take the leadership, then stability is assured.
Packers to reserve salmon for Army, Navy; types spread to avert price rise on pink

An agreement by which salmon canners will make available for the lend-lease program, and for the Army and Navy, a total of 1,200,000 cases of salmon, or roughly 20 percent of the current season’s pack, without undue dislocation of the civilian market, was announced August 5 by the Office of Price Administration and Civilian Supply.

The program was developed at a meeting of a number of leading salmon canners with representatives of OPACS, Office of Production Management, Surplus Marketing Administration, and the War Department.

Quantities listed

Quantities to be reserved for the lend-lease program and the Army and Navy and to be offered in bids submitted not later than September 5, 1941, are divided among the several types of canned salmon as follows:

- (a) 450,000 cases of Red Salmon in No. 1 tall cans, or No. 1 flat cans, or both;
- (b) All of the current pack of Cohoes (Medium Reds and Silvers), all in No. 1 tall cans;
- (c) 100,000 cases of Chums in No. 1 tall cans, or No. 1 flats, or both;
- (d) 450,000 cases of Pinks in No. 1 tall cans, or No. 1 flat cans, or both.

Paper board base price to be raised east of Rockies

Base prices of paper board will be increased $2.50 per ton east of the Rocky Mountains under an agreement reached between leading paper board producers and OPACS, Administrator Henderson announced August 4.

The first voluntary agreement stabilizing paper board prices was worked out on June 12 and was based upon prices of waste paper, the principal raw material, as of May 29, 1941.

Waste paper prices rose rapidly from the May 29 level and had increased from $3 to $4 per ton by June 18, when they were stabilized by agreements between OPACS and members of that trade. These agreements since have been extended to October 1, 1941 on the three low grades of waste paper.

The new upward adjustment of $2.50 per ton in prices for paper board was based on the increased cost of waste paper to the paper board mills since the previous agreement was reached.

Under the voluntary agreement and effective until October 1, 1941, manufacturers’ prices for paper board east of the Rockies will not exceed $45 per ton for chip board, $60 per ton for single manila lined board, and $75 per ton for white patent-coated news board.

In addition to the higher price, a schedule of customary price differentials, based on quantity, weight and special requirements was agreed on between OPACS and the paper board producers.

During the period these prices are in effect, OPACS will conduct an exhaustive investigation of the paper board price structure and its relation to prices of products made of paper board.

Members of the paper board industry were urged to report to OPACS all instances of infractions of the base prices and differentials agreed on. Submission of cost data on various paper board products also was requested of the paper board manufacturers.

Individually, under the program, each canner, packer and sales agent is asked to agree with OPACS to set aside immediately and hold:

- (a) 45 percent of his current Red Salmon pack;
- (b) His entire pack of Cohoes (Medium Reds and Silvers);
- (c) That proportion of his current Chum pack that 100,000 cases of Chums bear to the entire Chum pack;
- (d) That proportion of his Pink pack that 450,000 cases of Pinks bear to the entire Pink pack.

Preliminary estimates place the current salmon pack roughly at 6,000,000 cases. The program, then, will absorb roughly 45 percent of the expected pack of Reds, the premium grade; the entire pack of Cohoes, which may vary between 175,000 and 300,000 cases; and a small part of the pack of Chums and Pinks.

Spread in types to combat price rise in widely consumed pink

Pink salmon, the most widely consumed type, forms an important part of the protein diet of the lower-income groups of the civilian population, especially in areas in which fresh fish is not obtainable in sufficient quantities.

Were the entire amount required by the lend-lease program, the Army and the Navy taken from the Pink salmon pack, that type would be subject to pressure for higher prices, with resulting hardship to the lower-income groups among domestic consumers. This factor prompted OPACS to seek the cooperation of the industry and the other Government agencies involved to the end that a substantial part of the amount to be reserved be taken from the other types of canned salmon available.

Bids for the 1,200,000 cases reserved will be invited by the respective Government procurement agencies. The representatives of industry at the meeting assured the Government that asking prices would be fair and reasonable.

OPACS is inviting all canners, packers and sales agents to assent to the program as announced, and hopes that by this voluntary cooperation defense requirements can be met without the necessity of establishing price ceilings or of civilian allocation.

No rise in retail tire price justified beyond wholesale mark-up, says Henderson

No increase in the cost of automobile tires and tubes to the ultimate user, beyond the actual amount recently added to prices by manufacturers, is warranted, OPACS Administrator Henderson announced August 5.

This was Mr. Henderson’s answer to a request from tire wholesalers and retailers for a statement of OPACS’ position. OPACS has no evidence of any general increase in the cost of distributing tires and tubes, the administrator said. Hence, to add more to new tire and tube prices than the present dollar margin mark-up cannot be justified.

Were the customary practice of percentage mark-ups applied in the present situation, the administrator said, the way would be paved for price pyramiding.

In any adjustment of prices upward, dealers are requested not to apply the advance to existing stocks, except as they average the cost of present inventories and cost of new stocks. No reduction in the allowances for new tires or curtailment in the services usually accompanying the sale of tires should be made without a corresponding cut in the price of new tires. Dealers and distributors were urged to apply these pricing practices to used, as well as to new, tires and tubes.
Possible monopolistic practices investigated in scrap industry

Widespread investigation of practices being followed in the scrap iron and steel trade which are believed to be in probable violation of the antitrust statutes is being undertaken immediately by the Department of Justice in response to a request for action from Administrator Henderson, OPACS announced August 4.

15 brokers supply 90 percent

Participating in the investigation are the Anti-Trust Division and the Federal Bureau of Investigation of the Department of Justice. Furthermore, in requesting the investigation Mr. Henderson suggested that, if appropriate, a grand jury be impaneled to aid in the work. Elimination of current abuses is expected to facilitate free flow of scrap and prevent hoarding.

In his letter to the Attorney General outlining need for the investigation, Mr. Henderson said there are approximately 15 large brokers of iron and steel scrap who supply approximately 90 percent of the scrap purchased by steel mills. These brokers obtain scrap from dealers who purchase from subdealers who in turn buy from smaller dealers or producers of scrap.

Prices jimmied up

"It is my understanding that certain of these brokers and dealers have subsidized secretly other dealers and subdealers, sometimes as many as a hundred or more," Mr. Henderson stated. "In this way a single broker has, in some instances, achieved a monopoly over all of the scrap produced in an entire region. This control over the supply of scrap has been utilized as a means for enhancing scrap prices."

Suspected methods encourage hoarding

As a result of these secretly maintained subsidies and the control over a market which they create certain brokers and dealers have been able to maintain arbitrary control over prices, selection of grades, and supply, according to Mr. Henderson's letter. These controls have had the effect of encouraging the hoarding of iron and steel scrap by creating the impression that prices will be increased. This has lessened the amount of scrap available for steel mills and threatens to curtail the production of steel at a time when needs of the defense program make it imperative that output be maintained at the highest possible level.

Essentials first in civilian allocation of plastics and resins from formaldehyde

Sharply restricted civilian use of synthetic resins and plastics made directly or indirectly from formaldehyde is provided for in a civilian allocation program promulgated August 5 by the Office of Price Administration and Civilian Supply. The program will go into effect on August 23, 1941.

Simultaneously it was disclosed that a study of the price situation in the formaldehyde branch of the chemical industry is under way by OPACS in view of numerous reports that the less scrupulous distributors are exacting excessive prices.

Great demands develop shortage

A shortage of plastics, synthetic resins and the components of such resins has developed within recent weeks because of the great demands made by defense industries and the constantly increasing requirements of civilian industries for plastics to use in substitution for other materials no longer available.

