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A renewed drive to spread defense production among small industries via subcontracting was foreshadowed in the creation of a Division of Contract Distribution within the Office of Production Management.

To Floyd B. Odium, the director, was assigned the task, according to a White House statement, “more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages and bring about maximum use of the nation’s factories and industrial plants, especially the smaller ones throughout the nation.”

The Defense Contract Service was abolished by the Executive order creating the Contract Distribution Division, but OPM Director General William S. Knudsen stated that all DCs employees would be assigned to the new agency until further notice.

Production reaches new peak

Defense production and spending, meanwhile, were reaching new peaks. OPM announced that 1,654 Vlo military airplanes were produced in August. This was a new high and 394 more than the July output.

Expenditures for defense reached $1,172,000,000 during the same month, a preliminary estimate disclosed. This was an increase of 9.5 percent over July and brought the total spent since July 1, 1940, to $9,282,000,000.

Following Vice President Wallace’s announcement as chairman of the Supply Priorities and Allocations Board that conservation has become increasingly necessary due to the shortage of raw materials, two campaigns were launched by defense agencies.

A national drive to conserve waste paper was started by the Waste Paper Consuming Industries with the endorsement of OPA and OPM. It was to begin in New York, Chicago, and Milwaukee and to spread shortly to 30 other cities, reaching a metropolitan population of 40,000,000.

20 percent more scrap asked

The billion-dollar waste materials industry was asked by OPM to increase its collections 20 percent, chiefly scrap metals, to insure an adequate supply of materials for defense plants and to relieve shortages facing less essential industries. An industry advisory committee will be set up to direct the drive.

Plans for simplifying the styles of domestic refrigerators to conserve strategic materials needed in defense were considered by a committee of the American Standards Association and the OPA Consumer Division.

As further evidence of the shortage of raw materials, the entire September production of pig iron—4,500,000 tons—was allocated to steel mills, iron foundries, and other users. This meant that none was available for the emergency pool set up August 1.

Priority aid to highways

OPM Priorities Director Nelson also outlined a broad program of priority aid to highway construction in a letter to the Federal Public Roads Administration and eased the rigid restrictions on distribution of silk waste.

OCD Director F. H. LaGuardia, as president of the United States Conference of Mayors, moved to enlist the support of municipal executives throughout the country behind efforts of Price Administrator Leon Henderson in maintaining price ceilings.

LaGuardia said he would recommend revocation of municipal business licenses in instances of persistent violation of OPA price schedules.

Amendments made by OPA in price schedules governing southern pine lumber and nickel-bearing scrap.

Health Office changed

The unwieldy name of the Office for Coordination of Health, Welfare, Nutrition, and Related Activities was modified by Executive order to the Office of Defense Health and Welfare Services. The new agency was created within the OEM, with the Federal Security Administrator as director.

The OPM silk labor committee adopted six recommendations for relieving unemployment among 175,000 silk industry employees.

The National Defense Mediation Board obtained agreements in two cases, appointed Owen D. Young as special investigator in a third, and received four new cases.

** Entire September pig iron production allocated**

The entire September production of pig iron, approximately 4,500,000 tons, has been allocated to steel mills, iron foundries, and other users, it was announced September 6 by the Iron and Steel Branch of the Office of Production Management.

Pig iron was placed under full priority control in an order dated August 1, issued by the Priorities Division of OPM. This order required, among other things, that stipulated quantities of pig iron be set aside each month for an emergency pool, and that schedules of pig iron shipments to customers be approved in advance by the Priorities Division.

The allocations made during the past week included the pig iron set aside for the pool.

** U. S. SPENDS $1,172,000,000 FOR DEFENSE IN AUGUST**

Expenditures by the Federal Government for national defense in August were $1,172,000,000, according to a preliminary computation of checks issued by defense industries and announced September 8 by the Bureau of Research and Statistics, OPM. A new high for monthly defense expenditures, this was an increase of 9.5 percent over $1,070,000,000 issued in July.

The August increment brings total defense expenditures since July 1, 1940, when accelerated spending for defense began, to $9,282,000,000.

At the end of August the defense fiscal program—appropriations, contract authorizations, and Reconstruction Finance Corporation commitments for defense—amounted to $56,357,000,000. If British Government orders for war materials placed in the United States are added, the total comes to $60,016,000,000.
Contract Distribution Division created to marshal every possible plant for defense

President Roosevelt on September 4 created within the Office of Production Management the Division of Contract Distribution, in a determined effort to save small business units by putting them to work on defense and thus also to marshal every possible facility for vitally needed production.

Floyd B. Odum was appointed director.

The personnel of OPM’s Defense Contract Service will be transferred to the new division, whose functions are described in the following statement from the White House:

The President today, after conferring with Under Secretary of War Patterson, Under Secretary of the Navy Forrestal, Mr. William S. Knudsen and Mr. Sidney Hillman, acting as the Council of the OPM, and with Rear Admiral Emory S. Land, chairman of the United States Maritime Commission, issued an Executive order establishing a new division in the Office of Production Management.

This division is to be known as the Division of Contract Distribution and is to be coordinate with the existing divisions—Procurement, Production, Priorities, Labor and Civilian Supply.

Designed to help smaller business

The conference was held and the Executive order was issued in furtherance of a determined move on the part of the Administration to help the smaller business units of the country obtain a fair share of the defense orders, and to prevent, so far as possible, dislocation of industry and unemployment of workers in plants where production has been curtailed by priorities and material shortages.

The program devised was arrived at in consultation with representatives of the Army, Navy, Maritime Commission, and OPM and has the full support of these agencies.

The Labor Division and the Defense Contract Service of OPM have already done a great deal in starting the machinery of subcontracting and in retraining and obtaining reemployment for discharged workers. The program is now to be greatly expanded throughout each part of the United States, as one of the most important functions of OPM. The present personnel, records, etc., of the Defense Contract Service of OPM will be transferred to this new division.

Through this Division, the Office of Production Management will be enabled more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages, and bring about maximum use of the nation’s factories and industrial plants, especially the smaller ones throughout the nation. This will be done through four major steps:

1. The breaking down of large suppliers of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.

2. Providing assistance through the Labor Division of OPM in retraining and obtaining reemployment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.

3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.

4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of nondefense industries and plants to defense production.

The Division of Contract Distribution will have branch offices located in the various States.

To “formulate and promote”

The Division will formulate and promote plans and programs for the purchase of supplies for the Army and Navy in smaller units, but among a greater number of firms and in as many different localities as possible. It will also formulate and develop programs for the conversion of plants and industries from civilian to defense production—with the assistance of the Government wherever necessary. It will formulate the organization and use of local industrial defense production associations, and will promote and stimulate farming out of defense work and sub-contracting, wherever feasible.

The Division of Contract Distribution will provide an industrial engineering staff whose responsibility it will be to obtain the maximum use of existing facilities and tools by assisting manufacturers and business enterprises in making the necessary changes in their tools and equipment for effective use in defense production.

The field offices of the Division of Contract Distribution will be adequately staffed to render needed assistance to businessmen. Procurement agencies of the Government will assign representatives to the main office and field offices, as required, for purposes of liaison.

“Bits and pieces” to be exhibited

In the various cities will be established exhibits or “markets places” where there will be displayed specific parts—“bits and pieces”—the components needed for defense production. These may be parts of a machine gun or an airplane or tank, or any one of a thousand other items which are needed. These “bits and pieces” will be labeled as to the quantities needed and the machine tools and operations required for their production so that any machine shop owner or manufacturer can determine whether his facilities are capable of producing such items.

Sub-contracting arrangements can then be entered into on the basis of what an individual sees he is capable of doing, receiving then and there the expert industrial and engineering judgment of those whose assistance he may desire.

The Division of Contract Distribution will also provide through the regular commercial banking channels, the Reconstruction Finance Corporation, including the Defense Supplies Corporation and the Defense Plant Corporation, and the Federal Reserve Banks and their branches, the necessary financing facilities for local industrial production associations, prime contractors and subcontractors, and will recommend whenever necessary such additional financial procedures and machinery as may be required to obtain the maximum utilization of existing plant and tool facilities for defense purposes.

The twofold purpose

The Director of the Division is to appoint two advisory committees, one to consist of representatives of small business organizations; the other, to consist of industrial, management and production engineers.

It is intended, on the one hand, to face the responsibility of alleviating the hardships which have resulted from the defense program and, on the other, to marshal our productive capacities to the objective that no plant or tool which can be used for defense shall be allowed to remain idle.
ALLOCATIONS BOARD

Lack of materials "bound" to close some industries, SPAB executive tells press

There is not enough of materials to take care of a realistic all-out defense program and keep every industry alive, Donald M. Nelson, executive director of the new Supply Priorities and Allocations Board, told reporters in a press conference September 2. He promised the Board would have "some real information on that subject." Vice President Wallace, chairman of the Board, suggested a press conference soon to consider in detail the matter of civilian sacrifice.

The policy statement

The September 2 conference, which followed the Board's first meeting, began with a discussion of the policy statement just issued by the new organization.

Mr. Wallace read the statement aloud and discussed the significance of the final phrase: "... In that spirit which holds that none but the free are strong and none but the strong can be free."

Excerpts:

Q. Mr. Vice President, the very first paragraph, it seems to me, there was a sweeping statement made that all men must be employed on defense or essential uses.

Mr. Wallace. Every man and machine which can be used effectively must be employed either on direct defense requirements or at work essential to the civilian economy. Well, newspapers are essential if that is what you want.

Q. There are many other industries at the moment booming. Does that mean they will be immediately shut down or converted?

Mr. Wallace. Well, I don't know what you have in mind, I am sure.

Q. Well, we got a favorite around this building, Mr. Vice President. We always talk about automobiles when we talk about industries which are booming and not producing for defense. Of course the OPM—

Mr. Wallace. Let us take it this way: That, generally speaking, unless something else comes into the picture, in the case of goods in a semiluxury class we would look askance on increased per capita consumption above that which took place, shall we say, in 1937, 1938, 1939.

Q. It is this Board's job, is it not, sir, to take over the functions which have previously been performed jointly and separately by OPM and OPACS on such questions as, let us say—

Mr. Wallace. Not its functions; not its administrative functions; the policy functions; the policy decisions.

"NONE BUT THE FREE ARE STRONG"

The words "... In that spirit which holds that none but the free are strong and none but the strong can be free," referred to by Vice President Wallace as reported on this page, formed the concluding phrase of the Supply Priorities and Allocations Board's September 2 statement. Lack of space forced omission of the passage containing this phrase when the statement was printed in the September 3 issue of Defense. The omitted portion reads as follows:

THE BOARD believes that if the public knows why it must forego certain comforts; why it must give rather than get; why, in substance, the fat must go and the muscles be strengthened, the cooperation vital to success will be had in full measure.

THUS, in an hour when free men must unite to defend their freedom, we shall move forward in that spirit which holds that none but the free are strong and none but the strong can be free.

Q. Decisions as to production rates of nondefense industries where the goal is to conserve materials for defense?

Mr. Wallace. Yes, because no one of those agencies really has the power to do it by itself.

The power of priority

Q. (Referring to the Board's statement) Mr. Vice President, you speak of materials which may be hoarded into the cellars and attics of industries and it will be routed out for use where most needed—that means for the first time, then, the OPM is going to go out and grab these inventories?

Mr. Wallace. You will notice the next sentence indicates—it doesn't necessarily mean we go out and grab because the next sentence indicates. You see, we get the power of priority. We just take it into account when that industry comes up for next priority.

Q. Maybe you won't want that industry to have priorities?

Mr. Wallace. That is exactly the point.

"First things first"

Q. I was thinking about supplies that might be too much even to wait for the next priority.

Mr. Wallace. Well, there might be some extreme cases of that sort. I would say that is rather doubtful.

Mr. Nelson. I don't know of any of those at the present time. I haven't seen any of them. There may be. If they do why we will have to find ways of meeting them.

Mr. Wallace. Of course, if you get desperately short in some particular raw material, you might.

Mr. Nelson. Definitely you are. Our motto is first things first.

Q. Do you intend to make up a list of less essential industries? Or indicate what they are?

Mr. Wallace. I don't think we will issue any such list, no.

Q. Could you give what might be considered as essential?

Mr. Wallace. No.

No "blank-out" list seen in OPM

Q. Mr. Vice President, while we are on that subject, the New York Times carried a story this morning quoting this fellow Churney saying that the OPM had listed forty industries which were to be blanked out as nonessential. Do you know anything about that?

Mr. Nelson. Never heard anything about it.

Q. Well, this was a front page story. It was a front page story in the New York Times this morning. He addressed some institute or gave a report. He didn't list the concerns but he said there were forty industries which OPM had secretly listed as due to be blanked out.

Mr. Nelson. I have never seen any such list. Now the Office of Civilian Supply, as you know, has rated certain industries. Taking the case of plastics, they have listed three different groupings in which plastics shall be used as available. Now, of course, those will guide.

Q. They didn't say OPACS. It said OPM.

Mr. Nelson. I have never seen any in OPM.
Q. Could you give us some indication as to what this conservation program will include? Will it be a reduction in the number of designs, models, and shapes of materials or will it—

Mr. WALLACE. It will be that kind of thing.

Q. Would it include the pick-up campaign—scrap materials?

Mr. WALLACE. It is possible.

Mr. NELSON. It will.

