"Victory is our only objective..."

At the summons of Vice President Wallace, the Supply Priorities and Allocations Board held a special meeting December 9 in the Vice President's office and adopted the following declaration:

From now on, every action by this Board and by the related civilian agencies of the Government must be keyed to one goal—complete victory in this war which has been thrust upon us.

From this moment we are engaged in a victory program. We can talk and act no longer in terms of a defense program. Victory is our one and only objective, and everything else is subordinate to it.

It is clear that a vastly expanded national effort is imperative. Production schedules for all manner of military items must be stepped up at once. Every activity of our national life and our civilian economy must be immediately adjusted to that change. To attain victory we aim at the greatest production which is physically possible; we call for the greatest national effort that can possibly be made.

This policy applies all down the line—in the agencies of Government, in industry, in agriculture, in commerce, in labor, in every phase of national life. There is but one standard for activities in all of these fields—the simple question, "Is this the utmost that can be done to bring victory?" Policies and actions which meet that test must be adopted; those which do not must be rejected.

A united people will harness the unparalleled might of the United States to one word and one slogan—VICTORY.
Review of the Week in Defense

Japan's attack December 7 on overseas territories of the United States united the Nation in the new, direct war effort. Government, management, labor, and civilians rose to pledge unstinted support to the armed forces. Strikes, already on the wane, were called off amid declarations of loyalty. All over America, within a few hours, civilian defense forces were on the alert.

Labor already swinging in line

Even before the onslaught, labor backing in the defense effort had substantially improved. On December 6 the Labor Division of the Office of Production Management reported that only one strike of major importance to defense was under way. The National Defense Mediation Board was ending the second consecutive week in which all workers within its purview were on the job.

The outbreak of war pointed up the statement of a War Department representative 2 days earlier, before OPM officials, that we should seek to build up our labor force from persons unqualified for military service because further demands might be made by the armed forces on personnel. This attitude was borne out through the announcement December 7 by Selective Service Director Hershey that induction quotas would be stepped up.

Uniting the Americas

South of the border, the rallying of neighboring nations to the side of the United States put a spotlight on our undertaking to supply needs of theirs along with our own. The Supply Priorities and Allocations Board had just agreed on steps to make tinned plate available to Western Hemisphere nations for canning of vital foods. The action was taken at the request of the Economic Defense Board, in accordance, it was announced, with the policy of equally recognizing Hemisphere civilian needs in making allocations.

OPM strengthens its hand

Already, during the week, defense agencies had been strengthening their hands for the struggle to produce. The Priorities Division of OPM, as the first step to fulfill SPAB's request for a direct allocation system for steel, placed all production and delivery of steel plates—the bone and body of fighting ships—under control of the Director of Priorities.

New priorities aid planning

Further remapping its methods, the Priorities Division announced a Production Requirements plan under which thousands of essential manufacturers may plot their needs for three months ahead and receive orders for that period.

Anticipating a threat to transport of tungsten from the Far East, the Priorities Division early in the week increased the proportion of molybdenum alloy that producers must deliver as opposed to the tungsten type in filling orders for high speed steel.

Public hearings ordered on copper

SPAB directed OPM to hold public hearings on all possibilities of increasing copper production. The action was taken in recognition of conflicting reports as to the output, and of the need to explore every avenue of approach, though with the expressed belief that SPAB had disposed of all pertinent questions which could be settled.

SPAB laid down a policy on construction of power projects which contemplates efforts to aid work substantially under way, but no help for new projects unless essential to defense, health or safety. Provision was made for allocating a certain amount of copper to the Rural Electrification Administration.

In the battle to save vital metals, a further cut was ordered in the production of domestic mechanical refrigerators. The Materials Division asked can manufacturers to add grapefruit to the list of foods to be packed in cans using less tin.

Priority aid was given to manufacturers of armored half-track vehicles, textile mill equipment, resistance welding electrodes, marine paints, and farm machinery; and to mines, foundries, and machine shops in mining areas, and all producers of bakery goods. Control over ethyl alcohol was extended for an indefinite period.

The battle over electric power

OPM Materials Director Batt, after the House Appropriations Committee refused to recommend funds to build the Douglas Dam in Tennessee, issued a statement in which he declared failure to build that dam would threaten the Nation with a crippling power shortage at the scheduled peak of defense production in 1945. He told a press conference of plans to expand strategic plants and build new plants which would need the electricity.

OPM Director General Knudsen urged immediate surveys for a power line to serve the new aluminum plant going up at Massena, N. Y. Meanwhile heavy rains made it possible to suspend indefinitely the restrictions on the use of power in the Southeast.

Carrier'g get attention

Transportation came in for a good deal of attention. The Division of Civilian Supply invited representatives of rail and railroad-supplying industries to a meeting December 12 on materials requirements in 1942. The Office of Price Administration put a ceiling on prices of second-hand rails sold for continued use. OPA also began an investigation of prices charged for "camelback" with which tires are retreaded. The Priorities Division freed truck trailers of 5 tons or more from production limits, and extended orders aiding acquisition of material for construction, repair, and rebuilding of railroad equipment.

Roofing prices curbed

OPA issued a price schedule substantially lowering rates for tarred and asphalt roofing; obtained agreements from leading manufacturers to hold down prices of insinners manufacturing; requested makers of rubber footwear to check advances; and scheduled meetings on prices of slope machinery and Western pine lumber. OPA promised to give adequate publicity to any decisions on applications for increases in price of petroleum products.
SPAB’s policy on power projects directs aid for those under way

In line with the policy laid down earlier on construction, the Supply Priorities and Allocations Board announced December 6 a broad policy covering the building of public and private power projects. The policy in substance directs that every effort be made to aid in the completion of projects now substantially under way, but that aid be withheld from new projects unless they can be shown to be essential to national defense or to the public health and safety.

Copper allotted to REA

In announcing this policy, SPAB also announced that 1,500 tons of copper will be made available monthly to the Rural Electrification Administration, up to a total of 10,500 tons. SPAB estimated that this will enable REA to finish up all projects which are now more than 40 percent complete, and to finish a number which are less than 40 percent complete. All projects in this latter group will be reviewed, and those which have been started and on which construction is well under way will be completed.

After 3 months the whole program will be reviewed by SPAB to see whether any different action should be taken in the light of conditions at that time.

General policy on power projects

In the general policy on power projects are the following points:

Public and private power projects must be treated alike, and the mere possession of a substantial inventory should not allow one group to undertake a project for which the other is denied priority assistance.

During the emergency, neither public nor private power bodies may start projects which would duplicate facilities of the other.

Private power companies may not take advantage of inventories they now have to preempt an area under development by REA.

All proposed extensions, whether by public or private power companies, and whether involving inventories on hand or materials to be acquired, must be submitted to OPM for approval, disapproval, or modification. This does not apply to low tension drop lines from existing systems.

SPAB moves to supply Latin America with 218,600 metric tons of tin plate

At the request of the Economic Defense Board, the Supply Priorities and Allocations Board on December 2 agreed to take all steps consistent with the defense program to make available for export to the other republics of the Western Hemisphere 218,600 metric tons of tin plate in the 12-month period which begins December 15.

Plans are being made to ship up to 35 percent of this amount during the next 3 months to relieve serious shortages which have already developed, especially in countries where the canning season is under way.

Equal recognition of civilian needs

These 218,600 metric tons are expected to meet the minimum essential requirements for tin plate in the other American republics, in accordance with the established policy of maintaining the economic stability of the Western Hemisphere and of equally recognizing and providing for its essential civilian needs in our allocations of materials.

The countries to which tin plate will be shipped under this plan have been accustomed to filling a large proportion of their tin plate requirements by imports from Germany and England. The United States will partially make up the deficit resulting from cessation of European tin plate exports.

The action on tin plate constitutes the first step in a simplified program designed to assure delivery of essential commodities to meet the import needs of Latin America. Under the new program definite amounts of certain commodities will be allotted for export, when approved by SPAB upon recommendation of the Economic Defense Board.

Licenses to be reviewed

In preparation for the new plan, all licenses for export of tin plate to Western Hemisphere nations have been revoked as of December 15. As rapidly as possible each individual case will be reviewed and licenses approved on review will be reinstated under the new plan, after which licensed shipments will be charged against the total allotment which has now been established.

In order to avoid delay in starting shipments, Latin American orders now on the books of United States tin plate producers will be filled as rapidly as possible when licenses are reinstated.

In the future, the governments of importing countries will be given an opportunity to recommend approval or disapproval of orders by individual importers. These recommendations will be given full consideration by the Economic Defense Board in order to assure the most effective use of materials exported by the United States. The mechanics of the procedure to be followed will be announced in the near future.

Expected to eliminate price-gouging

Mills producing tin plate in the United States will be notified by OPM as to the proportion of the total allotment for export to Latin America which each will be expected to fill. From that point on, the business will move through the usual trade channels, subject to approval of licenses by the Economic Defense Board. The new plan is expected to eliminate the price-gouging on tin plate which has recently been reported by a number of Latin-American importers.

The allotment of 218,600 tons is below the 1940 Latin American imports of tin plate, which amounted to 233,600 tons.

Canned foods necessary

The Economic Defense Board has found that in most of the other Western Hemisphere republics tin plate inventories are practically exhausted. Canneries producing foodstuffs essential to the health of the population have already been closed down because of lack of tin plate in Chile and in Mexico. Poor refrigeration, inadequate transportation facilities, and regional specialization in mining or in one-crop farming or ranching necessitates the use of canned food products to provide protective foods in large areas of the Western Hemisphere. At least 25 percent of the tin plate to be made available will be used in canning food products for export to Great Britain and the United States.

European foods cut off

The Latin-American need for tin plate has been increased by the fact that edible oils, chemicals, and other products, which were formerly imported in cans from Europe, can no longer be obtained from that source and must now be replaced by larger production and packaging of these products locally in Latin America.
PRIORITIES . . .

New priority rating to cover producer’s requirements on a quarterly basis

The new Production Requirements Plan, a streamlined scheme for granting priority assistance to manufacturers engaged in essential production, was issued December 3 by the Division of Priorities. The new procedure is designed to help many thousands of manufacturers of products needed for defense or essential civilian use to obtain priority ratings which will cover their materials requirements for three months at a time. Under the new plan, the number of separate applications for priority assistance to expedite single orders will be reduced to a minimum.

Full information required

Applications filed in accordance with the Production Requirements Plan will contain information needed by the Office of Production Management for a clear picture of existing inventories and prospective needs for scarce materials.

A manufacturer who applies for priority assistance under the Production Requirements Plan will show the type and volume of products he has been making, their use in relation to defense or essential civilian needs, the amount of scarce materials he has on hand, and the additional amounts he will require to fill his production schedule for the next calendar quarter.

5 determining factors

In determining what priority may be granted to the applicant, the Priorities Division will take into account (1) the amount of defense or essential civilian production involved, (2) the end use of the products, (3) the materials required for production, (4) the over-all policies of the Supply Priorities and Allocations Board, and (5) the recommendations of the appropriate industrial branches of the Office of Production Management.

After considering all of these factors, the Priorities Division will be able to grant the manufacturer a preference rating or ratings, geared to his needs and the importance of his products, which can be used continuously over a calendar quarter to obtain critical materials.

Ratings under the new plan may apply to all or to any specified part of the producer’s materials requirements. If all of the products covered in his application are destined for defense or essential civilian use, he may be given a priority rating covering 100 percent of his needs. In other cases the rating may apply only to the percentage of his materials requirements which will be directly incorporated in products regarded as being of basic importance in defense or in the national economy. The producer may receive one or more ratings under the plan.

The Production Requirements Plan will replace the old Defense Supplies Rating Plan under which priority ratings were given to certain producers who found it necessary to schedule production in advance of receiving orders, but it will have much wider application. A larger number of producers will now be eligible for limited blanket ratings, provided they can show that a substantial proportion of their production in recent months has been essential to the defense program.

Expected to reduce paper work

It is expected that this new device will permit an eligible manufacturer to use his rating or ratings to get all of the materials covered, and he will not have to bother to apply for aid by filling out PD-1’s (the standard application form for an individual rating) or to extend each of the individual ratings on the orders he receives. The amount of paper work involved in filling defense orders will thus be substantially reduced.

Before the inauguration of the Production Requirements Plan, a manufacturer whose products were used partly by the Army and Navy, partly by defense plants or by vital public services such as municipal fire and police departments, and partly by ordinary civilian industry might have had high priority ratings on some of his orders, lower ratings on others, and no rating at all on the rest.

The net result was that he had to use a number of different processes in order to operate. The only courses open to him were to extend the high ratings on his orders in each individual case, or to use the Defense Supplies Rating Plan which gave him an A-10 rating for his defense orders only, or to make many separate applications.

The new plan will simplify this substantially. The manufacturer will first obtain Form PD-25A. On this form he will show the kind and volume of products he has been making, the priority rating of orders he has filled in a recent quarter, the destination or end use of his products, and the inventory of materials which he has on hand, together with his anticipated materials requirements for the next calendar quarter.

As this information is obtained from all manufacturers handling defense or essential civilian orders, OPM will be able to build up an over-all picture of materials used and prospective requirements for defense. When the picture is reasonably complete, it will be possible to assign priority ratings with more exact relationship to the importance of a particular manufacturer’s product and the total volume of materials available.

To work first on company basis

The new plan is to be applied first on a company basis. It is expected to form the foundation for similar plans on an industry basis as rapidly as the over-all needs of the various industries are known in OPM.