A large percentage of plastics and synthetic resins contains formaldehyde—also used extensively in other fields.

Present prospects are that supplies of formaldehyde will be sufficient for requirements of the defense program and essential civilian needs, but that its use in the production of plastics going into such nonessential items as advertising premiums, "juke boxes," novelties, toys, amateur cameras, etc., must be curtailed.

With this objective, the allocation program segregates into three classifications the nondefense uses of moldings, compounds, plastics, adhesives and miscellaneous binders, made from synthetic resins.

Most important uses in A class

Senior preference for supplies of resins made directly or indirectly from formaldehyde for civilian use is directed for a wide range of industries and activities essential to the public welfare in classification A. Included in this category are public and industrial light, heat, power and water equipment; transportation equipment, including accessories to commercial airplanes; trucks, buses, tractors, fire-fighting implements and farm equipment; technical instruments; material and equipment for scientific research; chemical protective uses; applications in the communication industry; oil well equipment; industrial equipment; hose, other than protective coatings; mining; industrial, food, and medicinal containers and protective coverings for them; closures, except decorative; marine applications, and grinding wheels and other abrasive products.

Secondary preference is assigned to such less essential civilian uses as passenger automobiles, cases for radio receivers, furniture, commercial cameras, textile finishing and household appliances.

No preference whatsoever is provided for supplies of synthetic resins made directly or indirectly from formaldehyde in classification C. In this bracket are placed items considered nonessential to the civilian welfare during the present emergency. A provision is contained in the program to shift into classification B from classification C certain products using only a small percentage of formaldehyde and in which formaldehyde resins are essential.

No preference if substitutes are available

The preferences accorded in classifications A and B are refined further in a separate section of the program. This section stipulates that preference shall be granted only to those uses of resins which are essential to the functioning of the classification part or material and that preference shall not be granted to such uses if satisfactory substitutes are available.

Special limited exceptions may be sought in cases where classification in the lowest bracket works any undue or unreasonable hardship or causes unemployment disproportionate to the conservation of raw materials.

Formaldehyde, para-formaldehyde and hexamethylinetetramine, the latter a medicinal derivative of formaldehyde, for all nonplastic uses will receive the same preference as is assigned for uses under classification A.

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

Black and Judd named to OPACS accounting department

Appointment of Martin L. Black, Jr., as policy assistant and of Frank Judd as review chief was announced August 8 by Dr. H. F. Taggart, head of the OPACS accounting department.
Changes in iron and steel scrap schedule affect basing points and Gulf exports

Amendments to Price Schedule No. 4, fixing ceiling prices on iron and steel scrap, were announced August 8 by OPACS.

The changes establish for Gulf ports the same export ceiling price as that previously arrived at for the eastern seaboard; add more basing points in appendix A, and modify the existing shipping point price for dealers' yards located within basing points.

Export price rule changed

Summarized, the three important amendments follow:

1. The $15 per ton maximum export price for No. 1 heavy melting scrap and the $15 maximum export price for No. 1 railroad grade heavy melting scrap (with customary differentials for other grades in each classification), f. a. s. at all ports on the Gulf of Mexico are eliminated. Instead, the maximum export price f. a. s. at all United States ports for heavy melting scrap (other than railroad) is made the domestic shipping point price, plus the lowest necessary charge for transporting scrap from the shipping point to the point of export. In the case of railroad grade heavy melting scrap, the ceiling price, f. a. s. at all United States ports, is made the maximum price for a consumer located on the line of the originating railroad, plus actual transportation charges from the line to the point of export. No such transportation charges, however, are allowed to be added in computing the ceiling export price for scrap originating from a railroad not operated at a basing point. Actual costs incident to shipment for export and a maximum broker's commission of 50 cents per ton may be added if shown as a separate charge on the invoice.

Basing points added

(2) Conshohocken, Pa.; Minneapolis and St. Paul, Minn.; Atlanta, Ga.; Alabama City, Ala.; and Portland, Ore., are added as basing points. Minnequa, Colo., is eliminated as a basing point for scrap of railroad origin.

Basing point prices at Pittsburgh; Ashland, Ky.; Toledo, Ohio; Duluth, Minn.; Worchester, Mass.; Bridgeport, Conn.; Phillipsdale, R. I.; Birmingham, Ala.; Minnequa, Colo.; Los Angeles, San Francisco, and Seattle are changed in the amended schedule.

(3) Paragraph II of the schedule, establishing maximum prices at a shipping point, has been divided into two sections: Shipping point prices (a) at shipping points located within basing points and (b) at shipping points located outside basing points.

In the case of shipping points within basing points, the price is the basing point price, minus actual transportation costs from the shipping point to the nearest consumer's plant within the basing point. For shipping points located outside basing points, the computation of the shipping point price remains unchanged, except that such price at all shipping points in New York City, Brooklyn, and New Jersey which, by reason of barge rates, are nearest in terms of transportation charges to the Buffalo, N. Y., basing point, shall henceforth be computed from the Bethlehem, Pa., basing point.

Wholesalers, retailers, jobbers given restricted exemption from grey goods ceiling

Wholesalers, jobbers and retailers are given restricted exemption from the ceiling prices heretofore established for six leading types of cotton grey goods in an amendment announced August 9 by OPACS.

The change enables wholesalers, jobbers and retailers to sell at higher than ceiling prices grey goods used in an unfinished state by industry for a variety of purposes and by private consumers for muslin sheeting, tobacco culture, etc.

Specifically prohibited by the amendment, however, are all sales of grey goods at higher than the maximum prices, even for industrial or private use, by producers or their agents. Sales of grey goods by wholesalers, jobbers and retailers to any converter orfinisher similarly must conform to the ceiling prices.

A statement directed to the trade in connection with the amendment says OPACS has been assured by a number of wholesalers and jobbers that their selling margins on sales of grey goods to users of such unfinished cloth, as permitted by the amendment, would be limited to amounts commensurate with the service rendered by them and that there would be no tendency to exact excessive prices.

12-cent ceiling imposed on copper

A ceiling price of 12 cents a pound for copper, excepting only certain purchases by the Metals Reserve Company, is established by Price Schedule No. 15, announced by OPACS August 12.

In a move to provide that the relatively small proportion of copper costing more than 12¢ a pound to produce shall continue to flow into defense and civilian consuming channels, Mr. Henderson recommended that the Metals Reserve Company, an agency of the Reconstruction Finance Corporation, purchase such high-cost copper at prices in excess of 12¢.

Imposition of a ceiling on copper prices is made necessary by the issuance of a general preference order by the Office of Production Management placing copper under 100 percent priority control.

OPACS asks 33-cent base price for Pennsylvania lubricants

Leading oil refiners producing Pennsylvania grade lubricants have been asked by OPACS Administrator Henderson to base prices upon 33¢ per gallon for the dominant grade, 200 neutral, 25 pour test, and to maintain current price differentials for the other grades of neutrals.

A succession of increases in recent months has carried refinery prices from about 22¢ per gallon to 42¢ a gallon and higher.

Engine exhibit being staged for possible subcontractors

Subcontractors who may be able to make parts for Continental aircraft and tank engines were invited by the Defense Contract Service of OPM to an exhibit of the engines in Detroit beginning August 11.

The exhibit is in the Federal Reserve Bank Building, 160 Fort Street, West, Detroit, where an office of the Defense Contract Service is located.

The purpose of the display is to help prospective subcontractors determine what parts they could manufacture.

