OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C. NOVEMBER 4, 1941 VOLUME 2, NUMBER 44

DEFENSE PROGRESS

MANPOWER
United States Army, Oct. 9—1,586,500
Navy and Marine Corps, Oct. 1—366,629
Nonagricultural workers, Sept.—40,065,000
18 defense industries, Sept.—2,660,500

Percent Increase since June 1940
13.1
8

FINANCE
June 1940 to latest reporting date
Authorized program Oct. 31—83,962
Contract awards Oct. 15—29,962
Total disbursements Sept. 30—10,745

PRODUCTION
Paid on contracts, June 1940—September 30, 1941—$8,464,000,000
Military aircraft, September—1,214
Combat vessels in September—9
Merchant ships, September—11
Week ended October 25
Significant defense strikes in progress during week—11
Number settled—6

INDUSTRIAL EFFICIENCY

AS MEASURED BY OUTPUT PER MAN-HOUR IN MANUFACTURING INDUSTRY

<table>
<thead>
<tr>
<th>120</th>
<th>Jan.-Aug. 1941 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>1937-100</td>
</tr>
<tr>
<td>100</td>
<td></td>
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<tr>
<td>90</td>
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<td>80</td>
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<td>60</td>
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<td>50</td>
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**Review of the Week in Defense**

The Supply Priorities and Allocations Board last week ordered the development of a new system to route vital steel to the places where it will do the most good. With the announcement that priority ratings do not adequately check hoarding or provide a simple means of assuring that the proper types will be produced, SPAB asked the Office of Production Management to work out a plan of allocations.

**Essential industries have first call**

Meanwhile, in the ever-widening effort to give essential industries first call on resources, OPM took three steps affecting civilian life:

A drastic program in the Southeast, restricting the use of electricity to some industrial consumers as much as 30 percent, was ordered effective November 10 unless rains come to replenish the reservoirs which assure power for the region's aluminum industry and other important plants. Immediate discontinuance of such uses as sign lighting was ordered.

Production of washers and ironers for American homes is to be reduced 17.3 percent in a program which, if continued for a year, will release 32,000 tons of steel. The action also frees facilities for defense work, some of which already has been awarded.

**Steel for “ice refrigerators” cut**

Makers of domestic nonmechanical refrigerators were told to cut their consumption of steel by 35 percent, a saving of 8,000 tons a year. The restriction was applied to raw material rather than finished product in this case because “ice refrigerator” plants are equipped to substitute wood for steel in many of their requirements.

All three of these actions were taken through the Priorities Division.

While seeking to cut nonessential use of scarce materials, OPM also continued its work to increase the supply. Steel mills, producing at record speed, were given a preference rating of A-3 for essential repair, maintenance and operating material, and when plants break down a rating of A-1 a is available.

**Further Action taken on metals**

OPM also recommended to the Reconstruction Finance Corporation the building of the Nation's first plant designed throughout to produce electric alloy steel.

Other important action on metals:

- The Office of Price Administration and other Government agencies asked railroads to reduce their rates for iron and steel products on all-rail routes to the Pacific Coast.
- OPA followed up the previous week's priority restriction of copper with a program to stabilize the prices of all products made from that metal.
- The Priorities Division began a Nation-wide scrutiny of steel plants' operation under the priority system.

OPM officials replied to a labor leader's criticism with figures and facts designed to show that both the national aluminum collection and the iron and steel scrap campaign of the Michigan Council of Defense grew out of a pressing need for the exact materials asked.

**New offices created**

In administrative changes, the creation of the Office of Facts and Figures within the Office for Emergency Management was followed by the President's establishment, also within OEM, of the Office of Lend-Lease Administration. E. R. Stettinius, Jr., will remain Lend-Lease Administrator under the new arrangement.

President Roosevelt ordered the Secretary of War to take over and operate the Bendix, N. J., plants of Air Associates, Inc., stating that the company had refused to carry out Mediation Board recommendations and thereby created a danger of complete work stoppage.

**Seek coal mine settlement**

The NDMB prepared to seek a final settlement in the "captive" coal mines which supply steel plants, after United Mine Workers' president John L. Lewis acceded to President Roosevelt's third request and called off a strike.

Priority action was taken to aid the manufacture of airframes, aviation engines and propellers; essential fire-fighting apparatus; cranes and hoisting equipment for defense; and milk cans and tin plate products for the greatly increased dairying program. Priority assistance in getting delivery of repair parts and accessories was extended to all registered and certificated civilian-operated airplanes.

The Priorities Division also placed all chlorinated rubber under rigid control.

**Glycerine placed under ceiling**

OPA placed glycerine, vital to production of high explosives, under a price ceiling; formally reduced maximum allowable prices on aluminum scrap and secondary ingot by 1 to 3 cents a pound; refined its classifications of wastepaper to increase the number of types under price control; and amended its schedule for Douglas fir lumber to conform to trade practices.

OPA announced that because a large rayon yarn producer had adopted new prices near those in effect October 5, an over-all ceiling would not be necessary for the present. OPA told of cooperation from manufacturers of brass sheet, rod and tube in combating inflation; and persuaded four more iron and steel scrap dealers to refund amounts collected in excess of ceiling prices.

Further, OPA revealed that ceilings were in preparation for second-hand railroad rail, steel drums, and bed sheets.

The Office of Civilian Defense continued to make ready for Civilian Defense Week, November 11-18, in which it will seek to impress Americans that the new war is not a war of soldiers alone but of civilians as well.

**MATS OF CHARTS**

Mats of the pictorial statistics appearing weekly on the cover of Defense are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.
OPM to develop steel allocation system for gradual replacement of ratings

The Supply Priorities and Allocations Board announced November 1 that it had requested OPM to develop an allocation system for steel.

Substantial steps in that direction have already been taken in the handling of orders for steel plate, and the system has also been in use for some time in regard to pig iron.

Extension of this policy throughout the industry means that distribution of steel through priorities ratings will gradually be replaced by direct allocations, with emphasis being placed first on those types of steel most in demand for defense purposes.

Several divisions to cooperate

The system will be developed through joint operation by several groups within OPM—principally the Division of Priorities, the Division of Civilian Supply and the Iron and Steel Branch of the Division of Materials. It was emphasized that because of the size and complexity of the task it would take some time and a considerable staff to work out the respective allocations of the numerous varieties of steel products, and details regarding the precise manner in which the plan will be put into effect are still to be worked out.

SPAB's action was taken after Army and Navy officials had pointed out that increasing problems in connection with deliveries of structural steel, nickel steel, high-speed steel, tool steel and steel plate for defense purposes could no longer be solved properly through the priorities system alone.

Ratings don't check hoarding

Primary purpose of the step, of course, is to assure distribution of the available supply where it will do the most good. Operation of the existing priorities system does not provide an adequate check against hoarding and the accumulation of excessive inventories. Furthermore, under priorities there is no simple way by which the armed services and civilian consumers may be assured that the Nation's over-all steel production will be properly fitted to its expanding needs for steel.

History of deficiencies

Defense authorities first encountered difficulties in regard to steel in January of this year, when there developed some delay in the delivery of structural steel for defense plants. Shortly thereafter the situation in regard to steel plate became bad, and shortages were met in nickel steel and in high speed tool steel. In May, shortages of alloy steel caused some delay in aircraft production.

On May 1, OPM issued General Metals Order No. 1, designed to prevent undue increases in inventories and requiring consumers of steel to state whether their inventories were normal. On May 29 was issued the General Steel Preference Delivery Order, which gave first call on steel products to defense and more essential civilian orders.

As the situation continued difficult, on August 10 OPM issued General Order M-21, which put steel in all its forms, including alloy steel, under full priority control. This was followed on September 4 by the extension of priority treatment to steel warehouses, and on September 16 by an amendment to General Order M-21, which provided full priority control for all steel products.

Deficit grows faster than capacity

On October 2, SPAB recommended to OPM an expansion of 10 million tons in the annual ingot-producing capacity of the Nation's steel industry.

This step was taken following an extensive study of the steel situation by OPM. A report on the question of steel expansion was presented to Director General Knudsen by William S. Hauck; SPAB's approval of the 10-million-ton expansion proposal came after Mr. Knudsen had urged that such action be taken.

The Hauck report revealed that the aggregate demand for steel products currently exceeded the ability of the industry to produce steel, and showed that the rate at which this deficit in supply was growing exceeded the rate of construction of new capacity. It showed, further, that steel orders bearing A-1 to A-10 ratings had risen from 45 percent of total production in July to 57 percent of total production in September—which, of course, meant that the amount available for civilian use was steadily decreasing.

Civilian cuts still leave shortage

Studies prepared by the OPM Bureau of Research and Statistics indicated that during 1942 total steel production would be in the neighborhood of 89 million ingot tons. Defense orders for November are being received at a rate of 60 percent of production. It is estimated that if there were no restrictions on supply, civilian orders would call for 86 million tons—a large increase over civilian consumption in recent years, due to the rise in national income incident to the defense program. A schedule of restricted civilian requirements was drawn up, indicating that on a restricted basis the civilian economy would need approximately 58 million tons of steel. Consequently, a shortage of steel even with civilian requirements restricted is indicated.

Steps were taken by OPM to reduce drastically the amount of steel flowing to civilian uses. A cut in automobile production, reducing that industry's requirements for steel by 50 percent for the 1942 model year, was ordered, and reduction programs were set up for mechanical refrigerators and for washing and ironing machines. Simultaneously, SPAB ruled that steel plate could not be used to build a pipe line from the Texas oil area to New York, and laid down a policy sharply limiting building construction to defense and essential civilian uses.

OPA preparing steel drum ceiling below present level

A schedule establishing ceiling prices on used steel drums substantially below present levels is now being prepared by the Office of Price Administration and will be issued shortly, Administrator Henderson announced October 31.

Steel drums are widely used in transportation of petroleum products, chemicals, and food products. New 55-gallon steel drums of standard construction sell for $2.72 each in the East. Recently the demand has been so great that prices of second-hand drums of this type have risen to nearly double the price for the new drum. The schedule will establish a more normal relation between price of the new and used product.
Railroads asked to reduce rates for iron and steel articles to Pacific Coast

The railroads were asked October 31 by the Office of Price Administration and other Government agencies to reduce freight rates, in the interest of national defense and price stability, for iron and steel articles on all-rail routes to the Pacific Coast.

The request was transmitted by G. Lloyd Wilson, director of transportation, OPA, in behalf of a number of Government departments including the Office of Production Management, the Maritime Commission, the Army, the Navy, and the Procurement division of the Treasury. The request was submitted to the Transcontinental Freight Bureau in Chicago. This is an association maintained by the railroads for the consideration of transcontinental freight rates.

For minimum carloads of 80,000 pounds

The rates proposed would be graded downward from $1.15 per 100 pounds from the Atlantic seaboard to 75 cents per 100 pounds from Colorado shipping points to all Pacific Coast ports. They would apply to minimum carload weights of 80,000 pounds.

Present rates range from $1.43 per 100 pounds from Atlantic seaboard points to 85 cents per 100 pounds from Colorado with minimum carload weights of 40,000 pounds and 60,000 pounds, depending on the product. It was proposed to the railroads that the suggested rates and the existing rates be used alternatively, depending upon the minimum weight of the shipment per car.

Following table shows present and proposed all-rail freight rates on iron and steel shipments from the key producing points shown to the Pacific Coast:

<table>
<thead>
<tr>
<th>From</th>
<th>Present</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore, Md.</td>
<td>$1.43</td>
<td>$1.15</td>
</tr>
<tr>
<td>Pittsburgh, Pa.</td>
<td>1.27</td>
<td>1.00</td>
</tr>
<tr>
<td>Scranton, Mich.</td>
<td>1.19</td>
<td>1.00</td>
</tr>
<tr>
<td>Chicago, Ill.</td>
<td>1.10</td>
<td>1.00</td>
</tr>
<tr>
<td>St. Louis, Mo.</td>
<td>1.05</td>
<td>1.00</td>
</tr>
<tr>
<td>Kansas City, Mo.</td>
<td>0.99</td>
<td>0.90</td>
</tr>
<tr>
<td>Duluth, Minn.</td>
<td>0.85</td>
<td>0.75</td>
</tr>
</tbody>
</table>

Ordinarily shipments of iron and steel to the Pacific Coast from eastern mills located near Atlantic ports are made via intercoastal steamships operating through the Panama Canal. Iron and steel prices on the Pacific Coast have been developed on the basis of the relatively low rates charged by the steamship companies.

Because of the emergency, however, many of the steamships operating in the intercoastal trade have been placed in foreign service and shippers of iron and steel products have been forced to use all-rail service almost exclusively.

The higher all-rail freight charges have increased the cost of transporting the unusually large quantities of steel now needed for shipbuilding and other defense needs on the Pacific Coast and have disrupted commercial markets for iron and steel products in that area.

**Railroads can increase revenues**

The proposal as submitted will actually enable the railroads to increase their minimum car-mile revenues on transcontinental iron and steel traffic because of the higher minimum carload weights on which the proposed rates would apply.