Since the anticipated requirements of a manufacturer may change if the pattern of his defense orders changes during a calendar quarter, the Production Requirements Plan provides that interim reports may be filed. The first quarter for which applications under the new plan will be received is from January 1 to March 31, 1942.

Where necessary because of long-term commitments or the nature of his business, a manufacturer may file an additional application covering the second quarter at the same time he files for the first. All applications must be for calendar quarters, however, so that the information obtained by OPM will be uniform as to dates.

Forms ready for distribution

The new PD-25A application forms are now ready for distribution from the Priorities Division of OPM in Washington, or field offices.

Some of the main points of the new plan follow:

The Production Requirements Plan will go into effect for the first calendar quarter of 1942.

Complete inventory information must be given. Inventories must be held at the minimum practicable level.

A list of critical materials known as
Materials List No. 1 is part of the plan. The preference rating granted may be used only to obtain materials on this list, except when other items are specifically named on the form in a section provided for that purpose.

The rating will apply only to materials needed for defense or essential civilian production, and cannot be used to obtain capital equipment. Such capital items—for example, machine tools and other production goods—must be obtained in the usual way by filing out application form PD-1, if they cannot be obtained without aid.

Ratings may be extended

Application form PD-25A may be reproduced by anyone who wants to use it so long as it is reproduced exactly in its original form, size, color, and phraseology.

All communications and applications should be addressed to the Production Requirements Plan Section, Division of Priorities, Office of Production Management.

An applicant granted a rating under the plan serves the rating on his suppliers by a prescribed endorsement on his purchase orders.

Rating is extensible

Suppliers of the applicant may extend the rating to obtain delivery of materials which are to be physically incorporated in the applicant’s products, in accordance with the terms of the preference rating order issued in connection with the plan.

No preference ratings other than those authorized in form PD-25A may be used by the producer operating under the plan to obtain deliveries of production materials, or maintenance, repair and operating supplies, unless specific authorization is granted.

Control of ethyl alcohol and related compounds extended

The Division of Priorities announced December 1 that it had extended for an indefinite period priority control over ethyl alcohol and related compounds.

General Preference Order M-30, which expired November 30, placed ethyl alcohol and acetic acid, acetic anhydride, acetone, ethyl ether, ethyl acetate, butyl alcohol, butyl acetate, isopropyl alcohol, and isopropyl acetate under priority control. The extension of the order became effective November 29, 1941.

Complete allocation of steel plates ordered as first step in new system

Complete allocation of steel plates was ordered December 1 by Priorities Director Nelson in General Allocation Order No. 1.

The action is the first step in compliance with the request of the Supply Priorities and Allocations Board, made November 1, that a direct allocation system for steel be worked out.

Army, Navy, Maritime Commission take 50 percent

Defense demands for steel plates are heavy, the Army, Navy, and Maritime Commission taking approximately 50 percent of existing capacity. Other leading users are the railroads, for car construction, and the petroleum industry, for pipe and in the construction of all types of tanks. There are many other general uses of plates.

Essential orders above capacity

As of November 1, reports from steel plate producers showed defense and essential civilian orders, with ratings of A-10 or higher, in excess of production capacity for shipment during the month.

Capacity of the industry is about 600,000 tons a month.

The order defines plates and provides that after December 1 no person shall produce, deliver, or accept plates except in accordance with the orders of the Director of Priorities.

Producers are required to file with the iron and steel branch, OPM, by the 15th of each month a schedule of production and shipments for the following month, together with a statement of unfilled orders for the period. They then will receive an allocation order from the Director of Priorities, making any changes that are deemed advisable.

Any excess production under control

Plates produced in excess of schedules cannot be disposed of except at the discretion of the Director of Priorities.

The order also provides that suitable forms for producers and customers will be prescribed from time to time.

Immediate purpose of the order is to insure a continuous flow of plates into defense channels and to provide an adequate check against hoarding and excessive inventories.

Studies of steel plate requirements for nondefense industries now are being made by the Division of Civilian Supply in conjunction with the Division of Materials to determine what proportion of the available supply should be allocated to each. No direct allocations of this kind have yet been made, although substantial steps in this direction are being taken.

Steel has been under priorities control since May 1, 1941, when General Metals Order No. 1 was issued. General Preference Order M-21, issued May 29, has provided overall steel control since.

Nondefense industries now are being integrated into the production of resistance welding electrodes by the Division of Priorities.

Necessary metals hard to get

Producers of resistance welding electrodes have experienced difficulties in obtaining the metals and master alloys used in their product. Such electrodes cannot be produced economically except in large furnace runs and the preference rating is therefore applicable to the producers’ requirements of specified materials for a 3 months’ period covered by his application for priority assistance under the December 3 Preference Rating Order No. P-85.

Producers must file applications

Producers of resistance welding electrodes who wish to obtain priority assistance under the order must first file an application with the Priorities Division on Form PD-82 and must receive specific authorization for use of the rating. After a producer has received the authorization he may serve certified copies upon his suppliers and thereafter use the rating by endorsement on his purchase orders. Monthly reports of all applications of the preference rating are required on Form PD-81 or PD-81a.

Resistance welding electrodes as defined in Preference Rating Order P-85 include only spot welding tips, resistance welding dies, seam welding wheels, and water-cooled holders for spot welding tips.
Mines, small foundries, machine shops benefit by extendible rating for supplies

Many small foundries and machine shops in areas where mining operations are carried on, as well as the mines themselves, will benefit by an amendment to Preference Rating Order P-56, announced December 2 by the Priorities Division. Order P-56 facilitates the acquisition of repair, maintenance, and operating supplies by mines.

A-3 for new machinery, repair parts

The clause in the amendment which is particularly helpful to local enterprises is the one which assigns an extendible rating of A-3 to the acquisition of new mining machinery, and of repair parts, by a mine operator. This rating may be used by a mine, to which a serial number under the order has been assigned, to secure the machinery, and repair parts for it, listed in Schedule "A" attached to the order. Thus, a local shop may receive the benefit of the A-3 rating by extending it, if necessary, to acquire the materials necessary to fill orders received from a mine.

P-23 not affected

Preference Rating Order P-23, which extended a rating of A-3 to the acquisition of materials entering into mining machinery, was issued only to known manufacturers, and hence was not available to the many small businesses which will now be able to fill a portion of the mines' requirements. This order (P-23) is not affected by the amendment.

Other clauses in the amendment assign an A-1-a rating to deliveries of materials which have been used only to known manufacturers, and hence was not available to the many small businesses which will now be able to fill a portion of the mines' requirements. This order (P-23) is not affected by the amendment.

A-8 rating liberally extended

The amendment also extends the benefits of the order to refractory plants wholly engaged in the processing and burning of refractories, and to approved prospecting enterprises.

Mine operators, who have been issued serial numbers under the original P-56, are being notified that these numbers will remain in effect, and that they should continue to use them under the amended order.

Applications, and inquiries concerning Preference Rating Order P-56, should be addressed to the Mines Priorities Section, OPM.

Amendment raises proportion of molybdenum steel to tungsten

An amendment to General Preference Order M-14 designed to conserve tungsten was announced December 3 by the Division of Priorities.

The order provides that 75 percent of all high speed steel orders accepted in any one quarter shall be of the molybdenum type and not more than 25 percent of the tungsten type. The previous ratio was 50-50.

The amendment also extends the order until December 31, 1942. It was issued June 11, 1941.

Reasons for the change are increased demands for high speed tungsten steel for export; increased use of molybdenum steel generally, and the threat to the Burma Road, over which large supplies of tungsten now come, by developments in the Far East.

While Western Hemisphere production of tungsten has jumped greatly since the defense program started, imports from China continue to be a vital factor in the total United States supply. The bulk of our present molybdenum supply is produced domestically.

Truck trailer production freed from limits

Removal of all restrictions on production of truck trailers was ordered December 4 by Donald M. Nelson, Director of Priorities.

Under Limitation Order L-1-a, as extended to December 31, production of truck trailers of five tons or more during the period from September 1 to December 31 was limited to two-thirds of the output during the first half of 1941.

Decision to exempt these heavy trailers from the limitation was reached by the Division of Civilian Supply because it recognized that trailers of this type provide the most economical form of commercial highway transportation, both from the standpoint of cost and metals consumed.

Body, cab, restrictions relaxed

Limitation Order L-1-a is accompanied by Preference Rating Order P-54, which assigns an A-3 rating to materials going into the manufacture of truck trailers.

At the same time, Mr. Nelson removed all limitation on the production of bodies and cabs for medium motor trucks, which also was covered by limitation Order L-1-a. This restriction is considered unnecessary because output of bodies and cabs naturally will be governed by production of medium truck chassis.

Ratings on materials for rail equipment extended

Extension of preference ratings on materials entering into the construction of freight cars and into the construction, repair and rebuilding of specified types of locomotives was announced December 2 by the Division of Priorities.

General Preference Orders P-8, P-20, and P-21 were extended to December 31, 1941, the extension to take effect as of November 29. Each of the orders extends a preference rating of A-3 to orders for materials to be used in the indicated types of construction or repair.

Inquiries concerning these orders should be addressed to the automotive, transportation and farm equipment branch, Division of Civilian Supply, OPM.
Medium trucks, carriers sold to Army or Navy through dealers exempt from quotas

Manufacturers of medium motor trucks and passenger carriers may exclude from production quotas established by OPM any vehicles sold directly or through authorized dealers to the Army or Navy and certain designated Government agencies and foreign governments.

This is made clear in an interpretation, issued December 5, by Priorities Director Nelson, of Limitation Order L-1-a.

The limitation order contains a provision exempting from production quotas any medium trucks (1 1/2 tons or more) and passenger carriers (motor or electric coaches with not less than 15 seats) and replacement parts produced for the Army or Navy and certain Government agencies and foreign governments.

The interpretation was issued so that manufacturers would know that this exemption applies not only to direct sales to the designated agencies or governments, but also to sales made through authorized dealers. It does not apply to sales to a private contractor for work on Army cantonments, munitions plants or similar defense projects.

It is expected that the automotive, transportation and farm equipment branch of the Division of Civilian Supply will recommend shortly the issuance of similar interpretations covering the passenger car and light truck (less than 1 1/2 tons) limitation programs.

Makers of armored half-track vehicles get A-1-f rating

Manufacturers who are turning out armored half-track vehicles for the Army and for the British Government, were granted the assistance of an A-1-f preference rating in a limited blanket rating order issued December 5 by the Priorities Division.

The rating assigned by the order, P-35, may be applied to the acquisition of material which will be physically incorporated in the finished vehicle. The rating may be extended.

The half-track combat vehicles, covered by the order, are caterpillar-driven, have front wheels, and are designed to take rough country in their stride. They are used for a variety of purposes, ranging from reconnaissance work in conjunction with, or in place of, cavalry, and as infantry troop-carriers with armored divisions.

Domestic mechanical refrigerators cut 30 to 52 percent for January, February

Production of domestic mechanical refrigerators will be further curtailed during January and February under an order issued December 4 by Priorities Director Nelson.

Cuts during the 2 months will range from 30 to 52 percent, depending upon the size of the companies involved.

The original limitation, issued September 30, called for reduced output for the 5 months from August 1 through December 31, ranging from 29 to 45 percent below average monthly factory sales in the 12 months ended June 30, 1941.

It was stated in the September 30 announcement that the curtailment program drafted by the Division of Civilian Supply contemplated production of 2,007,000 units in the 12 months beginning August 1, 1941, as compared with 3,670,000 units produced in the 12 months ended June 30, 1941.

In order to reach this production level, it is necessary to increase the rate of curtailment in the first 2 months of 1942.

Base period system revised

As the result of certain inequities arising from the original program, the base period system is revised under the extension so that companies may choose between two periods.

The first is identical to that established in the original order—average monthly factory sales for the 12 months ended June 30, 1941. The second is arrived at in this manner: the average of the percentage of a single firm's sales compared to total industry sales during each of the fiscal years ended June 30, 1939, 1940, and 1941, will be applied against total industry sales during the 12 months ended June 30, 1941.

The resultant figure will furnish the sales base on which curtailment is calculated for companies choosing this method. This alternative base period is designed to afford relief for companies whose sales during the 12 months ended June 30, 1941, were adversely affected by unusual production difficulties.

Producers may borrow from 1942 quotas

Under the extension of the program, class A companies, whose average monthly sales during the selected base period were 16,000 units or more, will have their production cut 52 percent during January and February. Class B firms, whose average sales ranged from 5,000 to 16,000 units, will be cut 40 percent, and class C companies, whose average was less than 5,000 units, will be reduced by 30 percent.

The rate of curtailment from August 1 to December 31 was: Class A, 45 percent; class B, 37 percent, and class C, 29 percent.

A system also is established under the extension to permit companies to borrow from their January and February quotas in order to keep operating at a fairly high level during the remainder of this year.

More aid for textile mills

An amendment to Preference Rating Order P-53, issued December 3 by the Priorities Division, includes within the terms of the order the cones, tubes, and spools used in the operation of textile mills. The preference rating of A-19 may now be applied to the acquisition of the necessary materials by producers of these essentials. These articles, normally manufactured from paper, include large quantities of scarce chemicals, a situation which recently has made their production difficult.

Monthly requirements of chemicals for paper cones are: 1,200 to 1,400 pounds of alcohol; 6,000 to 6,600 pounds of butyl acetate; 1,500 to 1,900 pounds of butanol; 1,800 to 2,000 pounds of ethyl acetate; 750 to 900 pounds of acetone, and 7,000 to 8,750 pounds of nitrocellulose.