Interested manufacturers in the Detroit area and elsewhere are requested to call the Defense Contract Service at Detroit for information as to the best time to see the exhibit. It will continue for about a week.
News for Retailers

**Rayon Allocation**

The emergency rayon allocation program announced by the Office of Price Administration and Civilian Supply is designed to make available to the hosiery industry sufficient rayon yarn to allow continued production at substantially the same rate that prevailed prior to the stoppage of civilian raw silk supplies.

Whether the hosiery industry actually will be able to continue at its previous rate depends in part on other factors, OPACS civilian allocation authorities explain. These include the rate at which suitable stocking yarns can be made available; the extent to which the distribution of the yarns from the rayon manufacturers to the hosiery knitters is quickly and evenly made; and the degree of consumer acceptance of rayon stockings.

Rayon stockings in general do not take the same dyes as silk and have different wearing qualities. Rayon research has developed some yarns with greater-than-average silk-like qualities, but supplies of this kind of yarn are limited at present.

Considerable research also has been directed recently towards the development of high-count cotton yarns for stockings. OPACS officials report, but facilities likewise are not available at present to provide these yarns in sufficient quantities to assure continued operation of hosiery mills.

OPACS officials stress the unpredictable aspects of the situation and the important part that will be played in the substitution program by consumer choice. The program for the allocation of 10 percent of the daily production of yarns and 10 percent of stocks held by rayon producers is on an emergency basis and scheduled at present for only the months of August and September.

Rayon yarn is the only substitute for silk in hosiery manufacture immediately available in the necessary quantities and types. The allocation program was undertaken, OPACS authorities point out, to alleviate distress which would have been caused by the sudden closing down of hosiery mills as soon as the current stocks of thrown silk yarns were exhausted.

Supplies of rayon yarns for other apparel items such as ties, hat-linings, and underwear made largely or wholly of silk are expected to be adequate also, subject to the same factors that will govern hosiery production.

**Canned Salmon**

The importance of canned Pink salmon in the diet of low-income groups, particularly for those regions of the Middle West and South which are far from fresh fish sources, was the primary consideration behind the voluntary allocation agreement between OPACS and salmon-canning representatives announced last week.

Under the allocation agreement, canners will provide more of the higher-priced Red salmon than the lower-priced Pink and Chum salmon for Lend-Lease and defense requirements than might have been the case otherwise. This will release more of the pink salmon pack for the domestic market.

It is expected that 45 percent of the pack of the Red salmon, 100 percent of the medium-red Cohoes salmon and only a relatively small percent of the Pink and Chums will be delivered to the military forces and to England under the new program.

In view of the possibly serious nutritional consequences to the civilian population of the recent increases in prices of protein source food of most types, OPACS has been carefully studying the rise in canned-salmon prices.

From August 1939, the month preceding the outbreak of the European War, until June of this year, the wholesale price of Pink salmon, (No. 1 Tall can, cases of 12) rose 48.9 percent, according to figures of the Bureau of Labor Statistics. From January to June of this year it increased 5.4 percent.

The retail price per can of the same type of Pink salmon rose 33.8 percent from August 1939 to June 1941. The January-to-June increase for this year was 8.9 percent.

OPACS food price authorities indicate that if the voluntary agreement for providing the increased supplies of Pink salmon to the lower-income market is not successful in averting further substantial price increases, some form of direct price action may be necessary.

**Formaldehyde Plastics**

Retailers in months to come will find it increasingly difficult to replenish their stocks of novelty goods made of plastics as the result of OPACS' recent allocation program classifying as essential, less essential and nonessential the nondefense uses of synthetic resins containing formaldehyde.

Aiming to augment supplies of formaldehyde for essential civilian needs, OPACS rules that no preference whatsoever be accorded to supplies of synthetic resins containing formaldehyde intended to be used in the production of salons, phonograph boxes, toys, amateur cameras, etc.

Denied the strong and decorative formaldehyde-phenoil plastics, manufacturers of these nonessential items will be compelled to turn to substitutes or to discontinue their production for the duration of the emergency.

A shortage in glacial acetic acid, prime raw material for acetate plastic, which might be substituted readily under other conditions, will prevent any substantial substitution of this material. If novelty goods manufacturers were to make a widespread change-over from formaldehyde to acetate plastic, a critical shortage would immediately develop and a substitute-for-a-substitute campaign would have to be instituted, OPACS civilian allocation officials point out.

Some manufacturers of nonessential civilian goods may escape the restriction. A few small users of formaldehyde plastics cast their plastics (the common process employs molding) and then cut the material by hand. OPACS officials explain that curtailment of the supply to these manufacturers, jewelry-makers principally, would represent an insignificant saving in formaldehyde, and create a disproportionate amount of unemployment, since a large quantity of hand labor is used in this procedure, and neither labor nor machinery used could be readily transferred to defense work.

OPACS civilian allocation executives state that present prospects are that supplies of formaldehyde sufficient for the requirements of the defense program and the essential civilian needs will be available as the result of the order.

One of the important military uses of the allocated material is as a laminated plastic in airplane construction. The main essential civilian uses are in electrical insulating materials in all forms of communication and transportation equipment, and brake linings in trucks and passenger cars.

Formaldehyde, one of the essential chemicals of the plastic, is also used in embalming, in coagulating oils, in extracting fish oils, and essential oils.
Purchases...

$231,754,498 War Department contracts cleared July 31 through August 6

Defense contracts, including informal letter contracts, totaling $231,754,498 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period July 31 through August 6. Formal contracts totaled $229,954,498. This compares with $291,529,351 for the Office of Production Management, during the period July 31 through August 6. Formal contracts totaled $228,954,498.

The Maritime Commission did not report any contracts.

Contracts awarded during the period were:

**Construction**

Four contractors: Weiss Co., Inc., Des Moines, Iowa; Hugh McLaughlin & Sons, Des Moines, Central Engineering Co. and Priester Construction Co., both of Davenport, Iowa; construction of small arms ammunition plant at Des Moines; plant will be operated by U. S. Rubber Co. and will produce 30 and 50 caliber ammunition of ball, armor piercing, and tracer type; $17,679,597. A. J. Rife Construction Co., Dallas, Texas; establishment of Medical Corps Replacement Center at Paris, Tenn.; architects and engineers, H. H. Hunt Co. of Chattanooga, Tenn.; $5,254,968. Federal Cartridge Corporation, Minneapolis, Minn.; designing, constructing, equipping, and operating of Twin Cities Ordnance Plant at St. Paul, Minn.; $68,088,381. (Sub-contracts for architects and engineers and construction will be awarded in amount of about $18,600,000; the sum of $11,986,000 will be used to purchase machinery and equipment as previously announced in letters of intent, which will be taken over by Federal Cartridge Corporation.) J. A. Jones Construction Co., Charlotte, N. C.; construction of buildings and utilities at Port Jackson, S. C.; $581,577.

Two contractors: Rockefeller Textile Co., New York, N. Y.; $5,892,923; Robert Shaw Thermostat Co., Youngwood, Pa.; $3,894,263. (Contracts for architects and engineers and construction will be awarded in amount of $18,500,000; the sum of $11,986,000 will be used to purchase machinery and equipment as previously announced in letters of intent, which will be taken over by Federal Cartridge Corporation.) Van Norman Machine Tool Co., Springfield, Mass.; milling machines; $744,100. Robert Shaw Thermostat Co., Youngwood, Pa.; boilers; $699,923.

**Suppliers**


**Trucks**

White Motor Co., Cleveland, Ohio; 8-ton trucks; $885,000.

West Point Mfg. Co., Lanett Mill, Lanett, Ala.; 3,000,000 yards cotton twill tent cloth; $836,200.