**Airframe, engine, propeller ratings extended to end of '41**

Manufacturers of airframes, and aviation engines and propellers, who have been operating with the assistance of preference rating orders P-3 and P-4 will continue to receive the same aid during November and December, it was announced October 27.

The two orders, assigning preference rating A-1-c to engine and propeller manufacturers, and A-1-d to airframe makers, were issued on April 26, 1941. They were extended for the month of October and now have been reextended until the end of the year, so that there may be no lapse in aircraft production while a new type of order for the industry is being studied by OPM experts.

**November zinc pool equal to 31 percent of August output**

November zinc pool requirements were announced October 29 by the Priorities Division.

Producers of metallic zinc are directed to set aside an amount equal to 31 percent of their August 1941 production. Zinc oxide pool requirements call for an amount equal to 10 percent of the August 1941 production. No zinc dust need be set aside in November.

Knudsen recommends plant designed throughout to produce electric alloy steel

Construction of the first plant in the country specifically designed for the production of electric alloy steel was recommended to the RFC October 28 by Director General Knudsen, OPM.

The proposed plant, to be located at South Chicago, will be operated by the Republic Steel Co., according to a report by W. A. Hauck, steel consultant, upon which the recommendation was based.

It will have a capacity of 504,000 tons of alloy steel ingots annually, producing 317,600 tons of parts for aircraft and ordnance use.

The proposed plant is unusual, according to the report, in that it is the first in the country in which every unit from ore to finished product will be designed to produce electric furnace alloy steel.

Among the advantages listed are the facts that ample power already is available and a trained operating and supervisory force is at hand. It is estimated first units of the plant can be in operation in 8 or 9 months and the entire plant going in about 15 months.

First step in the proposed operation is the development of a coal mine at Elkhorn, Ky., to produce coking coal for the plant.

**Priorities compliance section surveys steel industry**

A Nation-wide survey of the iron and steel industry and its operations under the priorities system is being undertaken immediately by the Division of Priorities.

The survey will be made under the immediate supervision of the compliance and field service section.

The inspection will be the second survey by the compliance section. Field work for the aluminum industry survey has just been completed by wage-hour inspectors. Examiners of the Federal Trade Commission have been borrowed to gather factual data in the steel survey.

It was emphasized that the survey is being made for the purpose of gathering basic information. The examiners will report factually how iron and steel companies are operating under priority regulations, and will not attempt to interpret orders or to give advice about procedures. If errors in procedure or difficulties in following regulations are encountered, these matters will be handled by the Priorities Division.
PRIORITIES...

Domestic washer and ironer production cut 17.3 percent to save scarce materials

A curtailment in production of domestic washers and ironers from August 1 through December 31, 1941, by 17.3 percent below average monthly factory sales in the 12 months ended June 30, 1941, was ordered October 29 by Priorities Division for a year, will reduce steel consumption of other scarce materials and consumption by approximately 32,000 tons. It will effect substantial savings in consumption of other scarce materials and release facilities for defense work. In addition to steel, the industry consumes copper, brass, iron, zinc, rubber, chromium, nickel, aluminum, tin, and bronze.

Will more than cover replacements

The estimated demand for washers and ironers to replace those wearing out during the coming year is 760,000 units. Expected production will cover this by a wide margin and still leave a substantial number of units for new installations. The industry normally produces approximately 11 percent as many ironers as it does washers.

In an accompanying letter, the Division of Civilian Supply requested manufacturers to carry out to the fullest extent possible the following two-point program:

1. Make every effort to limit critical materials normally used through the adoption of conservation measures, such as substitution of less critical materials, redesign and respecification.
2. Reduce the number of models made and concentrate on the production of those models which make the most economical use of steel and other critical materials.

Some defense work already awarded

Thirty-four plants employing approximately 13,000 workers are affected by the order. Among the larger producing centers are Newton, Iowa, Ripon, Wisconsin, Peoria, Illinois, Bloomington, Ill., St. Joseph, Mich., Bridgeport, Conn., Cleveland, Ohio, South Bend, Ind., Syracuse, N.Y., and Chicago.

The entire industry was certified to the War Department October 10 by the Contract Distribution Division of OPM for special treatment in obtaining defense orders. OPM found that the industry is capable of producing 17 different defense items ranging from antiaircraft machine-gun mounts to bomb fin assemblies. The War Department already has awarded the industry a $12,900,000 contract for gun mounts, which is expected to alleviate unemployment.

Large companies cut more

Under the limitation program, average monthly quotas for the industry will total 164,410 units for the period from August 1 through December 31, a decline of 17.3 percent below average monthly factory sales of 198,856 units in the 12 months ended June 30, 1941. However, the output in the 5-month period will be only 9 percent below output in the corresponding period of 1940.

Size of companies in the industry varies. It is believed that the larger companies are better able to withstand a reduction in output than are the smaller companies. Therefore, the extent of the reductions is graduated. Four different classifications and the percentage reductions to be applied to each group in the current 5 months are as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Monthly average sales 12 months ended June 30, 1941</th>
<th>Average reduction (percent) in current 5 months below average monthly sales in 12 months ended June 30, 1941</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>12,000 units up to 2,000 units</td>
<td>20%</td>
</tr>
<tr>
<td>Class B</td>
<td>2,000 to 12,000 units</td>
<td>16%</td>
</tr>
<tr>
<td>Class C</td>
<td>1,200 to 5,000 units</td>
<td>12%</td>
</tr>
<tr>
<td>Class D</td>
<td>0 to 1,200 units</td>
<td>None</td>
</tr>
</tbody>
</table>

In order to avoid possible inequities, provision is also made that a class A manufacturer may, instead of adopting the 20 percent reduction, produce not more than 50,000 units during the 5-month period, whichever will give him the greater output. Likewise, class B manufacturers may choose the 16 percent reduction or a ceiling of 22,000 units, and class C manufacturers may choose the 12 percent reduction or a maximum output of 6,000 units, whichever is greater.

Program discussed with manufacturers

The Division of Civilian Supply, in preparing the program, first held an industry-wide meeting to give manufacturers an opportunity to discuss their problems and to make known to them that material shortages would force a reduction in output. A tentative curtailment program was discussed later with a panel of representative domestic laundry equipment manufacturers. This program was subsequently modified in the light of criticisms received. Thereafter, the program was discussed with representatives of a number of labor unions concerned.

Both management and labor representatives were told that the program would merely establish production maximums, and that there was no guarantee that there will be sufficient materials available to reach these maximums.

In this program, as in all others affecting civilian supply, the Government is attempting to distribute materials and products available for civilian consumption on an equitable basis, so that businesses large and small can be given some assurance on what to expect in conducting future operations.

Chlorinated rubber put under rigid priority control

All stocks and sales of chlorinated rubber were placed under rigid priority control in General Preference Order M-46, issued October 29 by Priorities Director Nelson.

The order states that "control of the supply and direction of the distribution of chlorinated rubber is hereby taken by the Director of Priorities and all future transactions of any kind in chlorinated rubber are regulated and covered by the provisions and definitions contained in Priorities Division Regulation No. 1, issued by the Director of Priorities on August 27, 1941, except as otherwise specifically provided herein."

Producers of chlorinated rubber are directed to make deliveries only as ordered by the Director of Priorities, and the term "producer," defined in the order, includes all who have the rubber processed for them under toll agreement, or who have purchased it for resale, in addition to those engaged in its primary production.

Chlorinated rubber is produced by the Hercules Powder Company and the Firestone Tire and Rubber Company, and is usually ordered by the trade names of Parlon and Raflon. A temporary allocation of the Hercules Powder Company’s October production, set up by a letter from the Director of Priorities, dated October 13, 1941, is not affected by the new order.
Drastic cut in power use ordered unless rains relieve South's vital plants

A drastic power conservation program designed to assure full and uninterrupted operation of defense plants in the Southeast despite a serious power shortage was announced October 30 by the Office of Production Management.

A few essential services exempt

The program calls for:

1. Curtailment of power by large commercial and industrial users in seven States. This becomes effective November 10, unless heavy rains between now and then should end the shortage. Vital defense industries and a few others providing essential civilian services are exempt.

2. Immediate discontinuance of the use of power for such nonessential services as sign lighting, show-window lighting, and flood lighting of athletic fields.

3. Immediate mandatory pooling of power by interconnected systems of 40 publicly and privately owned companies in 13 States. This pooling or integration of power will make available the maximum amount of power to the area.

4. Rapidly mounting power needs caused by new and expanding defense industries and prolonged drought conditions created the shortage. Water stored in reservoirs for the generation of hydroelectric power has already been drawn down to a point where further withdrawals might lead to a disastrous shortage in capacity.

Priorities orders issued

A general limitation order putting this program into effect was issued October 30 by Donald Nelson, Director of Priorities.

Under the order, a consumer may use up to 10,000 kilowatt-hours of power a month, at a rate of not over 2,500 kilowatt-hours per week without being curtailed. That means that the residential and small commercial consumer will not ordinarily be affected by the mandatory order, except that he may not use any power for the prohibited services. However, a vigorous campaign will be conducted to obtain the cooperation of small consumers in a power conservation program.

The curtailment order will apply to every nonexempt consumer who used more than 10,000 kilowatt-hours of electricity during the month for which his meter was read between September 15 and October 14 inclusive.

A 30-percent reduction will apply to such consumers in Alabama, Georgia, Tennessee, eastern Mississippi, northwest Florida, and southeastern South Carolina including Charleston.

This 30-percent order applies to the Alabama Power Co., Georgia Power Co., Gulf Power Co. (Florida), Mississippi Power Co., South Carolina Power Co., Tennessee Valley Authority, Alabama Water Service Co., Birmingham Electric, Aluminum Co. of America (Tennessee Division), Carolina Aluminum Co., (Western Division), Crisp Power Co., Georgia, Riviera Utilities, and Nantahala Power Co. (North Carolina). It also applies to a long list of smaller electric systems of municipalities, cooperatives, and Rural Electric companies that buy power at wholesale from any of the companies just named. Among the larger cities in this area are: Memphis, Birmingham, Nashville, Knoxville, Chattanooga, Huntsville, and Charleston.

Small reduction in Carolina

A 5-percent reduction is ordered in North Carolina and most of South Carolina. This smaller curtailment is all that is required to take care of defense needs in the Carolinas and to load to capacity the lines into the critical shortage area.

This 5-percent reduction applies to the Carolina Aluminum Co., (Eastern Division), Carolina Power & Light Co., Duke Power Co., Lexington Water Power Co., Lockhart Power Co., J. B. McCrack Co., South Carolina Electric & Gas Co., Tide Water Power Co., and to other companies that buy power from any of the companies just named. Among the larger cities included in this area are: Charlotte, Gastonia, Raleigh, Greenboro, Winston-Salem, Asheville, Durham, and Highpoint, all in North Carolina, and Greenville, Columbus, and Spartanburg, in South Carolina.

On the basis of present estimates from the larger utilities in the area, the 30 percent reduction will affect 2,273 customers served by the following companies: Alabama Power and Birmingham Electric Co., 477 customers in Alabama; Mississippi Power Co., 69 customers in northwest Florida; Georgia Power Co., 503 customers in Georgia; Tennessee Valley Authority, 1,555 customers in Tennessee, Alabama, and Mississippi; South Carolina Power Co., 62 customers in southeastern South Carolina.

Present estimates from the larger utilities in the Carolinas indicates that the 5-percent reduction will affect 1,212 customers served by the following companies: Duke Power Co., 858 customers in North Carolina; Carolina Power & Light Co., 333 customers in North Carolina; South Carolina Gas & Electric Co., 49 customers in South Carolina.

Essential operations exempted

Exemptions from the curtailment order are provided for operations found by the Director of Priorities to be essential to national defense or to essential civilian services. Any consumer who thinks he comes within this category may apply to the Director of Priorities for exemption, addressing his application to OPM, Federal Reserve Bank Building, Atlanta, Ga.

Seven groups of consumers are listed in the order as exempt from the mandatory curtailment provisions. They include:

1. The following Federal, State, county, and municipal services: fire, police, and essential State and highway lighting.

2. The following essential community services: churches, hospitals, newspapers, refrigeration, and food preservation plants.

3. Transportation services, street cars, railways, waterways, airports, oil and gas lines and pumping stations, and shops used exclusively for transportation services.

4. Communications services, including postoffice, radio, telephone and telegraph, and traffic control.

5. Water works, pumping stations, and sewage disposal plants.

6. Military establishments.

7. Plants exclusively engaged in the production of any of the following munitions or materials: airplanes and airplane engines; naval ships; merchant ships; ordnance items including guns, ammunition, explosives, and combat vehicles; aluminum; magnesium; copper or brass; zinc; manganese; mercury; ferro-alloys; abrasives; graphite electrodes; forgings; machine tools; artificial gas.