Tubes require monthly an estimated 56,000 pounds of alcohol, 23,000 pounds of phenol, and 32,000 pounds of formaldehyde.

Preference Rating Order P-53, issued on September 13, 1941, covers producers of spare parts for the maintenance of textile machinery.

Small cobalt users relieved of paper work

Users of cobalt who require less than 50 pounds per month were relieved December 5 of the necessity of filing monthly request forms, in a supplement to Order M-30 issued by the Director of Priorities.

All other provisions of the order remain in effect, and users of cobalt were warned that attempts at evasion would result in revocation of the exemption.
Failure to build Douglas Dam would cripple defense program at peak time, says Batt

Failure to appropriate money for the building of the Douglas Dam would mean that a crippling power shortage will threaten us in 1943 just when our defense effort is scheduled to reach its peak in the production of aluminum, munitions, and other critical materials," OPM Materials Director Batt said on December 4. His prepared statement was issued at a press conference after the House Appropriations Committee declined to recommend funds for the dam.

The conference developed information on several questions in relation to the Douglas Dam and proposed substitutes. Excerpts from the conference follow:

Mr. Batt. The issue has been raised by some of our friends on the Hill that we are pushing hydroelectric power and that we ought to go ahead and put steam power in. There is no difficulty in the steam power field with boiler supply. The bottleneck is in turbines and propulsion machinery, and that bottleneck has been created by the heavy demand on the part of the Navy. The principal turbine builders are loaded to the neck. One of them I am told has 6 years of business on his books today.

Q. Don't they use turbines with hydroelectric power?

A. Yes but they use an entirely different form of turbine. The water wheel for converting water power into energy is a very much simpler piece of machinery.

Q. Then you would say the shortage is in steam turbine?

A. Yes.

Any surplus would come in 1945

Q. The House Appropriations Committee in its report said that without the Douglas Dam there would be a surplus of 87,000 kilowatts. As I understand that would be in effect in 1945 if such a surplus existed and that your deal would be in 1943?

A. That is right. That is a correct statement.

Q. Well, while the statement might be correct it doesn't alter your—

A. My assumption is—I am not familiar with the details of the '45 power supply—but my assumption is that it will probably be on the basis of present projected load limits of power in 1945. Now specifically, we want to locate or we did want to locate in the Tennessee Valley a substantial additional aluminum production. Because the Reynolds Company could take on an additional plant and would like to locate it, and we'd like to see it located, at the site of their present aluminum operation. Without this power which Douglas can provide that plant can't be located there. * * *

Sixty or one hundred million pounds annually. Then there were some ferro-alloy plants which it was desirable to locate there which can't go there. You see Douglas would have given us about 150,000 kilowatts. If we were to put in 60,000,000 pounds annually of aluminum that would take somewhere in the neighborhood of 65,000 kilowatts and its balance would be available for these electro-metallurgical plants and other defense plants, and would make possible the enlargement of some of the existing defense projects which are in the area and which were intended to be enlarged. Now without this power, this Douglas power, those projects can't be enlarged. New projects can't go in there. Now if you ask me where they can go, I haven't got an answer.

The Holston or Cumberland issue

Q. Mr. Batt, you say you don't know where else you'd put it. In criticism against Douglas Dam on the Hill it is usually accompanied that you can build other plants on the Holston River or the Cumberland River.

A. I have heard that more times than I can tell you but I have never heard it accompanied by any authoritative statement by anybody. Senator McKellar has pushed this strongly for some dams on the Cumberland River. He wrote me a letter—I might just as well tell you about it since I am laying all the cards on the table—"that one of these dams could be built in 12 to 15 months"—this is Cumberland I am talking about—and that the War Department is anxious to go ahead with these dams." Now 12 to 15 months would be from February to May of 1943. I hold here in my hand a letter from the Under Secretary of War saying that the first power that could be delivered from one of those dams is September 1, 1944, and from the other one March 1, 1945.

Q. When could the first power be received from Douglas?

A. The first power would be available from Douglas early in '43. I have a telegram from Senator Stewart urging these Cumberland River Dams and saying that the building of those dams would solve the problem presented by the Douglas Dam controversy and I fail to find any authority whatsoever for those conclusions. The statement has been made on the Hill that the Holston project could be completed in the same time as the Douglas Dam. As far as I know there has been no effort on the part of anyone on the Hill to substantiate that statement with technical evidence. The TVA people say that the Holston Dams can't be completed and delivering power until from a year and a quarter to a year and a half later than Douglas. And because there are people on the Hill who conclude that TVA's estimates are not always sound, the OPM went outside and with the assistance of Gano Dunn had a study made by a man whom Mr. Dunn says is one of the most competent people in the country.

Q. Who is he?

Engineer's report substantiates TVA's

A. His name is William P. Creager of Buffalo.

Q. Is he an engineer?

A. He is a hydraulic engineer in private practice. I hold Mr. Creager's report in my hand and it entirely substantiates the conclusions of the TVA engineers except in one or two respects. It is even a little further back than they are. So, as far as any technical evidence that the OPM can find, the TVA conclusions with respect to Holston and Douglas stand unchallenged and we simply come down to this point: Do we need power in 1943 or don't we?

Q. Mr. Batt, how many canning factories are in the area that would be flooded by the Douglas Dam?

A. I don't know the number. There are none in the area.

Q. One.

A. But I think I am correct on that. I don't think there are any in the area to be flooded but they do draw their products which they can from the area which would be flooded; is that an incorrect statement?

Q. That is correct.

A. It seems to me that this is the canners against defense plus whatever help they can get in high places.
Q. Well, Mr. Woodrum seems to be very much opposed to this thing now.  
A. Is that so?  
Q. And he said you couldn’t possibly make any aluminum that they could put in a plane before 1948.  
A. Well, if he said that I am sure he had some figures that were not facts.  
Q. From previous statements put out from OPM and also by McKellar I think you have admitted in OPM that you would probably flood a larger acreage of Class A agricultural land by Douglas than on the other land. It appears that you would have to move less farm families.  
Fewer families involved in Douglas  
A. Yes I gave to the Members of the House and to the Members of the Senate Committee some rather interesting figures on that. It is true that in the Douglas project there is, there are 12,000 acres of what the Agriculture Department classes as first- and second-class ground as against 5,000 combined in the Holston projects. But there has been a very general misunderstanding as to the number of families involved in the two projects. In the Douglas project there are 700 families that would have to be moved and in the Holston projects 1,100 families.  
Availability of used steam generators  
Q. I was very much interested in the House report where there was some actual talk about two steam generators being available that could be gotten from Edison.  
A. Yes, the proposal has been made that this power shortage should be made up by buying two second-hand machines which belong, I think, to the Detroit Edison Co. These are steam, some discarded equipment or some unused equipment that Detroit Edison has. Of course you have to have additional equipment to go with that in order to make complete installation. We have already been recommending very strongly that that equipment should be used for another defense project where power is needed very much earlier than here.  
January is deadline  
Q. What is the deadline that you have got to have this money to get going and get this thing done?  
A. Well, I think if it is not started by January, if the appropriation isn’t through by January—you see, I am not a dam engineer but it fits in with the seasons. If you don’t have your construction up so you impound water when it is ready, you are likely to lose the whole 12-month period.  

Text of Batt’s statement on Douglas Dam

W. L. Batt, director of OPM’s Materials Division, released the following prepared statement at a press conference December 3:  
I have just learned that the House Appropriations Committee has declined to recommend an appropriation for the construction of the Douglas Dam on the French Broad River in Tennessee. I cannot reconcile myself to the proposition that the Congress of the United States will fail to authorize the construction of Douglas Dam. Such an action—or failure to act—would be an irreparable blow to the national defense program. It would mean that a crucial power shortage will threaten us in 1943 just when our defense effort is scheduled to reach its peak in the production of aluminum, munitions, and other critical materials.  
We know that important defense areas will be confronted with power shortages in 1943. That is the critical year. That is why the Douglas Dam is so important. If its construction is authorized this month, it will make available, beginning with the early summer of 1943, almost 1,000,000,000 kilowatt-hours a year. It is the only additional potential source of power anywhere in the country that can provide so much power in so short a time. It will be located in the heart of one of the most important defense areas in the country.  
Tennessee Valley to need billion kw.-h. a month  
This is the situation:  
Even assuming that not a single new defense industry is located in that area, power requirements in the Tennessee Valley for the last 6 months of 1943 will approximate 1,010,000,000 kilowatt-hours a month.  
During that same period the total power available in that area including the output of all the power plants now under construction both by TVA and the Aluminum Co. of America will average about 900,000,000 kilowatt-hours a month. That will mean a deficiency in this area alone of over 100,000,000 kilowatt-hours a month unless Douglas Dam is built.  
If it is constructed, Douglas will take care of about three-fourths of that deficiency, and to meet the shortage remaining, we will have to rely, as we are relying now, on bringing in power from other areas wherever temporary surpluses exist and on cutting civilian consumption. But without the kilowatts which the Douglas Dam would make available in 1943, this is what we will face:  
First.—That whole important defense area will be closed to us as we are confronted with the problem of locating new defense plants found to be essential as our needs develop.  
Second.—Existing munitions plants now located in the area can not be expanded although when the plants were built considerable expansions were expected and the plants were designed with that factor in mind. It will cost time and money to make other plans now and there is no easy answer because we know of no area where a surplus of power will exist in 1943.  
Third.—Power requirements for all users except vital defense industries will have to be sharply curtailed during dry seasons. The blackout still in effect in six Southeastern States because of the power shortage already existing in the area will be mild compared with the power curtailment program that will have to be imposed by 1943 if Douglas Dam is not built. In a dry season, such as we have just gone through, nondefense industries would have to reduce their consumption as much as 33 percent if spread out over a 6-month period or a much higher percentage if the curtailment were delayed until the late months of the year. The consequences of such a sharp industrial curtailment, in terms of unemployment for the thousands of mill and factory workers and for all the other people and businesses dependent upon these industries in six States is not a cheerful prospect.  
There is only one question to determine. That is, do we need more power for defense? The answer is obvious. Regardless of temporary surpluses in some sections, every important defense area of the country will be short of power in 1943. The Douglas Dam is one of the few projects which can be undertaken at present but for the defense of the Nation.  
For the sake of our national defense, I earnestly hope that the Congress will restore to the deficiency bill now pending the funds recommended by the President for commencing construction of Douglas Dam.
PRICE ADMINISTRATION . . .

Ceiling put on rails for relaying; some sold higher than new product

Maximum prices for certain types of second-hand railroad rail that are sold for further transportation use are established in Price Schedule No. 48, Relaying Rail, announced December 3 by OPA Administrator Henderson.

Used railroad rail falls generally into three quality classifications: relaying quality, which is still serviceable for use as rail; rerolling quality, which is sold by so-called rerolling mills for conversion into lighter rail, concrete reinforcing bars or small structural shapes; and scrap quality, which is sold as scrap to steel mills and foundries.

The latter two types—rerolling and scrap—are already under maximum prices in Price Schedule No. 4—Iron and Steel Scrap.

Demands disorder markets

“Relaying rail” in normal times is used as a cheap substitute for new rail on lines where traffic is not heavy or where quality is not a consideration. Hence, prices for this rail are held in line by the prices and supplies of new rail available. The tremendous demands of the defense program for steel have limited the amounts of new rail available with result that second-hand rail markets have become disordered. Rail of relaying quality has sold in many instances at prices as high or higher than those for new rail. Further, used rail that normally would flow to rerolling mills is being sold as relaying rail.

Rail in two classes

The schedule divides relaying rail into two categories: (1) rail originating from class I railroads and class I switching or terminal companies; and (2) rail from all other sources, such as short lines, interurban lines, and abandoned lines of all types. It is provided that if rail of class I origin is sold by the railroad “in track,” that is, not torn up and assembled, it shall fall into the “all other” classification.

Base price for relaying rail of class I origin is established at $30 per gross ton f. o. b. any station on the selling railroad at the option of the buyer. When such rail is purchased by a dealer or jobber, it may be resold at a maximum price of $30 a ton, f. o. b. shipping point.

For all other types of relaying rail, the schedule sets a ceiling shipping point price of $30 per gross ton minus the railroad freight charge for transporting such rail between the shipping point and the weighing point nearest in terms of transportation charges. It is provided that in no case need the shipping point price be less than $22 a gross ton. The delivered price, accordingly, shall be the shipping point price plus the actual cost of transportation to the destination point.

Base points designated

The following cities are designated as base points for relaying rail of other than class I railroad origin:

- Boston, Pittsburgh, Detroit, Norfolk, Kansas City, Mo., Los Angeles, Philadelphia, Cleveland, Chicago, Minneapolis, Birmingham, San Francisco, Seattle, Buffalo, Cincinnati, Savannah, St. Louis, Houston, and Portland, Oreg.

A special section of the schedule deals with relaying rail sold from warehouses equipped with machinery for reconditioning. The maximum prices in this section, all f. o. b. warehouse, are: $2.25 per hundredweight for less than 5 tons; $2 per hundredweight for 5 to less than 25 tons; and $1.60 per hundredweight for 25 tons and over. Persons desiring to operate under this special provision must file, on or before December 10, 1941, with the Office of Price Administration, a statement indicating that they operate recognized warehouses equipped with machinery for reconditioning.

Certificates or affidavits required

Buyers of more than 100 tons of used rail are required to file with OPA within 10 days of purchase either a certificate from an established inspection bureau or an affidavit estimating the division of the purchase among relaying, rerolling and scrap qualities. OPA reserves the right to inspect and classify the rail itself.