Q. Standardization of models?

Conservation as a requisite to priority

Mr. NELSON. Not standardization of models—simplification of models and plus—I think it is a very important point. For instance, in the granting of a priority, we want to be certain that that is absolutely essential. It may be necessary to reduce the number of models or to reduce the amount of certain essential materials in that particular thing before granting a priority.

Q. You mention here a realistic all-out defense program. The inference there is we have been thinking in terms of an unrealistic program?

Mr. WALLACE. Well, the world situation has been such that we have been forced to become realistic right along. We still haven't reached that.

Q. Is the general public aware in any degree of how much it is going to have to sacrifice? Can you give any idea? You mention there about informing the public.

Mr. WALLACE. I think we may have a little press conference, you know, in which that might be gone into in some detail. As a matter of fact, I suggest to Mr. Nelson that very subject would be well worth going into in great detail some time during the next 3 weeks.

Q. At your convenience we would be very glad to get into that.

Mr. WALLACE. It is a very complex thing.

The over-all sacrifice

Q. Mr. Vice President—

Mr. WALLACE: It is rather simple to arrive at an over-all answer on that. The over-all answer is that you can't expect to have greater civilian consumption per capita now than you had for the same job before defense. In certain lines you may have to have greater civilian consumption of a particular commodity because the war effort has cut off civilian consumption from another capacity that backs up on this commodity. So you can't state it in mathematical materials for all commodities.

Q. Starting this new set-up, Mr. Vice President, how do you feel—in what shape do you feel the defense program is in at the moment?

Defense grows, so does need

Mr. WALLACE: Improving all the time. I think it has shown extraordinary improvement. Also, the needs have shown extraordinary increases.

Q. Yes, and in spite of the improvements do you think it is in as bad a shape as has been pictured?

O'DLUM'S STATEMENT

Floyd B. Odlum, Director of the new Division of Contract Distribution, OPM, issued a statement September 5 which read, in part:

The statement from the White House concerning the new Division of Contract Distribution in OPM seems both clear and complete.

In a nutshell, its work will be to accelerate defense production to the maximum through spreading contracts more widely among the smaller businesses throughout the nation.

Higher cost producers have their place in the present all-out effort, just as the large factory uses its less efficient machines or a public utility system pulls on its old or stand-by equipment to tide over peak loads. The increased unit cost for a period is small compared with the alternate cost, delays, and net results.

There are sure to be dislocations in some industries catering to less essential civilian uses because of shortages of raw materials, and their allocations and priorities. Such disruption for both employees and investors should be minimized by speedy conversion of such plants to defense production.

Success of the efforts can only be measured by comparative results. Perfection is too much to expect. For example, a pessimistic air pilot considers his fuel tank partly empty; the optimistic pilot considers it partly full. The idea is to keep the reservoir of results of this Division as full as possible.

Military and naval services and maritime authorities have pledged the cooperation essential to success. With this help and the assured cooperation of the other divisions of OPM, we are equipped with good tools to intensify the effort. The Division plans to use the expert abilities of industrial and plant management engineers.

Mr. WALLACE: No, I do not. I think it is in far better shape.

Q. Do you think it is in as bad a condition as Senator Byrd has pictured?

Mr. WALLACE: I think Senator Byrd has been answered adequately by higher authorities than myself.

Q. He spoke again last night, though. Q. Your statement of over-all that you can't expect to have greater consumption than we had in peacetime and still do a good job in defense implies that our problem is not in curbing business as usual but that business is better than usual?

Can't have business as it used to be

Mr. WALLACE. Don't you think that is an applicable statement?

Mr. NELSON. No, sir, because I don't think you can have business as it used to be in many of these things. We don't have enough of it.

Q. I was suggesting that a lot of business is going better than usual.

Mr. WALLACE. It is—it may be. Some of them have gone a lot better than usual.

Q. That is what I was asking.

Mr. WALLACE. You have greater payrolls, you have greater profits, you have greater farm income. Even taking into account the increase in cost of living, it has greater purchasing power. The average pay roll, the average income of the farmer, the profit of the businessman has greater purchasing power on the average, and there might be exceptions to that.

Some businesses must close

Q. On account of priorities are there any businesses that will have to close up?

Mr. WALLACE. Do you know of any, Mr. Nelson?

Mr. NELSON. There may be, easily. If materials aren't enough to go around. We are just going to have to face it on the less essential industries as I see the picture, and there will be some. There are bound to be some. There isn't enough materials to take care of a realistic all-out defense program we are undertaking and keep every industry alive. It isn't possible—not that we want to put them out of business. There just isn't enough. It will have to be distributed where it is going to do the country the most good.

Q. Tell us what those industries are.

Mr. NELSON. If you will let us get that up adequately. Now, mind you, the Board has been in operation only three days and two of those were holidays. We will have some real information on that subject.
PRIORITY... 
Motortruck, trailer, and public carrier makers granted A-3 rating on materials

To facilitate production of heavy motortrucks, medium trucks, truck trailers, and passenger carriers vitally needed for defense, the Priorities Division August 30 issued a blanket order which will aid manufacturers to obtain scarce materials quickly.

This is a further step in the program for the automotive industry announced recently by Director General Knudsen and Associate Director General Hillman, OPM, and by Administrator Henderson of the Office of Price Administration.

The assistance being extended to truck manufacturers is based on indications that 1,189,000 trucks, approximately 200,000 more than the output during the model year ended July 31, will be required during the new model year that began August 1.

A preference rating of A-3—the same as that assigned for freight cars—is assigned under the order to deliveries of scarce materials required for the production of heavy motortrucks (3 tons or over), medium motortrucks (1½ tons or over), truck trailers (5 tons or over), public passenger carriers (motor or electric coaches with not less than 15 seats) and essential replacement parts for all these vehicles.

Insures rapid transit of heavy materials

The plan is designed to make sure that, as the defense effort goes forward, there are ample facilities for the rapid transportation of heavy industrial and armament materials required by the armed forces and by defense industries.

Each producer of the items specified who is granted the use of the rating— and each must apply for its use individually—will be permitted to extend the rating to his supplier by serving official copies of the order on these suppliers. The suppliers may extend the same rating to their own suppliers in the same manner.

How order affects production

The way in which the order will affect each class of production may be indicated as follows:

1. Heavy trucks.—No limitation will be placed on the production of heavy trucks, and a producer of these trucks may use the A-3 rating to obtain such material as he can absorb in his production facilities.

2. Medium trucks.—A producer of medium trucks may use the rating to get material for all defense orders and also to fill civilian orders during the three months' period September 1—November 30 at the rate of one-half of his production during the first half of the year.

3. Truck trailers.—Producers of truck trailers may also use the A-3 rating for all defense work and for continued production of trailers at the going rate during the first half of the year.

4. Public passenger carriers.—Producers of these carriers may also use the rating to produce all defense orders and to produce civilian carriers at the going rate during the first half of the year.

5. Replacement parts.—No limitation is placed on the production of replacement parts.

6. No limitation is placed on the production of bodies or cabs for the heavy or medium trucks, the truck trailers or passenger carriers.

Heavy trucks most favored

The net effect of the order will be to expedite production of heavy trucks at the present peak rate and to facilitate production of other trucks covered by the order at the going rate. Although the order places limitations on the production of medium trucks, truck trailers and passenger carriers, it will permit continued production of these items at a rate higher than would be the case if the rating were not to be used to obtain materials.

Since part of the available supply of the materials involved will be diverted to these essential uses, the supply will be even tighter for the production of certain light trucks and ordinary passenger cars. Production of ordinary passenger cars has already been curtailed 26½ percent for the period August—September—October—November, under the quota plan recently announced.

This step—increasing truck production and decreasing less essential automotive production—is necessary to conserve critical materials for defense.

Since the total demand is greater than the supply, the quantities which are available must be diverted to the most essential uses, even though this requires dislocations in other channels, so that the defense program may be fully implemented by an adequate transportation system.

One-fourth of all trucks

It is estimated that of all the 4,500,000 trucks on the Nation's highways today, close to a quarter are engaged in defense goods.

In the first six months of this year, it has been estimated that nearly 22 percent of all production in motor truck plants was for military purposes, and 14 percent additional was for civilian projects specifically connected with defense.

About 2,650,000 of the trucks on the road are heavy or medium trucks. These trucks in the heavy and medium categories are the ones now doing the largest share of defense hauling, keeping the steady stream of materials, parts, goods and supplies flowing.

Transportation forms the one continuous link in the production of defense material. A piece of armament may be assembled in one plant but the materials and parts flowing into it have been produced in dozens of different places, and the completed products must be distributed to many defense areas. With defense production moving into high gear, with new demands being made on railroad capacity, the demand for truck transportation is growing larger every day and more truck capacity is being diverted to defense use.

Truck owners replying to a recent questionnaire from a trade association said that from 10 to 50 percent of ordinary inter-city shipments represented defense goods in transit, and some truckers said that as much as 85 percent of their operations represented defense activity.

Production has been handicapped

Steel mills, manufacturers of heavy machines, meat packers, ordnance firms, mining companies and many others working on defense are using trucks in increasing quantities to handle defense work.

Because of the increasing shortages of certain critical metals, production of trucks and trailers has been handicapped recently.

Seventeen of twenty manufacturers of truck trailers recently reported that
Priorities granted to favored roads to aid development of strategic network

A broad program of assistance to highway construction has been outlined in a letter of intent addressed by the Priorities Division, OPM, to Commissioner Thomas H. MacDonald, Public Roads Administration.

The letter made clear that the Priorities Division stands ready to facilitate the acquisition of material and supplies for the development of a strategic network of highways approved by the War Department in conformity with a master plan. Other classes of roads, specified in the letter, also will be given priority preferences.

How to obtain priority assistance

If priority assistance is required in order to obtain deliveries of materials, supplies and equipment on schedule, an application should be made by the State highway department concerned, through the Public Roads Administration, to the Project Section, Division of Priorities, OPM, for the issuance of a preference rating order. If the circumstances warrant, the Director of Priorities will issue a preference rating order.

Six classes of favored roads listed

Six classes of favored roads, and the preference ratings to be granted, are listed in the letter as follows:

1. Access Roads:
   a. To Military and Naval Establishments. Preference Rating of the Access Road Project shall correspond to the rating of the military and naval establishment served, that is, a naval air station or army air base will have a rating of A-1-e, and an army cantonment other than air corps would have a rating of A-1-f.
   b. To Defense Manufacturing Establishments. Preference rating of the Access Road Project shall correspond to the rating of the defense establishment served, except that the highest rating which can be assigned is A-1-e.

2. Strategic Network of Highways:
   a. All bridges, tunnels, structures, and approaches, A-2; b. New roads or the improvement of substandard roads and grade separation structures, A-4; c. Shoulder widening and minor drainage structures, A-10; d. All other work, B-3.

3. Federal-Aid System:
   a. All bridges, tunnels, structures and approaches, A-8; b. New roads or improvement of substandard roads, and grade separation structures, A-7; c. Shoulder widening and minor drainage structures, A-10; d. All other work, B-3.

4. Federal-Aid Secondary and National Park and Forest Projects:
   a. Bridges and approaches, A-7; b. New roads or the improvement of substandard roads and grade separation structures, A-10; c. All other work, B-3.


Foundry equipment makers get limited blanket ratings

To assist manufacturers of foundry equipment and repair parts in obtaining certain scarce materials essential to their operations, Priorities Director Nelson issued September 6 a limited blanket rating order assigning the high defense ratings of A-1-b and A-1-c to the acquisition of six listed items.

The six items are castings and forgings; sheets, bars, shapes, plates, and tubing (ferrous, nonferrous and non-metallic); electrical equipment and accessories; mechanical equipment and accessories; cutting tools, including cemented carbides; and maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities).

The A-1-b rating is assigned to deliveries of these materials to makers of molding and core machines; blast cleaning equipment; dust arrestors; sand preparing and handling equipment; and briquetting equipment.

Manufacturers producing melting furnaces, blowers, ladles, tumbling mills, shakeout equipment, and mold and core equipment, are granted the assistance of the A-1-c rating in securing the listed materials.

These ratings may be extended as far as is necessary to assure ultimate delivery of the required materials to the manufacturer.

A manufacturer receiving the assistance of these priority ratings may fill only defense orders for the products thus expedited, or such other orders as the Director of Priorities may direct him to meet.
Control of tungsten in all forms expanded and strengthened by new order

A new general preference order and a civilian allocation program regulating the distribution of tungsten—vitally needed for the manufacture of high-speed cutting tools used in defense plants—were issued September 2 by the Division of Priorities and the Division of Civilian Supply.

An order covering some forms of tungsten was originally issued March 26. The new order, however, expands and strengthens the control and applies to tungsten in all forms—ores, concentrates, ferro-tungsten, tungsten metal powder, chemical compounds of tungsten and scrap or secondary material containing commercially recoverable tungsten.

Main changes in control

Main changes made in the control include:

1. Ores and concentrates, not covered in the previous order, are covered in the new regulation.
2. Producers of tungsten in all forms are required to accept defense orders.
3. An allocation system is set up to regulate distribution of ferro-tungsten, tungsten metal powder and tungsten chemicals going into metal powder.
4. Processors of tungsten in chemical form, other than those forms going into tungsten metal powder, are generally limited in their processing or purchasing to 90 percent of amounts processed or purchased during the twelve months ending June 20, 1941. This is in accordance with the civilian allocation program.

Produced both in this country and in the Far East, tungsten has been used widely in both civilian and defense channels, its major use being in the production of cutting tools. Shipping difficulties have threatened the 1941 supply of tungsten, and available data indicate that there will not be enough to meet all needs.