Prohibited under the order are sign lighting, show-window lighting, outline or ornamental lighting, outdoor lighting including floodlighting or field lighting for amusement or sports, and interior or exterior lighting for decorative or advertising purposes. These do not include ordinary street or traffic lighting, signal or other lighting required by police, fire, or other public safety departments, and lighting for defense property protection required by defense regulations.

40 companies ordered into pool

Fifty companies in 13 States are ordered to pool their power, so that power not needed in one locality may be used in another. Power companies in Virginia, West Virginia, Arkansas, Louisiana, Kentucky, and Ohio which already have connections with systems in the Southeast will pool their power with companies in Tennessee, Alabama, Georgia, Mississippi, Florida, South Carolina, and North Carolina.

The companies in the power pool are:

Nonmechanical ice box makers ordered to cut steel use 35 percent, save 5,000 tons

A 35 percent reduction in steel consumption by the domestic nonmechanical ice refrigerator industry for the period from September 1, 1941, through December 31, 1941, was ordered October 28 by Priorities Director Nelson.

The amount of the reduction will be based on the monthly average of steel used during the 12 months ended June 30, 1941.

Under tentative plans by the Division of Civilian Supply, the reduction, at approximately the same level, will be continued through August 31, 1942.

Annual saving of 5,000 tons

The industry, which manufactures the nonmechanical ice box, consumed approximately 14,400 tons of steel in the 12 months ended June 30, 1941. The required reduction in consumption will result in savings of between 5,000 and 5,100 tons a year. In addition to steel, the industry consumes brass, cork, nickel, rubber, and zinc.

The program, issued in the form of a limitation order drafted by the Division of Civilian Supply, affects 11 plants in 10 communities, employing 3,200 workers.

The decision to curtail the industry's operations on a steel tonnage basis, rather than by placing a ceiling on the number of units it can produce, was reached after discussions with industry representatives. It was the consensus of a panel meeting of the industry that a cut on tonnage of steel used was much to be preferred to a restriction on the number of units produced.

Unlike the mechanical refrigerator industry, the manufacturers of domestic ice refrigerators still possess, in many cases, the wood-working facilities necessary for making at least a part of the boxes of wood.

The restriction on steel tonnage applies to use of steel from the manufacturer's own inventories of raw and semi-processed metal, as well as the use of steel from all other sources.

Further curtailment necessary

The manufacturers were told in an accompanying letter from the Division of Civilian Supply that it is going to be necessary to curtail still further the use of scarce materials in the production of ice boxes. They were asked, meanwhile, to carry out to the fullest extent possible the following two-point program:

1. Make every effort to limit critical materials normally used through the adoption of conservation measures, such as substitution of less critical materials, redesign and respecification.

2. Reduce the number of models made and concentrate on the production of models which make the most economical use of steel and other critical materials.

The Labor Division of the Office of Production Management will undertake a survey of any labor displacement resulting from this curtailment, and will, if necessary, institute a program designed to relieve the situation.

The program represents another step in the effort to distribute materials and products available for civilian consumption on an equitable basis, so that businesses large and small can be given some assurance of what the future holds for them.
Steel industry, at record speed, given A-3 for repairs, A-1-a in breakdowns

With steel mills reaching an all-time high in weekly production, turning out 1,621,000 tons during the week of October 6, the Priorities Division has issued a repair and maintenance order for the iron steel industry, which will make it possible to keep in operation the equipment, including the older and less efficient units pressed into service for the emergency, which is necessary to maintain the high production levels of the past months.

The order provides a basic preference rating of A-3 for essential repair, maintenance and operating materials. For material necessary to repair actual break-downs, an emergency rating of A-1-a will be assigned. Advance purchases of material to avoid break-downs and suspensions will be facilitated by the assignment of an A-1-c rating. The high break-down ratings, however, may be applied only with the express permission, secured in advance, of the Director of Priorities.

Coke plants included

Plants to which this assistance is extended include those engaged in the production of pig iron, primary forms of steel, blast furnace coke, and ferroalloys. Producers must file with the Iron and Steel Branch, Office of Production Management, an acceptance of the order, and a statement of past inventories and consumption, on Form PD-148, before applying the basic preference rating assigned by the order. Once authority to do so has been granted, and a serial number assigned, no further application need be made for use of the A-3 rating. A producer, or a supplier, must endorse on his purchase orders a statement to the effect that the rating is being applied under the terms of Preference Rating Order P-68, and must file periodic reports with OPM.

Ratings may be applied by a producer to repair, maintenance, and operating items, and by a supplier of material directly required by a producer for these purposes, or to material which is to be physically incorporated in other material to be used by his customer in the same way.

Producers defined

Producers, as defined in schedule A, attached to the order, are those who turn out:

1. Pig iron and ferroalloys.
2. The following iron and steel products, including alloys: Ingots, blooms (including forged), billets (including forged), slabs (including forged), tube rounds, sheet and tin bars, structural shapes, piling, plates (universal and shared), rails, tie plates, track spikes, splice bars, rail joints, hot rolled bars (including hoops and bands and concrete reinforcing bars), cold finished bars, pipe and tubes (except conduit), wire rods, wire as drawn (not including further fabrication therefrom), black plate, tin and terne plate, sheets, strip, tool steel bars (including high speed), steel wheels and axles (for railroad use only), railroad locomotive tires, armor plate, ordnance forgings, steel castings (rough as cast), skelp, rolling mill rolls, ingot molds.
3. Coke for use in the production of pig iron and ferroalloys.

** Repair parts rated A-10 for registered, certificated planes **

Deliveries of necessary repair parts and accessories for all registered and certificated civilian-operated airplanes, were granted on October 27 an A-10 preference rating by the Division of Priorities, in an amendment to Supplementary P-6-a.

The original supplementary order was issued on July 31, 1941, and assigned the A-10 rating to deliveries of airplanes, as well as repair parts and accessories, to certain specified types of aviation activity, including civilian pilot training programs, schools, airline instrument training schools, other schools approved by the Civil Aeronautics Administration, home guard units, pipe line patrol, State and city police, power line patrol, patrol activities by any governmental agency, and experimental projects approved by the Civil Aeronautics Administration.

Deliveries to dealers for sale to any of these also carry the A-10 rating. The amendment extends this assistance to dealers supplying any operator of registered and certificated aircraft.

In announcing the amendment, the Priorities Division pointed out that on August 1, 1941, there were outstanding 84,152 Pilot Certificates of Competency, and that the pilots to whom these have been issued can only maintain their flying ability through a continuity of flying experience.

New selective preference order applied to hoisting equipment on defense orders

Manufacturers of cranes and hoisting equipment working on vital defense orders will receive the assistance of a new Preference Rating Order, P-5-a, commencing November 1, 1941, as announced October 29 by the Priorities Division.

Replaces old order

The new order replaces P-5-a, which granted a preference rating of A-1-a to deliveries of specified materials and, while similar to it, differs in a number of important respects. For one thing, P-5-b does not grant the same rating to all manufacturers. Ratings are to be assigned in accordance with defense needs for the particular types of crane or hoisting equipment manufactured by any one of the producers.

In applying the rating, a producer and his supplier must do so only in the acquisition of the materials and equipment needed to fill a defense contract, which appears on Exhibit A, with the further restriction, in the case of suppliers, that the rating may only be used to expedite orders for material which is to be physically incorporated into the finished product, or into other materials listed.

The following appear in Exhibit A:

- Motors and other electrical accessories, alloy and carbon steels in bars, forgings, castings, plates, sheets, shapes, and tubes; ferrous and nonferrous castings; machine parts and accessories; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; brass, copper, and steel tubing and fittings; oil resisting hose; hydraulic bridge brakes; gasoline and Diesel engines and accessories; paints, lacquers, and finishing materials; maintenance and shop supplies—this item applies to manufacturer's requirements only and is restricted to materials necessary for proper operation and maintenance of a producer's manufacturing equipment and facilities.
- Foundry supplies consisting of: Steel rail and other steel scrap, sliver pig iron, regular pig iron, coke, ferroalloys, ferromanganese, vanadium, nickel, molybdenum, and chromium.

If any of these components may be secured without priority assistance or can be eliminated by substitution of other, more available material, a producer who has been granted the use of the order must not apply his rating to such items.
MEDIATION BOARD . . .
Full Board considers union shop dispute between captive coal operators and UMW

The full membership of the National Defense Mediation Board last week (October 27-November 2) opened consideration of the captive coal mine dispute after 53,000 miners, at the President’s request, had returned to work. Also last week, the President ordered the Army to take possession of the Air Associates plant in Bendix, N. J.

Captive coal mines

Thirty-one members—the largest number ever to attend a Board meeting—were present when consideration of the union shop dispute between the captive coal operators, mostly steel companies, and the United Mine Workers, CIO, opened Friday morning, October 31. Consideration of the dispute by the full Board was in response to a request of the President, made in the form of a letter to William H. Davis, Board chairman, following an hour and a half meeting with the President, attended by Myron C. Taylor, S. S. Steel Corp., John L. Lewis, UMWA president and Mr. Davis.

The President asked the United Mine Workers if they would immediately reopen the mines pending consideration by the full Board, with the understanding that neither party is committed in advance to acceptance of the final recommendations.

The United Mine Workers agreed to return to work immediately.

After an all-day meeting, the Board adjourned until Monday, November 2, at 10 o'clock. The principals involved in the dispute were asked to attend that meeting. The 11 original members of the Board, with the exception of George M. Harrison, were to vote on the resolutions. Mr. Harrison has been replaced by one of the alternate labor members, William A. Culvin, vice president of the Brotherhood of Boiler-makers and Iron Shipbuilders, AFL. The voting members are William H. Davis, Dr. Frank P. Graham, Charles E. Wyman, Jr., representing the public; Walter Teasie, Cyrus Ching, Eugene Meyer, representing employers; and George Meany, William A. Culvin, Philip Murray, Thomas Kennedy, representing labor. An alternate for each voting member will be present at all the discussions. Every Board member was supplied with a complete transcript of the proceedings of the captive coal mine case before the Board and the adjournment was taken to give all an opportunity to read the 186-page document.

Friday morning, October 31, Chairman Davis received a letter from Mr. Lewis setting November 18 as the deadline for the final recommendations to be made, after which time the miners would again go on strike if no decision had been reached. The text of Mr. Davis’ reply is as follows:

“The assurance given to the President by the United States Steel Corporation and the United Mine Workers of America in his letter of October 29, is that the full Board is meeting on Friday, and will be prepared to consider the matter continuously until it makes its final recommendations. “I have at this time no reason to doubt that the Board can easily complete its consideration of the dispute and make its final recommendations sometime next week, but however that may be, the Board will proceed to consider the merits of the dispute carefully, calmly and not under pressure.”

Later that day, a second letter came from Mr. Lewis stating that Mr. Davis’ point was “not well taken” but that Mr. Davis had assured the President the matter would be decided by the end of this week. He added “the temporary agreement extends a week beyond your own time requirement.”

Air Associates, Inc.

On Friday, October 31, the Government took over the plant of Air Associates, Inc., at Beri-

dez, N. J., thus ending a dispute of 4 months between the company and the United Auto-

mobile Workers of America. CIO. This is the third time that the Government has taken such action.

The controversy had apparently been settled by announcement from Under Secretary of War Patterson and OPM Director General Knutson that the company had agreed to accept the Mediation Board’s recommendations. However, the attitude of the company toward the returning strikers was not in the spirit of the recommendations and another strike was threatened. Richard Frankensteen, national director of the UAW’s aircraft division, stated that all members of the UAW in five Eastern States would be called out on strike also unless the Board’s recommendations were followed.

The recommendations of the Board called for the temporary agreement of all strikers to their former jobs with their former pay. The union charged that this was not in the spirit of the agreement and the company, and on October 29, Colonel Roy M. Jones of the War Department was assigned to see that the reinstatement agreement was fulfilled. Demonstrations by nonstrikers against members of the CIO union were reported. Tuesday, October 31, the men returned to their jobs. The strikers struck again on Thursday, October 30, when the President ordered the National Guard to the area. Troops arrived early in the morning of October 31 and Colonel Jones immediately started calling in workers and by the afternoon announced that the plant was operating with half its force and hoped to have full production by the next day.

The plant has about 600 workers, and has $5,000,000 worth of contracts for aircraft parts.

Spicer Manufacturing Corporation

After 3 days of hearings in the dispute between the temporary agreement of the Toledo, Ohio, and Hillsdale, Mich., and the United Automobile Workers, CIO, and the United Automobile Workers, AFL, all parties returned home to await Board recommendations. A panel composed of Charles Wyman, Roger Lapham, and John Connelly, John Brophy, and George Gage, had heard the case which involved technical-sounding contracts of the two unions.

The CIO union at the Toledo plant, which employs 2,600 workers, went on strike Sep-

ember 9 because of the alleged discharge of CIO men at the Hillsdale plant of the compu-

The strike was called off September 15 and the men returned to work on Mr. Davis’ request. The hearing was set for October 27, but the threat of another strike caused the Board to appoint A. C. Lapin of Detroit as its special representative to main-

tain the “status quo” pending the hearing in Washington. The strike was averted. The company makes transmission parts for Army tanks, scout cars and armored cars and almost 80 per cent of its work is for defense.