**Bronze**

General Electric Co., Bridgeport, Conn.; flying gloves, shoes, and suits; $720,000.

**Aircraft**

General Motors Corporation, New York, N. Y.; trucks and parts; $2,726,872.

**Military**


Ordinance


Robert Shaw Thermostat Co., Youngwood, Pa.; boilers; $699,923.

Robisch-Sparkes, Inc., Greenwood, Ind.; casings,ducer, with metal parts; $677,593.


King-Sibley Corporation, Ann Arbor, Mich.; fin assembly; $533,592.

Francesco Co., Boston, Mass.; shells; $50,670.

Burgess Co., Inc., Beaver Falls, Pa.; $80,100.


Stewart-Warner Corporation, Chicago, Ill.; fuse; $1,394,263.

Westinghouse Air Brake Co., Wilmerding, Pa.; boosters; $544,039.

Harrissburg Steel Corporation, Harrisburg, Pa.; demolition bombs, including fin and assembly; $1,402,800.

The Crosley Corporation, Cincinnati, Ohio; bomb shackles assemblies; $729,685.

Onseta Ltd., Oneda, N. Y.; bomb shackles assemblies; $584,188.

Servel, Inc., Evansville, Ind.; cartridge cases; $797,597.

Copra Buckle Co., Attalla, Ala.; shells; $929,000.

General Motors Corporation, Guide Lamp Division, Anderson, Ind.; cartridge cases; $2,450,000.

Bridgeport Brass Co., Bridgeport, Conn.; brass cable dies; $769,557.

**Aircraft**

Vultee Aircraft, Inc., Downey, Calif.; airplanes and spare parts; $14,518,707.

Beech Aircraft Corporation, Wichita, Kans.; airplanes and spare parts; $12,610,129.

**Informal Letter Contracts**

Two contractors: Cage Brothers and F. M. Reeves & Sons, Inc., Austin, Texas; primary stage of construction of Twin Engine and Bombardier School at Midland, Texas; $62,000,000.

**Constructors**

Further increase in the average price paid for the Army's recent purchase of 1,000,000 pairs of service shoes is due to the fact that field experience has shown the need for larger shoe sizes, the Division of Purchases, QPM, said August 9.

Shoes bought in the recent purchase average a full size larger than previous purchases.

Average price paid on the recent procurement, which was made on a basis of 75 percent composition sales and 25 percent leather soles, was approximately $3.40 per pair.
131 Certificates of Necessity for plant expansion issued July 16 through July 31

From July 16 to July 31, inclusive, 131 Certificates of Necessity were issued to 108 corporations, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was $58,102,000.

The cost of facilities covered to date was estimated at $1,113,107,000.

A compilation of firms for the last half of July, and estimated cost of facilities follows:

- Accurate Steel Treating Co., Chicago, Ill., heat treating facilities; $3,300,000.
- Adirondack Foundries & Steel, Inc., Water- ville, N.Y.; carbon and low alloy steel castings; $166,000.
- Allegheny Ludlum Steel Corporation, Brackenridge, Pa., steel ingots; $58,000.
- Charles O. Allen Co., Barre, Mass., drilling and turning machines; $83,000.
- American Chain & Cable Co., Inc., Bridgeport, Conn., tie chains and cotter pins; $37,000.
- Anacoda Wire & Cable Co., New York, N.Y., telephone wire and shipboard cable; $14,000.
- A. E. Atkins & Co., Indianapolis, Ind., metal cutting saws; $47,000.
- Atlas Foundry Co., Irvington, N. J., stainless, carbon, and alloy steel castings; $3,000.
- Barney & Cherry Engineering Co., Columbus, Ohio, charcoal; $55,000.
- The Barratt Co., New York, N. Y., beta picoline; $31,000.
- Bendix Aviation Corporation, South Bend, Ind., airplane parts; $19,000.
- Benrus Watch Co., Inc., New York, N. Y., components for time fuzes; $23,000.
- Boeing Airplane Co., Wichita, Kans., airplane spare parts; $43,000.
- Bunting Brass Co., Lawrence, Mass., hard rubber foot tubs and trays; $6,000.
- Borg Warner Corporation, Detroit, Mich., machine tools, lathes and grinders; $248,000.
- Bosky Manufacturing Co., International Falls, Minn., refined nickel; $189,000.
- Borg-Warner Corporation, Detroit, Mich.; airplane engines and parts in cooling systems; $204,000.
- The Globe Refractories, East Liverpool, Ohio; lady bricks; $68,000.
- Gould and Eberhardt, Newark, N. J., shaping, hobbing, and gear rolls; $78,000.
- Great Lakes Steel Corporation, Detroit, Mich.; steel plates; $1,329,000.
- Greenfield Tap and Die Corporation, Greenfield, Mass.; high speed taps; $58,000.
- The Hilgley Aircraft Corporation, Denver, Colo.; machine work on airplane parts; $7,000.
- The International Nickel Co., New York, N. Y.; refined nickel; $189,000.
- Jersey Commission Co., Inc., Omaha, Neb.; dried eggs; $340,000.
- Jostyn Mfg. & Supply Co., Chicago, Ill.; alloy steel bars; $22,000.
- Kilgore Manufacturing Co., International Falls-Signal Division, Tipp City, Ohio; paraschute flares and signals; $4,000.
- Koppers Co., Baltimore, Md.; piston and sealing rings; $106,000.
- Liberty Aircraft Products Corporation, Farmingdale, Long Island, N. Y.; aircraft parts; $12,000.
- Linde Air Products Co., New York, N. Y.; compressed oxygen; $2,371,000.
- The Locomotive Finished Material Co., Athicton, Kan.; railroad machines and project houst castings; $20,000.
- Los Angeles Shipbuilding & Drydock Corporation, San Pedro, Calif.; ships; $77,000.
- Maine & Mount Street Realty Corporation, Weehawken, N. J.; hospital equipment of stainless steel; $92,000.
- Merritahlen Linotype Co., Brooklyn, N. Y.; precision optical instruments; $15,000.
- Mogren Bros., Inc., Boston, Mass.; turnbuckles, shoes, and voice tubes; $18,000.
- Metal Speciality Co., Cincinnati, Ohio; anti-tank mines; $19,000.
- Mexico Refractories Co., Mexico, Mex.; fire bricks; $290,000.
- Missouri Steel & Iron Co., Kansas City, Mo.; merchant steel; $1,016,000.
- Monarch Machine Tool Co., Sidney, Ohio; metal working lathes; $39,000.
- Monarch Chemical Co., St. Louis, Mo.; chemicals and raw materials; $865,000.
- Moore Dry Dock Co., San Francisco, Calif.; shock proof saws and wind turbines; $56,000.
- Mt. Pulaski Farmers Grains & Elevator Co., Mt. Pulaski, Ill.; grain storage; $12,000.
- The Mullite Refractories Co., Shelton, Conn.; fire bricks; $42,000.
- The National Supply Co., Springfield, Ohio; Diesel engines; $718,000.
- The National Twist Drill & Tool Co., Detroit, Mich.; twist drills, reamers and hobs; $8,000.
- New York Central Railroad Co., New York, N. Y.; transportation; $11,571,000.
- Norris Stamping & Manufacturing Co., Los Angeles, Calif.; cartridges and machine parts; $20,000.
- North Electric Manufacturing Co., Galion, Ohio; telephones and accessories; $5,000.
- North Pacific Railway Co., St. Paul, Minn.; transportation; $14,352,000.
- Ohio Forge & Machine Corporation, Cleveland, Ohio; parts for machine tools and gears for Diesel engines; $36,000.
- Ohio Elevator Co., New York, N. Y.; steel, castings and aircraft turret ring gears; $109,000.
- P. H. Peavy and Co., Minneapolis, Minn.; storage of grain; $278,000.
- The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; $1,300,000.
- Pittsburgh Metalurgical Co., Inc., Niagara Falls, N. Y.; manufacture of ferro alloys; $23,000.
- Pittsburgh Plate Glass Co., Pittsburgh, Pa.; calcare and chlorite; $2,841,000.
- W. A. Robinson, Inc., Ipswich, Mass.; mine sweepers; $33,000.
- Rockbestos Products Corporation, New Haven, Conn.; insulated electric cable; $170,000.
- Rome Pump Co., Eltoria, Ohio; airplane pumps and parts; $2,000.
- Screw Machine Products Co., Milwaukee, Wis.; parts for brakes, electric control devices, and machine parts; $13,000.
- The Seymour Manufacturing Co., Seymour, Conn.; brass strip or coil; $138,000.
- Sisco Steel & Steel Bldg. Co., Birmingham, Ala.; dolomite; $14,000.
- Southern Asbestos Co., Charlotte, N. C., asbestos products for shipboard use; $67,000.
- Spartan Aircraft Co., Tulsa, Okla., training of pilots and airplane parts; $44,000.
- Standard Milling Co., Chicago, Ill.; storage of grain; $775,000.
- The Standard Oil Co., Cleveland, Ohio, aviation gasoline; $74,000.
- Standard Parachute Corporation, San Diego, Calif., parachutes and parts; $4,000.
- Stewart-Warner Corporation, Chicago, Ill., fuses and airplane engine parts; $112,000.
- Stolper Steel Products Corporation, Milwaukee, Wis., fabricated sheet metal parts; $45,000.
- Strawberry Grain Co., Milwaukee, Wis., storage of grain; $75,000.
- T. C. M. Manufacturing Co., Harrison, N. J., machine tools of tungsten carbide; $17,000.
- Twin Mining & Smelting Co., Laredo, Tex., tungsten metal and carbide ingots; $31,000.
- United Aircraft Corporation, East Hartford, Conn., airplane engines and parts; $5,607,000.
- The United Metal Manufacturing Co., New York, Conn., castings and sheet metal parts; $107,000.
- Wah Chang Trading Corporation, New York, N. Y., tungsten; $39,000.
- O. S. Walker, Inc., Wisconsin, Mass., magnetic chucks and grinding machines; $1,014,000.
- P. W. Manufacturing Supply Co., Pitts- burgh, Pa., precision bombs; $16,000.
- The Wayne Pump Co., Fort Wayne, Ind., ball bearings; $276,000.
- Welding Engineers, Inc., Philadelphia, Pa., weldments; $77,000.
- Peter Wendel & Sons, Inc., Irvington, N. J., bodies for trucks and truckers; $13,000.
- Western Pipe & Steel Company of California, San Francisco, Calif., storage and destroyer tenders; $172,000.
- Westinghouse Electric & Mfg. Co., Pitts- burgh, Pa., propulsion gear units; $166,000.
- Whitcomb Airfoil Co., Rochester, N. Y., steel- liners, surgical and dental latches; $32,000.
- Wymett-Gordon Co., Washington, D.C., airplane engines, forgings and propeller assemblies; $430,000.
- The Youngstown Sheet & Tube Co., Youngstown, Ohio, einter, iron ore, flue dust, and steel ingots; $3,309,000.
HOUSING . . .