Order restricts inventories

Because of the necessity for conserving the supply of tungsten, the new order contains restrictions against building up excessive inventories. It is provided that tungsten shall not be shipped to any person in amounts which would increase that person's inventory of tungsten to an unnecessary level.

Director to determine allocation

Provisions in the order for direct allocation of tungsten materials apply only to ferro-tungsten, tungsten metal powder and tungsten chemical compounds going into metal powder. The order provides that, beginning September 1, 1941, no person shall make delivery of these forms of tungsten without the specific authority of the Director of Priorities. During each calendar month the director will determine the allocation of available supplies among competing consumers.

Delivery, partial processing permitted for silk waste, noils, reclaimed fiber

Donald M. Nelson, Director of Priorities, issued September 6 an amendment to general preference order M-26, issued on August 8, 1941, which affected the distribution of silk waste, silk noils, and garnetted or reclaimed silk fiber.

The original order prohibited deliveries of these materials, unless specifically authorized, to the Priorities Director. The amendment removes this restriction.

The second important change authorized in the amendment has to do with processing. Hereofore the processing of silk waste, silk noils, or reclaimed silk fiber was prohibited, except for the purposes of filling a defense order. This restriction has been lifted to the extent of permitting partial processing by dressing and spreading, but the prohibition of further processing remains in effect, unless to fill defense orders. Each processor is required to keep accurate records of the number of pounds of silk waste partially processed under the terms of the amendment.

It was found that the rigid restrictions on deliveries of silk waste were defeating the intent of the original order by freezing the materials in unusable form. By removing these restrictions the amendment permits graders to purchase and sort the various forms of waste, and resell them to mills for the preliminary processing now permitted.

A-9 rating on steel deliveries granted to warehouses, within quota

Steel warehouses, which constitute the normal source of supply for small civilian orders of steel and are also important cogs in the defense machinery, on September 4 were given the benefit of priority treatment in obtaining stocks of steel for resale in an order signed by Priorities Director Nelson.

A quota is to be established for each warehouse buying steel directly from a producer. When this has been done, a preference rating of A-9 will be assigned to deliveries of steel within the quota.

All steel warehouses should file with the Priorities Division on or before September 15 a report on form PD-83-a, setting forth deliveries made during the first quarter of 1941 of steel from stocks owned and on consignment. Copies of this reporting form are being mailed to approximately 3,000 warehouses.

Director to determine delivery quotas

From these reports the Director of Priorities will determine what percentage of first-quarter sales should be set as the quota for delivery to the warehouse during the last quarter of 1941. On or before October 5, he will notify each warehouse what its quota is to be. Quotas established for the last quarter of this year will remain in effect for each subsequent quarter until further notice.

The order permits until October 5 deliveries to a warehouse of all types of steel under the A-9 rating to the extent of one-third of its receipts from mills of such types of steel during the first quarter of 1941.

Warehouse deliveries limited

Deliveries of steel from warehouses are limited by the terms of the order. Except for small sales, in amounts specified in the order, warehouses may not make deliveries of alloy steel for any but defense orders. Orders for carbon steel for nondefense purposes may be filled after provision has been made to care for present and anticipated defense orders.

Exemptions from these requirements permit monthly deliveries of alloy steel on small nondefense orders up to 10% of the average monthly deliveries of such material during the first quarter of 1941.

Small orders, as defined in the order, are for materials in the following amounts: Alloy tool steel, 50 pounds per item; stainless steel, 50 pounds per item; other alloy steel, 200 pounds per order.
PRODUCTION...

20-percent rise in scrap collection asked of dealers; committee being formed

The OPM September 3 called upon the billion-dollar waste materials industry to increase its collections by 20 percent to insure adequate supply for defense plants and to relieve shortages facing essential industries.

The request was made at a meeting called by the Office of Production Management to receive nominations from waste dealers for an industry advisory committee soon to be named to work with defense officials on plans to increase the supply of available waste materials. Approximately 80 representatives of the industry were present at the meeting.

20-percent increase sought

Paul C. Cabot, deputy chief of conservation, Division of Purchases, OPM, who presided, made the request for a 20-percent increase in scrap collection. Pointing to problems involved in procurement of a sufficient supply of raw materials immediately needed for defense, Mr. Cabot told the dealers that their role “is a most vital one, because you are responsible for such an important portion of our entire supply of these metals and materials—the most essential requirement of our Nation’s defense machinery.”

Committee to advise on effective steps

The advisory committee, Mr. Cabot declared, will “set up a piece of machinery that will enable your industry through its normal channels of trade to advise those of us in Government as to the programs and policies that will be effective in increasing materially the amount of current scrap metals and other waste materials reclaimed annually.” He cited scrapped automobiles and the “unused and discarded metals and other waste materials in various forms prevalent on almost every farm and in almost every attic and basement or barn throughout the country” as sources of supplies that must be tapped to achieve the desired increase in scrap collection.

Robert E. McConnell, chief of the Conservation Section, OPM, told the dealers that there is an insufficient supply of all materials that go through waste and salvage collectors’ hands. Declaring that “we are the world’s greatest wasters,” he said that it is essential to collect all waste possible, and asked the cooperation of the dealers in formation of the industrial advisory committee.

The committee, McConnell declared, will be selected to represent small, medium-sized and large dealers, and also to be geographically representative of the whole industry. Three men from each of these divisions of the industry will sit on the committee: cotton rags, iron and steel scrap, nonferrous metals scrap, scrap rubber, paper wastes, and woolen rags.

Asked to maintain stable price level

Leon Henderson, administrator, Office of Price Administration, and a member of the Supply Priorities and Allocations Board, told the dealers that “lying in junk yards at the present time are some of the most precious materials needed in the defense program, which are not waste products at all, but which are known as waste.” He said that a steady and increased supply of these materials is required to keep production of defense goods at as high a point as possible.

He appealed for cooperation in maintenance of a stable price level, and said that in the event a price schedule became required to keep production of defense goods at as high a point as possible.

He appealed for cooperation in maintenance of a stable price level, and said that in the event a price schedule became necessary, those deviating from it would be held “to strict accountability.”

Mr. Henderson also urged increased collection of scrap in the interest of curtailing as much as possible unemployment in civilian industries resulting from insufficient raw materials to meet defense needs and at the same time requirements of plants manufacturing civilian goods.

R. C. Allen, Iron and Steel Section, OPM, said the need for scrap steel and scrap iron has become extremely pressing. He said that 34,000,000 tons of pig iron are now produced annually, while steel production is expected to attain 82,000,000 tons. The difference, he said, will have to be made up largely from scrap accumulation, and he revealed that in the next 2 years the problem will become even more acute as additional blast furnaces now being constructed are put into operation.

“The scrap necessary to meet this increased steel production is in the country,” Mr. Allen declared. He urged the organization of a Nation-wide scrap collection campaign.

Director General Knudsen, OPM, emphasized the place of the scrap dealers in accumulation of waste and secondary materials, and asked their full cooperation in attaining success in the defense program.

25 percent of new steel from scrap

It is estimated that this year about 25 percent of all new steel produced will come from reclaimed steel scrap. Thirty-four percent of the anticipated copper supply is expected to be made available from copper scrap, while 29 percent of the tin production will be accounted for by the use of reclaimed metal. Twenty-two percent of the aluminum production, 20 percent of lead production, and 16 percent of all rubber production are expected to be represented by scrap reclamation. These figures represent the amount recoverable under normal conditions, and it is hoped that the percentages will be even higher as a result of Government-industry cooperation to stimulate collections.

Auto scrap drive extended to Michigan, Wisconsin, Minnesota

A campaign to increase the scrapping of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production will be extended this week to Michigan, Wisconsin, and Minnesota, the OPM announced September 5.

The campaign is already under way in Ohio, New England, Illinois, Missouri, and Kansas.

Three meetings scheduled

Government officials will meet in the following places with the following groups:

Lansing, Mich.—Hotel Olds, Wednesday, September 10, with automobile wreckers and scrap dealers from the State of Michigan.

Milwaukee—Hotel Pfister, Thursday, September 11, with automobile wreckers and scrap dealers from the State of Wisconsin.

Minneapolis, Minn.—At a hotel as yet undesignated, on Friday, September 12, with automobile wreckers and scrap dealers from the State of Minnesota.
TRANSPORTATION . . .

Available tank cars could deliver 200,000 barrels of oil daily to East, Budd believes

Information at hand indicates available tank cars could deliver about 200,000 barrels of oil daily to the East. Transportation Commissioner Budd, OEM, said on September 9 that the special statement was made before the Special Committee of the Senate investigating the Petroleum Shortage. Admitting that he found it “difficult to raise objection” to building pipe lines, he nevertheless raised the point that shortages of raw materials necessary in pipe line construction made it unwise to cut railroad car building 100,000 below the number considered necessary for defense. Therefore, he said, “to the extent that they are available, it clearly seems best to use tank cars now.”

Excerpts from Mr. Budd’s testimony follow:

One of the immediate questions is whether to build pipe lines to take the place of tankers.

My concern is in having the most efficient transportation, and also in having an ample amount of it . . . . To the extent that they are available, it clearly seems best to use tank cars now.

I find it difficult to raise objection to building more transportation facilities, especially anything so efficient as a pipe line. If we had one from Texas to the Eastern Seaboard now, it would be a great comfort. Having said this, I want to assure you and your committee what effect the building of such a pipe line at this time might have upon the continued adequacy of essential transportation for defense. The supply of raw materials, as well as of finished products, has become critical. Even now, and for some time past, the program for future defense transportation has been hampered.

Railways carry 7/9 of total traffic

While there are four other forms of transportation, namely waterways, airways, highways, and pipe lines, the railroads carry two-thirds of the total traffic of the Nation. There are more miles of pipe lines, more highway trucks, and automobiles than ever before, and they are increasing steadily. This is not true of railroad cars. In 1929 there were 2,267,376 in railroad ownership. On June 1, 1940, when the Advisory Committee for the Council of National Defense was organized, the railroads owned a total of 1,648,696 freight cars. On July 16, 1940, having in mind the increasing traffic, but without data on defense needs, I recommended that the ownership should be built up to 1,700,000 as soon as possible. Owing to inability to obtain material for carrying out this carbuilding program, I regret to say that on October 1, 1941, the program will fall short by about 20,000 cars.

On May 1, 1941, based upon data of defense needs, plans were made to bring the total railroad ownership to 1,800,000 cars by October 1, 1942.

Lag in program

The car building program is now being carried on at about one-half the scheduled rate set up to meet the needs of anticipated traffic. That lag means that the proposed expansion to 1,900,000 cars by October 1, 1942, will fall 100,000 short unless some way is found immediately to supply more steel, iron, lumber, and other essential material to the railroads and to the car builders.

Tank cars can handle additional volume

Considering now the railroads’ capacity for handling more oil and gasoline:

It appears from surveys that we have made that it would have been physically possible to put more than 20,000 tank cars into other service and still have handled the July 1941 business.

Mr. Pelley explained on yesterday that the Association of American Railroads made a survey of the tank car situation in September 1940. The owners and lessees of such cars advised at that time that they had a total of 20,000 surplus cars which could be used for other or additional traffic.

An independent check was made by the Atlantic Refining Company for handling more oil and gasoline:

The Office of the Petroleum Coordinator for National Defense announced September 4 that it had sought and received written commitments from the 11 principal East Coast oil companies “to cooperate in the development of all available railroad tank cars . . . .” for the purpose of alleviating the East Coast oil shortage.

7. 1941, they reported 29,325 empty tank cars idle and uncalled for for a period of 24 hours or longer.

This so-called spot check indicates quite conclusively that the existing tank cars could handle a large additional volume of traffic. It seems to verify, and is verified by, the information which Mr. Pelley presented to your committee yesterday, as well as the conclusions based on the survey we recently made.

200,000 barrels possible daily

Last year in response to my request, the Association of American Railroads prepared a study of possible petroleum movement by rail. This study indicated that 200,000 barrels could be handled from Texas to the Eastern Seaboard daily. At that time, assurance was given to me that the railroads would have no difficulty in handling the cars. Mr. Pelley stated yesterday that they can do so now. Assuming, of course, that material for locomotive maintenance and repairs is made available, I believe that they could continue to perform this added service in the future.

All of the considerations which I have stated lead me to believe that it would be physically practicable for the railroads to deliver 1,000 carloads of oil a day to the Eastern Coast. Since the cars average about 200 barrels each, that would be about 200,000 barrels a day.

Shifts bring more oil to East

The many shifts and adjustments of oil traffic from its normal channels which are now being made voluntarily by the petroleum interests are resulting in the bringing of some more oil to the East. They are making more use of pipe lines and tank cars, as was indicated by the reports of the Standard Oil Company, the Texas Company, and others, which Mr. Davies presented to you last week. For example, the Atlantic Refining Company reported as follows:

"Negotiations were concluded on Monday of this week whereby this company will commence within one week the shipment of crude oil from Benton, Illinois, to Philadelphia, Pennsylvania, which will shortly utilize 600 tank cars and move 10,000 barrels of crude oil per day, saving a like amount in tanker transportation from the American Gulf to the U. S. Atlantic ports."

"This type of activity no doubt will be enlarged by continuing to make freight rate reductions, which are being made in many instances where requested."
CIVILIAN SUPPLIES . . .