In the case of sales of relaying rail of 25 tons or over to the ultimate consumer, the seller is required to file either a certificate by an established inspection bureau that such rail is of relaying quality or an affidavit from the consumer stating that the rail is to be used for relaying purposes.

Tire retread material price increases investigated

Reasonableness of increases ranging from 12 to 20 percent in the price for rubber “camelback,” used to retread worn automobile tires, is under investigation by OPA, and producers are being requested not to advance prices further pending completion of the study. Administrator Henderson announced December 4.

In a letter to camelback manufacturers, Mr. Henderson pointed out the probability that tire retreading volume will expand substantially under the rubber conservation program and that, in consequence, “public dependence upon camelback during the emergency will be very great.” Stabilization of the price of camelback is “absolutely essential to the success of the defense effort,” he said.

“Since the supply of crude rubber available for camelback is already controlled by Government allocation, price advances in excess of increases in allowable costs of production will not operate either to augment supplies or to accomplish any other justifiable purpose,” Mr. Henderson stated.

The three major grades of camelback have increased in price by 12.15 and 20 percent, respectively, since the beginning of 1941, according to the letter. Manufacturers are requested to notify OPA in advance of any contemplated changes in camelback compound which might affect the quality of the finished product.

Shoe machinery makers invited to meeting

Manufacturers of shoe machinery have been invited to Washington December 10 to confer with OPA officials on their prices, costs, and other matters necessary for determination of a level of maximum prices, Administrator Henderson announced December 3.

The meeting is one of a series being held by OPA in connection with its study of the selling prices of machinery in various industries.

Shoe machinery manufacturers are requested in letters announcing the December 10 meeting not to increase prices of rentals on contracts for new equipment and repair parts while the study of their industry is being made.
Meetings to discuss proposed Western pine lumber ceilings

Proposed ceiling prices for all lumber made from Western pine were to be discussed by officials of the Office of Price Administration and lumbermen at a meeting December 8 in San Francisco and at a second meeting December 10 in Spokane, Wash. Administrator Henderson announced December 3.

The San Francisco meeting was to be attended by operators from California, New Mexico, and Arizona and those Oregon operators who wished to attend. Northern operators were invited to the Spokane meeting.

Used for millwork and boxes

Western pine lumber, which includes the ponderosa pine, Idaho white pine, and sugar pine, is extensively used for millwork and boxes. Western pine millwork prices already have been stabilized for the time being by a series of individual agreements with manufacturers, and an investigation of the box industry has been begun.

The proposed price schedule on Western pine lumber will facilitate CPA's work and boxes made of this wood. Any manufacturer of Western pine lumber was invited to be present at either of the meetings.

Rail industry representatives invited to meeting on materials for 1942

Leading representatives of the rail industry were asked December 2 to meet December 12 with officials of the automotive, transportation, and farm equipment branch of the Division of Civilian Supply to discuss material requirements for 1942.

Andrew Stevenson, acting chief of the branch, sent invitations to the conference to 88 railway executives, passenger and freight car builders, locomotive builders, and railroad supply manufacturers.

The meeting will be held at 10 a.m. on December 12, in Room 5055 of the Social Security Building, and admittance will be by invitation only. Mr. Stevenson will preside.

Tarred and asphalt roofing prices reduced by schedule effective December 12

A substantial part of the increase that has taken place in manufacturers' prices of tarred and asphalt roofing products since the first of this year is eliminated through a schedule of maximum prices announced December 1 by OPA Administrator Henderson.

The schedule, which will go into effect on December 12, reduces prevailing prices by amounts generally ranging from 5 to 10 percent.

Asphalt or tarred roofing products are primary construction materials. They are used widely in industrial and commercial building and afford roofing protection to the great majority of dwellings. In the defense program, asphalt and tarred roofing materials are used on new plants of all kinds, and in defense housing projects.

Industry operating at capacity

Under the stimulus of the defense effort and heightened civilian activity, demand for asphalt and tarred roofing has risen sharply. The industry is operating at capacity levels and in the first 8 months of 1941 produced in excess of 26,000,000 "squares" (each "square" is enough to cover 100 square feet), the highest output on record for any similar period. This has resulted in lower unit costs to manufacturers. Despite this, however, prices have been raised several times and currently are about 16 percent above the levels that prevailed at the beginning of 1941.

The OPA schedule establishes maximum manufacturers' prices below current levels, but still ample to provide producers with substantial profit.

Producers of rolled zinc sheets, strip, plate asked individually to adhere to OPA price list

Producers of rolled zinc sheets, strip and plates will be asked to agree individually to adhere to the list of maximum prices recently issued by OPA, Administrator Henderson announced December 2.

Notice of the forthcoming requests is contained in letters being sent to manufacturers by the administrator in which he expresses belief that "a formal ceiling order is unnecessary in this case, provided we can obtain the individual cooperation of members of the industry."

The OPA-approved price list was effective December 5. Details were given in release No. PM 1664, issued November 29, 1941, and printed in DEFENSE December 2.
Manufacturers must absorb some of increased costs, price executive says

Speaking at the Chemical Exposition in New York City on December 3, Joel Dean, price executive in charge of the industrial and agricultural machinery section of OPA, told the industrialists present: "The prevention of price inflation is a cooperative venture in which every man who makes something for sale can help to apply the brakes. The only way to stop it is for each of us to make some sacrifice, to absorb as much of the increased cost as possible, even though it may mean some curtailment of profits."

Further excerpts:

In this task of price administration as it applies to machinery and equipment, we face a number of difficult problems which I should like to present to you frankly.

One problem concerns the kinds of cost increases which do not appear to justify any price increase. Two such cost increases which I should like to discuss are income taxes and anticipated costs.

Corporate income and excess profits taxes are not a cost of production. That fact is universally recognized. Were they to be passed on to the buyer in the form of higher prices, they would be a change in the incidence of taxation, which is certainly not our function.

Whether is anticipation of higher costs a valid reason for increasing prices. Actually realized costs, as shown on the books during operation over a certain period, are one thing, but a company's fear that its workers are going to ask for another wage increase and that prices of some of the materials he buys may be higher next month is no justification for raising sales prices now.

Reduction of output caused by priorities curtailment often results in a higher overhead per unit of output. Whether this should be reflected in higher prices depends on the circumstances.

Most absorb part of increased costs

Now, in considering the cost factors which can be said to justify a higher sales price, we must repeat that it is absolutely necessary for every manufacturer to make some sacrifice, to absorb some of his increased costs. But first let us be sure that they are actually increased costs—that is, costs per unit of manufacture. Take wages. It does not always follow that an increase in wage rates causes an increase in per unit cost; it may be in some cases balanced by greater output per man hour. The converse, we admit, may sometimes be true. The use of less skilled, less efficient labor may result in higher per unit cost even with a stable wage rate.

Forward pricing for future delivery

One of the more difficult problems involved in machine pricing is forward pricing for distant future delivery. It is only natural that management should seek some measure of protection in making forward prices. The general tendency has been toward the use of some kind of escalator clause, ranging all the way from reservation of the right to raise the price by any amount the producer finds necessary at the time of delivery to the provision that price shall be adjusted in accordance with the Bureau of Labor Statistics indices of material prices and average hourly wages then prevailing.

Objections to the "escalator" system

Let us examine this escalator system. In the Office of Price Administration, we have the opportunity and the obligation to examine closely its wider implications, which reveals certain basic objections.

First, the escalator clause is likely to result in price increases in excess of cost increases. Secondly, the escalator clause may remove the incentive to economize and may even provide a means for padding the costs to those so tempted. Third, and most important, the escalator clause guarantees and accelerates the vicious upward spiral which we are all seeking to prevent.

It seems to us that, of all the alternatives which afford protection against possible future cost increases, that one is to be preferred which puts future delivery producers on a par economically with immediate delivery producers. Full protection for forward pricing could, therefore, be had by using a clause in the sales contract which permits revision of price—subject, of course, to the purchaser's right to cancel—if the Office of Price Administration revises the ceiling on the class of machinery.

Problem of custom-built equipment

Finally we come to what would seem to be, on the face of it, our most difficult problem—the problem of made-to-order, or custom-built equipment.

As we break it down into its elements, however, certain approaches to the problem have proven successful in similar industries. In the first place, we find that in many instances what seem to be special machines may be stripped down to a common base or bare machine to which have been added a certain number of accessories or appurtenances. In such cases, the problem may be narrowed to one of pricing alternative combinations of accessories.

Another method is to compare the specially designed unit with its nearest standard equivalent and then analyze price differences in terms of added design and construction costs, or in terms of added output potentialities.

A third solution is to express prices in terms of some input or output common denominator, such as price per pound or per kilowatt-hour output.

A fourth solution would be to freeze the methods of estimating as of a certain date.

The machinery section of the Office of Price Administration has advocated that wherever it is necessary for continued operation of a business to make price advances, the percentage of advance on repair parts should be less than on new machines.

In closing, may I emphasize again that this matter of price control, of putting the brakes on inflation, is a task in which each and every manufacturer must take his share of the responsibility.

Governors' aid sought in waste paper salvage campaign

Cooperation of governors in the various States in impressing upon the public the importance of conserving waste paper as a defense measure has been asked by OPA Administrator Henderson in a letter to State executives.

Mr. Henderson's letter to the governors is in line with the OPA policy of aiding in every way possible the conservation campaign started some time ago by the waste paper consuming industries. Mr. Henderson's action has the approval of the Bureau of Industrial Conservation in the Office of Production Management, which is undertaking a long-term waste material conservation campaign.

Four specific suggestions were made to the governors:

1. Make sure that all State and municipal institutions and buildings stop burning waste paper immediately.
2. Urge all State, county, and municipal authorities to put real effort behind this drive.
3. Urge the public in press conferences and radio addresses to conserve waste paper.
4. Urge the charitable organizations and waste-paper dealers in each State to put every effort behind greater waste paper accumulation.
Need to combat waste makes consumer aid vital to defense, says Miss Elliott

Seeing that consumers get the best value for their money is vital to defense, Miss Harriet Elliott, associate OPA administrator in charge of the Consumer Division, said on December 2—for "any administrator in charge of the Consumer Weakness, any waste, any improper use of our economic or material resources will, at some point of place or time, hinder the defense program." She also pointed out to her listeners at a dinner sponsored by the National Consumer-Retailer Council, Inc., that promotion of standards will not result in "regimentation" and is not concerned with limitations of styles, patterns and colors.

Excerpts follow:

From a number of frank and friendly businessmen we in the Consumer Division have had a question asked of us. It usually comes up in some such fashion as this. Our questioner will say: "Of course, Miss Elliott, we certainly believe that the consuming public should get and we in our business are doing the very best we can to see that they do. But, Miss Elliott, what on earth has that got to do with defense?"

I'd like to describe to you the role that the Consumer Division has in the defense picture, as I see it, and what makes that role imperative to the success of our national effort.

Waste hinders defense

Our land of plenty is insufficient to meet today's need in the short time history has allotted us. We don't have surpluses. We do have scarcities. And any weakness, any waste, any improper use of our economic or material resources will, at some point of place or time, hinder the defense program.

It is this urgent need to eliminate waste, to avoid the loss of economic energy, that has thrown the problems of the consumer into the very heart of the defense program.

Need "down-to-earth" information

But consumers alone cannot, either through personal discipline, or by the most diligent reading of all the pamphlets, books and speeches ever written on the subject, become efficient home purchasing agents without your help—concrete, down-to-earth, reliable, scientifically-accurate and easy-to-understand information about the qualities of the goods you offer for sale.

It is another one of the jobs of the Consumer Division to gather and sift such information on performance standards, specifications, quality controls and construction standards, and to promote the widespread use of this information among both consumers and business. Standards are not regimentation

Our press and information department tells me that there's nothing that sets their telephones ringing so urgently as any statement, or the rumor of any statement, about standards from the Consumer Division.

This confusion which allows the word "standards" to take on connotations of the word "regimentation" must be cleared up.

Let's take an imaginary example of how the Consumer Division would approach a single standards problem and see if it won't serve to illustrate concretely what standards mean. Let's suppose that a price order were under consideration for, say, broadcloth shirts. What would the Consumer Division recommend in that case? Would we recommend standards?

Yes, I believe we would. We would recommend, for example, that broadcloth be actually broadcloth and we would probably refer to our fabrics definition committee, which has already been set up, for the definition of the term. We would further recommend that broadcloth shirts in specific price ranges be of a certain minimum standard of fabric construction. We would probably further recommend the acceptance of certain existing recommended standards for shirt sizes, and we would almost surely recommend maximum shrinkage tolerances.

Infinite variations allowed

Would any of these recommendations mean that all broadcloth shirts would look alike? No. Not a single one of them. I want to call your attention to the fact that such a recommendation in combination with style, pattern and color, would allow infinite variations to consumer needs and tastes. Now, that's not to say, that throughout this defense emergency, there won't be any limitations on such variations. There may very well be. But such limitations won't come from standards. They will be the requirements that the simplifications program of the Office of Production Management may find essential.

I would like, however, to make this clear to you. The Consumer Division holds no brief whatsoever for standards, as such, or standards, as a principle. Wherever such standards, or specifications, make no contribution, or in any way hinder the rapid building of economic strength, then the Consumer Division will recommend against them. But I earnestly urge that all of us keep this in mind during these coming months. Unless we take steps to avoid such an eventuality—through the use of standards, specifications, or quality controls—we may find that some of our conservation efforts result in increased waste.