More than 1,200 defense homes completed in week, 2,000 put under contract

More than 1,200 homes for defense workers were completed, and approximately 2,000 placed under construction contract the week ending August 2. C. F. Palmer, Coordinator of Defense Housing, announced August 8.

665 in Corpus Christi

Areas to report the largest number of completions are Corpus Christi, Tex., with 665 homes for enlisted and civilian personnel, and Alexandria, Va., with 245 homes for civilian workers—all constructed by the Navy. Among other localities to report completions are McChord Field, Wash., with 100 homes for enlisted personnel built by the Public Buildings Administration; Alameda, Calif., with 98 homes for enlisted personnel built by the United States Housing Authority; and Arlington, Va., with 35 homes for enlisted personnel built by the Public Buildings Administration.

Pittsburgh to get 1,101

Construction contracts were awarded in Pittsburgh for 1,101 homes for civilian workers by the Federal Works Agency. This agency also awarded contracts for 115 homes at Macon, Ga., and 100 at Hinesville, Ga., both for enlisted and civilian personnel.

Under the temporary shelter program, 61 single dormitory units were completed in Baltimore for aircraft workers during the week.

As of August 2, homes totaling 109,688 had been allocated for defense workers in 171 localities of 49 States and Territories. More than 78,000 of these homes have been placed under construction contract, and approximately 26,000 have been completed.

"Repair for Defense" drive to be launched

The building and allied industries, with the cooperation of lending institutions and the Federal Housing Administration, are launching a "Repair for Defense" campaign next month with special emphasis on repairing and converting houses in defense areas to provide immediate additional housing for defense workers.

Congress prepared the way for the campaign by amending Title I of the National Housing Act in June, extending insurance of repair loans for two years, increasing the authorized amount of outstanding insurance from $100,000,000 to $165,000,000, and raising the maximum amount of loans for repair or conversion of houses designed or to be designed for or two or more families from $2,500 to $5,000. The maximum amount for improvement of all other types of property (including single-family homes) remains at $2,500.

Silk noils, waste, reclaimed fiber under mandatory control

The entire domestic supply of silk waste, silk noils, and reclaimed silk fiber was placed under mandatory priority control August 10 in an order signed by Priorities Director Stettinius.

The order was issued after consultations between representatives of the Army and Navy Munitions Board, the Office of Price Administration and Civilian Supply, and the Labor Division of the Office of Production Management. It requires that no deliveries of silk waste, silk noils, or garnetted or otherwise reclaimed silk fiber now in the country be made without specific authorization from the Director of Priorities.

The order further prohibits the processing after August 9 of waste, noils, or reclaimed fiber except to fill a defense order, unless specifically authorized by the Director of Priorities.

Hillman asks silk processors to limit week to 40 hours

Sidney Hillman, Associate Director General of OPM, has asked all processors of silk, rayon, and hosiery to limit the work-week rigidly to 40 hours to help meet the acute unemployment problem created by lack of silk supplies and inadequate production of American yarns.

"While the industry as a whole is cooperating with the Government to solve the various problems which have arisen from the freezing," his letter said, "one of the chief questions which must be clarified and overcome, immediately, is that of unemployment.

"I understand that employees in a substantial number of silk mills are working more than 40 hours a week."

Stettinius prohibits making of white sidewall tires

The manufacture of white sidewall automobile tires was prohibited August 8 in an order signed by Priorities Director Stettinius.

The order takes effect at midnight, August 23, 1941. It is estimated that cessation of white sidewall tire manufacture will save more than 6,000 tons of crude rubber a year, or over 13,000,000 pounds. Manufacture of white-wall tires consumes approximately two pounds more crude rubber per tire.
35 men appointed to copper and zinc industry committee

Appointment of a copper and zinc defense industry advisory committee was announced August 7 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

The committee is composed of 35 men representing the five principal divisions of the industry—copper producers, zinc producers, brass and copper sheet rolling and tube forming industry, copper wire and cable manufacturers, and zinc fabricators.

John A. Church, of the Division of Priorities, has been designated Government Presiding Officer of the Committee.