"You can't sink a pipe line," Henderson points out to Congressional committee

"Pipe lines are hole cards, particularly useful if this county should ever be subjected to attack." Leon Henderson, Price Administrator, OPM, said on September 5. "You can't sink a pipe line," he told the Special Committee of the Senate Investigating the Petroleum Storage. As to restrictions in use of petroleum products on the East Coast, he said that a 10- or 15-percent curtailment is all that appears likely now, but "we all should realize that it is a guess made in the face of a rapidly changing situation."

Excerpts from his testimony follow:

Last fall, in connection with a report written by the Advisory Commission to the Council of National Defense to the Department of Justice, I took the position that the two gasoline pipe lines in the South were valid national defense projects. I felt then and feel now that there must be a substantial margin of safety in our transportation system if this country is to be properly defended, and that any threat of shortage cannot help but disturb the competitive balance in the industry to the eventual detriment of the public.

I have been asked to state my opinion as to how great the oil shortage is on the East Coast. Our investigations have confirmed the figures given you by the Coordinator. Mr. Davies estimates stocks on hand will be 44,600,000 barrels of all products at the end of the year. As of that date, it would seem possible to supply all gasoline and heating oil demands but not to meet all demands for industrial fuel oil unless preferences are given to this product in refining or transportation or action is taken to relieve the shortage. Mr. Davies, of course, assumes the accuracy of the Bureau of Mines estimates . . . These estimates are predicated upon forecasts of gasoline demand and computations of the crude supply necessary to furnish that amount of gasoline. Variations in refinery operations may temporarily produce relatively too much of one or another product and too little of others.

Demand for heating oils

I also wish to point out that it is difficult to forecast the demand for heating oils statistically. One degree difference in average temperature can change heating oil requirements as much as 1,000,000 barrels. Oil burner sales are up 55 percent this year.

Under such circumstances, I consider it sound business judgment to build up additional stocks against a possible crisis which might occur in December—might not hit until February or might not hit at all.

The current 10 percent curtailment in the use of gasoline should increase our storage stocks substantially as contrasted with the amounts which would be on hand if gasoline had not been restricted. A 10 percent or 15 percent curtailment is all that is likely now, but we all should realize that it is a guess made in the face of a rapidly changing situation both locally and internationally.

As to the big crude oil line from the Gulf to the East Coast, the problem will come before the SPAB as to whether it or something else should have priority on steel. I would rather reserve my judgment on that until we have thoroughly analyzed the competing defense demands.

The committee should appreciate that the Petroleum Coordinator has the power only to recommend; he cannot compel the companies to use tank cars.

There is no new proposal to build additional tank cars since Mr. Budd claims there are enough and Mr. Davies doesn't advocate that more be built when there are better ways of moving oil. The suggestion that barges be built may be a good one. Admiral Land has gone into this matter extensively and I'm sure that his study will be extremely helpful. But regardless of what gets priority in the immediate future, more pipe lines will have to be built. Pipe lines are hole cards, particularly useful if this country should ever be subjected to attack. In such event, the tanker movement from the Gulf to the East Coast might require a large and expensive convoy system; demands upon railroad traffic, due to the curtailment of intercoastal shipping and other movements, would be almost unbelievable. We cannot be too cautious in this emergency—and you can't sink a pipe line.

Favorable price factors

Questions have been raised during this hearing of the effect of prices for petroleum products on the Eastern seaboard upon the price situation. I wish to state here and now that in my opinion the price situation has been sufficiently favorable to encourage the movement of additional supply by means of transportation more expensive than tankers but that my Office will give favorable consideration to justifiable increases in prices when large-scale movements of products take place at materially higher costs.

Prices not a deterrent

No one can justifiably claim that oil companies have been deterred from using higher cost transportation by considerations of price. They have been advised repeatedly that when they can show that they have incurred or are incurring definite increases in transportation expense a formula will be developed to equalize distribution of that expense as between the companies, and no resistance will be offered to justifiable increases in prices. I do not mean the foregoing to indicate that the oil industry has been unresponsive to our suggestions. The industry has been very reasonable.

The conclusion on the oil shortage seems to be this. It is definitely desirable that the use of gasoline be curtailed in order that tanker and other transportation facilities may be available for the heavier oil products like light heating oil and heavy fuel oil. Secondly, at present it appears probable that this end can be achieved by a curtailment not substantially more drastic than 10 percent or 15 percent. We shall be watching the situation carefully from month to month during this fall and winter, and will be able to recommend alterations in tanker shipments and refinery operations to provide more of the products in greater demand and less of those for which the needs are less pressing.
Campaign launched to save waste paper, vital in shipping of defense products

A national campaign to conserve waste paper in the interest of defense will get under way in New York City, Chicago, and Milwaukee this week. It will spread thereafter to 30 other principal cities, reaching a combined metropolitan population of 40,000,000.

The campaign, which will be conducted by the Waste Paper Consuming Industries, has the active support of the Office of Price Administration and the OPM Conservation Bureau.

Necessary to pack defense products

"Waste paper is needed for defense because it is the raw material of paperboard boxes in which many defense products are packed and transported," Price Administrator Henderson explained. "The need for these containers is growing rapidly and will increase substantially in 1942. Unless the supply of waste paper is increased, the probable shortage would make a stable price structure for paperboard more difficult to maintain.

On behalf of the Government, I urge that waste paper be saved by the household in the interest of national defense."

Collection system arranged

The Waste Paper Consuming Industries also will cooperate with the waste materials industry in the drive sponsored by OPM to increase collections of scrap metals, worn rubber, rags, and other waste.

The national waste paper salvage campaign, which is in line with the OPM general conservation effort, was organized with the cooperation of the OPA. Its objectives are to expand the supply of raw material from which paperboard is made, and to hold down prices of paperboard boxes.

The Waste Paper Consuming Industries, working through a representative committee of six paperboard manufacturers, is establishing organizations in each of the 33 cities to be included in the campaign. A central telephone exchange will take all calls for information and arrange for collection of waste paper of 100 pounds or more.

The campaign will not extend westward beyond Denver as at present there is an ample supply of waste paper on the Pacific coast to feed all paper mills.

Housewives, small business houses, and industries will be asked to save waste paper and either give it to charitable organizations or sell it to waste dealers at the current market price.

Charitable organizations, such as the Boy Scouts, the Girl Scouts, the Salvation Army, and Parent-Teacher Associations will be invited to enlist in the campaign. Some of them now collect waste paper and sell it to scrap dealers.

All collections of paper offered for sale will be made by scrap dealers in the respective cities at the direction of the local representatives of the conservation committee of the Waste Paper Consuming Industries.

Waste paper is the principal raw material used in paperboard boxes. Included in a ton of paperboard are 1,906 pounds of waste paper, cardboard, and corrugated board.

Defense articles in wide variety are packed and transported in paperboard boxes. These include shirts and shoes for selectees, food for the armed forces, parts of combat planes, munitions, rifles, and chemicals. Gypsum board, widely used in defense housing projects and in all building construction, also is made from waste paper.

Defense takes ¼ of paperboard

America's aid to Britain and other countries under the Lend-Lease program is increasing vast use of waste paper. More than 90 percent of these goods is packed in waterproof paperboard boxes. Good packaging is required for shipments to Iceland, the Caribbean, and other outposts of Western Hemisphere defense.

Six dozen Army shirts fill an 11-pound paperboard container. The 10,000,000 shirts bought by the Army this year require 1,500 tons of paperboard. The canned tomatoes alone used by the Army require another 1,000 tons.

The shells turned out by Army ordnance plants are packed in 30,000 tons of paperboard each month.

Defense now takes one-fourth of the more than 8,500,000 tons of paperboard which is estimated will be manufactured in the United States this year. By the end of 1942 it will be utilizing up to two-thirds of an estimated 9,000,000 tons.

Only 28 percent now recovered

Only 28 percent of the Nation's paper is now recovered. Most of this comes from large industries, department stores, large hotels, apartment houses, and public buildings. About 50 percent is lost, going into furnaces, incinerators, or on the rubbish heap. The remaining 22 percent goes into permanent use as book, ledger, and file paper and is not destroyed immediately.

Paperboard is made from old newspapers, cheap fiction magazines, discarded wrapping paper, and used corrugated paper. Other waste paper, such as slick-paper magazines, books, and letters, are needed to make up the shortage of wood pulp from which finer grades of paper are manufactured.

A pound per family per day

Trade estimates indicate that the average family may save a pound of waste paper a day.

The effectiveness of increasing waste-paper collection by means of an industry-sponsored campaign has been demonstrated in a campaign which has been under way in St. Louis for several weeks. Other cities to which the national campaign will be carried as soon as organizations for collections can be set up are;

Newark, Jersey City, Cleveland, Boston, Minneapolis-St. Paul, Washington, Philadelphia, Detroit, Baltimore, Pittsburgh, Buffalo, Cincinnati, Kansas City, Rochester, Toledo, Memphis, Birmingham, Dallas, San Antonio, Houston, Denver, Atlanta, Columbus, Akron, New Orleans, Indianapolis, Louisville, and Providence.

Use of unprinted cloth bags suggested to aid reuse

A suggestion that, wherever possible, printing be eliminated on bags made of burlap and other textiles so that they may be used over again was made September 6 by the Division of Civilian Supply, Office of Production Management.

Bags are used extensively for packaging by defense and civilian industry and especially for agricultural products. Shortages have developed that make it necessary to conserve bag supplies to the greatest degree possible.

The presence of printing on bags prevents their reuse in many cases. In instances where such printing is required by law, it is suggested that the requirements be met by use of appropriate tags.

Consumers are urged either to return bags to the seller of the merchandise or to sell them to recognized second-hand dealers, thus making them available for reuse.
PRICE ADMINISTRATION...

Waste paper ceiling to be imposed October 1 at June 16 level, as voluntary plan fails

Since the effectiveness of voluntary agreements has been largely nullified by failure of certain members of the trade to adhere to their understandings with his office, all of the more important grades of waste paper will be brought under ceiling prices as of October 1 at the levels that prevailed on June 16. OPA Administrator Henderson announced September 4.

The new schedule will be issued within 2 weeks and, upon its effective date, will supersede all existing price agreements. Those dealers and consumers who have cooperated with OPA in its efforts to stabilize prices of waste paper and the products made therefrom were complimented by the administrator.

Obstruction closed several mills

"Unfortunately, however," Mr. Henderson stated, "it has been found impracticable to continue the attempt at voluntary control. An even and adequate flow of waste paper to the consuming mills is essential both to the defense effort and to civilian industry at large. Paperboard, product of waste paper, is in great demand for cartons and boxes to package the output of our factories. Certain members of the Eastern waste-paper trade have seen fit to withhold supplies to compel payment of higher prices. This, in turn, has disrupted the voluntary agreements and forced curtailment, and even the actual shut-down, of several consuming mills in the East.

"Some relief to these distress cases has been afforded, through the release by mills in a better inventory position, of supplies under commitment to them and, further, by agreements whereby these mills temporarily will draw more heavily upon inventory and curtail their new buying. Cooperation of this nature is sincerely appreciated by my office."

Schedule to include higher grades

The voluntary agreements provided for maximum prices on the three principal low grades of waste paper equal to those prevailing on June 16, 1941. The understandings to abide by such prices and to apply only such differentials as were then in existence were reached individually with OPA and waste paper dealers and consuming mills. Both dealers and consumers in the Middle West have largely adhered to their agreements, but in the Eastern area OPA has found it necessary to call public attention to methods by which certain trade quarters have circumvented the maximum prices.

The new schedule will not only cover the three principal low grades, but the higher grades which were not included in the voluntary agreements. Due allowance will be made for prevailing geographical price differentials and other recognized trade practices.

Waste paper supplies are expected to be increased substantially in the near future.

LaGuardia will ask mayors to revoke licenses of persistent price violators

Acting to throw the full support of municipal executives throughout the country behind efforts of OPA Administrator Henderson, to prevent inflationary price increases, F. H. LaGuardia, Director of the Office of Civilian Defense, in his capacity as president of the United States Conference of Mayors, announced September 5 he would recommend revocation of municipal business licenses in cases of persistent violation of Federal price ceilings.

Mayor LaGuardia pointed out that in most communities the power to issue and revoke municipal licenses is vested in the chief executive. The United States Conference of Mayors is composed of the chief executives of more than 300 communities of over 5,000 population.

"It is my purpose to call to the attention of executives who are members of the United States Conference of Mayors all cases of wilful and persistent price ceiling violation which are certified to me by Mr. Henderson," Mayor LaGuardia said.

"In these instances, I shall recommend that the violators be cautioned against continuing their infractions. Then, if they still persist, I shall recommend that the full powers of the municipality be exercised to revoke the licenses of the offenders."

"I have been informed by Mr. Henderson that the most careful investigation of complaints reaching his office will be undertaken before I am requested to make my recommendations.

"It is my belief that the cooperation of municipal executives throughout the country in Mr. Henderson's efforts to keep prices down in the face of inflationary pressure will be an invaluable contribution to the entire defense effort and will meet with the hearty approval of the American people."

"Assisting patriotic businessmen . . ."

"By exercising the powers of their office to revoke licenses of those who place personal gain during this national emergency above their obvious duty, municipal executives will be assisting patriotic businessmen to cooperate with our Government and the public in the defense effort."