Ingalls Shipbuilding Corporation

Hearings in the dispute between the Ingalls Shipbuilding Corporation of Pascagoula, Miss., and the Pascagoula Metal Trades Council, AFL, over union security expired after 3 days and both parties went home to await Board recommendations.

A strike on October 13 had been called off at the Board’s request and the men returned to their jobs October 15. The company has contracts with both the Navy and the Maritime Commission for building ships. The union maintains that under the Gulf Stabilization Agreement they have the right to ask for a closed shop while the company says that the contract already in existence permits it to continue the union and the company does not expire until May 16, 1942, and therefore it cannot be opened up until that time. The panel in the case—Walter T. Fisher, Eugene Meyer, and George Gage—was unable to bring the parties together for a settlement and will therefore submit recommendations.

Sloss-Sheffield Steel & Iron Co.

and Alabama By-Products Co.

The Sloss-Sheffield Steel & Iron Co. and the Alabama By-Products Co., both of Bir-

mingham, Ala., and the United Mine Work-

ers, District 50, CIO, came in before the Board for hearings on October 28. Although the companies involved are completely separate and distinct, since it was the same union in both cases and the same issues the Board appointed one panel to hear them together.

The issues are union security and wage increases. The union also wants to cover both companies instead of two separate contracts, as is now the case.

The panel—Dr. Frank P. Graham, Rolland J. Hamilton and Hugh Lyons—is still con-

ducting hearings on 400 workers on October 20 at the Sloss-Sheffield plant. A threatened strike at the Alabama By-Products Co. had been postponed at the Board’s request. The two companies supply gas to the Birmingham area, including various defense industries there, and they also manufacture coke and other by-products.

International Harvester Co.

Hearings in the dispute between the International Harvester Co. of Springfield, Ohio, and the United Automobile Workers, CIO, were resumed last week. The controversy had arisen over the lay-off of 480 men because of curtailment of production. The union also wants a complete contract to be negotiated.

New cases

The four new cases certified to the Board last week are as follows: Union Electric Com-

pany of St. Louis, Mo., and the Tri-State Quality Workmen’s Union, York, Pa., Corrugating Co., York Pa., and the Interna-

tional Association of Machinists, Local 1662, AFL; Wolverine Tubes & Fittings and the United Automobile Workers, Local 174, CIO; Cuba Copper Crafts Co., Brownsville, Mich., and the Federal Labor Union, Local 20763, AFL.
PRICE ADMINISTRATION . . .

Stabilization of all copper product prices undertaken in sweeping OPA program

A comprehensive program for stabilizing prices of all products made of copper, brass, or other copper-base alloys was announced October 29 by Leon Henderson, OPA administrator.

Action is being taken as result, first, of the generally tight situation in copper due to heavy defense demands, and, second, of the conservation order issued October 21 by the Office of Production Management which restricts sharply the supply of many products made of copper.

The program will bring under scrutiny many thousands of manufactured products at both the manufacturing and distribution levels with a view to imposition of price ceilings if necessary. The program will be carried out by commodity sections already established, including those handling nonferrous metals, durable consumer goods, building materials, industrial machinery, and chemicals.

Ceiling forecast for building hardware

Immediate steps in the new program include:

(1) A price schedule establishing present prices as a maximum for building hardware will be issued shortly, preparatory to detailed studies looking to a reduction of such prices substantially below the present level. This will be followed by schedules establishing ceilings for other building products made of copper as they may be necessary.

(2) A meeting will be held within a few days with manufacturers of wire and cable to discuss proposals now being prepared by OPA for reduction of present prices on these products. In the past year such prices have risen 20 to 30 percent.

(3) Field investigations under way for some time on the prices of nonferrous foundry products will be rushed to completion with a view to issuing a price schedule establishing maximum prices for such products unless the industry voluntarily agrees to reduce prices. One conference has already been held with a branch of the industry. Products in this category include valves, fittings, and other copper or copper alloy castings.

Sheets, ingots covered informally

(4) The present informal agreements in effect with operators of mills producing brass sheet, rods, and tubes and producers of brass ingots will be continued in their present form unless formal ceiling action becomes necessary. Prices for products fabricated from brass will be brought under ceilings as rapidly as necessary.

(5) Attention of the office will also be directed at prices of all durable goods and their parts made largely of copper. These include such items as radios, stoves, cooking and table utensils, plated flatware, fire extinguishers, generators, motors, signal apparatus, transformers, certain automobile and truck parts. Ceilings will be placed on such products if necessary.

Curtailment doesn’t justify raise

In announcing the program Mr. Henderson pointed out that curtailment of raw material supplies is not alone sufficient justification for raising the price of any manufactured article. Plans of the OPA in regard to products made largely of copper are based on this premise and it will be followed rigidly, he said.

The administrator added that manufacturers and distributors should beware of building up inventories in anticipation of future orders since they may well find themselves trapped with materials and products bought at high prices when the ceilings are issued. In that event they might have to take a loss in order to avoid selling in violation of the ceiling prices, since it is becoming increasingly necessary to restrict the granting of exceptions. Forward buying would also have the effect, he said, of helping to create an artificial scarcity, thus putting further pressure on the price structure.

Landry heads staff branch of Production Division

William H. Harrison, director of the Production Division of the OPM, on October 27 appointed George A. Landry, manager of the central office division of the Western Electric Company’s Hawthorne Works at Chicago, as head of the staff branch of the Production Division.

Rising demand for second-hand rail hastens new ceilings

A separate schedule of maximum prices for second-hand railroad rail that is sold for further transportation use, known to the trade as “relaying” rail, will be issued in the near future by the Office of Price Administration, Administrator Henderson announced October 30.

The ceiling prices, he said, will be generally lower than those currently prevailing.

The new schedule was discussed with dealers in such rail at a meeting October 29 with OPA at which additional technical information was obtained.

Demand for second-hand rail has risen sharply since supplies of new rail have become restricted as a result of the defense program. Demand has been particularly heavy from industrial and mining areas and from ordnance centers.

**

John L. Haynes heads new construction branch to carry out SPAB priority policy

The Office of Production Management has requested the Division of Civilian Supply to carry out the policy announced by the Supply Priorities and Allocations Board on October 9, under which priorities assistance will not be given to public or private construction projects which use critical materials unless those projects are necessary to defense or essential to the public health or safety.

Leon Henderson, Director of the Division of Civilian Supply, announced that as a step in fulfilling OPM’s request, the lumber and building materials branch of the Division is being converted into a branch to be known as the construction branch. The new branch will be headed by John L. Haynes, present chief of the lumber and building materials branch.

Other necessary arrangements to be made in carrying out the policy will be announced as soon as they are completed.

SPAB’s policy was described in detail in the October 9 announcement.
Ceilings on glycerine, basic industrial chemical, sharply reduced by new order

Glycerine, an industrial chemical vital to production of high explosives and to manufacture of innumerable other defense and civilian articles, is brought under ceiling prices sharply below current levels in a new price schedule issued October 28 by OPA Administrator Henderson.

The schedule, which becomes effective November 10, 1941, establishes base maximum prices of 11 1/2c a pound for crude glycerine (80 percent glycerol) and 18c a pound for the refined type. These compare with prices of 18c for crude and 21 1/2c for refined now quoted by refiners for fourth-quarter delivery.

Ceilings over 7 basic chemicals

By its latest step, OPA has extended price ceilings over seven basic chemicals: formaldehyde, ethyl alcohol, acetic acid, wood alcohol, acetone, butanol, and, now, glycerine.

"The movement of glycerine prices illustrates what has happened and is happening to a great many chemicals for which the defense program has created abnormal demand," Mr. Henderson stated.

"From 1938 until the beginning of this year crude glycerine prices remained approximately unchanged at 7 1/2c a pound. Soon thereafter the price jumped to 9c a pound and before the summer was over had risen another 4c. This new price, which was not reasonable in itself, was raised by another 5c a pound to 18c on September 15.

"Thus, we have one of industry's basic chemicals, which enjoyed almost complete price stability for 3 years, rising by nearly 100 percent in about 9 months. As to refined glycerine, prices which ranged from 12 1/2c to 14 1/2c over a 28-month period to last April have since soared to 21 1/2c a pound and are threatening to go even higher.

Many factors considered

"The maximum prices set in the new OPA schedule were arrived at after lengthy study and extensive consultation with representatives of the industry. Taken into consideration were the essential nature of glycerine, particularly for defense use, and the absolute necessity of keeping production at the highest levels possible. Likewise, it was recognized that costs of the smaller producers have undergone an increase. Under existing circumstances, the ceiling prices set by OPA are considered reasonable to both buyers and sellers of glycerine."

Production of glycerine for the current year is estimated at around 200,000,000 pounds. About 50 percent of this will be used in the production of dynamite and other explosives, synthetic resins, transparent cellulose wrapping material and in processing tobacco. Many additional millions of pounds will be used in the manufacture of drugs, cosmetics, and printers' inks. The textile, chemical, and paper industries will use about 5,000,000 pounds each; it is estimated, while more than 15,000,000 pounds will be consumed by the food industry.

Byproduct of soap industry

About 63 percent of all glycerine produced in the United States is obtained as a byproduct of the soap industry and about 37 percent of the total output is made by three large soap companies. The large packing companies, a few of which make soaps, are responsible for about 15 percent, while the remaining output comes from a number of smaller producers.

The principal producers of crude glycerine are also refiners, while several large chemical companies buy crude glycerine and refine it for use or for sale.

Five grades of refined glycerine

The OPA price schedule, which covers sales in containers of 500 pounds or more, divides refined glycerine into five grades as follows: chemically pure glycerine (90 percent glycerol), chemically pure glycerine (USP 95 percent glycerol), dynamite, high gravity, and yellow distilled. Maximum prices, delivered in tank cars are 18 1/2c a pound for the 98 percent grade and 18c a pound for the four other grades. Premiums ranging from 1/4c to 1/2c per pound are allowed for shipments in drums in carload lots and less-than-carload lots.

These refined glycerine maximums apply to deliveries in all parts of the United States, excepting an area embracing certain parts of Oregon and Washington; Nevada, Arizona, New Mexico, part of Colorado, Utah, Wyoming (excluding Laramie County), Idaho, and Montana. This area is designated in the schedule as Zone "B" and for deliveries of refined glycerine therein a premium of 1/2c a pound above the ceiling prices may be charged.

By allowing higher prices for Zone "B," OPA gives recognition to a longstanding trade practice. The amount of glycerine sold in this area is only a minor portion of total sales.

Four grades of crude

Crude glycerine is separated into four grades: soap lye (basis 80 percent glycerol), saponification (basis 88 percent glycerol) for individual uses, saponification (basis 88 percent glycerol) to refiners, and crude glycerine of other glycerol percentages. The soap lye grade, according to the schedule, shall not sell for more than 11 1/2c a pound delivered, whether in tank cars or in drums. The saponification grade for individual uses has a base price in tank cars of 12 1/2c a pound. O. B. point of manufacture with a premium of 1c a pound for drums in carload lots and 2c a pound for drums in less than carload lots. The saponification grade for refiners is given a maximum price of 15 1/2c a pound delivered, whether in tank cars or drums. Prices of "crude glycerine of other glycerol percentages" shall be determined at the rate of 11 1/2c per pound delivered for glycerine of 80 percent glycerol content, the schedule provides.

Complete records required

The schedule requires buyers and sellers of glycerine in containers of 500 pounds or more to maintain complete records of all purchases and sales and permits are required to report each four months on the state of their inventories. Monthly affirmations of compliance also are required.

Four more scrap dealers to refund excess over ceilings

Three prominent Chicago sellers of iron and steel scrap and one of the leading broker-dealers in Cleveland have signed stipulations providing for refund to buyers of all amounts collected since September 2 in excess of the ceiling prices set by the Office of Price Administration in Price Schedule No. 4, Administrator Henderson announced October 29. This increases to six the number of cases in which complete restitution of sums charged above the established maximum has been arranged through direct action by OPA. Proceedings against certain other dealers and brokers are under way, Mr. Henderson said.
Adoption of prices near October 5 level averts rayon yarn ceiling for present

Because Celanese Corporation of America has announced new acetate yarn prices in substantial conformity with those generally in effect on October 5, the Office of Price Administration has decided that issuance of a schedule imposing maximum prices on all forms of rayon yarns and staple fibers is not presently necessary, OPA Administrator Henderson stated October 28.

Prompt action if prices rise

However, Mr. Henderson made it clear that his office would act immediately should producers' prices rise further or should resales of yarns at inflated levels continue to disturb the market.

"Present prices, which reflect the moderate advances made in mid-September with the full knowledge of my office, are considered high enough," the Administrator said. "Higher prices would seriously disturb the price structure of all rayon fabrics, including rayon grey goods, already under a ceiling."