Membership of the committee follows:


SHORE ASSISTANT CHIEF OF BUREAU OF CLEARANCE

Sidney J. Weinberg, chief of the Bureau of Clearance of Defense Industry Advisory Committees, announced August 7 that he has appointed T. Spencer Shore assistant chief of the Bureau of Clearance to succeed Robert H. Webb-Peploe, who recently resigned. Mr. Shore is on temporary leave from the General Tire and Rubber Co., of Akron, Ohio, with which he was connected as vice president and treasurer.

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OMP and OPACS call for trained industrial specialists

A call for trained industrial specialists to fill important defense jobs was issued August 4 by OPM Director General Knudsen and OPACS Administrator Henderson.

Indorsing a scheduled civil service examination, the defense officials pointed out that the development of an all-out defense program has shown the need for more experts on industrial problems in Government service. Experience in the last war proved that an adequate supply of Government officials with technical and practical knowledge is essential, they added.

The defense chiefs explained that they do not wish to cripple any defense industry by taking away key administrative or technical personnel. However, the seriousness of the emergency requires that all available executive manpower be used with maximum effectiveness in the country's interests.

To use several hundred

The U. S. Civil Service Commission has called for applications for several classes of industrial specialists, with salaries ranging from $2,600 to $6,500 a year. A general recruiting drive has been started, and open continuous examinations will be held in the near future for business specialists, economists, and accountants. The Commission has extended the period for receipt of applications.

The recruiting drive will be conducted with the aid of schools of business administration, private industries, universities, and trade groups.

Both OPM and OPACS expect to utilize the services of several hundred of these business specialists once they pass the civil service examination.

Members of passenger car subcommittee announced

The Bureau of Clearance of Defense Industry Advisory Committees August 7 announced formation of a passenger car subcommittee of the automotive defense industry advisory committee. The committee was formed at the request of James S. Adams, chief of the Automotive Industry Branch, Division of Production.

Membership follows:


Nine members of steel valve industry committee announced

Appointment of nine members of a steel valve defense industry advisory committee was announced August 6 by the Bureau of Clearance of Defense Industry Advisory Committees.

Cari M. Lynge, of the Division of Production, has been designated Government Presiding Officer of the committee.

TRANSPORTATION . . .

Railroads cooperate in double task of moving old and new grain at same time

Railroads are handling the heavy grain harvest of 1941 without transportation difficulty, according to reports reaching Ralph Budd, Transportation Commissioner, from the Association of American Railroads and others interested in the grain movement.

In the Southwest and Central West, where the harvest is completed, cars were provided for every bushel of grain which could be unloaded at any market. In the Northwest, where the harvest of the near-record crop is now under way, the railroads are prepared to move every bushel for which storage can be found.

Face unprecedented situation

In handling the 1941 crop, the railroads faced an unprecedented situation. With a record-breaking carry-over of more than 400,000,000 bushels of old wheat, elevators in the grain belt were already filled to from one-half to three-fourths of their capacity before the new harvest began. To make room for the storage of the new crop, old grain had to be moved out to elevators at distant points where room could be found for it.

Most of the stored grain was held under Government loans which did not mature until so late in the spring that the movement of the grain could not be started until just at the beginning of the harvest.

Double planning required

This double task of handling the grain of two crops at the same time required double planning on the part of the railroads. While empty cars were being moved into the grain belt to build up the reserve supply necessary to handle the new harvest, other cars were being sent out, carrying as much of the old grain as storage could be found for at distant points, altogether more than 75,000,000 bushels.

In spite of this unprecedented double movement, the railroads built up at country loading stations in the West a reserve supply of grain cars which, at its peak, numbered 30,263 cars, nearly 5,000 more than were stored in reserve for grain movement at the peak a year ago.

Railroads cooperate to meet test

Handling the movement of the wheat crop even in an ordinary year is a test of transportation capacity and organization. Under this year's extraordinary conditions, the test was even more severe. That the railroads were able to meet it was due to the close cooperation of all lines, Eastern and Southern as well as Western, working under the direction of the Car Service Division of the Association of American Railroads.

Before the Southwestern movement was completed, storage space at all the Southwestern markets was almost completely filled. At Kansas City, St. Louis, and Salina, at the request of the grain interests and to forestall congestion, an embargo was placed against further movements for storage. The same condition now prevails at Minneapolis and Duluth-Superior in the Northwestern grain belt, with the spring wheat loading barely started. No more can be received for storage at these points until some of the carry-over now there is moved out.

For like reasons, because the terminal elevators at these points are filled, no more grain can be moved at this time for storage at Philadelphia and Baltimore on the Atlantic Coast, at the Puget Sound and Columbia River ports in the Northwest, and for certain elevators at Cincinnati, Louisville, and Toledo, in the interior. As space becomes available at these points, shipments for storage are being accepted. On the other hand, should storage space at any of the elevator points which are now open be filled up, shipments to those points for storage will have to be halted. In all cases, grain intended for immediate sale and not for storage is being accepted for shipment to these points.

7,354 tank cars available to move oil in East, survey shows

There are 7,354 tank cars immediately available for movement of petroleum and products in the East, according to a survey made of all tank car owners and operators by the Tank Car Service Committee and reported to Ralph Budd, Transportation Commissioner, OEM. This information has been furnished to Oil Coordinator Jokes by Mr. Budd and will later be augmented.

July ore movement on Lakes sets all-time record

The movement of iron ore on the Great Lakes during July totaled 11,390,436 long tons setting an all-time record for any single month, according to reports made to Ralph Budd, Transportation Commissioner, by the Lake Superior Iron Ore Association.

This figure exceeds by more than 300,000 tons the previous record established in May of this year and compares with a movement of 10,534,431 long tons during July of last year.

Reports through the week ended August 2 from the four principal ore-handling railroads, which carry about 93 percent of ore moving by the Great Lakes, showed that they have loaded into boats at upper lake ports this season a total of 39,492,552 gross tons of iron ore as compared with 27,386,727 tons during the corresponding period in 1940, or an increase of 12,105,825 tons.

Carloadings show decline due to falling off in grain shipments

Revenue freight carloadings during the week ended August 2 totaled 883,065 cars, an increase of 23.0 percent over the 717,927 cars loaded during the corresponding week in 1940. Principally due to falling off of grain and grain products loadings, the performance during the current week represented a decrease of 14,000 cars under the preceding week when loadings totaled 997,399 cars. Miscellaneous carloadings totaled 264,292, an increase of 30.4 percent over the 279,305 cars loaded during the corresponding week in 1940.

CARLOADINGS—WEEK ENDED AUGUST 2

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<th>Cargo Description</th>
<th>1940</th>
<th>1941</th>
<th>Percent Increase</th>
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<td>Grain and grain prod.</td>
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<td>Livestock</td>
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<td>Merchantable iron</td>
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<td>Miscellaneous</td>
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<td>Total</td>
<td>883,065</td>
<td>717,927</td>
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<td>Cumulative (30 weeks)</td>
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AGRICULTURE...

Linters scarce, new process adapts staple cotton to powder manufacture

Defense supplies of smokeless powder for big guns, anti-aircraft shells and army rifles may be made from staple cotton instead of cotton linters, as a result of U. S. Department of Agriculture research. The linters, short fuzzy fibers removed from cottonseed after the ginning process, are particularly adapted to nitrating for the powder, but the present demand for this purpose and for certain other uses is far beyond the supply.

The Bureau of Agricultural Chemistry and Engineering, at its Southern Regional Research Laboratory, found that good quality, clean cotton fiber of lengths ordinarily used in fabrics, when cut to a suitable length, apparently is as well adapted to the powder-making process as the linters.