Price Schedules thus far issued by the Office of Price Administration are:

1—Second-hand machine tools; 2—aluminum scrap and secondary; 3—zinc—scrap and secondary; 4—iron and steel scrap; 5—bituminous coal (revoked); 6—iron and steel products; 7—combed cotton yarn; 8—nickel scrap and secondary materials; 9—hides, skins, andalfaskins; 10—pig iron; 11—cotton textiles (grey goods); 12—brass mill scrap; 13—Douglas fir plywood; 14—raw silk; 15—copper; 16—raw sugar; 17—pig tin; 18—burial; 19—Southern pine lumber; 20—copper scrap; 21—formaldehyde; 22—Pennsylvania grade crude oil; 23—rayon grey goods; and 24—washed cattle tail and winter hog hair.

No objection to 61/2-cent price, Gulf Coast refiners told

Gulf Coast gasoline refiners were notified September 5 by OPA Administrator Henderson that he would offer no objection to their charging 61/2 cents a gallon for "regular" gasoline.

A price of 6 cents for such gasoline had been requested in a telegram sent to Gulf Coast refiners on July 16 pending a cost study covering refiners in that area. Since that date a detailed study of operating costs, particularly of representative small refiners, has been completed. It is expected that the new schedule will apply only to gasolines produced by small refiners which is normally sold in the Gulf Coast area. It is not expected to apply to the larger refiners producing gasoline for shipment to the East Coast.
Revisions made in Southern pine prices to protect operators of small mills

Substantial changes in the Southern pine lumber price schedule in advance of its effective date, September 5, were announced September 4 by OPA Administrator Henderson.

The general effect of the revisions, which are incorporated in a detailed amendment, is to raise the ceiling prices so that the thousands of small lumber mills throughout the Southern pine area will be able to continue in profitable operation. While the maximums are raised, Mr. Henderson pointed out, the prices for Southern pine lumber will be below the levels of August 18 and the net annual saving to the defense program and to civilian users will not be lowered greatly from his original estimate of $20,000,000.

Many complaints received

"Since the schedule of Southern pine lumber prices was announced on August 16, I have received many complaints from mills throughout the Southern States asserting that if ceiling prices thus imposed were permitted to go into effect on September 5 without change, widespread hardship would result," Mr. Henderson said. "These complaints asserted that the stumpage costs of the small mills have risen sharply in recent months and that their logging problems are more difficult due to the fact that available timber stands are less accessible. Furthermore, the schedule made no special allowance for air-dried lumber, which is the kind currently being sold by the small mills."

Adjustments necessary

"It always has been the policy of my office to investigate complaints of this nature and to make such adjustments as appear to be warranted . . . In keeping with this policy, a meeting of OPA officials with approximately 450 mill operators was held on August 30 in New Orleans. After full hearing of their complaints and in the light of additional data collected by my office, it became apparent that adjustments in the schedule were necessary. A committee, representing all sections and all types of mills producing Southern pine lumber, is in thorough accord with the revisions that have been worked out. Moreover, the 450 lumber producers present have promised their full cooperation in maintaining the ceiling prices, as amended."

Maximum prices in the original schedule were based upon air-dried lumber in finished form. By the amendment, ceiling prices are based on "rough green" lumber and additional charges are allowed to be made for air-drying or kilndrying, surfacing, grooving, etc. In many instances the prices themselves have been changed within the various grades, although the net effect as applied to an entire grade is not substantial.

Definitions reflect trade usage

Several refinements of definition also are contained in the amended schedule, reflecting trade usage or practice. For example, long-leaf pine is further defined so as to make it clear that only the coarse-grained variety is covered by the definition. The definition of a "mill" is restated so as to exempt from the price schedule the large number of lumber retailers in the South who operate planing and similar mills as adjuncts to their retail businesses. A "retail sale," according to the amendment, means a sale to a consumer or contractor in less-than-carload quantity. Mixed car shipments are defined and an explanation of mixed truck shipments is added.

To cover the extra services and costs involved, an addition of not more than $3.50 for 1,000 board feet is allowed in the case of export sales.

OPA considers lower ceiling on scrap, secondary aluminum

Advisability of revising downward the ceiling prices established in Price Schedule No. 2 for scrap and secondary aluminum because of the reduction of two cents a pound in the price of primary aluminum, is being studied by OPA Administrator Henderson announced September 3.

A decision in this matter, the administrator said, will not be reached until the question has been explored with the trade.

Talks preliminary to carded cotton yarn ceiling, expansion of grey goods schedule

Two meetings preliminary to the imposition of ceiling prices on carded cotton yarn and the inclusion of the common grey goods price schedule of the remaining important constructions were announced September 6 by OPA Administrator Henderson.

Leading producers of carded cotton yarn were to meet with OPA officials September 8, to talk over a schedule of maximum prices that will bear a proper relationship to the ceiling prices already established for combed cotton yarn. Combed cotton yarn goes through an additional manufacturing process that makes it a finer product and one which normally sells at a higher price than carded yarn.

On the following day, the OPA cotton textile advisory panel, to which 18 new members have been added, were to meet to discuss broadening the cotton goods price schedule and the relationship of prices of the types of goods to be added to the prices of constructions already covered.

The panel also was to take up the question of differentials for shade cloth and feeler motion, special constructions, fancy weaves, and specification goods. The supply and demand situation in the cotton grey goods industry was a further topic on the agenda.

Membership of the enlarged cotton textile advisory panel (new members italicized) is as follows:

Fats and Oils Panel to Include

All Types of Retailers

All sectors of the retail field including chains, independents, super markets, and department stores will be represented on the new fats and oils advisory panel being set up by the Office of Price Administration.

Authorities in charge of the fats and oils program desire to acquire as widespread and complete information as possible about the effects on retailers of Schedule 25, which is designed to eliminate speculative practices in fats and oils, and to get the advice of men in the trade on the shaping of new policies. As many points of view as possible on the fats and oils situation are desired.

Also consulted in the discussions will be representatives of crushers, refiners, manufacturers, processors, distributors, and consumers. The whole fats and oils field, except for butter, is included in the speculative practices schedule. Retailers handle the edible fats and oils in such finished goods as salad oils, cooking oils, lard, shortening, and oleomargarine. Inedible fats and oils are used in the manufacture of soaps, cosmetics, paints, and varnishes.

Retailers are particularly affected in the schedule by the section eliminating guarantees against price declines. No restrictions are placed on guarantees against price declines on fats or oils in transit or already a part of the floor stocks of wholesalers, jobbers, and retailers.

This section is designed to stop a widespread practice which, although it seemed beneficial to retailers when carried out throughout a whole nation created instability in production and marketing, artificial shortages, and acted to push costs up.

Guarantees against price declines were employed by manufacturers selling to wholesalers or jobbers encouraging them to give larger orders at the prevailing price. Sales would be inflated on the expectation of a general price increase. It was the understanding that if the price went down, the orders could be cancelled or filled at a lower price.

This increase in ordering, if done on a sufficiently large scale would generate further price advances by increasing the demand by manufacturers for raw materials.

Retailers might think that this practice would tend to lower the wholesale price to them, but in the long run, it is observed, such practices increase the cost of business of all the manufacturers. The processors take a loss when the bidding up of raw material increases his costs at the same time that he is required to supply his outlets on contract at a lower price. This loss is not absorbed, but is passed on to the retailer in the increase of the spread between the price of the raw and finished product over a long period. All merchants must pay this increased spread whether they get short-run benefits from such speculative practices or not.

All types of fats and oils forward-buying except that carried on through exchanges regulated by the Commodity Exchange Commission or employed as a legitimate means of furthering the distributive process are ruled out in Schedule 25. It is expected that, by this means, price increases in fats and oils and their products due purely to speculation will be stopped.

Besides the price increases that speculation brings about, OPA is concerned with wasteful practices encouraged when the speculative fever seizes an industry. Recently an OPA price executive accidentally ran across one instance, symptomatic of many others throughout the country, when he found 150 gallons of soybean oil stored in the men's washroom of a small Chinese restaurant. The proprietor of the 12-table restaurant explained that the salesman had told him that prices were going up and that he should buy now. He bought, and already exhibited a paper profit of $50.

The price executive reflected that it would take perhaps a year for the restaurant proprietor to use up that much soybean oil and that stored under these conditions, the oil would take only two or three months to spoil.

Savings Through Negotiated Prices

The value of using negotiated contracts as well as open bids to secure necessary supplies for the armed forces has again been demonstrated by the Army Quartermaster Corps. The Army was recently in the market for a quantity of canned meats, ranging from canned beef to meat and vegetable stew and sausage. A comparison of the value of using negotiated bids as a supplement to invitation bids is shown by the following figures:

Of the ten items wanted, negotiated bids were used as a supplemental device to get the necessary quantities in four items. Had negotiated bids not been used, the Army estimated that the total cost would have been $1,642,090.47. However, by using this method savings totalling $53,586.23 were effected with the result that the total amount actually paid by normal award and negotiations was $1,588,504.24.

Bids on Canned Fruits and Vegetables

Some indications of the current market conditions with reference to canned fruits and vegetables are to be found in the responses to the Army's invitation bids on canned fruits and vegetables. Some of the items were handled by the San Francisco office and some by the Chicago office. As usual, both bids and negotiated contracts were used in covering requirements. Data on prices paid are not available. The highlights of the results are as follows:

San Francisco office: On apricots, bids at reasonable prices were not adequate to cover requirements. The remaining quantities were negotiated for in the open market. Prices quoted on asparagus were so high as to make this item a non-essential luxury. Cherry requirements were covered by bids.

On peaches new specifications were issued and bids were opened on September 2. It is expected that responses will be adequate. Requirements were covered on pineapples with response excellent. On pears, requirements were covered by invitation bids plus negotiation. Awards have been made on the entire needs of red salmon. "Medium reds and Chums" are still being packed and it is expected that requirements will be covered. On tuna the Army is getting its share of the pack and expects to cover requirements.

Chicago office: On the second invitation, awards were not adequate but the response was better than in the original invitation. Corn bids were opened on August 20 with the response disappointing in most sections. It is hoped that requirements will be covered by negotiations but probably another invitation will be issued to be opened at the end of the season.

On the following items the response was either disappointing or inadequate to cover requirements: tomatoes, tomato juice, catsup, lima beans, and stringless beans. On beets, however, needs were well covered by invitation and negotiations.
PURCHASES...
108 certificates of necessity for plant expansion issued to 88 corporations

A total of 108 certificates of necessity were issued to 88 corporations from August 16 to 31, inclusive, by 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 $14,601,000.

This brings the total issued through August 31 to 2,319 certificates. The cost of facilities covered to date was estimated at $1,156,508,000.

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

The Aldrich Pump Co., Allentown, Pa.; pumps; $40,000.

Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; steel, carbon, alloy and silicon; $47,000.

American Locomotive Co., New York, N. Y.; forgings; $120,000.

Amoco Twist Drill Co., Jackson, Mich.; high speed jobber and wire drills; $30,000.

Anaconda Wire & Cable Co., New York, N. Y.; shipboard cable; $14,000.


E. C. Atkins & Co., Indianapolis, Ind.; metal cutting saws and saw segments; $8,000.

Atlantic Basin Iron Works, Brooklyn, N. Y.; ship repairs; $13,000.

Axelson Manufacturing Co., Vernon, Calif.; aluminum and aluminum products and landing gear wheels; $28,000.

Beatty Machine & Manufacturing Co., Hammond, Ind.; hydraulic presses and plate work machines; $26,000.

Bell Aircraft Corporation, Buffalo, N. Y.; airplanes, interceptors, pursuit aircraft; $218,000.


Bethlehem Steel Co., Bethlehem, Pa.; ships; $146,000.

Blaw-Knox Co., Pittsburgh, Pa.; machining of armor cast steel; $22,000.

Bridgeport Brass Co., Bridgeport, Conn.; ammunition cases and caliber cups; $24,000.

Edward G. Budd Manufacturing Co., Philadelphia, Pa.; magazines and aircraft depth bombs; $140,000.

The Byer Manufacturing Co., Orono, Maine; gas mask carriers; $16,000.

Camden Forge Co., Camden, N. J.; propulsion shafts and parts for vessels; $79,000.

The Marion Machine Co., Cleveland, Ohio; Diesel engine parts machine shop work; $195,000.

Crane Co., Chicago, Ill.; steel, toggle and brass valves for ships; $29,000.

De LaVal Steam Turbine Co., Trenton, N. J.; turbines and pumps, reduction gears and feed system pumps for destroyers; $100,000.

Doran Co., Seattle, Wash.; ship propellers, liner castings, valves and fittings; $54,000.

Eastern Machine Screw Corporation, New Haven, Conn.; thread-cutting tools, die heads and chasers; $169,000.

Endurance Manufacturing Co., Newark, N. J.; propeller hub spinner components; $36,000.

Ex-Cell-O Corporation, Detroit, Mich.; aircraft parts and fittings; $1,969,000.

Farmers Co-Operative Grain Co., Havana, N. Dak.; storage of grain; $3,000.

Farmers Union Elevator Co. of Rudyard, Rudyard, Mont.; storage of grain; $10,000.

Farrel-Birmingham Co., Inc., Buffalo, N. Y.; and Anaconda, Conn.; propulsion units and aircraft engine reduction units; $228,000.

Federal-Mogul Corporation, Detroit, Mich.; bushings and bearings for aircraft engines and airplanes; $186,000.

The Penn Manufacturing Co., Hartford, Conn.; airplanes and machine gun parts; $77,000.

Firestone Tire & Rubber Co., Akron, Ohio; mobile carriage assemblies for antiaircraft guns; $370,000.

Firth-Sterling Steel Co., McKeansport, Pa.; metallic cement powder, cemented carbide for making tools and dies; $145,000.

Foster Wheeler Corporation, New York, N. Y.; boilers, economizers, and condensers; $81,000.