Price lists made public

Mr. Henderson made public lists of prices which his office considers the maximums that should be charged by producers for the time being for acetate, cuprammonium, and viscose process yarns and staple fibers. These prices, which are those that generally prevailed on October 5, 1941, follow:

**Viscose Process Continuous Filament Yarns**

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**Cuprammonium Process Continuous Filament Yarns**

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Owners made to list raw silk to aid acquisition for parachutes, stock pile

The Office of Production Management acted October 24 to facilitate the acquisition of raw silk by holders of contracts for parachutes and for a Government stock pile.

**Must inform textile section**

An order by Priorities Director Nelson required those who own title to all of the remaining raw silk in unbroken bales to inform the textile section of the Division of Purchases, OPM, of the amount, description, and location of the silk they own.

The order became effective October 28 and required such statements to be submitted to OPM by the close of business on October 30.

With this information, holders of contracts for parachutes will be able to acquire the silk they need, and the Defense Supplies Corporation will make purchases for additions to a Government stock pile.

This action is a follow-up on previous OPM orders. On August 2 the Director of Priorities ordered complete stoppage of all deliveries or processing of raw silk. Transfers of title were not prohibited in order to permit an orderly closing out of transactions. On October 16 the Director of Priorities issued another order prohibiting further transfer of title, at the same time giving a general preference rating to manufacturers of parachutes for Army, Navy, and Weather Bureau use, and to the Defense Supplies Corporation for stock pile.

Title will now be revealed

This October 16 order was intended to make the silk available to holders of parachute contracts, but it was soon found that the manufacturers were unable to locate those who had title to the silk.

As a result of the October 24 order, title to the silk will become known and the silk will thus become available to the parachute manufacturers and for stock pile.
Scrap and secondary aluminum ceilings cut 1 to 3 cents

Formal amendment of Price Schedule No. 2, aluminum scrap and secondary ingot, incorporating previously announced reductions ranging from 1 to 3 cents a pound in ceiling prices and establishing specific premiums for scrap shipments in quantity, was issued November 1 by OPA Administrator Henderson.

The lowered ceiling prices follow a voluntary reduction of 2 cents a pound in the price of virgin aluminum, which became effective October 1. Variations in the amount of the reductions in scrap and ingot prices reflect the experience accumulated, by OPA during several months of the schedule's operation, as well as changes in market conditions since the schedule was originally announced on March 24, 1941.

By introducing quantity differentials on scrap, the amendment eliminates the distinction between "maker" and "dealer" maximum selling prices in the original schedule. The new set of scrap prices is applicable to sales by anyone, whether maker or dealer, but the premiums for quantity shipments are designed to enable dealers to obtain a fair margin over their costs.

On deliveries of 1,000 to 20,000 pounds by truck, or on deliveries of between 1,000 pounds and the minimum carload lot, if shipped by rail, a premium of 1 cent a pound is allowed on all grades except old pistons and cast and forged scrap. For these latter types a premium of 1½ cents a pound is provided.

For all types of scrap an additional ½ cent premium will be permitted on deliveries of over 20,000 pounds if shipped by truck within a 3-day period, or on deliveries in minimum carload lots if shipped by rail. These premiums may be applied to a shipment made up of various grades of aluminum scrap. They are not applicable to shipments of aluminum mixed with other metals, except insofar as the segregated portion of the shipment qualifies by weight for the additional charge.

Leading brass mills absorb price rise in primary zinc, prevent inflationary trend

In the face of a 1-cent per pound increase in the price of primary zinc, important raw material in the production of brass, the leading manufacturers of brass sheet, rod, and tube have not raised their prices and have agreed not to do so without first consulting with the administrator. It is reported, Mr. Henderson, that some fabricators have been hoarding their scrap in expectation of higher prices.

Unimpeded flow needed

"Since no higher prices can be expected for brass mill scrap and since toll agreements have been eliminated by the recent priorities order of the Office of Production Management," Mr. Henderson said, "there is now every reason for fabricators to return their scrap promptly to the brass mills. With the present shortage of copper and zinc, it is more important than ever that the flow of scrap continue without hindrance so that demands of brass mills for primary raw materials may be lessened."

A study of the cost factors in manufacture of brass mill products has been begun by OPA, the administrator stated. On the basis of information thus far accumulated, it appears that the mills will be well able to continue to absorb the recent increase in zinc prices without advancing the prices of brass sheet, rod, and tube, he be added.

Canning committee named

The membership of a fish, fruit, and vegetable canning defense industry advisory committee was announced October 31 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

Committee members are:


British will release

Australian skins for U. S.

Robert R. Guthrie, chief of the textile, clothing and equipage branch of the Purchasing Division of OPM, has arranged with the British Wool Control for the release of Australian shearings for use in the manufacture of flying suits and Arctic clothing for the defense forces.

Burner subcommittee

Appointment of an oil burner and stoker subcommittee of the plumbing and heating defense industry advisory committee was announced October 27 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM:

HOUSING . . .
Rent laws needed in some defense areas, committee conferees decide

Legislation is required to cope successfully with rent profiteering in certain defense areas, it was agreed at a conference in Washington October 30 between chairman of 12 local fair rent committees, army billeting officers, and officials of the rent section, Office of Price Administration. The local fair rent chairmen expressed the opinion that such legislation should be a part of broad price control legislation.

The meeting, which was called by Leon Henderson, OPA Administrator, brought together the leaders of Fair Rent groups from such widely separated communities as Mineral Wells, Tex., and Pontiac, Mich., to review their common experiences and to discuss plans for improving the effectiveness of their committees' activities.

Committees asked to use influence

The group recommended that OPA and Fair Rent Committees throughout the country use all possible influence with local authorities to stay eviction proceedings evidently arising out of complaints against rent increases. Numerous cases in which landlords acted to dispossess tenants who complained, or threatened to complain, to Fair Rent Committees were cited. However, all of the chairmen reported admirable cooperation from a great majority of landlords and the widespread support of the press.

Much has been accomplished

The consensus was that much had been accomplished by committees toward obtaining adjustment of exorbitant rents and that the committees should be continued and strengthened. It is planned to arrange regional conferences of Fair Rent Committee leaders from the various defense centers to bring about a closer working relationship between the groups themselves and the Office of Price Administration.

Over 900 citizens are serving on 110 Fair Rent Committees formed by mayors or defense councils in 26 States.

15 new localities approved for 90-percent mortgage insurance

President Roosevelt today has approved 15 new locations in which homes may be financed under the liberalized insurance provisions of Title VI of the National Housing Act, upon the recommendation of Defense Housing Coordinator Palmer.

The act permits 90-percent mortgage insurance to operative builders in localities “in which the President finds that an acute shortage of housing exists or impends which would impede national defense activities.”

Title VI financing complements previously existing FHA facilities in the home financing field.

Not to exceed housing needs

In his letter to the President, Mr. Palmer recommended that this financing method should not be utilized in excess of defense housing needs as determined by the Division of Defense Housing Coordination.

The following are the newly approved areas and the defense activities most important in each:

- Stamford, Conn.—shipyards; bar- rines; airplane parts; optical instruments.
- Orlando, Fla.—municipal air field.
- Augusta, Ga.—Augusta Arsenal; Daniels Field.
- Belleville—East St. Louis-Granite City, Ill.—Scott Field; armor plate; steel castings; chemicals; aluminum.
- Pitts- field, Mass.—electrical equipment; plas- tics; ordnance.
- Hattiesburg, Miss.—Camp Shelby. Dunkirk, N. Y.—railroad equipment; steel; ordnance.
- Springfield, Ohio—airplane parts; ammunition component.
- Coatesville, Pa.—steel; alloy metals.
- Pottstown, Pa.—airplane parts and engines; ordnance components; aerial bombs.
- Kingsport, Tenn.—airplane parts; chemical product.
- Abilene, Tex.—Camp Barkeley. Brown- wood, Tex.—Camp Bowie. San Angelo, Tex.—Goodfellow Field; advanced flying school.
- Texarkana—includes Texarkana, Ark.—shell loading plant.

2,654 defense homes started in week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced October 29 that 1,285 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending October 25, making a total of 46,572 now ready for occupancy.

With 2,654 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 101,783.

Federal funds have already been allotted for 123,346 defense homes.

PHA-inspected privately financed homes started during the week totaled 3,576. Since January 1941, 132,842 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,688.

***

President finds need for 720 more defense homes

President Roosevelt determined October 30 that a need exists for 720 homes for families of industrial defense workers in three localities. The need—which, it was believed, could not be met by private capital—was determined on recommendation of Defense Housing Coordinator Palmer.

In addition, the President approved provision of 200 temporary dormitory units at Elkton, Md.

Locations for the permanent homes and the number planned at each place are: Atlanta, Ga., 160; Bantam, Conn., 40; Elkton, Md., 500.

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Cost of fund transfer mustn't be added to sugar ceiling price

Costs of transferring funds in connection with purchases and sales of raw cane sugar cannot be added to the ceiling price established by OPA, Administrator Henderson stated on October 30, in response to inquiries from the trade.

Such costs are an element in the price and customarily have been borne by the seller. To permit a buyer to pay these costs in the case of a sale at the OPA ceiling would result in a price in excess of the allowable maximum.
News for Retailers

Retail Taxes

The Bureau of Internal Revenue recently issued a warning to merchants not to advertise that they are paying retail taxes on certain articles and not passing on the cost to their customers.

The taxes in question are the new retail excise taxes on sales of jewelry, furs, and toilet preparations. These taxes went into effect October 1 and are not to be confused with the manufacturers' excise tax which went into effect October 14.

The Internal Revenue Code, officials pointed out, prohibits such advertising concerning the retail taxes on sales of jewelry, furs, and toilet preparations.

To create a demand for their products, some merchants are publishing advertisements containing statements to the effect that the retail taxes are not included in the sales price of the articles because the taxes will be paid by them and not passed on to the customer, the officials said.

To prevent the new retail sales taxes from being used as a means of deriving unfair competitive advantages, the law provides for the fine in connection with the sale of a taxable article and makes illegal any statement, whether oral or written, whether in advertisement or otherwise, intended or calculated to lead prospective purchasers to believe that the sale price of the article does not include the retail sales tax.

Accordingly, although a merchant may absorb the tax and not pass it on to the customer, he may not make use of that fact in any manner to induce the sale of his merchandise without subjecting himself to possible liability for the penalty specified in the law.

Retail Tire Prices

A quick survey by the Office of Price Administration discloses that tire retailers have raised their prices only a small fraction of the amount which manufacturers raised their consumer prices October 20. This, OPA officials point out, is in line with its policy of urging retailers to dispose of stocks on hand at prices based on actual cost, and to raise prices to consumers only as, and by no greater amounts than wholesale prices are increased.

October 11 tire manufacturers were notified by Administrator Leon Henderson that no objection would be raised to advances in consumer list prices on tires and tubes of not more than 9 percent over June 16, 1941, levels. This action was taken as a result of higher costs principally for rubber, cotton, and other materials.

Subdivision of wastepaper under ceiling divided and prices adjusted

Subdivision of wastepaper classifications under price ceilings, to make 34 grades instead of 23, and the addition of specific allowances for jobbers' services are the principal points involved in an amendment to Price Schedule No. 30—Wastepaper Sold east of the Rocky Mountains—announced October 30 by OPA Administrator Henderson.

Included in the revision is a clarification of the provision permitting an additional charge of $1 a ton by dealers for loading wastepaper on railroad freight cars.

Mr. Henderson repeated his earlier statement that households, office buildings and other primary sources of wastepaper cannot collect the ceiling prices. Nor can small collectors and dealers, who dispose of their material to large dealers and packers. These intermediate sales, he added, must be made below the established maximums in order that final sales to consumers may be made within the ceiling prices.

Grades now added to the schedule represent a split-up of several grades already included into two or more classes.

Comparison of these grades as originally covered with the grades as now set forth in the amendment follows. The old grade and ceiling are stated first in each case, and the new grades and ceilings are italicized.

New manila envelope cuttings, $54—One cut new manila envelope cuttings, $57.50; new manila envelope cuttings, $53.

No. 1 hard white shavings, $59—No. 1 hard white shavings, unrulled, $57.50; No. 1 hard white shavings, ruled, $59; hard white envelope cuttings, $65.

No. 1 soft white shavings, $43—One cut soft white shavings, $57.50; No. 1 soft white shavings, $65; miscellaneous soft white shavings, $43.

Fly leaf shavings, $33.50—No. 1 fly leaf shavings, $37.50; No. 2 fly leaf shavings, $25.00; No. 1 groundwood fly leaf shavings, $25; No. 2 mixed colored groundwood fly leaf shavings, $15; mixed colored shavings, $15.

No. 1 white ledger, $42.50—No. 1 white ledger, $43.50.

No. 2 mixed ledger (colored ledger), $38.50—No. 2 mixed ledger (colored ledger), $37.00.

No. 1 assorted kraft (old kraft), $30—Triple sorted No. 1 brown soft kraft, $50; No. 1 assorted kraft (old kraft), $35.