Let me cite you an example. In a commercial testing laboratory a sample of hose was submitted recently that had been worn by the customer of one of that laboratory's clients for 2 days. The hose were of nylon. The manufacturer of this particular brand had attempted to conserve nylon by making the welt (top) and after-welt of the hose from cotton.

Into the after-welt, a single thickness of cotton, he had inserted a lace-type run stop. This particular lace insert was unduly weak and gave way. The result was that that pair of hose was damaged with runs and rendered useless the second time they were worn.

Here was waste, not only of that consumer's income, but of nylon and all the economic energy and plant it took to produce those hose.

There is no way that I know of to count, in either dollars or tons, the losses that waste of this sort might thoughtlessly promote but no one would deny that its totals could run disastrously high.

Food industry commended

Sitting here at the table are representatives from another industry, the food industry, and to you, who are concerned with textiles solely, they could tell a story that would illustrate that you in the textile field have no monopoly on this whole problem. These gentlemen represent a group who have pioneered some courageous policies in labeling, in giving to their customers more specific information about some of the goods they buy and I want to compliment them and urge that the whole food industry join in this program of promoting more informative and specific labeling and advertising.

For today, the informed, intelligent consumer is to you, in the textile business, one of your greatest assets in avoiding the pitfalls and misinterpretations that are so likely to accompany times like these.
Your Milk Dollar

In appreciation of the danger that a reduction in milk consumption may result from increasing prices, Miss Harriet Elliott, associate administrator of the Office of Price Administration in charge of the Consumer Division, this week outlined steps consumers may take to stretch their milk dollars.

Calling attention to the value of milk as a protective food and an important source of mineral, protein and vitamin food essentials, Miss Elliott warned consumers not to reduce their consumption of milk below a minimum of the new national yardstick for good nutrition: 3 to 4 cups a day for children, 2 to 3 cups for adults.

She suggested that the price rises, which have been taking place all over the country, be countered by intelligent action on two fronts:

1. In the kitchen, where milk money may be stretched as far as possible through the supplementing of whole milk, in food preparation, with various low-cost milk products: Evaporated milk, skim milk, dried skim milk, buttermilk, American cheddar cheese, cottage cheese.

2. By the formation of groups that will seek to eliminate the "frills" in milk distribution that increase the spread in price from cow to consumer.

Nearly half the cost of milk delivered on the doorstep in quart or smaller bottles is a delivery charge. Miss Elliott pointed out. One way in which this charge may be reduced is the formation of buying clubs, which will bargain with a dealer to deliver milk to its members at a lower price by reducing delivery costs. For instance, milk left every other day instead of daily in large-sized containers will lower costs, a saving which should be passed on to consumers.

Where consumers buy their milk in stores, they should expect a lower price, since costs are also lowered. In 99 cities surveyed recently, savings on cash-and-carry milk ranged from 1 cent to 8 cents.

Conserving Soap

Miss Elliott has appealed to consumers to conserve soap and soap products to the fullest extent in the interest of national defense.

Soaps are made basically of fats and alkalis, to which are added borax and fillers such as pumice for scouring. To-day there is a domestic shortage of the basic ingredients. Many must come from the East Indies, from South America, and from Europe, and shipping facilities are limited. Thus, conservation of soap becomes imperative.

Good buying is the first step in such conservation. Housewives should buy soap for a specific need. For toilet purposes, a mild neutral soap is best. Soap with free alkali irritates the skin, rots fibers, fades colors, yellows white goods. There are many good neutral soaps available at any price the purchaser wishes to pay. Higher priced soaps may be harder milled, hence longer lasting. But often packaging, perfumes, and advertising account for the added costs. The flake, granule, and powdered soaps are more convenient to use, but are more expensive than bar soap. Ordinary bar soap may be grated on a simple kitchen grater, thus effecting a saving.

For general household laundering and cleaning, stronger soaps may be used. Yellow laundry soaps contain rosin which facilitates lathering, but may leave a sticky residue. However, yellow soaps are likely to contain more real "soapiness," i. e., cleansing action, than white soaps, which are usually made with sodium silicate (water glass). This aids the cleansing action somewhat, but absorbs and holds water, thus reducing actual soap content.

It has been found more economical to use water softeners such as borax and trisodium phosphate directly with a cheaper soap than to buy a soap with the softener in it. So-called naphtha soaps contain little naphtha. "Fluffy" shaving soaps and soaps which float contain large amounts of air, which the buyer pays for.

Housewives are advised to purchase soaps in fairly large quantities. Bars should be unwrapped, and the soap allowed to dry out. It will then keep without disintegrating for an indefinite time. If package flakes or powder is used, extreme care should be exercised against waste, since more soap is wasted by careless use of this type than in any other way. Soap should not be left in the water after sufficient suds have formed. Bits of soap can be used in a "soap-saver," or, if they are of a good mild neutral soap they can be shaved thin, melted and used for shampoo. Whiting and water can be substituted for more expensive gentle scouring agents. In these ways, the use of each type of cleansing agent can be reduced appreciably.

Maine Schools Adopt "War Against Waste" Lesson

The State of Maine's secondary schools will use the War Against Waste lesson as a basis for classroom discussion of the consumer's role in national defense, it was announced last week by the Consumer Division, OPA.

State Commissioner of Education Harry Gilson is now working on plans for introducing the outline into every high school in the State.

Prepared by the staff of the Consumer Division, the lesson is intended to inform students why and how critical supplies required for national defense and essential civilian uses should be conserved.

The lesson, together with supplementary background material, including "The Consumer's Pledge for Total Defense", is available to schools on application to the Consumer Division, Office of Price Administration, Washington, D. C.

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.
PRICE SCHEDULE ADDITIONS AND CHANGES

Following are additions and changes November 11 to December 4 in OPA price schedules. A complete list of schedules issued up to November 11 appeared in Defense November 18. Hereafter changes will be catalogued monthly in Defense, which will continue, also, to publish details of all price actions as they occur.

NEW SCHEDULES

Price Schedule No. 49, Builders’ Hardware and Insect Screen Cloth, issued November 13, 1941; correction FR error, November 18, 1941.
Price Schedule No. 41, Steel Castings, issued November 14, 1941. Form 141:1.
Price Schedule No. 43, Used Steel Barrels or Drums, issued November 24, 1941. Form 143:1.
Price Schedule No. 44, Douglas Fir Doors, issued November 27, 1941.
Price Schedule No. 45, Asphalt or Tarred Roofing Products, issued November 29, 1941.
Price Schedule No. 46, Relaying Rail, issued December 2, 1941. Form 146:1.

CHANGES IN SCHEDULES

Price Schedule No. 4, Amended and revised November 24, 1941.
Price Schedule No. 14, Correction, FR error.
Price Schedule No. 19, Amendment No. 2, issued November 18, 1941; correction to Amendment No. 2, issued November 21.
Price Schedule No. 32, Amendment No. 3, issued November 25, 1941.
Price Schedule No. 33, Amendment No. 1, issued November 20, 1941.
Price Schedule No. 35, Amendment No. 1, issued November 26, 1941.

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All bakery goods producers given A-10 on repair, maintenance items

Interpretation No. 3 of Preference Rating Order P-22, issued December 5 by the Priorities Division, establishes the right of all producers of bakery goods, whether or not these goods are distributed in wholesale or retail trade, to use the A-10 rating which the order assigns to the acquisition of repair, maintenance, and operating supplies.

Rubber Footwear

Request to refrain from advancing present prices of rubber footwear without consulting OPA is contained in a letter sent December 4 to 27 manufacturers by OPA Administrator Henderson.

OPA has information indicating that rapid price increases have taken place in almost all types of rubber footwear in recent months. Mr. Henderson states. Since rubber footwear is purchased in significant quantities by low and middle income groups of the population, he adds, substantial price advances are disturbing to civilian morale and contribute to inflation. The letter discloses that an appraisal of price rises that have occurred thus far is being undertaken by OPA.

Rubber footwear to which the request applies embraces all types of rubber water-proof and canvas-rubber-soled footwear, including sandals and specialty orders, but not leather or felt rubber-soled shoes.

"Pending the results of a study which we are undertaking in order to appraise these price increases," the letter says, "I request you herewith to refrain from increasing your price on any item of rubber footwear beyond the present level, or from modifying your discount schedules, without first consulting this Office.

*** I further request that you notify this Office in advance of any contemplated changes in style or design, or proportion or quality of materials used in construction which might alter the quality of this product."

Ryan appointed hides inspector at Chicago regional office

Appointment of Thomas F. Ryan, of Chicago, as hides inspector at the Chicago regional office of OPA was announced December 5 by J. K. Galbraith, assistant administrator.

Mr. Ryan is widely known in the hides trade in which he has been engaged for 40 years. For the past 12 years he has been chief of the hides inspection bureau of the Commodity Exchange, Inc., New York.

In his new position Mr. Ryan will oversee the technical provisions of the OPA maximum price schedule on hides, kips, and calfskins, with particular regard to price differentials, "upgrading," tare allowances, selection, and delivery. Inspections will be made of hides involved in sales.

Special attention to "upgrading"

"Upgrading" of calfskins and purchase of green skins by tanners at higher than ceiling prices are two prohibited practices to which Mr. Ryan will give special attention. The "upgrading" involves sales of skins of "country" or "city" grade at "packer" classification prices. In this connection, it is pointed out that many more skins are being sold currently as "packer" skins than ever before.

Petroleum Prices

Adequate publicity will be given to any decision by OPA on applications for increases in the price of petroleum products, Administrator Henderson announced December 2 in response to inquiries.

The question arose following publication by OPA of a letter sent to members of the petroleum industry on November 28 outlining the scope of Mr. Henderson’s earlier request that no increases be made over November 7 prices for petroleum products without first submitting the matter to OPA approval.
CONTRACT DISTRIBUTION

Rules laid down on approval of production associations to bar "dubious promoters"

"Dubious promoters," seeking commissions on defense jobs, were barred from participation in defense production associations December 8 in a bulletin sent by Floyd B. Odium, Director of the Contract Distribution Division of OPM, to the 81 field offices maintained by his division.

Defense production associations are being organized by groups of small manufacturers in many sections of the country to seek and execute defense contracts or subcontracts they cannot handle individually.

In order to protect legitimate production associations against trouble under the Federal Anti-trust laws, which forbid combinations in restraint of trade, John Lord O'Brien, General Counsel of OPM, and Attorney General Francis Biddle agreed recently that organization plans of each proposed association must be approved in advance by the OPM and the Department of Justice.

Limits put on approval

Mr. Odium advised field offices of the Contract Distribution Division as follows in the bulletin:

"This Division, in undertaking legal clearance of proposed associations, must give consideration to the character of sponsorship of the organization in order to forestall as much as possible the activities of dubious promotional organizations collecting fees for membership and exacting payment of a percentage of the amount of defense work obtained by member-plants. Accordingly, under present policy, clearance will be limited to the following cases:

1. A defense production association representing manufacturing units in a given community or industry, sponsored and organized by the members themselves, or by public or civic agencies acting without profit.

2. A defense production association representing manufacturing units in a given community or industry, organized by a manufacturing concern equipped with physical facilities for participation in the performance of defense contracts or equipped to provide substantial services in connection with the performance of such contracts by other members of the association.

As a corollary to the foregoing rules, the following rule will be applied:

"c. So-called defense production associations, organized or sponsored by third parties for the purpose of inducing membership of manufacturing units upon an agreement to pay a percentage of the amount of defense contracts obtained will not be cleared."

Contracts bar contingent fees

"Mr. Odium also called attention to the fact that standard forms of Government contracts contain a 'covenant against contingent fees' in substantially the following language:

"The Contractor warrants that he has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fee. This warranty shall not apply to commissions payable by Contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business."

Groups asked to notify field offices

Individuals or groups desiring to form defense production associations were advised by Mr. Odium to notify the nearest field office of the Contract Distribution Division. Division field offices were asked to obtain as much as possible of the following information in each case:

1. The name of the person or organization sponsoring the formation of such association.

2. If the association is being sponsored other than by the participating plant or a public or civic agency acting without profit, give a brief statement of the character, background, and business history of the sponsor and describe what services will be provided by such sponsor and on what basis the sponsor will be compensated.

3. The general plan of organization of such association.

4. The names and locations of the concerns which it is proposed will participate in such association.

5. General character of the business of each of the participating concerns.

6. The general type of manufacturing operations which it appears the participating concerns may be qualified to engage in (textile, metal fabrication, etc.).

7. The number of employees of the participating companies.

8. A description of the relative sizes of the participating companies.

9. Present business and employment conditions of the participating companies, with regard particularly to the effect of priorities or material shortages.

10. General character of employees in relation to skilled, semiskilled, or unskilled labor, and relative proportions thereof.

11. General employment conditions in the area with regard particularly to the labor demand in the area in connection with defense production.

12. What arrangements are proposed to be made between the Association and its members, or between the members themselves, for (a) subcontracting of parts and components, (b) supervision of production operations, and (c) fees to be paid or other financial arrangements.

NEW FIELD OFFICES

Opening of 5 additional field offices to help qualified manufacturers obtain defense work was announced last week by the Contract Distribution Division bringing the total number of such offices to 81. The new offices and their addresses are:

Manchester, N. H.—Amoskeag Industries Building, Stark Street.

Reno, Nev.—Saviers Building.

Montpelier, Vt.—12 State Street.

Columbia, S. C.—Room 204-206, Mansion Building, 1207 Taylor Street.

Erie, Pa.—Erie Trust Co. Building.

Rochester, N. Y.—Erie Trust Building, Main and Swede Streets.

Bridgeport, Conn.—Professional Building, Main Street.