Frenco Interurban Railway Co., Chicago, Ill.; railroad transportation; $12,000.

Frechhauser Truck Co., Detroit, Mich.; semitrailers; $64,000.

The Fulton Syndrom Co., Knoxville, Tenn.; fuses and cartridge cases; $1,000.

General Motors Corporation, Detroit, Mich.; machine guns, cartridge cases, aircraft spark plugs; $124,000.

German Heat Treating Corporation, Springfield, Mass.; commercial heat treating of steel; $6,000.


Grove Regulator Co., Oakland, Calif.; pump governors, pressure regulating equipment; $58,000.

Gulf, Mobile & Ohio Railroad Co., Mobile, Ala.; railroad transportation; $20,000.

Hessing Bros. Inc., New York, N. Y.; sprayer dried eggs; $4,000.

Ingersoll-Rand Co., Phillipsburg, N. J.; blowers, compressors, pumps, and Diesel engines; $380,000.

The Jacobs Manufacturing Co., Elmwood, Conn., drill chuck; $11,000.

Kropp Forge Co., Chicago, Ill.; forgings; $281,000.

Lehigh Valley Railroad Co., New York, N. Y.; railroad transportation; $109,000.

Warren MSE Corporation, New York, N. Y.; aircraft and maritime seating; $24,000.

Wesley Manufacturing Co., Inc., Seattle, Wash.; windlasses, cargo and deck winches; $33,000.

Merrill-Stevens Dry Dock & Repair Co., Jacksonville, Fla.; vessels; equipment parts and repairs; $125,000.

Metal Compress Co., Ann Arbor, Mich.; briquetted borings and turnings; $24,000.

Monarch Aluminum Manufacturing Co., Cleveland, Ohio; heat treating, permanent mold, aluminum casting; $8,000.

The Monarch Machine Tool Co., Sidney, Ohio; metal working lathes; $39,000.

Monsanto Chemical Co., St. Louis, Mo.; phenol, picric acid and synthetic fibers; $75,000.

O. T. Muehlemeister Heat Treating Co., Rockford, Ill.; heat treating of airplane parts and bearing; $15,000.

The Mullite Refractories Co., Shelton, Conn.; firebricks, shapes, and cement; $31,000.

National Aniline & Chemical Co., Inc., New York, N. Y.; coal tar, and synthetic organic chemicals; $31,000.

New England Structural Products Co., Bridgeport, Mass.; mining drilling gears; $7,000.

Northrop Aircraft, Inc., Hawthorne, Calif.; assembly of aircraft; $65,000.

Ohio Ferro-Alloys Corporation, Canton, Ohio; high carbon ferrocolumbium; $146,000.

Oregon-Washington Railroad & Navigation Co., Omaha, Neb.; transportation; $6,000,000.

Owensboro Milling Co., Inc., Owensboro, Ky.; grain storage; $43,000.

Poulsen & Nardon, Inc., Los Angeles, Calif.; aircraft parts; $187,000.

Presto Oil Refining Co. of Texas, Longview, Tex.; octane aviation gasoline; $1,750,000.

Reed-Prentice Corporation, Worcester, Mass.; lathes and vertical milling machines; $5,000.

Republic Aviation Corporation, Farmingdale, Long Island, N. Y.; pursuit type airplanes; $16,000.

W. A. Robinson, Inc., Ipswich, Mass.; mine sweepers; $5,000.

Roller Bearing Co. of America, Trenton, N. J.; needle bearings for aircraft and machine tools; $92,000.

Sandusky Foundry & Machine Co., Sandusky, Ohio; centrifugally cast castings (ferro and nonferrous); $76,000.

Scovill Manufacturing Co., Waterbury, Conn.; brass metal components, fuses, boosters, cartridge cases, and condenser tubing; $260,000.

Sealy Tube & Box Co., Newark, N. J.; pressure vessels for ammonia storage; $13,000.

Signode Steel Strapping Co., Chicago, Ill.; steel strapping and strapping tools; $192,000.

Stewart-Warner Corporation, Chicago, Ill.; fuses, pistola, metal charges, projectiles and boosters; $260,000.

Thompson Products, Inc., Cleveland, Ohio; fuel and booster pumps, valves, and parts for aircraft and aircraft engines; $2,000.

Todd Seattle Dry Docks, Inc., Seattle, Wash.; repair and reconditioning of vessels; $50,000.

United Engineering Company, Ltd., San Francisco, Calif.; fleet tugs; $480,000.

Union Twist Drill Co., Athol, Mass.; taps, dies, drills, etc.; $102,000.

V & F Press Co., Inc., Hudson, N. Y.; sheet metal work presses; $64,000.

Vulcan Crucible Steel Co., Aliquippa, Pa.; high speed tool and special alloy steels; $74,000.

Warner Electric Brake Manufacturing Co., Winnebago County, Ill.; electric brakes and controllers; $25,000.

Watson-Flagg Machine Co., Paterson, N. J.; precision gears, gear motors, and hydraulic motor Corporation; $190,000.

Western Gear Works, Seattle, Wash.; holsters, gear cases, and various small parts; $28,000.

Williamette Hyster Co., Portland, Ore.; towing and hoisting winches; $75,000.
$292,901,020 War Department contracts cleared August 28 through September 3

Defense contracts totaling $292,901,020 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period August 28 through September 3. This compares with a total of $194,432,502 for the previous week.

Contracts for construction amounted to $734,466,913; for contracts to ordnance to $30,739,990; contracts for aircraft to $184,150,490, and contracts for equipment and supplies to $4,563,827.

A compilation of contract announcements for the week follows:

**CONSTRUCTION**

C. R. W. Briggs & Co. and Hill and Combs of San Antonio, Tex.; construction of an advanced single engine flying school at Mission, Tex.; $8,000,618.
The Austin Co., Cleveland, Ohio; construction of Port of Embarkation, Seattle, Wash.; $1,537,935.

Basic Magnesium, Inc.; establishment of plant facilities near Gabbs, Mead, and Las Vegas, Nev., for production of magnesium; $63,168,795. (Defense Plant Corporation agreement of lease.)

Mansco Manufacturing Co.; additional plant facilities and necessary machinery and equipment for manufacture of landing gear struts at or near Burbank, Calif.; $1,839,958. (Defense Plant Corporation agreement of lease.)

North American Aviation, Inc., of Texas; additional plant facilities at Dallas, Tex., for manufacture of airplanes; $3,134,975. (Defense Plant Corporation agreement of lease.)

Ford J. Twitty Co., Los Angeles, Calif.; construction of engine test building, McClellan Field, Sacramento, Calif.; $829,244.

**AIRCRAFT**
Jack and Heinta, Inc., Cleveland, Ohio; starter assemblies; $3,392,893.

Douglas Aircraft Co., Santa Monica, Calif.; airplanes and spares; $1,796,316,690.

**ORDNANCE**

Equitable Equipment Co., Inc., New Orleans, La.; steel tugs; $518,000.

Gibbs Underwear Co., Philadelphia, Pa.; 500,000 prs. wool drawers; $607,000.

Boyt Harness Co., Des Moines, Iowa; 125,000 haversacks; $28,730.

Willys-Overland Motors, Inc., Toledo, Ohio; 4-ton trucks; $1,04,717.

**SUBCONTRACT**
M. W. Kellogg Co., New York City; design, construction, and equipping of anhydrous ammonia plant at Stirlington, La. (Commercial Solvents Corporation of New York City has contract as previously announced and will operate plant.)

**Work begun on simplifying standards**

Work on emergency standards to be used as a basis for simplification of domestic refrigerators has been started by a committee of the American Standards Association meeting with the Consumer Division, Office of Price Administration, OPA announced September 7.

The purpose was to work out methods to conserve strategic materials needed in defense, and to reduce overhead and labor costs by eliminating unnecessary accessories and by cutting down on the number of models produced. The meeting, held September 5, was conducted by W. M. Timmerman, of the General Electric Co.

Attending were representatives of the six largest refrigerator manufacturing companies, as well as the Office of Price Administration, the Office of Production Management, and other Government agencies interested in standards. Suggestions presented at the meeting will be developed at further meetings into a standard known as the "Emergency American Standard" for eventual publication.

**Other consumer goods to be simplified**

This work was instituted by the American Standards Association at the request of Harriet Elliott, Associate Administrator, Office of Price Administration, in charge of the Consumer Division. Miss Elliott has also requested the American Standards Association to establish specifications for simplification of other consumer goods, including washing machines, electric hand irons, and finished sheets, so as to establish standard definitions of "clothes and denims.

**Rail for re-laying to be under products schedule**

Railroad rail that is sold for re-laying purposes is being taken out of the iron and steel scrap price schedule and transferred to the iron and steel products schedule, according to an announcement made September 6 by the Office of Price Administration.

An amendment to the iron and steel products schedule will establish maximum prices for railroad to be re-laid for further transportation use.

The scrap schedule had allowed a charge of $5 dollars a ton above the re-rolling rail ceiling prices in the case of rail of re-laying quality. By an amendment this provision is deleted and a paragraph is substituted defining "rail for re-rolling" as any rail sold for re-rolling purposes, whether or not such rail is of re-laying quality. Thus, the prices of any rail sold to be used for re-rolling must not exceed the maximum prices for re-rolling rail as set forth in the scrap schedule.

It is not desirable that rail of re-laying quality be used for re-rolling purposes. Both re-rolling rail and re-laying rail are in great demand under the defense program.

**James S. Adams resigns as chief of Automotive Branch**

James S. Adams has resigned as chief of the Automotive Branch of OPM, due to the illness of his business associate, E. H. Little, president of the Colgate-Palmolive-Peet Co., but he will remain on the staff of OPM as a consultant subject to call.

Announcing this September 5, William S. Knudsen, Director General, OPM, Sidney Hillman, Associate Director General; and Leon Henderson, Director of the Division of Civilian Supply, issued this statement:

"We regret that Mr. Adams finds it necessary to leave the position of chief of the Automotive Branch of OPM. He has made a splendid contribution toward solving the difficult problem of curtailing passenger-car production and shifting more of the industry's resources to defense production, while holding labor dislocations in this field to a minimum."

"It is a matter of much satisfaction to us that Mr. Adams has agreed to continue on the staff of OPM as a consultant subject to call."
MEDIATION BOARD...

54,571 returned to work or postponed strikes in cases before Board in August

The National Defense Mediation Board announced this week that during the month of August men had either returned to work or postponed threatened strikes in 15 cases before the Board, involving a total of 54,571 workers.

Cases handled in August

Of these 15 cases, strikes were in progress in 6, involving 11,278 men, when the cases were certified to the Board. In each of these 6 cases, men returned to work at the Board’s request before hearings were held on the issues in dispute. In 4 cases, involving 21,925 men, threatened strikes were postponed at the Board’s request. In 2 cases, a total of 1,143 men went on strike while the Board was considering recommendations. Both strikes were ended—in one case at the request of the Board; in the second, following a complete agreement between the parties. In two cases, a total of 17,225 men went on strike after the employer in each case had rejected a Board recommendation for settling the dispute. One of these strikes was ended when the employer agreed to accept the bulk of the recommendations, leaving the rest open for further discussion; the other, when the Navy Department took over possession and operation of the plant under a Presidential Executive order. In the fifteenth case, 9,000 a day men returned to work at the request of the Board after hearings had begun but before any final settlement had been reached.

Cases certified in August

A total of 14 new cases, involving 36,178 workers, were certified to the Board during August. Of these, 4 were threatened strikes, involving 21,600 men, which were postponed at the request of the Board. In the 10 remaining cases, involving 17,678 men, work stoppages had occurred before certification. Of these 10, a total of 14,278 men, involved in 7 cases, returned to work at the Board’s request, and 3, involving 3,400 men, were pending by the close of the month. Of these 3, one was a walk-out involving 1,000 men: in a second case, involving 600 men, the union had accepted a Board return-to-work formula and was awaiting acceptance by the company before returning to work; and 1,600 men were still on strike at the end of the month in the third case.

The Board last week (September 1-7) announced agreements in two cases; announced that findings of fact would be made within a week in a third case; and received certification of four new cases.

United States Gypsum Co.  
On September 3 the Board appointed Owen D. Young as special representative to investi-
September 10 after drafting tentative supply Branch of OPM's Labor Division, suggestions for consideration. at the Detroit-Leland Hotel. He re-called by Associate Director General Hill-conference of labor and Industry leaders, mulated in Detroit September 4 at a Joint presided over the meeting, which was held reported that the conferences were har-monious and progress was made.

**Labor ...**

Silk labor committee makes recommendations as 25,000 are reported displaced from jobs

OPM Associate Director General Hill-man announced September 6 that the OPM silk labor committee had unanimously adopted six recommendations designed to alleviate the effects of priority unemployment among the silk industry's 175,000 employees.

Labor leaders attending the meeting declared that the committee's proposals, together with application of the "Buffalo Plan" as developed by the OPM Labor Division, will greatly cushion the effects of priority unemployment and shorten the period of joblessness. A program of training, retraining, and placement of displaced workers has been successfully applied to several other industries by the OPM Labor Division, and the silk leaders believe that similar efforts may be equally effective in the silk industry.

25,000 unemployed

The union representatives expressed gratification on learning that Labor Division officials have already made investigations of the priority unemployment situation in Paterson, the Scranton Wilkes-Barre area, and the North Carolina area. The Labor Division has already set tentative dates for the holding of conferences which will study the application of the "Buffalo Plan" to these areas, the union leaders were informed.