New 100 percent kraft cuttings, $52—Kraft envelope cuttings, $65; mixed kraft envelope and bag cuttings, $35.

The foregoing prices are per short ton, f. o. b. point of shipment to mill. All other prices and grades in the schedule remain unchanged.

In clarification of the recent addition to the schedule permitting dealers to charge $1.00 a ton above the ceilings for loading wastepaper on freight cars, the new amendment stipulates that to be entitled to make this charge such loading must be performed by dealers at a team track or public freight yard.

Priorities Field Offices

Four new field offices of the Priorities Division of the Office of Production Management have been opened for business.

Lewis E. Crandall, formerly district manager, St. Louis, Mo., was appointed to the post of regional coordinator for the Southwest area. Mr. Crandall is succeeded as district manager in the St. Louis office by W. H. Goodloe.

The addresses of the new offices, and names of district managers, follow:

Dayton, Ohio—52 North Main St., Harold B. Doyt, district manager; Tulsa, Okla.—Alfred E. Ball, district manager; Milwaukee, Wis.—First Wisconsin National Bank Building, Frank J. Tharinger, district manager; Hartford, Conn.—603 Main St., Edwin L. Howard, district manager.
Office of Facts and Figures created to formulate programs for informing public

By Executive order dated October 24, President Roosevelt created within the Office for Emergency Management the Office of Facts and Figures. Text of the order follows:

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management in the Executive Office of the President with respect to the unlimited emergency as declared by the President on May 27, 1941, and for the purpose of facilitating the dissemination of factual information to the citizens of the country on the progress of the defense effort and on the defense policies and activities of the Government, it is hereby ordered as follows:

Under President's supervision

1. There is established within the Office for Emergency Management of the Executive Office of the President an Office of Facts and Figures, at the head of which shall be a Director appointed by the President. The Director shall discharge his responsibilities and duties under the direction and supervision of the President. The Director shall receive no salary or other remuneration for his services, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To use existing agencies

2. Subject to such policies and directions as the President may from time to time prescribe, the Office of Facts and Figures shall formulate programs designed to facilitate a widespread and accurate understanding of the status and progress of the national defense effort and of the defense policies and activities of the Government; and advise with the several departments and agencies of the Government concerning the dissemination of such defense information. The Office of Facts and Figures shall rely upon the services and facilities of existing agencies of the Government for the dissemination of information.

3. The several departments and agencies of the Government shall make available to the Director, upon his request, such information and data as he may deem necessary to facilitate the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense.

4. There shall be in the Office of Facts and Figures an Advisory Committee consisting of the Director as chairman and such representatives of the Federal Government and other members as he may determine. The members of the Advisory Committee shall serve without compensation, but shall be entitled to necessary travel, subsistence, and other expenses incidental to the performance of their duties.

5. Within the limits of such funds as may be made available to the Office of Facts and Figures, the Director may employ necessary personnel and make provision for the necessary supplies, facilities, and services. The Office of Facts and Figures shall use such fiscal, personnel, and other general business services and facilities as may be made available to it through the Office of Emergency Management.

RELIANCE ON PRESS AND RADIO UNCHANGED, SAYS MacLEISH

In accepting appointment as director of the Office of Facts and Figures, Archibald MacLeish, Librarian of Congress, issued the following statement:

I deeply appreciate the President's confidence in me as expressed by my appointment to direct the Office of Facts and Figures. As Librarian of Congress, I have been necessarily concerned with information as to the facts and figures of national defense, and I welcome the opportunity to render additional service in that particular field.

People entitled to facts

The Office of Facts and Figures is established, as I understand it, upon the assumption that the people of a self-governing country are entitled to the fullest possible statement of the facts and the figures bearing upon conditions with which their government is faced. The essential difference between a democracy and a despotic form of government is that a democracy is based upon a complete trust in the people and a democratic service of information must necessarily reflect that trust. The job of the Office of Facts and Figures, as stated in the Executive order, is to serve as an interdepartmental clearing house for information and data required "for the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense." In other words, the operation of the office will be purely within the Government.

The Office of Facts and Figures will not make a practice of issuing releases nor set up new channels for the dissemination of information, but will "rely upon the services and facilities of existing agencies of the Government in the dissemination of information." In other words, the establishment of the office will in no way change the relation between the departments and the agencies of Government and the press and radio services, nor will it alter the reliance of the Government upon these means of informing the people.

Plumbing and heating

Formation of a plumbing and heating defense industry advisory committee was announced October 27 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM. Members are:


ORE MOVEMENT

Reports from the four principal ore-handling railroads for the week ended October 25 showed they loaded into boats at Upper Lake ports 2,041,840 tons of ore as compared to 2,286,741 tons loaded during the corresponding week in 1940. For the 1941 season of navigation to date these same railroads have loaded into boats a total of 65,517,106 tons as compared to 54,139,247 during the corresponding period of 1940, an increase of 12,377,859.
President sets up OEM Lend-Lease Office to exercise powers granted him in Act

An Office of Lend-Lease Administration was created within the Office for Emergency Management by Executive order dated October 28. E. R. Stettinius, Jr., will remain Lend-Lease Administrator under the new arrangement. OEM's Division of Defense Aid Reports was abolished.

Text of President Roosevelt's order follows:

By virtue of the authority vested in me by the Constitution and statutes, by the Act of March 11, 1941, entitled "An Act to promote the defense of the United States" (hereafter referred to as the Act), and by the "Defense Aid Supplemental Appropriation Act, 1941," and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve, and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by that Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: Provided, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is receiving such aid, shall continue to be negotiated by the State Department, with the advice of the Economic Defense Board and the Lend-Lease Administration.

3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of those lend-lease transactions which in the judgment of the Board affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.

4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to them any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. In so far as practicable, the Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management or other agencies of the Government.

5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

Business specialists, economists named to industrial, agricultural machine section

The following appointments to the industrial and agricultural machinery section of the price division, Office of Price Administration, were announced October 30 by Dr. J. K. Galbraith, assistant administrator:

C. Adams Baer, president of Thermosel Products, Inc., New York, to serve as principal business specialist, electrical equipment, and power generating apparatus unit.

Weir M. Brown heads research

Weir M. Brown, to head the liaison and research unit.

C. Lawrence Christenson, economist on leave of absence from Indiana University, to head the construction, petroleum production and mining equipment unit.

Arthur E. Clark, to be senior business specialist in the general and auxiliary machinery and equipment unit.

Maurice W. Lee, teacher of economics at the Utah State Agricultural College and former secretary-treasurer of Pyramyd Chemical Co., to the machine tool unit.

Floyd J. Lucas, independent machinery dealer of Chicago, also to the machine tool unit.

Paul W. McGann, research assistant at the University of Chicago, to the analysis unit.

Jacob L. Mosak, economics instructor, University of Chicago, on leave of absence to work in the transportation equipment unit.

Edward G. Nelson, assistant professor of economics, Stanford University, to be consultant of the machine tool unit.

C. C. Ostrom, formerly president of Bradley & Hubbard Manufacturing Co., Meriden, Conn., to the parts and subassemblies unit.

Howard W. Reilly, vice-president and director of C. B. Evart & Co., New York, to head the material working and fabricating equipment unit.

Lloyd G. Reynolds, assistant professor of political economy, Johns Hopkins University, to be head business economist in the electrical equipment unit.

John J. Rodgers, recently contact man with the Ordnance Department on defense contracts, to specialize in second-hand machine tools, which are covered by Price Schedule No. 1.

Leroy W. Ross, independent oil operator and broker, to be an OPA field representative on construction, petroleum producing and mining equipment.

Allison F. H. Scott, vice-president and general sales manager, Hoffman Specialty Co., Indianapolis, to be principal business consultant in charge of the transportation equipment unit.

W. S. Shiffer heads parts unit

W. S. Shiffer, of Philadelphia, formerly general sales manager of Reading Iron Co., to be chief of the parts and subassemblies unit.

Roger L. Wensley, of New York City, president of the G. M. Basford Co., will devote half of his working time as principal business consultant to the mining, construction and petroleum producing equipment unit.
MATERIALS . . .

Aluminum and iron collected to fill urgent need, OPM officials answer critic

“A serious shortage of iron and steel scrap is imminent and already some steel production has been lost because of a lack of this vital raw material,” A. D. Whiteside, chief of the Iron and Steel branch, Materials Division, OPM, declared October 31.

Mr. Whiteside's statement was included in a telegram to Governor Van Wagoner, of Michigan, following a charge by August Scholle, regional director of the CIO, that a scrap collection campaign sponsored by the Michigan Council of Defense was “predicated on an alleged shortage existing in the steel industry.” According to press dispatches, Mr. Scholle, in a letter to Governor Van Wagoner, had also asserted that the appeal for collection of iron and steel scrap was “a hollow echo of the equally hollow aluminum drive.”

In his telegram to the Governor, Mr. Whiteside said:

“My attention has been called to a statement issued today by August Scholle, Regional Director of CIO, condemning the activity of the Michigan Council of National Defense in advocating a more widespread collection of iron and steel scrap for the reason there is no shortage of this vital defense raw material.

Consumption exceeds collection

“The fact is, a serious shortage of iron and steel scrap is imminent and already some steel production has been lost due to a lack of scrap. Compared with a total consumption of 26,800,000 gross tons in 1917, the peak year of the First World War period, steel mills and foundries in the first nine months of 1941 already had consumed over 39,000,000 gross tons. The Indicated requirement for all 1941 is 52,-000,000 gross tons. From dealers, who would prepare and ship scrap to the mills such as would be attracted out by a program such as Michigan is undertaking, the Government is expecting 28,000,000 tons this year, compared with 17,000,000 tons last year. Consumption during 1941 has exceeded collection of scrap with the result that stocks have been drawn down in some cases to the vanishing point.

“To keep steel mills and foundries operating at capacity, principally on defense, it will be necessary to bring out every possible ton of iron and steel scrap from every potential source. The Michigan program, designed to make available scrap now dormant in auto wrecking yards, on farms, and in factories in the form of surplus or obsolete equipment, is very necessary and timely and the Office of Production Management is hopeful that this program will be prosecuted with the vigor which is characteristic of everything that the State of Michigan undertakes.”

All of aluminum usable for defense

Replying to Mr. Scholle’s indirect reference to the Nation-wide aluminum collection campaign of last July, Paul Cabot, deputy director of OPM’s Bureau of Industrial Conservation, wrote to Governor Van Wagoner, declaring that the aluminum salvaged during the appeal “was and is urgently needed.” In his message to the Governor, Mr. Cabot enclosed a copy of a letter he had recently written in reply to an inquiry concerning the aluminum drive. In the letter, Mr. Cabot said:

“In the first place, all of the pots and pans contributed by the Nation’s housewives will be used directly or indirectly in defense and the material was and is urgently needed. Specifically, the pots and pans were sold in the first instance by the Treasury Department to 28 smelters selected because of the fact that they had defense preference ratings and, therefore, the proceeds of their manufacture was controlled by the Office of Production Management and could only go to designated users who would use the material for defense purposes. More recently, however, in order to make this doubly sure, it was arranged that substantially all of the ingot resulting from the melting down of the pots and pans would be sold to the Metals Reserve Co., a subsidiary of the Reconstruction Finance Corporation which is, as you know, a Federal agency. They are to hold title to the ingot and are to sell it to specified users that will be designated by the Aluminum and Magnesium Branch of the Office of Production Management. It is specified that at least 20 percent of the ingots produced shall be so-called “58 percent plus” aluminum. This is a very high-grade secondary aluminum and can be used directly in airplane construction. At least 25 percent is to be so-called “No. 12” aluminum which is an aluminum-silicon that can be used for castings and, hence, in direct defense production. The balance, or not more than 55 percent is in the form of so-called “deoxidizing” aluminum which is essential in steel-mill operation. Its use in this manner will liberate an equal quantity of primary aluminum which will be used directly for airplane or other defense construction.

Delay in moving is explained

“The proceeds from the sale of the scrap to the smelters are part of the Miscellaneous Receipts of the Treasury Department, and as such, are exactly like all other Federal funds, subject to the appropriation of the Congress.

“The campaign was not undertaken for its propaganda effect, but for the necessity of the material involved.

“As you know, there has been delay in moving the material from the concentration points to the smelters. This has been caused not because of lack of interest in the materials, but rather because of the fact that it was deemed advisable to have the material sold directly to the smelters. Normally, this type of material would be sold to some two or three thousand dealers scattered all over the country who would clean, sort, segregate, and bale the material. Instead of using the normal trade procedure, 28 smelters were asked to perform this service for which they had no machinery, no help, and substantially no experience. Also, they had insufficient yard space, and it was impossible for them to take in a new batch of material until they had processed their first batch. Obviously, 28 smelters cannot do what two or three thousand experienced dealers could do in the same time—hence the delay.”

Managers named for three new contract offices

Appointment of three managers of newly created field offices of the Contract Distribution Division of OPM was announced October 30 by Director Floyd B. Odum.