New machines process cotton

The research men have designed machines for processing the cotton cheaply and quickly and some such machines have already been built.

One of these machines operates like a giant lawn mower and cuts batts of cotton four inches thick at the rate of 2,400 cuts a minute or two tons of cotton an hour. A second machine, of different type, cuts the cotton down still farther to the best length for nitrating. The short pieces of fiber thus prepared can be readily pumped through the various processes in liquid suspension without "roping" or "spinning," the difficulties that literally and figuratively "tied up" production when attempts were made to use the longer fibers for this purpose.

To make commercial test runs

The cotton prepared by these machines for nitrating can hardly be distinguished from the linters that have been found so satisfactory. Quantities of the cut cotton are now being prepared for commercial test runs in the manufacture of smokeless powder. The new source of material indicates the possibility that the powder demand for linters can be met either with linters or with cut cotton and that there need not be interference with supplies of suitable material for other purposes such as for cellulose acetate rayon, cellulose acetate plastics, and nitro-cellulose lacquers.

Soybean and cotton growers join hands to put safety helmet on defense workers

The soybean grower and the cotton farmer are joining hands, so to speak, to put a safety hat on defense and other workers.

Heavy cotton cloth is being treated with a soybean material to make plastic helmets.

Of course, these plastic helmets won't turn a bullet like a metal helmet. But tests by the U. S. Department of Agriculture indicate they're all right, say, for men working in mines and on construction jobs. The "soy" and cotton helmets protect the worker's head from falling tools, boards, bricks, and so on.

The Department thinks these plastic helmets also might serve in place of metal helmets for home defense under conditions such as in London where about half of the bombing-raid injuries requiring first-aid are said to be caused by falling glass. These new cotton-soybean helmets not only are lighter than metal helmets, but they also can be made faster, more cheaply in large-scale production—and they save metal for other uses. These helmets can be made strong enough so that they will withstand a blow of 40 foot pounds, which is all the human neck will stand.

The first plastic material from a farm crop was made from corn cobs about 20 years ago by chemists of the U. S. Department of Agriculture.

This latest development with plastics—the cotton and soybean helmets—also have been developed by Department chemists, the soybean workers at the U. S. Soybean Products Laboratory at Urbana, Ill., and the cotton workers at the Southern Regional Research Laboratory at New Orleans.

Townsend to be liaison officer with Maritime Commission

M. Clifford Townsend, director, Office of Agricultural Defense Relations, has been appointed by Secretary Wickard to serve as the Department of Agriculture's liaison officer with the Division of Emergency Shipping, U. S. Maritime Commission.

The appointment was made at the request of Chairman E. S. Land of the Maritime Commission, who asked that official liaison be established with the Maritime Commission so that agriculture's shipping problems may be handled expeditiously and effectively.

In his request to Secretary Wickard, Chairman Land said in part: "Liaison has been established with the War and Navy Departments and other agencies of the Government known to have requirements for merchant vessel tonnage and facilities for ocean transportation; regular conferences are conducted with vessel owners and operators in the various trade routes; and no effort has been spared by the Commission to insure the best possible utilization of vessels available for the importation of critical and strategic materials essential in the national defense program, the export transportation of material and supplies to our national defense activities, and to maintain insofar as possible the flow of essential civilian commodities common to the normal economy."

R. C. Smith, of OADR, named to labor supply committee

Raymond C. Smith, chief of the Farm Labor Division, Office of Agricultural Defense Relations, on August 5 was named to the labor supply committee of OPM.

Announcement of Mr. Smith's appointment was made by Associate Director General Hillman, OPM, after consultation with Clifford Townsend, director of the Office of Agricultural Defense Relations.

Mr. Hillman said he was informed by Mr. Townsend that agriculture faces increasingly acute problems in recruiting, training, transporting, and housing farm labor.
INTER-AMERICAN AFFAIRS...

Inter-American Affairs Office created in OEM to further Hemisphere cooperation

President Roosevelt, by Executive order of July 30, established within the Office for Emergency Management, the Office of the Coordinator of Inter-American Affairs. Nelson Rockefeller was appointed Coordinator.

The new office takes over all powers and functions heretofore vested in the Office for Coordination of Commercial and Cultural Relations between the American Republics, which was headed by Mr. Rockefeller.

Text of the Executive Order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, and in order to define further the functions and duties of the Office for Coordination of Commercial and Cultural Relations between the American Republics and thereby increasing the solidarity of the American Republics and furthering the spirit of cooperation between the Americas, this Order is hereby ordered as follows:

1. There is established within the Office for Emergency Management of the Executive Office of the President the Office of the Coordinator of Inter-American Affairs, at the head of which there shall be a Coordinator appointed by the President. The Coordinator shall discharge and perform his duties and responsibilities under the direction and supervision of the President. The Coordinator shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office of the Coordinator of Inter-American Affairs shall:
   a. Serve as the center for the coordination of the cultural and commercial relations of the Nation affecting Hemisphere defense.
   b. Formulate and execute programs, in cooperation with the Department of State, the radio, the press, and the cinema, to further the national defense and strengthen the bonds between the nations of the Western Hemisphere.
   c. Formulate, recommend, and execute programs in the commercial and economic fields, which, by the effective use of governmental and private facilities, will further the commercial well-being of the Western Hemisphere.
   d. Assist in the coordination and carrying out of the provisions of the Basic Cultural and Commercial Objectives of the Government's program of Hemisphere solidarity.
   e. Exercise and perform all powers and functions necessary and herefore vested in the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940.
   f. Keep the President informed with respect to progress made in carrying out this Order; and perform such other related duties as the President may from time to time assign or delegate to him.

Cooperation on policies

3. In the study of problems and in the execution of programs, it shall be the policy of the Office of the Coordinator of Inter-American Affairs to collaborate with and utilize the facilities of existing departments and agencies which perform functions and activities affecting the cultural and commercial aspects of Hemisphere defense. Such departments and agencies are requested to cooperate with the Coordinator in arranging for appropriate clearance of proposed policies and measures involving the commercial and cultural aspects of Inter-American affairs.

4. Within the limits of funds appropriated or allocated for purposes encompassed by this Order, the Coordinator may contract with and transfer funds to existing governmental agencies and institutions and may enter into contracts and agreements with individuals, educational, informational, commercial, scientific, and cultural institutions, associations, agencies, and industrial organizations, firms, and corporations.

5. The Coordinator is authorized and directed to take over and carry out the provisions of any contracts heretofore entered into by the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940. The Coordinator is further authorized to assume any obligations or responsibilities which have herefore been undertaken by the said Office and on behalf of the United States Government.

Committee to correlate proposals

6. There is hereby established within the Office of the Coordinator of Inter-American Affairs a Committee on Inter-American Affairs, consisting of the Coordinator as Chairman, one designee each from the Departments of State, Treasury, Agriculture, and Commerce, the President of the Export-Import Bank and such additional representatives from other agencies and departments as may be designated by the heads of such departments or agencies at the request of the Coordinator of Inter-American Affairs. The Committee shall consider and correlate proposals with respect to the commercial, cultural, educational, and scientific aspects of Hemisphere defense relations, and shall make recommendations to the appropriate Government departments and agencies.

7. The Coordinator may provide for the internal organization and management of the Office of the Coordinator of Inter-American Affairs. The Coordinator shall obtain the President's approval for the establishment of the principal subdivisions of the office and the appointment of the heads thereof. The Coordinator may appoint such committees as he may require for the conduct of the activities of his office.