Temporarily unemployment caused by stoppage of silk imports and the difficulty of obtaining substitute yarns has already reached 25,000 workers, 14 percent of the industry's total labor force, the committee was told by the Bureau of Labor Statistics.

Recommendations

The committee's recommendations were:

- That the Government should allocate all synthetic yarns set aside by priority orders to former silk processors if a free and fair flow of rayon does not develop.
- That the 1 1/2 percent of rayon now held by the Government should be distributed immediately to former silk processors now in distress.
- That OPM-sponsored conferences for the training, retraining, and placement of displaced textile workers should be held immediately in Paterson, Wilkes-Barre, Scranton, Reading, Charlotte, and Burlington.

That these conferences should be a part of a national program in placing workers displaced as the result of priorities and shortages.

That Lessing Rosenwald, chief of the OPM's silk commodity section, call a meeting of the rayon industry committee at the earliest possible moment.

That Mr. Rosenwald request every rayon producer to send a monthly report to his office on the distribution of rayon and acetate by weight and denier to each former silk processor.

**Labor-industry conferences plan**

**Orderly transfer of auto workers**

Plans for orderly transfer of automobile workers into defense industries were formulated in Detroit September 4 at a joint conference of labor and industry leaders, called by Associate Director General Hillman, OPM. The meeting recessed until September 10 after drafting tentative suggestions for consideration.

Arthur H. Flemming, chief of the Labor Supply Branch of OPM's Labor Division, presided over the meeting, which was held at the Detroit-Leland Hotel. He reported that the conferences were harmonious and progress was made.

Labor, management, and Government officials conferred together from 9:30 a.m. through 7 p.m. on the problems of displacement which are expected to result from the cut in passenger-car production and the increased production of defense items.

The United Automobile Workers, CIO, through its international union headquarters in Detroit, has been cooperating with the Labor Division in planning for registration, reemployment, and retraining, if necessary, of the many automobile workers who are expected to be shifted from the passenger-car production to defense jobs. A national union committee and local committees are being set up.

**Paper industry future bright, labor committees told**

OPM Associate Director General Sidney Hillman announced September 4 that a joint meeting of three labor advisory committees for the paper and pulp, printing and publishing industries received reports that employment in all sections of the industry has greatly increased during the past year, and is expected to advance even further during 1942.

Neither labor dislocation nor lack of materials will constitute a serious obstacle to expanded production of paper and pulp products anticipated for the future, the meeting was told. Priorities will not have an adverse effect on the industry. On the contrary, it was said, priorities may stimulate the appearance of many more products in paper and cardboard containers after the national emergency has passed.

165,000 employed

Added to the picture of the industry's favorable future was an agreement among the trade union representatives that labor-management harmony and cooperation are at a high level and that no disputes are foreseen in any section of the industry.

The meeting was told that an estimated 165,000 workers are currently employed in the pulp and primary paper mills, compared to 130,000 last year. Both pay rolls and employment figures have risen in recent months.

The meeting adopted unanimously a resolution recommending that (1) replacement parts, equipment and materials be given priority rating to insure their prompt availability for the operating needs of the industry; and (2) industry-wide surveys be made at once of the material, equipment and maintenance needs of each industry in order to provide a co-ordinated program for servicing the requirements of each industry.

**Mats of Charts**

One-column mats of the pictorial statistics appearing each week on the cover of Defense are available to newspapers and other publications on request to the Distribution Section, Information Division, Office for Emergency Management, Washington, D.C.
HOUSING...

Way cleared to extend credit for repair and remodeling of homes in defense areas

Copies of forms and procedures which will clear the way for the extension of credit for the repair and remodeling of homes in defense areas were distributed September 5 to all Federal Reserve Banks and Branches by the Division of Defense Housing Coordination.

The forms and procedures will implement exceptions to Federal Reserve consumer credit regulations as contained in Section 6 (e) (2). This provides that the limitations on installment credit, even when not excepted under other provisions, shall not apply when the proceeds are to be used to finance the remodeling or rehabilitation of any dwelling which the Defense Housing Coordinator shall designate as being for "defense housing" as defined by the Coordinator.

Must conform to requirements

In announcing the procedures making this section operative, Charles F. Palmer, Coordinator of Defense Housing, pointed out that no application for an exception under the credit regulations would be granted unless it involved the remodeling or rehabilitation of a dwelling—

(a) located in an area where an acute housing shortage exists or impends by reason of national defense activity;
(b) suitable in location, rent, or price, for persons engaged in national defense activities in the area;
(c) reasonable preference in occupancy in which will be given to defense workers; and
(d) the number of habitable dwelling units in which will be increased thereby.

Application for an exception

Any person proposing remodeling or rehabilitation conformed to the above requirements, Mr. Palmer said, could, if unable to undertake such work without an exception, make application to the coordinator by completing a form entitled "Application for Designation of Remodeling or Rehabilitation as Defense Housing for Exception under Regulation W." This form is now available at any Federal Reserve Bank or branch.

Determination of priorities aid

In order that the coordinator may determine whether or not the applicant for credit will require priorities aid to secure materials with the proceeds of his loan, there has also been provided a separate form entitled "Information Regarding Material and Equipment Entering into Defense Housing Remodeling and Rehabilitation." This form should be completed and submitted along with the application for designation unless the applicant is certain no priorities aid is necessary, in which case the application or designation should so indicate.

1,549 defense homes completed,
2,250 put under contract in week

More than 1,560 homes for defense workers and enlisted personnel were completed, 2,250 placed under construction contract, and 5,015 started under FHA inspection by private industry the week ending August 30, Charles F. Palmer, Coordinator of Defense Housing, announced.

Among the 1,549 homes completed with public funds, 216 are located at San Diego, Calif.; 100 at Ellwood City, Pa., and 140 at Langley Field, Va. These homes were built by the Public Buildings Administration for civilian and enlisted personnel. The United States Housing Authority reported 200 homes for enlisted personnel completed at Miami, Fla.

The Philadelphia area received the largest number of construction contracts for the week with 1,400 homes for civilian workers. The United States Housing Authority awarded the contracts. Among other awards were 400 homes for civilian workers at Bridgeport, Conn., to be built by the Federal Works Agency, and 250 homes in the Washington, D. C., area, for civilian workers, to be constructed by the United States Housing Authority.

Under the temporary shelter program, 500 dormitory units were placed under construction contract in Ravenna-Warren, Ohio, for civilian workers. Also placed under contract were 200 trailers for civilian workers employed at the navy yard in Vallejo, Calif. The Farm Security Administration awarded the contracts.

As of August 30, over 111,500 homes had been allocated for civilian and enlisted personnel. Of this number 81,935 have been put under construction contract and 32,432 completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, AUGUST 30, 1941

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</tr>
<tr>
<td>Number of family dwelling units (total)</td>
<td>111,945</td>
<td>111,945</td>
<td>111,945</td>
</tr>
<tr>
<td>Number of family dwelling units (regular)</td>
<td>83,535</td>
<td>83,535</td>
<td>83,535</td>
</tr>
<tr>
<td>Number of family dwelling units (trailers)</td>
<td>26,470</td>
<td>26,470</td>
<td>26,470</td>
</tr>
<tr>
<td>Number of family dwelling units (cramps)</td>
<td>1,940</td>
<td>1,940</td>
<td>1,940</td>
</tr>
<tr>
<td>Civilian industrial workers in private defense industry</td>
<td>8,610</td>
<td>8,610</td>
<td>8,610</td>
</tr>
<tr>
<td>Civilian industrial workers in government projects</td>
<td>8,700</td>
<td>8,700</td>
<td>8,700</td>
</tr>
<tr>
<td>Other civilians, employed by the Army and Navy</td>
<td>8,940</td>
<td>8,940</td>
<td>8,940</td>
</tr>
<tr>
<td>Married enlisted personnel</td>
<td>8,795</td>
<td>8,795</td>
<td>8,795</td>
</tr>
<tr>
<td>Number of family dwelling units (trailers)</td>
<td>1,884</td>
<td>1,884</td>
<td>1,884</td>
</tr>
<tr>
<td>Number of family dwelling units (cramps)</td>
<td>6,534</td>
<td>6,534</td>
<td>6,534</td>
</tr>
<tr>
<td>Number of units for single persons</td>
<td>11,675</td>
<td>11,675</td>
<td>11,675</td>
</tr>
</tbody>
</table>

NEW HOMES STARTED UNDER FHA INSPECTION

January 1, 1941, through August 30, 1941. 147,761
Week ended August 30, 1941. 4,018
HEALTH AND WELFARE . . .
President creates Defense Health, Welfare Office, under McNutt as director

President Roosevelt on September 3 created within the Office for Emergency Management the Office of Defense Health and Welfare Services, and specified that the Federal Security Administrator (Paul V. McNutt, who was coordinator of Health, Welfare, Nutrition, Recreation, and Related Defense Activities) serve as director. 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 Emergency Management of the Executive Office of the President with respect to the national emergency as declared by the President on May 27, 1941, for the purpose of assuring adequate health and welfare services in connection with the national defense program, it is hereby ordered:

1. The term “health and welfare services” as used in this Order means all health, welfare, medical, nutrition, recreation, and related services including those aspects of education under the jurisdiction of the Federal Security Agency.

2. There is established within the Office for Emergency Management of the Executive Office of the President the Office of Defense Health and Welfare Services, at the head of which the Federal Security Administrator shall serve as Director. The Director shall discharge and perform his responsibilities and duties under the direction and supervision of the President. The Director shall receive no salary or other remuneration as such, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

Serves as coordinating center

3. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office shall:

a. Serve as the center for the coordination of health and welfare services made available by the departments and agencies of the Federal Government, and other agencies public and private, to meet the needs of State and local communities arising from the defense program; and take necessary steps to secure the cooperation of the appropriate Federal departments and agencies relative thereto.

b. Make available to States and localities, upon request, the services of specialists in health and welfare activities to assist in the planning and execution of such local and State programs.

Provisions for the emergency

c. Study, plan, and encourage measures designed to assure the provision of adequate health and welfare services to the citizens of the Nation during the period of the emergency, and coordinate studies and surveys made by Federal departments and agencies with respect to these fields.

d. Keep the President informed with respect to progress made in carrying out this Order; and perform such related duties as the President may from time to time assign or delegate to it.

4. The Director may provide for the internal organization and management of the Office of Defense Health and Welfare Services. He shall have the President’s approval for the establishment of the principal subdivisions of the Office and the appointment of the heads thereof.

To cooperate with OCD and others

5. In the study of problems and in the discharge of his responsibilities it shall be the policy of the Office of Defense Health and Welfare Services to collaborate with and to utilize, in so far as practicable, the facilities and services of existing departments and agencies which perform related functions. Furthermore, it shall be the policy of the Office of Defense Health and Welfare Services in carrying out its functions and duties to work with and through the State and local welfare councils and other appropriate State and local agencies, and in this connection to cooperate and work in conjunction with the Office of Civilian Defense in its relationships with State and local groups.

Advisory committee on defense aspects

6. There shall be in the Office of Defense Health and Welfare Services a Health and Medical Committee to consist of a Chairman to be appointed by the President, the Surgeon General of the Army, the Surgeon General of the Navy, the Surgeon General of the United States Public Health Service, the Chairman of the Committee on Medical Research of the Office of Scientific Research and Development, and such others as the President may from time to time determine. The Committee shall advise the Director regarding the health and medical aspects of national defense exclusive of medical research and assist in the coordination of health and medical activities affecting national defense. The members of the Committee shall serve without compensation but shall be entitled to actual and necessary transportation, subsistence and other expenses incidental to the performance of their duties.

7. The Director is authorized to appoint such advisory committees and subcommittees, with respect to particular aspects of health, welfare, nutrition, recreation, and related activities as he may find necessary or desirable to assist him in the performance of his duties. Such advisory committees may include representatives from Federal departments and agencies, State and local government, private organizations and the public at large. The members of advisory committees shall serve without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

8. Within the limits of such funds as may be appropriated or allocated to the Office of Defense Health and Welfare Services by the President, the Director may employ necessary personnel and make provision for the necessary supplies, facilities and services through the Federal Security Agency. The Office of Defense Health and Welfare Services may use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available through the Office for Emergency Management.

Lonely outpost duty spurs ingenuity in recreation

Some of America’s outposts are deficient in community recreation facilities. But records in the files of Federal Security Administrator Paul V. McNutt, who is Director of Defense Health and Welfare Services, indicate that, with ingenuity and imagination, solutions can be found.

Boa-constrictor hunting is popular in British Guiana. Construction crews have organized an American Club and the largest boa reported was 14 feet long.

In Trinidad, homesick New Yorkers employed on naval base construction go walking on Asphalt Lake, one of the purest deposits of solid asphalt in the world.

The Bermuda Government has bought the Hotel Hamilton and turned it into a recreation center for service men. A volunteer citizens’ committee runs it. Beer is served but the free cocktail parties for arriving guests are no more. So are the $25 a day rates.

At the Army camp near Unalaska two skeletons are found in the barracks. They were dug by soldiers from a nearby prehistoric archeological stratum. One is reported to have two sets of teeth; its owner says they were for double talk.

At Anchorage, troops pan gold from the sands.

Bushnell to direct Inter-American sports

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced August 31 the appointment of Asa S. Bushnell as director of the Sports Section of the Coordinator’s Office.

Mr. Bushnell will direct the interchange of athletic teams and exhibition players among the American nations and cooperate with sports leaders of this country and the other Americas in plans for the Pan American games in Buenos Aires in 1942.