F. J. Holman is manager of the office at Albany, N. Y.

T. D. Harter is manager of the office at Syracuse, N. Y.

T. Wilbur Weger is manager at Spokane, Wash.
PURCHASES . . .
$242,968,022 War Department contracts cleared October 23 through October 29

Defense contracts totaling $242,968,022 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 23 through October 29. This compares with a total of $50,487,959 for the previous week.

Contracts for ordnance amounted to $167,555,154; contracts for aircraft to $38,387,501 and contracts for construction to $18,197,367.

A compilation of announcements for the week follows:

ORDNANCE

Tolekin Oil Tank & Pump Co., Fort Wayned, Ind.; shot; $2,791,090.

Detroit Harvester Co., Dura Co. Division, Toledo, Ohio; cartridge cases; $1,698,000.

Sovell Mfg. Co., Waterbury, Conn.; fuses; $1,772,930.

Daring Valve & Mfg. Co., Williamsport, Pa.; shells; $599,800.

Philco Corporation, Philadelphia, Pa.; fuses; $549,500.


Cincinnati Milling Machine & Cincinnati Grinders, Inc., Cincinnati, Ohio; milling machines; $400,580.

Cincinnati Milling Machine & Cincinnati Grinders, Inc., Cincinnati, Ohio; milling and cutting machines; $399,449.

R. K. LeBlond Machine Tool Co., Cincinnati, Ohio; lathes, gun drilling, boring and rifling machines; $1,111,799.

Bedworth Mfg. Co., Dover, N. H.; scabbards; $549,000.


Western Cartridge Co., Winchester Repeating Arms Co., New Haven, Conn.; rifles; $6,791,200.

United Cutlery Co., Utica, N. Y.; bayonets; $794,000.

American Type Founders, Inc., Elizabeth, N. J.; guns; $931,500.


E. K. LeBlond Machine Tool Co., Inc., Cincinnati, Ohio; milling and cutting machines; $399,449.

A. O. Smith Corporation, Milwaukee, Wis.; shells; $3,048,498.

General Motors Corporation, Detroit, Mich.; directors; $1,698,000.

General Motors Corporation, Detroit, Mich.; directors; $6,791,200.

Savage Arms Corporation, Utica, N. Y.; rifles; $3,944,834.

Remington Arms Co., Inc., Ilion, N. Y.; rifles; $9,808,800.


Sperry Gyroscope Co., Brooklyn, N. Y.; directors; $1,481,500.

War Supplies, Ltd., Ottawa, Canada; tracks; $268,400.

American Cyanamid and Chemical Corporation, Maynard, Mass.; chemicals; $667,600.

Prot Co., Kenosha, Wis.; cartridge cases; $986,000.

International Harvester Co., Milwaukee, Wis.; shells; $786,000.

Detroit Die Casting Co., New York, N. Y.; tail plugs and primer holders; $1,150,000.

U. S. Cartridge Co., Baltimore, Md.; substrayty of Western Cartridge Co.; cartridges; $1,150,000.

AIRCRAFT
Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; compasses and inverters; $2,580,510.

Packard Motor Car Co., Detroit, Mich.; engine parts; $1,729,724.

Westinghouse Electric & Mfg. Co., Dayton, Ohio; generator voltage regulators and switches; $399,000.

Weston Electrical Instrument Corporation, Newark, N. J.; indicators, bulbs and generators; $1,042,560.

American Propeller Corporation, Toledo, Ohio; propeller blade assemblies; $1,219,501.

The Lewis Engineering Co., Naugacuck, Conn.; thermometers, indicators; $538,609.


CONSTRUCTION
Ford Motor Co., Dearborn, Mich.; installation of machinery and equipment for manufacture of aircraft engines; $9,789,916.

Goodyear Aircraft Corporation, Akron, Ohio; establishment of plant and equipment for manufacture of outer wings and control surfaces; $4,343,671.

North American Aviation, Inc., Inglewood, Calif.; increased manufacturing facilities including land, buildings and equipment; $954,099.

Griffith Co., Los Angeles, Calif.; construction of temporary buildings and appurtent facilities, West Coast Air Corps Training Center, Replacement Center, Banta, Calif.; $2,016,181.

United Construction Co., Winona, Minn.; construction of superstructure for ocean terminal, Brookfield Field, Mobile, Ala.; $1,130,753.

Builders of fire-fighting apparatus for defense aided by A-2 rating on materials

Beginning October 31, manufacturers of essential fire-fighting apparatus, needed to fill defense orders, will be assisted by a preference rating of A-2 in acquiring the necessary materials.

Preference Rating Order P-63, issued October 31 by Priorities Director Nelson, specifically restricts the use of the A-2 rating to deliveries of material which will be physically incorporated in the finished product required to fill defense orders. A supplier, who has been furnished with a copy of the order by a producer, may apply the rating to deliveries to him of materials to be passed on to his customer, provided that they are for the use authorized.

A-2 for essentials only

On October 4, 1941, a letter was addressed to manufacturers of motorized fire apparatus by Douglas C. MeKeeachie, Director of Purchases, OPM, requesting them to refrain from the production of certain types of equipment, and the use of scarce materials, save in essential parts where no substitution is possible. This request is in no way affected by the new order, and the A-2 rating should not be applied, the Priorities Division pointed out, to the nonessential items listed in the letter.
TRANSPORTATION . . .
Carrier capacity should keep pace with production in industry, agriculture—Budd

The capacity of the country’s transportation agencies must be kept in balance with the capacity for production in industry and agriculture. All types of carriers have realized this, and have been concerned with keeping their facilities in condition to insure success in meeting the future demands upon them.

My own feeling has been that the capacity of the country’s transportation agencies must be kept in balance with the capacity for production in industry and agriculture. This means that while arrangements are being made to grow more crops and live stock and to manufacture more goods which will be offered for shipment, the carriers during the same period, must expand in like proportion.

Excerpts follow:

Forecasts have been made by the Bureau of Research and Statistics of the Office of Production Management that 51 million carloads of freight will be offered for handling in 1942. That would be an increase of about 20 percent over 1941, and is based on the defense program, including Lend-Lease, and the probable effect on civilian purchasing power of the larger pay rolls.

Lag may be of short duration

Those who think the leveling off process will continue, believe that adjustments due to shortage of materials are being felt seriously in civilian production, and that until some plants, which cannot obtain material for their ordinary lines, become active in defense work, there will be such a lessening in output on their part as to reduce appreciably the total traffic of the country. It is important to keep in mind that this lag may be of relatively short duration. It seems certain that the enlarged capacity of farms, smelters, and mills will result in a corresponding increase in total volume of traffic, although such increase will come somewhat gradually because of the length of time required to increase the capacity for making steel.

Lag may be of relatively short duration. It is estimated now that about 3 million tons of steel will be rolled in 1942 than in 1941, and that that smelting and rolling capacity up to 10 million tons annually may be available during part of the year 1943.

In view of the uncertainty, and disagreement of experts, there seems but one wise course for those who are responsible for transportation, and that is to prepare for the larger of the estimated requirements, rather than for the smaller.

Three major policies have been followed to increase the effective capacity of the railroads:

(1) Repairing as many cars as practicable and putting them back into service.

(2) Building new cars.

(3) Making better use of the cars by keeping them on the move a greater part of the time, and loading them as heavily as possible. It is in this effort that the most effective possible cooperation is needed on the part of shippers and carriers.

Of course, all of us must realize that there is distinctly a limit to how much and how rapidly further improvement can be made in operating efficiency.

Quite evidently there is less opportunity for making better use of cars than there was a year ago when the showing was not so favorable. It is also obvious that the amount of available equipment cannot be increased much more by repairing un-serviceable cars, because the bad order percentage is now so low. Therefore, it will be necessary to add substantially to the number of cars and locomotives by building new ones during the time that the farm program is being expanded and factories, mills, and mines are being enlarged.

Sound maintenance methods urged upon bus, truck owners to offset possible shortage

Following his recent warning that certain sections of the country face a possible trucking shortage, John L. Rogers, chairman of the Central Motor Transportation Committee, appealed October 25 to fleet operators and owners of single buses and trucks to institute sound maintenance methods.

Good servicing programs, Mr. Rogers said, in a report to Transportation Commissioner Budd, will result in reduction of costly breakdowns, in the time vehicles are laid up for repairs, and give longer vehicle life.

Excerpts from Mr. Rogers’ report follow:

I am especially interested in seeing such a plan adopted by the small fleet operator or the owner of a single bus or truck, because this group operates most of the Nation’s 4½ million commercial vehicles and therefore is the one which can effect the greatest savings.

Our supply of rubber, a vital defense factor, must be jealously protected. Commercial vehicle operators can do their part by checking tires frequently for cuts and bruises, keeping them fully inflated at all times, and when the treads wear smooth, sending them to a responsible tire re-capping firm for tread rebuilding. This program, carefully observed, should increase tire life almost a third.

Oil and grease costs are small compared to the cost of replacement parts. Fleet operators should observe carefully fixed lubrication schedules based on manufacturers’ recommendations, supplemented, of course, by their own experience. Such schedules should coincide as far as possible with preventive maintenance schedules so as to minimize lay-up time of vehicles. Maintenance operations usually can be performed during hours when vehicles normally are in the least demand thereby greatly increasing their availability.

The Central Motor Transportation Committee urges all owners who do not maintain their own repair facilities to insist upon adherence to the fundamentals of sound preventive maintenance practices by the servicing concerns with which they deal.
September motor truck freight surpasses all previous records

Smashing all previous records, the volume of revenue freight transported by motor truck in September increased 2.2 percent over August, and climbed 27.0 percent over the volume hauled in September 1940, according to reports compiled by the American Trucking Associations and forwarded to Ralph Budd, Transportation Commissioner.

Comparable reports were received from 226 motor carriers in 39 States. The reporting carriers transported an aggregate of 1,652,173 tons in September, as against 1,593,568 tons in August, and 1,281,577 tons in September 1940.

General freight over 80 percent

Slightly more than 80 percent of all the tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 2.1 percent over August, and 30.4 percent over September of the previous year.

Transporters of petroleum products, accounting for 9 percent of the total tonnage reported, showed a decrease of 7.3 percent under August, but held 36.3 percent over September 1940.

More new cars and trucks hauled

Movement of new automobiles and trucks constituted approximately 3 percent of the total tonnage reported. Tonnage in this class showed a sharp increase of 43.2 percent over August, when the carriers were hit hard by factory shutdowns for remodeling, but the volume still was 27.7 percent under that of September last year.

Hauliers of iron and steel products reported a little more than 4 percent of the total tonnage. The volume of these commodities decreased 11.8 percent under August, but increased 6.3 percent over September 1940.

** GEO. C. RANDALL APPOINTED PORT CONSULTANT **

Ralph Budd, Transportation Commissioner, on October 29 appointed George C. Randall, of the Association of American Railroads, as consultant on port clearances in the Transportation Division, OEM.

Mr. Randall will handle problems arising from the movement of defense traffic, including Lend-Lease materials.

HEALTH AND WELFARE . . .

Hospitality to soldiers is spontaneous but defense workers get little recreation

Stressing the recreational needs of workers in defense industry, Mark McCloskey, Director of Recreation for the Office of Defense Health and Welfare Services, has recently offered the full cooperation and guidance of the Recreation Division to communities to enable them to extend their recreational facilities. In comments in connection with Civilian Defense Week, Mr. McCloskey said:

Recreation for the armed forces has been rapidly developed. Local defense committees, community groups, and individuals have cooperated wholeheartedly in providing leisure-time activities for the men in uniform. The United Service Organization is providing supplemental help. All in all, the picture for the armed forces is one of community hospitality that is spontaneous, open-handed, and genuinely friendly.

Workers present greater problem

The defense worker presents an even greater problem. His average wage is less than $140 a month. With this he must feed, clothe, and shelter his family and, in addition, provide for miscellaneous necessities. With rents extremely high in crowded defense areas, and food costs excessive, he has very little left with which to pay for any recreation.

Results of the lack of wholesome leisure-time activities for industrial workers are showing up all over the country. Beer halls, gambling joints, and dance halls are doing a land-office business in defense areas. School facilities are overtaxed. In North Charleston, S. C., where navy-yard workers have more than doubled the population in the last year, four schools which normally can provide for 2,000 children must provide for 4,500. Auditoriums, basements, and halls are being used for classrooms, leaving no place for play. Kindergartens are being discontinued and elementary and high school classes run two shifts.

Neglect increases delinquency

In the Mohawk valley area where there is much defense industrial work in small arms and textiles, and an acute labor shortage, many women are employed along with their husbands. Children have been left to shift for themselves, and there has been a marked increase in the juvenile delinquency rate among adolescent boys who got into mischief for lack of any constructive recreation.

People must wake up to this need just as they have waked up to the needs of the men in uniform. Community recreation programs must be extended to take in large numbers of new industrial workers. Community and neighborhood recreation centers, school auditoriums and gymnasiums open after school hours, organized games and activities at playgrounds, these are some of the ways that industrial workers and their families can be given an opportunity to participate in wholesome leisure-time activities, and thereby become more useful citizens in the community.