Reading, Pa.—615 Penn Street (E. Laurence Chalmers, acting manager).

Information on defense orders sent throughout U. S. to give chance to bid

The OPM Contract Distribution Division is sending throughout the United States information on defense orders, to give out-of-the-way plants a chance to bid. Director Odium said on December 3.

He said he was recommending steps to keep 133,300 small plants alive until their usefulness to defense or essential civilian work can be determined. He also outlined to the Congress of American Industry, meeting in New York City, the organization and methods used so far to spread defense work, and plans for the coming year.

Contracts had already been let on most of the items for which planning in detail had been completed. We found it necessary to have experts to get into the planning stages of what orders are to come next month, or next spring. That’s what we have done.

From scratch we have assembled in our Washington office close to 300 employees. A substantial number of them are technically trained men, and a great many of them are now working with the Army and Navy, finding out what is needed that can be turned out by small and currently unused plants.

We now send throughout the United States notices of work to be bid on, and we get them out at least two weeks before the bidding. This gives the out-of-the-way plants opportunities that they did not have before to become prime contractors. We now send out daily a list of contracts that have been let so that the scattered concerns may better know where to search for subcontractors. And before long we hope to let this vast group of small outfits know about many things that will be up for purchase one, two, or even three months ahead—so they can prepare.

1,000 field employees

To reach these concerns we needed a vast field organization. It is being set up along State lines—already we have about 80 offices and about 1,000 field employees. Before the end of the year, every State will be covered in this way. Some industrial States already have several offices.

Since September, our division has certified to the armed services for special consideration in contract awards a total of 11 distressed areas, including more than 125 plants, as well as the entire washing machine industry. The total of contracts placed as a result of these certifications runs to 35 million, 500 thousand dollars. Now under study are about a hundred areas which face potential distress. They are bumping into the grim realities of material shortages.

We have put veritable catalogues of needed defense equipment and parts on wheels and sent them over the country in three special trains so that the men of little industry, whose accumulated skills turned out refrigerators, vacuum cleaners, stoves and baby buggies, can see the pieces that go to make tanks, guns and planes and decide for themselves what they can do to defend America. These traveling “market place” exhibits have clarified the status of thousands of manufacturers. Some know now that they are destined for defense work; others that they are not adapted to it and must look to civilian needs to keep their plants busy.

To hold 200 major clinics

We’ve already had get-togethers of prime contractors and small businessmen in New York, Chicago, Kansas City, Los Angeles and other cities. They’ve put thousands of firms on the road to subcontracting.

By now we know that the clinic idea is a good one. With the help of our manufacturers we’re going to put on more than 200 major clinics next year and a lot more little ones for the smaller towns. But we don’t want to run the big contractors ragged with invitations to a dozen different clinics at the same time, so we’re working out an orderly plan.

We’re dividing the country into four big regions and organizing a clinic circuit in each region. That will give us four major clinics each time. With that set-up, you fellows can do a devil of a lot in a year’s time to make Hitler throw in the towel.

Pooling of the facilities of small manufacturers seems to be another effective approach. We are urging that such pools be formed. We have a special organization to help after the initial promotion stages and to try and guide pools through to ultimate business. Several pools are already working on orders received. There are about a hundred that we are working with today to some degree or other.

Nor have we forgotten the big prime contractors. They have been asked to take up subcontracting in an organized way within their own ranks as a national patriotic policy. We have a special unit following them up, working closely with them and trying in every proper way to get work spread through them more and more.

Urges small plants be kept alive

Seventy percent of our manufacturing establishments employ 20 people or less. They are the scattered plants that support small communities. They are spread throughout our land almost proportionately among the States.

There are 133,300 of these very small plants. They are so numerous that, before we could reach them on a plant-by-plant basis and decide which should be converted to defense and which kept in civilian production, thousands would die from material shortages. Their workers and managers would be scattered, their productive capacity lost both to the war front and the home front. Neither the Contract Distribution Division nor any other agency could revive them during the period of this emergency and, in many cases, they would be dead for all time.

I say we should allow these firms employing 20 or less enough scarce materials to keep them alive until we can reach them and find out what they’re best fitted to do. We know that some proportion of them can in time be brought into defense work. Two percent of the scarce material supply would keep them all alive for six months, four percent for a year.

Exceptions could be made in the case of some extremely scarce materials, like aluminum. But in general the handful of materials needed to keep these little companies going would be available.

I would link with this plan a requirement that any of the small plants refusing a reasonable offer of defense work would suffer a corresponding cut in its materials allowance.

With a program like this in effect for the firms employing 20 persons or less, the Contract Distribution Division and the Armed Services could concentrate in the immediate future on shifting more of the larger companies from civilian to defense production in the shortest possible time. Here the plants are few enough that we can hope to reach them and make a fair decision within the time we have.

I am convinced that a life-giving grant of materials to the very small concerns is essential to the mobilization of our maximum productive power. I am presently presenting my case on this matter to the responsible officials and I anticipate a decision soon.
Big business must help little business, Nelson warns in speech to manufacturers

Big business must help little business. In a redoubled defense effort if free enterprise is to prove its worth and survive, Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, warned on December 3. And "if industry for the duration of this emergency must forego some of its accustomed ways of doing things and temporarily give up some of its privileges, so too must labor."

He spoke to the forty-sixth Congress of American Industry, held by the National Association of Manufacturers in New York City. Excerpts follow:

"One of the great things at stake in the present national emergency is nothing less than the preservation of private enterprise in this country, and the blunt companion truth is that the simple fact that private enterprise is going to come through this ordeal it has got to undergo substantial improvement."

"I do not say that as an unfriendly critic of industry. I am a business man; I have been one all my life, and I have no desire to be anything else. I have an acute selfish interest in wanting to see our free system of private enterprise come through this emergency intact."

"We are today making military expenditures at the rate of approximately one and three-quarter billion dollars a month. Considering the fact that this program got started less than eighteen months ago, that is an amazingly fine achievement: yet it unfortunately remains true that production at that rate won't beat Hitler. I believe that the very least that production volume must be doubled."

Government can't do job alone

"Obviously, if we undertake to double current armament production—as I am convinced we must do—and set ourselves to turn out military goods at a rate of better than 40 billion dollars a year, the future demands on American industry are going to be so much greater than they have been so far. It is equally obvious that as the demands increase so also does the responsibility. The Government can't do this job alone. It can chart the program, set the sights, put up the money, and coordinate the various efforts—but the actual job of getting the goods out and up must be done by industry itself."

"I believe that in our present emergency it is up to the big fellow to help the little fellow. There are a good many ways in which he can do that. The most obvious, of course, is through subcontracting. A large corporation holding large prime contracts under the defense program has in its possession a huge amount of this aid-to-small-business which we talk so much about these days. Should the large corporation wait for an act of Congress, a directive from the Secretary of War or an order from someone in the Office of Production Management before it farms out a substantial portion of that work—or should it act on its own initiative in the matter? I think it should act on its own initiative. I think it ought to—and make every possible use of the facilities which exist outside its own corporate walls, consistent with the meeting of its contractual obligations."

"And that is not all of the story, either. I can think of no good reason why our large manufacturers should not actively aid our smaller producers on this whole problem of conversion. There are engineering and research skills and services which can be made available. There are, I believe, extensive possibilities in the way of the sharing of knowledge, assistance in the matter of pooling resources, guidance and help in the bringing together of separate productive resources. I am convinced that in this broad field it is up to the big manufacturer to extend a helping hand to the little manufacturer."

System of free enterprise at stake

"All of this may sound like strange advice. The world of business has always been fiercely competitive: I hope and pray that it will remain so. Why, then, this talk of big competitors helping little ones? It is nothing less than our whole system of free enterprise which is at stake in this crisis. That system will survive only if it proves that in a time of great crisis like the present it can continue to function as a serviceable and efficient mechanism. And our national productive system will not be a serviceable and efficient mechanism if, in this hour of unprecedented demand for goods, it develops that only those productive facilities which are in the hands of the huge and powerful corporations can be kept in production."

"In other words, we face this simple fact: American industry today is under the necessity of shaping its policies by something above and beyond the daily profit-and-loss balance sheet. The good of the Nation rises superior to all other considerations. We have got to show that capitalism can and will meet the requirements of a national emergency if we wish to have capitalism continue to exist."

"Take a simple example. Consider any industry which produces one of the raw materials which we need so badly. The emergency, of course, calls on that industry to produce as much of that material as is humanly possible. Since the demands are so overwhelming, we run into a shortage of that material. Because of that shortage, we are obliged to ration the use of that material very sharply; and because it is so rationed and controlled, a considerable number of business firms are forced to the wall and large numbers of people are very seriously and painfully affected."

Effect on post-war good will

"Now suppose, after the emergency ends, that it develops that this hypothetical industry has not, in fact, been producing to the limit of its capacity. Suppose it restrained itself, either because it feared some glut of productive capacity after the war, or because it hesitated to admit new competitors to its own field, or because the profit margin happened to be greater at less-than-capacity production than at full capacity. Do you suppose that the American people will then be disposed to consider that that industry has met its responsibilities in this emergency? And do you imagine that any industry which is considered not to have met its responsibilities is going to have an easy or a pleasant time of it thereafter?"

"Now, of course, all that I have been saying here about industry's responsibilities in this emergency applies equally to all of the groups and divisions which make up our great American society. If industry must exercise vision and self-denial, so also must labor; if industry for the duration of this emergency must forego some of its accustomed ways of doing things and temporarily give up some of its privileges, so too must labor. More than anything else today, we need a unity of industry and labor in this emergency. I don't mean an impossible sort of unity, in which no employer ever says "no" to a labor spokesman and no union ever dreams of talking about a strike. I mean the kind of unity which comes to strong, self-respecting, and independent groups which realize to the full the fact that they are on the same side, working in a common cause."
MEDIATION BOARD . . .

225,000 truck drivers on the job pending arbitration of wage dispute

The National Defense Mediation Board last week (December 1-7) had, for the third time in its 8 months of existence, no work stoppages in any cases pending before it. A total of 358,616 men are at work for defense in 32 cases while waiting for the Board to settle their disputes.

The Board also opened hearings in three cases last week, in one of which interim recommendations were made; appointed a special representative in a second case, and received certification of two new cases.

Central States Employers Negotiating Committee

On December 2 the Board opened arbitration proceedings in the second largest case in its history—the wage dispute involving 225,000 over-the-road drivers and 800 trucking companies in 12 midwestern States. A strike, which would have crippled transportation of defense materials in that area, was averted when the International Brotherhood of Teamsters, AFL, and the Central States Negotiating Committee representing the employers, agreed to submit the dispute to the Board for binding arbitration. A six-man panel—William H. Davis, Board chairman, Ralph T. Seward, Roger Iapham, Gerard Swope, George Meany, and Robert Watt—heard statements from both parties for 4 days.

On Friday, December 5, hearings were recessed for 10 days to allow a subcommittee to assemble the necessary statistical data and other pertinent facts.

This committee, which is composed of representatives of both parties and Mr. Seward, representing the Board, will work all week, and on December 15 and 16 final hearings will be held and the Board will subsequently issue its decision.

Burgess Battery Co.

On Monday, December 1, a panel composed of Walter T. Fisher, Charles E. Adams, and George Lynch, opened hearings in the dispute between the Burgess Battery Co. of Freeport, Ill., and the International Association of Machinists, AFL. A strike of 750 men at the plant had been called off at the Board's request and the men returned to work November 26. The issues in dispute that had caused the strike were wage increase, demand for a closed shop, and negotiation of a contract.

American Shipbuilding Co.

Hearings on the dispute between the American Shipbuilding Co., Cleveland, Ohio, and the International Brotherhood of Boiler Makers, Iron Shipbuilders and Helpers of America, and the United Association of Plumbers and Steamfitters of the United States and Canada, both AFL, opened on December 1. The panel in the case is composed of Walter P. Biacy, Frederick F. Pales, and James Wilson. On December 5, an agreement, the terms of which were not revealed, was reached and is subject to union ratification. Wages and a demand for the union shop in renewing the contract were the issues in the controversy, which affects 3,000 men. The company is engaged in shipbuilding and repair work, and in constructing mine sweepers and tenders for the Navy.

Nevada Consolidated Copper Corporation

Frank M. Swacker of New York City was appointed by the National Defense Mediation Board last week as its special representative to investigate the issues in dispute between the Nevada Consolidated Copper Corporation, Ely, Nev., and the Brotherhood of Locomotive Engineers. Mr. Swacker is a New York attorney and has acted several times on cases before railway adjustment boards. Two days of hearings last month ended with both parties returning home to await Board recommendations. Mr. Swacker will report his findings to the Board and in the meantime, both parties have been requested to maintain the status quo.

The company produces copper and employs 6,000 men, who had called off a threatened strike at the Board's request.

New cases

The two new cases certified to the Board last week involve the Nevada Consolidated Copper Corporation of Santa Rita and Hurley, New Mexico, and the Metal Trades Council, AFL; and three sugar refining companies in New York City and the International Longshoremen's Association, AFL.

Regional information officers' addresses are changed

The following changes have been made in the addresses of Office for Emergency Management regional information officers:

New York City.—Clifton Read, 703 Chanin Building, 122 East Forty-second Street.

Cleveland, Ohio.—Samuel Blotky, Fourth Floor, Union Commerce Building.

Boston, Mass.—E. Bigelow Thompson, 17 Court Street.

Dudley Hovey, former information officer at Boston, was succeeded by Mr. Thompson December 6.