8. Within the limits of such funds as may be appropriated to the Coordinator or as may be allocated to him by the President, the Coordinator may employ necessary personnel and make provisions for necessary supplies, facilities, and services. However, the Coordinator shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to him through the Office for Emergency Management.
Coordinator undertakes intensive program for teaching of South American subjects

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced August 6 that the Coordinator's Office has undertaken a comprehensive education program to stimulate the teaching in schools in the United States of subjects dealing with the other American Republics.

The education committee of the Coordinator's Office is conducting this program in order to increase the knowledge among the school children of the United States of the geography, history, ways of life, language, and culture of the other American Republics.

In collaboration with the U.S. Office of Education, the committee is preparing a list of teaching aids such as books, bibliographies, pamphlets, motion pictures, and radio programs, for distribution to teachers in schools in every section of the United States.

The committee is also sponsoring the preparation and distribution by the Office of Education of 250 traveling exhibits of aids in the teaching of Central and South American subjects, including books, magazines, motion pictures, pamphlets, and radio programs. These will afford teachers in all parts of the Nation samples of the material now available on the other American Republics.

Wallace K. Harrison and Shelley Tracy join Rockefeller's staff

Coordinator Rockefeller announced August 6 the appointments of Wallace K. Harrison as director of the Cultural Relations Division, and Shelley Tracy as assistant director of the Communications Division of the Coordinator's Office.

Mr. Harrison will assume responsibility for the execution and direction of the cultural relations program of the Coordinator's Office, working in collaboration with the Department of State and a representative of private organizations interested in the cultural relations field. Dr. Robert G. Caldwell will continue as chairman of the Cultural Relations Division and will act in a general advisory capacity on matters of policy.

Mr. Harrison is chairman of the Department of Research and City Planning of the School of Architecture of Yale University, is a member of the Columbia University School of Architecture Advisory Committee, is a director of the New School of Social Research, and is vice chairman of the Museum of Modern Art. He was a member of the staff of the School of Architecture of Columbia University from 1925 to 1928, and has served as associate architect for the Board of Education of the city of New York. During the World War, Mr. Harrison served as lieutenant in the United States Navy.

Mr. Tracy will work in the Communications Division with Don Francisco, who continues as director of that division. Mr. Tracy was founder and former president of the American Association of Advertising Agencies and a former director of the operating committee of the National Outdoor Advertising Bureau. He was a lieutenant in the United States Air Corps from 1918 to 1919.

Regional information offices established in 10 cities

The OEM Information Division has established regional information offices in 10 cities to serve OEM field agencies and to provide information on local, State, and regional defense activities.

The names, addresses, and territories of the officers and consultants follow:

**OFFICERS**

**Atlanta**, Federal Reserve Bank; Marvin Cox; Georgia, Florida, Alabama, Tennessee, Mississippi.

**Boston**, Federal Reserve Bank; Dudley Hovey; New England States.

**Chicago**, Room 1120, No. 20 Wacker Drive; Paul Jordan; Illinois, Wisconsin, Michigan, Indiana.

**Dallas**, Federal Reserve Bank; L. L. Siek; Texas, Oklahoma, Arkansas, Louisiana, New Mexico.

**Minneapolis**, Room 1800, Rand Tower; Dewsey Clark; Minnesota, Montana, North Dakota, South Dakota.

**New York**, Federal Reserve Bank; Clifford Read; New York State.

**Philadelphia**, Federal Reserve Bank; W. J. Dougherty; Pennsylvania, Delaware, New Jersey, Maryland, West Virginia.

**St. Louis**, Federal Reserve Bank; Marvin McAllister; Missouri, Iowa, Nebraska, Kansas.

**San Francisco**, Room 702, Newhall Building, 260 California Street; Dean Jennings; California, Washington, Oregon, Nevada, Idaho, Arizona, Utah.

**CONSULTANTS**

**Cleveland**, Federal Reserve Bank; Samuel Stokks; Ohio, Kentucky.

**Dallas**, Federal Reserve Bank; Tams Bixby, III; Texas, Oklahoma, Arkansas, Louisiana, New Mexico.

**Auto junking campaign**

A campaign to increase the junking of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production is being extended into New England, the Office of Production Management announced August 7.

All automobile wreckers in Massachusetts, Connecticut, Rhode Island, Vermont, Maine and New Hampshire were invited by the OPM to meet August 8, at Worcester, Mass., with scrap dealers of the region and Government representatives.

DCB organizing supernetwork for air raid warnings and emergency flashes

Nation-wide plans to use standard broadcasting stations for air raid warnings and other announcements in the event of military emergency were outlined last week by the Defense Communications Board through James Lawrence Fly, chairman of the DCB and of the Federal Communications Commission.

The chairman emphasized that broadcasting would remain in private hands and that all utilization of broadcast facilities will be on a cooperative basis.

Some problems must be solved

Also announced were protective safeguards designed to ensure continuous operation of broadcasting stations under emergency conditions. The DCB finds the broadcasting structure well adapted to air raid warning and similar uses, but notes certain remediable shortcomings still to be overcome.

Present plans, now under joint consideration by the DCB and the Office of Civilian Defense, are concerned with ways of linking of broadcast stations to local civilian defense centers for instantaneous receipt of local and regional warnings, announcements, etc. In addition, a potential Nation-wide supernetwork is available for messages of national scope.

500 connected to supernetwork

Current reports to the DCB indicate that of approximately 850 standard broadcast stations in operation, nearly 500 are already connected to the potential supernetwork carried on telephone lines. An additional 132 have studios in cities now served by the supernetwork, so that only local links need be secured.

and 240 are located along the lines of the supernetwork and so can be tapped in.

Plans to service rural areas

Various plans for providing broadcast service to certain rural areas without reliable reception, especially during day-light hours and during summer months in the Southern States, are now under consideration.

Successful use of broadcasting stations for military or civilian defense under private ownership and operation, the DCB notes, depends upon the reliability of transmission.

Electric power failure, it was found, accounts for about 50 percent of all program breaks. At present an estimated 10 percent of all broadcast stations are equipped with emergency gasoline or steam-driven power generators. A few other stations are served by two or more independent sources of public power. Studies are now under way to decrease the likelihood of broadcast failures from power shut-offs.

Transmission circuits checked

In addition to steps designed to protect particular stations which may be designated for special defense functions, the DCB has instituted reliability studies of the potential supernetwork which welds the stations into a Nation-wide unit. Reports to the Board indicate that the 45,000 miles of program transmission circuits now in existence provide alternative routes to all but two of the 310 cities now served. Alternative power supplies for these program transmissions are provided by adequate storage battery reserves in 4,000 relay centers, by two or more independent public power supplies in 800 centers, and by stationary engine-driven generators at 50 centers now, with 350 more on order. To provide for emergencies, 200 small and 25 large portable engine-driven generators are available at key points throughout the country.

The Board states that while certain problems remain, the broadcasting system of the country is cooperating fully, and in most substantial respects is ready for public service in connection with air-raid warnings, civilian defense announcements, and other emergency communications, under private ownership and operation.

Signs to identify "Arsenals of Democracy"

America's "Arsenals of Democracy" will soon stand out in every community. The Office of Production Management last week sent all defense prime contractors specifications and designs for three signs, with a letter from William S. Knudsen, Director General.

The signs, in three colors and 6 x 4 feet in size, can be constructed and displayed by any firm devoting 50 percent or more of its facilities to defense production during the time when defense contracts are in effect. Prime contractors are requested to extend permission to subcontractors.

VISUAL STATISTICS MATS AVAILABLE

Newspapers and other interested publishers may obtain one-column, 65-screen mats of the visual statistics charts appearing weekly on the cover of Defense. The service is available on request to the Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.