Before joining the Coordinator’s staff, Mr. Bushnell was executive director of the Central Office for Eastern Intercollegiate Athletics.

Mr. Bushnell was assistant treasurer of the American Olympic Committee in 1936 and is now a member of the executive committee of the U. S. Sports Federation, successor to the American Olympic Association.
AGRICULTURE . . .
National farm production goals established to assure those crops vital to defense

A farm production campaign for 1942 providing for a complete mobilization of American agriculture to adjust production to domestic needs for national defense, and to the needs of nations resisting aggression, was announced this week by Secretary of Agriculture Claude R. Wickard.

"For the first time in the history of agriculture in this country," said Secretary Wickard, "production goals for all essential farm commodities have been established. They have been established on the basis of a thorough canvass of the needs for improved nutrition in this country and the needs of the nations that still stand between this country and Hitler.

"Every farmer in the United States will be contacted by local farmer committees under the supervision of USDA Defense Boards and will assist with individual farm plans to determine the extent to which each farm can contribute to agriculture's task in national defense.

To check over-stocked products

"The adjustment machinery of the National Farm Program will be applied to the whole range of agricultural commodities to assure plenty of the commodities for which there is increased need while continuing to hold in check the production of commodities of which we already have large reserves.

"We are not going to repeat the mistakes of the first World War which brought a long series of difficulties for farm people. Through the machinery of the National Farm Program, farmers can produce what we need and avoid the bad after effects of an over-expanded farm plant. The fact that we are asking for greatly increased production of some commodities does not mean that the lid is off production of all commodities. It is just as important to national defense and our future national welfare that we hold production of some commodities in check as that we increase supplies of others.

"The goals for 1942 call for the largest production in the history of American agriculture but we are not going to have to plow up the hills and the plains to get it. We have adequate reserves of feed grains for increased production of livestock products and it will not be necessary materially to increase total crop acreage next year.

FARM GOALS, 1942
(Compared with estimated 1941 production)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Estimated 1941</th>
<th>1942 goal (or expected production)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>116,000,000,000</td>
<td>125,000,000,000</td>
</tr>
<tr>
<td>Eggs</td>
<td>3,675,000,000</td>
<td>4,000,000,000</td>
</tr>
<tr>
<td>Pork, number slaughtered</td>
<td>25,100,000</td>
<td>26,000,000</td>
</tr>
<tr>
<td>Chicken</td>
<td>600,000,000</td>
<td>750,000,000</td>
</tr>
<tr>
<td>Lamb and mutton, number slaughtered</td>
<td>22,400,000</td>
<td>22,900,000</td>
</tr>
<tr>
<td>Corn, acres</td>
<td>87,350,000</td>
<td>775 to 80 million</td>
</tr>
<tr>
<td>Oats, de</td>
<td>26,150,000</td>
<td>About 40,000,000</td>
</tr>
<tr>
<td>Barley, de</td>
<td>14,675,000</td>
<td>144 to 147 million</td>
</tr>
<tr>
<td>Wheat, de</td>
<td>23,510,000</td>
<td>22 to 24 million</td>
</tr>
<tr>
<td>Tobacco</td>
<td>74,710,000</td>
<td>About 762,000</td>
</tr>
<tr>
<td>Flue-cured, acres</td>
<td>363,800</td>
<td>About 328,000</td>
</tr>
<tr>
<td>Potato, acres</td>
<td>294,900</td>
<td>About 247,000</td>
</tr>
<tr>
<td>Peanuts, thousand, acres</td>
<td>1,908,000</td>
<td>6,500,000 for nuts</td>
</tr>
<tr>
<td>Soybeans, beans, acres</td>
<td>6,500,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Sugar</td>
<td>110,000,000</td>
<td>Same as 1941</td>
</tr>
<tr>
<td>Rice, de</td>
<td>8,225,000</td>
<td>No acreage limit expected</td>
</tr>
<tr>
<td>Rice, dry, de</td>
<td>50,000</td>
<td>Same as 1941</td>
</tr>
<tr>
<td>Corn, de</td>
<td>3,675,000</td>
<td>About 3,675,000</td>
</tr>
<tr>
<td>Potatoes, de</td>
<td>2,998,000</td>
<td>About 3,675,000</td>
</tr>
<tr>
<td>Sweet potatoes, acres</td>
<td>843,000</td>
<td>About 850,000</td>
</tr>
<tr>
<td>Wheat, de</td>
<td>2,300,000</td>
<td>About 3,675,000</td>
</tr>
<tr>
<td>Commercial vegetable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh use, acres</td>
<td>4,994,000</td>
<td>1,062,000</td>
</tr>
<tr>
<td>Processed do</td>
<td>1,425,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Tobacco</td>
<td>1,251,000</td>
<td>About 1,251,000</td>
</tr>
<tr>
<td>Garden, number</td>
<td>4,401,000</td>
<td>About 4,700,000</td>
</tr>
<tr>
<td>Citrus fruit, tons</td>
<td>4,300,000</td>
<td>Since fruit production cannot be quickly increased, emphasis will be on better distribution and prevention of waste.</td>
</tr>
<tr>
<td>Fresh use, tons</td>
<td>16,600,000</td>
<td></td>
</tr>
<tr>
<td>Canned, do</td>
<td>35,000,000</td>
<td></td>
</tr>
<tr>
<td>Dried, de</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td>Lamb, do</td>
<td>61,500,000</td>
<td>92,000,000,000</td>
</tr>
<tr>
<td>Hog, number</td>
<td>13,000,000</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Total fresh production for all uses, except that noncommercial souses are not included.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 In addition to peanut acreage allotments.  
2 Total fresh production for all uses, except that noncommercial souses are not included.

"Farm production in general is in good balance but greatly increased supplies of some commodities will be needed. In this emergency I have found it necessary to encourage the expansion of the production of hogs, eggs, evaporated milk, dry skim milk, cheese, and chickens, and accordingly I have today made a formal public announcement that the Department of Agriculture will support prices for these commodities until December 31, 1942, at not less than 85 percent of parity. Increases in the production of other crops in 1942 are also desirable as indicated by the goals. Other proclamations may be issued from time to time if it is found that special encouragement is needed to obtain adequate or desired supplies, or supplies which are considerably in excess of what farmers might otherwise be expected to produce.

Cites Act of Congress

"This public announcement is issued under the recent Congressional authorization contained in the Steagall amendment to the act of July 1, 1941, extending the life of the Commodity Credit Corporation. Under the terms of that act, whenever the Secretary of Agriculture finds it necessary during the existing emergency to encourage the expansion of production of any nonbasic agricultural commodity, the Department is required, within the limit of the funds available, to support a price for the producers at not less than 85 percent of parity."

In general, the production goals reflect suggested or expected production substantially larger than in recent years for livestock products with adequate supplies of feed grains to supplement increased livestock numbers, expanded production of oil-producing crops, and a continuation of about the current level of production or less of cotton, wheat, and tobacco.

115 percent of '24-'29 average wanted

Goals for 1942 provide for a total farm production 15 percent higher than the 1924-29 average. Using 100 as the index of farm production for the 1924-29 period, the average for the 1936-40 period was 105. For 1941 it is estimated to be 113, and for 1942, it is expected to be 115. If 1942 production goals are reached it will be the third successive year of record production. While total production next year would be only about 2 percent greater than this year, much larger increases occur in the vitamin and mineral-
Defense activities of OCD and Red Cross clarified by officials in joint statement

F. H. LaGuardia, director of the Office of Civilian Defense, and Norman H. Davis, chairman of the American National Red Cross, issued the following joint statement September 4 to clarify the responsibilities of the two agencies in civilian defense activities:

**Office of Civilian Defense**

1. The Office of Civilian Defense is the official Government agency "to assure effective coordination of Federal relations with State and local governments engaged in defense activities, to provide for necessary cooperation with State and local government in respect to measures for adequate protection of the civilian population in emergency periods, to enable the American people to participate in the defense program, and to sustain national morale." (See "Local Organization for Civilian Protection" issued by the U. S. Office of Civilian Defense, July 17, 1941.)

2. The American National Red Cross is the responsible agency for relief of suffering caused by disaster both in peacetime and in the national defense emergency, by providing food, clothing, shelter, medical and nursing care and other basic necessities. Therefore, the Red Cross Disaster Relief Service, nationally and in local chapters, will serve in emergency care and rehabilitation of individuals and families suffering from disaster caused by belligerent action during the national defense emergency in cooperation with governmental agencies—national, State, and local.

**Crandle and Hoan to attend Inter-American Congress**

Jacob Crane, Assistant Coordinator of Defense Housing, left September 2 to attend the Second Inter-American Congress of Municipalities in Santiago, Chile, to be held September 15-21. He is attending the conference as a delegate of the American Committee for the Inter-American Congress of Municipalities in Santiago, Chile, and deals with problems of municipalities and measures used in solving such problems.

Mr. Crane goes as a part of a large United States delegation which also includes Daniel W. Hoan of the Office of Civilian Defense.

In rescue work and emergency medical service caused by belligerent action by which the Office of Civilian Defense assumes leadership and responsibility, the Red Cross will make its services available as needed. (See "Disaster Preparedness and Relief—manual for chapters," ARC 209, issued by the American Red Cross.)

3. The Red Cross "acts as a medium of communication between the people of the United States of America and their Army and Navy." Cases of active service and ex-service men and their families should be referred to the Red Cross which is responsible for providing or securing the service and assistance needed. In carrying out these services the Red Cross makes maximum use of other community resources.

4. Training of Office of Civilian Defense workers in first-aid and nurse’s aide service is provided by the Red Cross through its programs of training in first-aid and nurse’s aide courses. The recognized service of the Red Cross in training industrial workers and others in first-aid is drawn upon.

5. The Red Cross, through its chairman as a member of the Civilian Protection Board, has made available all of its services as needed by the Office of Civilian Defense, both national and local.

6. Councils of Defense and Red Cross Chapters in their civilian defense activities should develop their local plans of cooperation in accord with this joint statement of responsibility.

**DCB establishes committee for liaison on priorities**

For the purpose of cooperating with and assisting the Office of Production Management, the Defense communications Board has established a priorities liaison committee. This group will study and report on material and equipment requirements for all types of wire and radio communications, with recommendations as to respective priorities. Such need is great for new and supplementary facilities made necessary by national defense expansion. The new committee will comprise a member each from other DCB committees as follows: telephone, telegraph, cable, radio-communications, domestic broadcasting, international broadcasting, aviation communications, amateur radio, state and municipal facilities.

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CARLOADINGS REACH NEW 1941 PEAK

Revenue freight carloadings during the week ended August 30 totaled 912,720 cars, an increase of 18.7 percent over the 768,775 cars loaded during the corresponding week in 1940. The figure is also an increase of 12,970 cars over the previous week in 1941 and an increase of 4,056 cars over the previous peak week in 1941—the week ended June 28 when a total of 908,664 cars was loaded.

CARLOADINGS—WEEK ENDED AUGUST 30

<table>
<thead>
<tr>
<th>Description</th>
<th>1941</th>
<th>1940</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain and grain products</td>
<td>43,556</td>
<td>27,035</td>
<td>61.6</td>
</tr>
<tr>
<td>Livestock</td>
<td>12,415</td>
<td>10,116</td>
<td>22.8</td>
</tr>
<tr>
<td>Coal</td>
<td>170,338</td>
<td>168,491</td>
<td>1.1</td>
</tr>
<tr>
<td>Coke</td>
<td>14,470</td>
<td>11,581</td>
<td>25.0</td>
</tr>
<tr>
<td>Forest products</td>
<td>47,700</td>
<td>50,637</td>
<td>-5.6</td>
</tr>
<tr>
<td>Meat</td>
<td>129,311</td>
<td>123,600</td>
<td>4.6</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>866,064</td>
<td>803,664</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>612,720</td>
<td>768,775</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Cumulative—(83 weeks)</strong></td>
<td>27,723</td>
<td>25,494</td>
<td>12.2</td>
</tr>
</tbody>
</table>

1 Decrease.

DON'T LET HIM DOWN . . . The poster at the right, showing a machine gunner in the cockpit of a bomber, is the fourth in the Office for Emergency Management's series for defense plants. The artist was Lester Beall, nationally known commercial designer. Two-column mats of the poster are available to newspapers and other interested publications on request to the Distribution Section, Division of Information, OEM, Washington, D. C.

OEM DEFENSE PHOTO

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, Liaison Officer


OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, Administrator.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, Administrator.

CONSUMER DIVISION: In charge of Harriet Elliott, Associate OPA Administrator.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, Chairman; Donald M. Nelson, Executive Director; The Secretary of War, The Secretary of the Navy, William S. Knudsen, Sidney Hillman, Harry Hopkins, Leon Henderson.

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

OFFICE OF PRODUCTION MANAGEMENT: William S. Knudsen, Director General. Sidney Hillman, Associate Director General. Secretary, Herbert Emmerich. General Counsel, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, Director.

PURCHASES DIVISION: Douglas L. MacReacher, Director.

PRIORITIES DIVISION: Donald M. Nelson, Director.

MATERIALS DIVISION: William L. Batt, Director.

CIVILIAN SUPPLY DIVISION: Leon Henderson, Director.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odium, Director.

LABOR DIVISION: Sidney Hillman, Director.

RESEARCH AND STATISTICS BUREAU: Stacy May, Chief.

U.S. GOVERNMENT PRINTING OFFICE 1941