Two groups merged in leather and shoes section

The merging of the leathers, hides, and skins section and the shoes and leather goods section, of the textile, leather and equipage branch, Division of Purchases, OPM, was announced December 5 by Douglas C. Mackenzie, Director of Purchases.

Maj. J. W. Byron was designated as chief of the new leather and shoes section. Maj. Byron has been associated with OPM since May 1941, and has been in charge of the leathers, hides, and skins section.
LABOR . . .

Build labor force of persons unqualified for Army, War official urges

The United States has "virtually no immediately available reserve of workers left in most of the essential defense occupations," Lt. Col. Joseph F. Battley, chief of the Labor Division of the Office of the Under Secretary of War, told a conference of Army and Navy officers and OPM Labor Division officials gathered in Washington December 5 to discuss problems of labor supply throughout the New England and Middle Atlantic States.

The international situation "has driven home the basic fact that we must become a totally armed Nation both in men and machines," Lt. Col. Battley said. "We can no longer expect to superimpose military demands on peacetime needs. Both normal peacetime production and industrial and normal peacetime activities of men must yield."

Not enough of physically fit to go around

Attending the 3-day conference were 39 representatives of the Under Secretary of War, the Under Secretary of Navy, and the Selective Service System assigned to the Eastern Seaboard States as advisers on occupational deferment and labor supply for defense industries. The officers are also members of the OPM Labor Division's regional labor supply committees.

Emphasizing the need for employment of persons not qualified for military service, Battley declared that employers and training courses have neglected those "over age," those physically disqualified, and women.

The active competition between the armed forces and industry for the young, the physically superior men must cease—there just aren't enough to go around, he asserted. Rigid restrictions to prevent pirating and raiding between employers, a practice that has already as

Civilian industries told ten ways to get defense work, avert priority unemployment

How a nondefense industry, its companies and its labor organizations, can cooperate with the Government to get defense work and avert priority unemployment was outlined December 5 by the Labor Division of OPM.

Ten specific steps to be taken were outlined by Ralph R. Kaul, consulting economist of the Labor Division's Priorities Branch, in a speech December 5 before a meeting of the Institute of Cooking and Heating Appliance Manufacturers in Cincinnati, Ohio.

This industry is facing considerable labor displacement because of the shortage of metal for stoves. Other industries mentioned by Kaul as cooperating with the Government to avert serious unemployment included washing machines, jewelry, electric household appliances, slide fasteners, electroplating, and radiators and boilers.

Ten specific steps outlined

The ten suggestions made by Kaul follow:

1. As soon as possible, the industry committee and the Labor Division and Division of Contract Distribution, its information on the priority displacement of workers and facilities.

2. Similarly, representatives of labor organizations should present their information and should, if desired, meet with the industry management committee in the presentation of facts.

3. The industry committee should designate two or three of the best engineers in the industry who are familiar with its facilities and defense contract history, and who will be prepared to work with engineers of the Division of Contract Distribution, Army, Navy and prime contractors.

4. On the basis of technical consultations, the engineers can report back to the OPM, and to the individual companies, those defense items on which conversion would be most feasible. Also, certain geographical or interindustry pooling arrangements might be appropriate on specific items. The field offices OPM can then be directed to conversion possibilities.

5. In the meantime, the individual companies should make certain that their facilities are on record in the local offices of Division of Contract Distribution and should intensify their efforts to get prime and subcontract work.

6. If specific defense contracts or letters of intent are obtained but you are losing your working force from material shortages, the company should advise the priorities branch of the Labor Division and the industry committee, setting forth the essential facts.

7. The company should advise the local employment office of actual and threatened displacement in the plant and should file Form ES224 for consideration. However, in advance of this, the company should consult with the field representatives of the Priorities Division in order to be sure that it has followed the prescribed procedure in obtaining materials under existing Priority Orders.

8. If you have reason to believe that a substantial proportion of the industrial workers in your community, approximately 20 percent or more, will be displaced, your company should request the local or state employment office to initiate a comprehensive community employment survey which will be sent to the Labor Division via the Federal Bureau of Employment Security. The information on the acute community situations will be considered for certification by the OPM.

9. On the question of labor supply and training for defense work, the company should maintain close contact with the OPM regional labor supply committee which operates under the labor supply branch of the Labor Division.

10. Lastly, on any problems concerning management-labor relations on defense contracts, the company should communicate with the labor relations branch of the Labor Division, where experts in this phase of the work will give your problem immediate attention.

for specialization. More and more efficient foremen and supervisors must be developed," he said.

Reexamination of Selective Service registrants in class 2-A—men necessary to the "national health, safety and interest" in nondefense fields—and in class 2-B—men in essential national defense jobs—is contemplated, Battley said. "When our military manpower needs multiply vastly, when our industrial production levels off, when our industrial training programs succeed—and it seems that all of these things are happening or will happen—then you will be told that it is the time to look into class 2-B deferents."
Only 1 significant defense strike in week, 16 disputes settled, labor division reports

The December 6 report of only one current primary strike in defense industries (involving 90 persons) shows improvement over the record low of three significant defense stoppages (involving 1,700 persons) reported November 29, states the Labor Division of OPM. Twelve other stoppages (4,700 employees) are current in firms having Army, Navy, or Maritime Commission contracts, but these are considered of minor importance.

Efforts to adjust dispute

The one important stoppage began December 2 at the Rausch Nut & Manufacturing Co., Cleveland, Ohio, when 90 members of the UAW-CIO ceased work over union recognition and alleged discriminatory discharges. A Federal conciliator and an OPM industry consultant have been meeting with the parties and NLRB representatives in an effort to adjust the dispute. The firm is an important supplier of nuts and bolts for aircraft motors.

16 disputes settled in week

Settlements of 16 labor disputes (1,008,000 persons) were reached with the assistance of the various Government agencies during the week, according to the Labor Division. The outstanding case among the 11 threatened strikes (1,004,500 workers) which were averted is the dispute involving a million employees of the class A Railroads. Five stoppages (3,500 employees) were also adjusted.

These 16 cases are:


Part of D. C. area removed from housing critical list

An amendment to the Defense Housing critical areas list removing from the District of Columbia area, as defined, the 25 acres known as the Nevius Tract, bounded by U. S. Reservation, North Arlington Ridge Road, Lee Boulevard and North Meade Street, in Arlington County, Va., was announced December 6.

In addition to the practical considerations, such as increased traffic congestion on Lee Boulevard and the Memorial and Key Bridges, which prompted the decision, weight was given to historical and aesthetic objections to use of this land for building purposes.

At the same time, a defense housing serial number assigning priority assistance issued for the construction of an 11-story apartment building on the property was specifically revoked. (District regulations prohibit buildings of more than 9 stories.)

2,785 new defense homes completed during week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced December 3 that 2,785 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 29, making a total of 56,581 completed or occupied.

With 275 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 103,802.

Federal funds have already been allotted for 126,259 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,831. Since January 1941, 200,540 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 6,863.
Labor relations should be founded on agreement, not compulsion, says Davis

It is wise to found labor relations on agreement rather than compulsion, William H. Davis, chairman of the National Defense Mediation Board, said on December 4th. "We have heard a lot of talk about a cooling-off period imposed by statute," he told the annual convention of the National Association of Manufacturers in New York City. "The trouble with such statutes is, I think, that the porridge does not cool off unless you take it off the stove, and the only way I know of to take it off the stove is by agreement."

Excerpts follow:

Preventing labor disputes, like charity, begins at home.

The cornerstone of any structure of industrial peace is mutual trust and confidence between management and labor in the shop itself. This is easy enough to suggest. It is not so easy to achieve.

Many items and much time go into such a structure. Today I want to speak of two items that seem important at the moment. First, the right to work and the right to strike, and second, the fact that production comes from agreement, not by compulsion.

For every right a corresponding duty

We must learn to live together as free men or we must be forced to live together as slaves. Remarks of this sort are made so often and so loosely that I think we ought to stop a moment and look at this one. The most important meaning at the moment is, I think, for all of us to realize that for every right in a free society there is a corresponding duty. We speak of the right of men to strike, and second, the fact that production comes from agreement, not by compulsion.

No drafting in private industry

For service in the Army and Navy young men are drafted in such times, and that service for any one of them may extend to surrender of life itself. The fighting forces are a thing apart. Their country is their employer, and wages, hours and working conditions are fixed by Congress and by the enemy.

For service in private industry free men cannot be drafted. In private industry, workers and management must be allowed to fix wages, hours, and working conditions by agreement. This explains why the National Association of Manufacturers, as well as the great labor organizations, have passed resolutions against compulsory arbitration.

As Sidney Hillman has well said, we can no longer have either "business as usual" or "strikes as usual." But we must not lose our battle for freedom in solving that problem. It seems to me that the inevitable conclusion is that the parties involved in private industry must agree among themselves on some plan that will maintain uninterrupted production without sacrificing fundamental rights. This means, I think, that they must agree upon some final tribunal, available in any case in which all the processes of collective bargaining, of conciliation, and mediation have failed to make a final decision binding upon both sides. In my opinion, that tribunal should contain representatives of both sides.

This is not the first time that America has been confronted with that problem. It is precisely the problem we had to face in 1918. At that time it was solved by the creation of the bipartisan War Labor Board, with an agreement that if the Board divided equally the case would be referred to an arbitrator chosen by the Board. If they could not agree on an arbitrator, the President appointed the arbitrator from a panel previously approved by him and by the Board.

Production comes from agreement

About that successful policy which carried us through the war in 1918, the essential point is that it was the product of an agreement between management and labor. Some people seem to have forgotten this. The 1918 policy was worked out by the War Labor Conference Board, composed of 5 representatives of management designated by the National Industrial Conference Board and 5 representatives of labor designated by the American Federation of Labor. Each group picked a sixth member to represent the public and these two acted as joint chairmen. As you know, William Howard Taft was chosen by the employers and Frank P. Walsh by labor.

The wisdom of voluntary agreement

I hope I may be pardoned if I point out that the history of the National Defense Mediation Board gives further confirmation of the wisdom of founding labor relations on voluntary agreement rather than on compulsion. We have heard a lot of talk about a cooling-off period imposed by statute. The trouble with such statutes is, I think, that the porridge does not cool off unless you take it off the stove, and the only way I know of to take it off the stove is by agreement. When I say the wisdom of voluntary procedure is illustrated by the history of the Mediation Board I have in mind what we have been able to accomplish in the way of voluntarily continuing production while disputes are still unsettled.

Outsider can act as buffer

Conciliation or mediation of labor disputes, like their prevention, also begins at home. No matter how strong the good will, disputes arise in the mine, mill or factory which cannot be settled without a third party. That third party should be brought in before management and labor take hard and fast positions from which they cannot easily retreat. But, if that has already happened, an outsider can still act as a buffer or face-saver upon whom the disputants can blame their retreat to a compromise.

The Conciliation Service of the Department of Labor is doing a valiant job in the national defense industries during this emergency.

The Office of Production Management has available a corps of labor and management experts who are willing and ready at all times to assist either side to settle controversies affecting defense.

In case any defense dispute gets too hot for any other agency to settle, the Secretary of Labor will certify it to the National Defense Mediation Board and we will try to cool it off while production goes on.

Today, the Mediation Board has 31 disputes pending before it, involving a total of 556,116 men. All these men are on the job. There is continued production pending settlement in every one of these disputes. Eight months ago I would not have believed it possible, but here it is.

Putting the lid on labor organization

Now, let's take a look down the road which lies ahead. No mediation board can last very long unless it is keyed in with the long-run needs of labor, management, and the country. Here again we may learn from the experience of 1918.

A second point of the 1918 agreement between management and labor which has recently been much discussed was a freezing of the status of the closed shop and the open shop. The quid pro quo for that was agreement on the part of
Knudsen forecasts increasing needs, says we can't have strikes in defense

"With our house on fire, we can't have a strike in the Fire Department and refer the dispute to conciliation," OPM Director General Knudsen said in a speech to the National Association of Manufacturers in New York December 3. "If strikes can't be stopped during a period of emergency in any other way than law, it should stop them."

Excerpts from his summary of the production progress follows:

Production, as I am supposed to talk about, consists of three things: material, labor, and facilities. And to start from the beginning, one of our problems today has been the procurement of material. We know that the estimates for direct defense requirements will be greater in 1942 and 1943 than they were in 1941, and by direct defense requirements I mean, of course, the things that are bought by the Army and the Navy and the Maritime Commission.

More for Lend-Lease

I think we must also suspect increased lease-lend requirements. Indirect defense requirements and civilian requirements such as steel for machine tools and industrial machinery, the material needed for new plants, requirements for making repair of our present plants, and the minimum amount needed to keep the civilian economy going, will, I think, increase in the next year. Steel is the outstanding example of this material. The demand for steel will be greater in 1942 due to the step-up in the defense program.

Steps are being taken to increase the production of steel in places where steel is largely required for military uses. These increases will be available some-time within 1942, but in most cases these increases will be absorbed by the direct defense program. Large quantities of steel will also be used in the construction facilities, but I don't think there is going to be any great problem there. Part of the present demand is probably going in excess inventory, but I don't think that these inventories will act as much of a shock absorber under constantly increasing demand.

We are not satisfying civilian demand now. An important point is copper, but for the last few months, the defense requirements alone as represented by the highest demand are already running in excess of the supply. We are taking steps currently to increase the copper production, and we have also, through Mr. Nelson's department, taken steps to eliminate copper in civilian uses wherever it is possible. We are importing all available copper from South America.