Professional director saves grief

A professional director of recreation, with some funds to spend for necessary space and equipment, will in the long run save a lot of money and a lot of human misery in such communities.

Wichita, Kans., whose population has been more than doubled with the building of large aircraft plants nearby, has set a good example. It has opened eight neighborhood recreation centers, which are filled to capacity day and night.

CARLOADINGS DROP

Revenue freight carloadings during the week ended October 25 totaled 913,605 cars, an increase of 9.1 percent over the 837,657 cars loaded during the corresponding week in 1940; but a decrease of 9,279 cars under the preceding week.

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<th>Carloadings—Week Ended October 25</th>
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<tr>
<td>1941</td>
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<td>Grain and grain products</td>
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 Cumulative - 43 weeks | 34,921,266 | 29,839,516 | 17.0 |

1 Decrease.
AGRICULTURE . . .

U. S. food can decide
say two officials back

American farmers and American people have in their hands the power to decide the course of history. That is the major conclusion reached by Paul H. Appleby, Under Secretary of Agriculture, and R. M. Evans, Administrator of the Agricultural Adjustment Administration, after a month's visit to Great Britain.

In the words of Mr. Evans: "The world today is like a speeding car headed straight for a bottomless crater. For the moment we Americans are at the wheel, in position to turn that speeding car onto a safe road—if we act in time. It will take food, munitions, and more food—the right kinds of food—to do the job. What we saw in Britain convinces me of this fact."

Food important at the conference table

Both of the men, who went to England to learn about the British food problems and needs, base their conclusion on two facts. First, Great Britain must have American food to win. Second, food is the hope of hungry people all over Europe, and for that reason the food America is producing now and will produce in the next few years will play a very important part at the peace table.

As an essential "implement" of total war, food is receiving major attention in Britain today, according to Appleby and Evans. They report that the first concern of everyone is to see that no one goes hungry so long as there is food to divide all around, and that all go equally hungry if there isn't enough of any one item to go around.

Both lost weight in England

"In Britain," Mr. Appleby said, "practically all the basic food is rationed. Each person has a ration card which he takes to his grocer each week to get the foods that he's allowed. He can buy all the bread or potatoes he wants, but meat, cheese, eggs, butter, lard—most of the common foods—are rationed.

"Of course the rationing applies to visitors to Britain, as well as to the residents of the country, and you may get some idea of the effect of the limited diet when I tell you that I lost 8 pounds and Mr. Evans lost 10 pounds in 4 weeks. I didn't have a glass of milk to drink all the time I was gone; all the milk that is produced in England goes to babies, young children, and nursing mothers. I had only one egg in 4 weeks."

Whole country is in crops

Both Appleby and Evans were impressed by the British farming effort which is supplementing the rationing system.

"They've got the whole country in crops of one kind or another," Mr. Evans said. "Pastures, some of them a hundred or more years old, golf courses and the like, have been broken up for cultivation. But despite all the farmers of England are able to do for themselves, and despite all the rationing, the British say frankly, 'Cut off American food tomorrow, and Great Britain is a thing of the past.' They couldn't get through the winter."

The picture of postwar possibilities that presented itself to these visitors to Britain was black, but not without opportunity.

Drive launched to repair farm machines with help of agriculture's Defense Boards

Secretary of Agriculture Claude R. Wickard has announced a Nation-wide farm machinery repair program designed to help farmers meet prospective reductions in new farm machinery in 1942 to make more steel available for other defense needs.

As an initial step in the campaign, all farmers contacted in the current sign-up campaign for the 1942 Farm Defense Program will be urged to check their machinery and to order needed repairs at once. Plans for carrying out the repair program will be made by State and county USDA Defense Boards early in November.

"Each Defense Board has been requested to organize at once and carry out before March 15 a complete program," Secretary Wickard said. "Farmers will be working for record production of food in 1942 despite shortages. There will be much less new farm machinery manufactured in 1942 than in 1940 and 1941."

"Many people told me," Mr. Evans said, "that this war will leave such widespread malnutrition among children alone all over Europe that 20 years from now the continent may be faced with a crippled population. These people know we have food. They will soon know we are accumulating great stockpiles of food for freedom as we aim at the greatest American farm production in history. My visit to Great Britain and my talks with people who had been all over Europe convince me that those stockpiles of food reserves now being built up for the sake of democracy will be the biggest single factor in shaping the future course of world history.

"Twenty-three years ago we helped win the war for democracy but we lost the peace. As a result a more devastating tyranny now threatens to engulf the world. This time we cannot afford to lose the peace. In the fight for freedom, milk and meat will take up the job where bombs and planes leave off.

"That job is America's, and today the farmers of America in the National Farm Defense Program are mobilizing the full productive strength of our farms in the fight for freedom."
CIVILIAN DEFENSE . . .

This is not a war of soldiers alone, Civilian Defense Week will teach

In proclaiming Armistice Day as the start of Civilian Defense Week, President Roosevelt has focused attention upon the fact that the new war is not only a war of soldiers, but of civilians as well.

The heroes of "total war" may never don a uniform, may never enter a trench, may never fire a gun. Back yards have become front lines. Cellars have become dugouts.

The spectacle abroad will bring particularly sober thoughts to the veterans of the A. E. F., who will dominate the celebration of Armistice Day. But it is to the people of the occupied countries of Europe that this year's Armistice Day must bring the most poignant memories. They are the people of France—of Denmark—of Belgium—of Holland—of Poland—of Czechoslovakia—of Norway.

It is in the hearts of the people of these erstwhile democratic countries that Armistice Day must evoke the most bitter reminiscences.

Great Britain finds herself this Armistice Day in the death struggle for survival. All but forgotten are the mistakes of Munich and Berchtesgaden. Forgotten too are the mistakes of the first war years—the mistakes of apathy and of negligence which in the beginning rendered ineffective the attempts at protection of the civilian population in London, Coventry, Birmingham, and Dover.

Civilian defense in Britain no longer is academic. Civilian defense to the population of Britain today is one of the realities. There is a place for everyone in the gigantic program of civilian defense throughout England.

But in Paris and Antwerp—in Prague and Warsaw—in Copenhagen and in Oslo, there is no civilian defense. There is instead the goose-step of heavy Nazi boots and the hatred, brutal Nazi regime. From these erstwhile peaceful citizens of once free nations, could they send their message past the Nazi censorship, conceivably might come to citizens of the yet-free Americas the admonition "Prepare while yet you may."

Makers of milk cans, tin-plate equipment get ratings to meet 1942 dairying increase

The Office of Production Management acted October 28 to make available equipment necessary to handle an 8-billion-pound increase in next year's milk production.

Douglas C. MacKeachie, director of Purchases, announced that arrangements have been made for granting a preference rating of A-5 to manufacturers of milk cans and a limited preference rating of A-5 to manufacturers of hot-dip tinned and tin-plate dairy equipment.

The plan is effective at once and will end March 15, 1942.

Manufacturers will submit PD-1 forms for the steel sheet, and their orders may then be made eligible for A-5 ratings.

Mr. MacKeachie warned that the rating may not be used to build up an inventory. It may be used only for the manufacture of the cans and pails needed to handle next year's stepped-up milk production program.

In the case of the rating for milk cans, only enough steel will be allocated to produce 955,000 cans necessary to handle the additional 8 billion pounds of milk, and an additional 385,000 cans needed for normal replacements.

In the case of the rating for tin-plate equipment, only enough steel will be allocated to provide an increase of 6.8 percent in dairy pins, milk-strainer pins, milk kettles, milk strainers, and setter or cream cans, to take care of a 6.8 percent increase in milk production.

Each manufacturer will be required to show evidence of his intention to cooperate in the program to get the cans to the milk producers before the opening of the milk season next spring.

As a condition of the receipt of steel under this program, no manufacturer shall maintain an inventory larger than that required for his current rate of operation.

Any of the raw materials in the producer's plants on October 15 will be subtracted from the amount allotted.

This program has been worked out through cooperation of the Department of Agriculture and OPM.

Veterans in all parts of the United States, its territories and possessions, this Armistice Day will lead the observance, and it is the veterans' organizations primarily who have given such impetus to the program of the Office of Civilian Defense. More realistic, perhaps than most others, Legionnaires have visualized the various services into which the Civilian Defense Program has been divided. It is they who have energized the air-raid warden service, the auxiliary police and fire services and innumerable others. And it is Legionnaires, who, beginning Armistice Day, more than any other group, will seek to arouse those among our citizenry who may be lethargic and apathetic.

President calls all to duty

In his proclamation announcing Armistice Day as the beginning of Civilian Defense Week, President Roosevelt said he designated that period "as a time for all persons throughout the Nation to give thought to their duties and responsibilities in the defense of this country, and to become better informed of the many vital phases of the civilian defense program and of the opportunities which it offers for the participation of every individual American in the defense of our priceless heritage."

Following Armistice Day, Civilian Defense Week has been divided into the following days:

Civilian Defense Week

Wednesday, November 12—"War Against Waste Day" to acquaint every American with the opportunities for avoiding waste and for using substitutes wherever possible so as to expedite the production of material for our own armed services and for those who are still watching the Axis onslaught.

Thursday, November 13—"Sign Up for Defense Day" to acquaint every American with the opportunities for participation as volunteers in the many services vital to the perfection of an effective Civilian Defense.

Friday, November 14—"Health and Welfare Day" to emphasize the importance of a healthy and secure population as the foundation for strong military protection.

Saturday, November 15—"Civilian Protection Day" to emphasize the need for the protection of civilians and their property, particularly in target areas along the Atlantic, Pacific, and Gulf coasts.

Sunday, November 16—"Freedom Day" to reaffirm our faith in the fundamental freedoms and to emphasize the fact that a nation founded upon essential freedoms must be prepared to defend them.
Boys’ Clubs enlisting 400,000 members for waste paper salvage

The Boys’ Clubs of America are enlisting their 400,000 members in 360 cities and towns of the United States in the national waste paper salvage campaign.

Price Administrator Leon Henderson on November 1, expressed his appreciation in a letter to David Armstrong, executive director of the organization, 361 Fourth Avenue, New York City.

The waste paper drive was started early in September by the Wastepaper Consuming Industries with the endorsement of the Office of Price Administration and the Office of Production Management.

Mr. Henderson’s letter to Mr. Armstrong pointed out that “wastepaper is the raw material of paperboard boxes in which many defense products are packed and transported. The need for these containers is growing rapidly and will increase substantially in 1942."

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the Federal Register, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, Liaison Officer
OFFICE OF DISASTER 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 FACTS AND FIGURES: Archibald MacLeish, Director.


These include:

(1) Shop lumber from which doors and windows are made.
(2) A number of sizes of flooring and ceiling lumber.
(3) Minor adjustments were made in the ceiling prices for select merchantable and select structural timbers, 1” by 4” and 1” by 10” boards, boards and timbers surfaced ½” off, 2” by 3” Number 3 grade, and Number 1 boards and timbers permitting up to 15% Number 2 grade.

New definition for mixed car

The third change in the schedule provides a new definition for a mixed car. The original schedule provided an allowance of $2 a 1,000 board feet for a “mixed car” of lumber because of the additional cost involved in loading. The definition of a mixed car in the schedule, however, was found to be too lax. This definition has now been revised by the setting up of specific classes of lumber and the provision that at least 1,000 feet each of four or more classes must be included to make the car qualify as “mixed.” The classes established in the new definition are based solely on type of lumber rather than type, width, and thickness as in the old schedule.

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100 new defense homes approved for Negro tenants

Recent Presidential approval of 100 defense homes in Covington, Pa., brought to 4,844 the total of defense homes for Negro occupancy.

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OFFICE FOR PRODUCTION MANAGEMENT

WILLIAM S. KNUDSEN, Director General.
SIDNEY HILLMAN, Associate Director General.
LEON HENDERSON, Associate Director General.

SECRETARY, HERBERT H. EMERICH.

GENERAL COUNSEL, JOHN LORD O’BRIAN.

PRODUCTION DIVISION: W. H. HARRISON, Director.

PURCHASER DIVISION: DOUGLAS C. MACKEACHRRE, Director.

PRIORITIES DIVISION: DONALD M. NELSON, Director.

MATERIALS DIVISION: WILLIAM M. L. ETT, Director.

CIVILIAN SUPPLY DIVISION: LEO HENDERSON, Director.

CONTRACT DISTRIBUTION DIVISION: FLOYD B. ODUM, Director.

LABOR DIVISION: SIDNEY HILLMAN, Director.

RESEARCH AND STATISTICS BUREAU: STACY MAY, Chief.

BUREAU OF CLEARANCE OF DEFENSE INDUSTRY ADVISORY COMMITTEE: SIDNEY J. WEINBERG, Chief.

BUREAU OF INDUSTRIAL CONSERVATION: LESLIE J. ROSENWALD, Chief.

U. S. GOVERNMENT PRINTING OFFICE: 1941