Expects shortages to continue

In spite of our large shipbuilding program, ships are still a scarce commodity. Similar situations have developed in aluminum, magnesium, and nickel, and are rapidly developing in other metals, such as tungsten and molybdenum. Supply lines are constantly watched, as well as the stock piles, so that we can check them in case our supply lines are cut.

In view of our increase in national income, the civilian demands will be larger in 1942 than in 1941. But as I said a while ago, I cannot believe that even if our defense estimates are too high, and projected increases in production will be realized and if there is no interference in imports, the shortage of critical material will be over before the emergency is over. There may be some relief in some materials, but we will not have enough for the demand.

The labor situation

On labor, we have had a difficult period, also, with production generally on the up-grade. We know of the strike troubles that culminated in the coal strikes last month. In most cases wages and working conditions were not the issue, but the usual demands are for closed shops, union shops, preferential shops, whatever you call them. I can't for the life of me understand how in a period of national emergency such foolishness as this can go on.

We are in a very good position regarding wages and working conditions. We have all kinds of work to do, and then we have to stop and argue about the jurisdictional disputes and organizational disputes, and God knows what.

I don't want to be severe with labor; I have dealt with them all my life; I have been one of them. I have up to now supported the contention that laws were not needed to get top production in the United States, and I am quite frank to confess that with our house on fire, we can't have a strike in the fire department and refer the dispute to conciliation. If strikes can't be stopped during a period of emergency in any other way than by law, it should stop them. A
friend said to me, "What if the law
doesn't stop the strike?" My answer is,
"At least put the strike in its proper
position both from the standpoint of
emergency and the public."
The over-all picture today is about as
follows on facilities: We have committed
about $4,578,000,000 worth. This in-
cludes all of the facilities ordered by
the Army, Navy and Maritime Commission.
We have delivered to the defense program
$850,000,000 worth of machine tools in
1941, and expect to deliver $1,200,000,000
worth in 1942. The final picture isn't
quite ready yet, but in 1942 I think the
major part will be behind us.
The ratio of $4,600,000,000 to $43,000,-
000,000 isn't too bad if we get the proper
production out of it. The expanse in the
contract distribution service will be a
welcome adjunct to the production pro-
gram. The shortage created by priorities
has given a good impetus to the contract
distribution service program.
**43 billions in contracts placed**

Summing up the production picture from
the foregoing, it can be stated perhaps
as follows: Production is on the way
of every item in the defense program.
You know I cannot quote these quanti-
ties to you, but I will try to give you an
idea this way: contracts are placed of a
total value of $43,600,000. Deliveries as
measured by disbursements will amount
to $12,700,000,000 to January 1. The
calendar year 1942 should show $26,-
000,000,000 of products shipped. In 1943,
we hope to produce $36,000,000,000 of
products.

Subcontracts for the month of October,
according to the Contract Distribution
Division, amounted to $188,000,000.
This, of course, is only a small fraction.
The majority of subcontracts are placed
by the contractor himself.

As for the position of the defense pro-
gram on planes, tanks, guns and am-
munition and ships, the standing as of
January 1 will be, on planes 60 percent
of peak; on tanks 30 percent of peak;
guns and ammunition, 50 percent, and
ships, 40 percent.

Work has gone along somewhat better
in the last few months. A new plant for
building bombers will be opened in Kan-
sas City early in January and three more
plants will be finished late in 1942.
With these four plants and our present
capacity, we ought to have around a
capacity of 800 heavy bombers a month.
On tanks, we have made some progress
in work now. They will reach 2,800 a
month by the end of 1942. Guns of
smaller size are progressing, and ample
facilities have been provided.

Ammunition at first was stymied by
the lack of explosive. Satisfactory prog-
ress has been made both in powder and
TNT. We are assured of a satisfactory
supply by January 1.

In shipbuilding great advance has
been made through the progress of weld-
ing, which, incidentally, will be used in
tanks, also, during this coming year. A
monthly output of 400,000 to 500,000 tons
cargo capacity of ships wouldn't seem
unreasonable for 1942.

**Calls for realism**

Now, you might ask, what do you think
of the whole program? Here is what I
think: We have gotten started, I might
even say a good start. We are not in
the right swing yet. We are worrying
about civilian economy, which has cer-
tainly been hurt. We can't, as some
people say, be prosperous and arm for
defense at the same time. We have got
to have more help from industry, from
you gentlemen, both in the program at
large and in the OPM. We must get
realistic and convince ourselves that this
industrial machine of ours must hit on
cylinders now. We have got to make
these decisions.

Whatever we call the fix we are in
right now we have got to take one more
drive at it to get together and get the
thing going right. We may hear many
citations read all over our country before
we get through, but let's by the everlast-
ing God see to it that the boys, if they
have to go, go with a gun in their hand
and not with a broom handle.

**Maritime Commission reaches "ship a day" goal**

- Ships being constructed under the
  Maritime Commission's augmented ship-
  building program are scheduled to slide
down the ways this month at the rate of
one a day, the Commission reported De-
ember 1. "A ship a day" was the goal
set last February when the emergency
shipbuilding program was inaugurated,
and with that goal now being reached,
the Commission is planning a further
speed-up in launchings.

**Steel warehouse operators**

Steel warehouse operators in New
York City and vicinity will be given an
opportunity to ask questions about their
priorities problems at a priorities clinic
in the Hotel Astor at 2 p.m., Decem-
ber 19.

SPAB orders public hearings on possibilities of increasing production of copper

The Supply Priorities and Allocations
Board announced December 4 that it had
directed the Office of Production Man-
germent to hold public hearings on all
possibilities of increasing copper produc-
tion.

The date for the hearings, which will
be held as soon as is practicable, will be
announced shortly. Present plans are to
have the hearings conducted by an im-
partial chairman, selected by OPM from
outside its own ranks.

**Believes all questions settled
that can be settled**

In calling for the hearings, SPAB was
moved by these considerations:

Recognizing that copper is an essential
metal for the maintenance of the civilian
economy, and that any shortage in copper
after defense means are filled is imme-
diately reflected in a rise in unemploy-
ment, SPAB has from its inception stud-
ded the copper production program and
has on several occasions reviewed this
program as presented to it by OPM. It
has consistently felt that all of the perti-
quent questions were brought before it,
and that those which could be settled
have been settled.

**But conflicting stories are current**

Nevertheless, SPAB recognizes that
there are current today many conflicting
stories and reports on copper production.
It also recognizes the urgent necessity of
exploring every possible avenue of ap-
proach to the situation. Consequently,
SPAB has requested OPM to hold a full public
hearing.

**COMBATANT SHIPBUILDING**

From January 1 to November 30, 1941,
the U. S. Navy commissioned 27 com-
battant ships; 41 were launched, and keels
were laid for 128, the Navy Department
announced last week.

*Details follow:*

- **Battleships:** Commissioned, 2; 
  launched, 3; keels laid, 2.
- **Aircraft carriers:** Commissioned, 1; 
  keels laid, 3.
- **Cruisers:** Commissioned, 14; 
  launched, 19; keels laid, 80.
- **Submarines:** Commissioned, 10; 
  launched, 13; keels laid, 25.
CONSERVATION . . .

Nation-wide, year-around scrap collection is launched this week in Maryland

Maryland has been selected by the Bureau of Industrial Conservation of OPM for the launching of its program to increase the salvaging of waste paper, rags, scrap metal, and rubber, Lessing J. Rosenwald, chief of the bureau, announced December 2.

The Maryland waste collection program will be based on plans laid out by the Bureau of Industrial Conservation, Mr. Rosenwald said, but will be executed by a State salvage committee, a new division of the State Defense Council. The bureau will offer full cooperation and support, and will provide informative and promotional material for widespread distribution to homes, shops, farms, and factories in every section of the State.

Nearly all scrap metals seriously needed

"Practically all scrap metals, in whatever form they may be, are seriously needed by our defense industries today," Mr. Rosenwald declared. "Iron, steel, copper, zinc, lead, aluminum, and chromium are in tremendous and constantly increasing demand by the plants producing our planes, tanks, guns and other defense weapons. When it is realized that even in peace times steel mills rely upon the return of scrap metals for about one-third of their raw materials, it is obvious that the present vast expansion in production demands the wholehearted cooperation of the entire Nation in guaranteeing that none of the materials so vitally needed are wasted or destroyed."

Shortly after the Maryland program has been inaugurated, the bureau plans to start similar efforts in other States on the East Coast and, finally, in every section of the country. The salvage program will not be in the nature of a short-term campaign or drive, it has been emphasized, but will be aimed at a continuing "war against waste" for the duration of the emergency.

Local committees to be set up

W. Frank Roberts, chairman of the Maryland Defense Council, issued invitations to a meeting at the Southern Hotel December 9, at 8 p. m., when Mr. Rosenwald and Herbert L. Gutterson, chief of the general salvage branch of the bureau, will outline the plans which have been drafted for the salvage appeal. More than 100 persons are expected, including representatives of the waste materials industry and of charitable agencies which partially support themselves by collecting salvage, as well as a number of civic leaders.

At the meeting, Mr. Roberts will announce the appointment of the State salvage committee, which will be headed by a chairman and an executive secretary. The latter will serve as a liaison officer between Washington and the State salvage body, it was said. A separate salvage committee for Baltimore City will also be set up, and as rapidly as possible thereafter, additional local committees will be formed throughout the State, in every case stemming from community defense councils.

 Destruction of paper decried

All Marylanders will be urged to save scrap metals of all kinds, wastepaper, rags, inner tubes and old tires, Mr. Rosenwald said, and to sell them through local dealers. Persons who have been in the habit of giving their waste to philanthropic agencies which normally collect such materials will be instructed to continue the practice.

It has previously been emphasized that there is a great demand for paper for packaging and shipping munitions and other war supplies. If the millions of tons of paper which are now thoughtlessly destroyed can be saved for processing and repeated use, studies have indicated, the gap between supply and demand may be met.

Rags have defense uses

Rags, also, are being consumed at an unprecedented rate for wiping purposes in defense plants, in the manufacture of building materials for construction, and in some instances in the production of paper.

In every State where the bureau's salvage program is inaugurated, Mr. Rosenwald explained, the machinery of the local defense councils will be utilized to direct the effort. It is also expected that the activities of any other groups, public or private, which have already been promoting collections of waste materials, will be coordinated through the proposed State salvage committees.

Economy asked in use of paper during Christmas season

With a Christmas shopping season of unprecedented proportions anticipated throughout the Nation, Lessing J. Rosenwald, chief of the Bureau of Industrial Conservation of OPM, on December 1 urged retailers and the general public to make a special effort to economize in the use of gift boxes, tissue, wrapping paper, and similar paper materials.

Double wrappings and rewrapping of packages at home in additional boxes or paper materials were cited by Mr. Rosenwald as commonplace examples of wasteeful use. In addition, it was pointed out, most shoppers request special wrappings for all purchases during the pre-Christmas season, even though many may not be meant for gifts.

Retailers can be especially helpful in the conservation effort, Mr. Rosenwald stressed, by educating and enlisting the cooperation of both employees and the buying public in this effort to restrict the use of paper materials, particularly during the Christmas season.

CANNING SUBCOMMITTEE

The Bureau of Industry Advisory Committees of the OPM December 3 announced the formation of the requirements subcommittee of the fruit, fish and vegetable canning industry advisory committee.

Members of the requirements subcommittee are: Oliver G. Willets, Campbell Soup Co., Camden, N. J.; G. C. Scott, Minnesota Valley Canning Co., Le Sueur, Minn.; Howard Cumming, Curtice Brothers Co., Rochester, N. Y.

R. B. Jenkins added to plumbing, heating committee

The Bureau of Industry Advisory Committees of the OPM announced December 3 that R. B. Jenkins, of Briggs Manufacturing Co., Detroit, Mich., has been added to the plumbing and heating industry advisory committee.
TRANSPORTATION...

More uniform standards in car building, fewer types, would aid defense—Budd

Discussing "How the Military Engineer May Contribute to the National Defense" before the American Society of Military Engineers meeting in New York on December 4, Ralph Budd, Transportation Commissioner, said in part:

Two different spheres of activity have been suggested within which you can assist in the defense effort. The first is through more rigid standardization of equipment, and the second is through the use of substitute materials.

The two ideas are seemingly contradictory, and in some respects, they are. Standardization is a normal and continuing process, while substitution to a large degree is of an emergency character. Standardization makes for uniformity of shapes and sizes, substitution does the opposite. Standardization increases economy and efficiency, while with some exceptions substitution results in higher cost and less efficient operation. The common and compelling factor is the present national emergency and the consequent necessity to use as little scarce material as possible and in the way which will enable mills, factories, car builders, and locomotive builders to work to best advantage.

Standard specifications desirable

Greater uniformity of standards has always been sought by railway mechanical engineers and civil engineers. The word "standard" may be used to imply any one of several things. Those of us who experienced the standard dining car meals during the period of Federal control of railways, remember them without any particular enthusiasm. Yet no one questions the desirability, not to say necessity, of having standard specifications to govern the manufacture of structural materials, or the practices to follow in designing. Likewise, everyone will agree that certain features of a railroad's physical plant must be uniform.

Reduce types of freight cars

What I should like especially to consider here, however, is the matter of reducing to a small number, the different types of freight cars. The railroads through the Mechanical Division of the Association of American Railroads, have fixed on a few sizes of cars, as follows:

| Box car | - Inside length of 40'6", inside width 5'1", inside height at eaves 10'6" |
| Gondola car | - One having a rigid body, and one having 16 drop doors in the floor. The cars are 41'6" inside length and 8'6" inside height. The drop bottom cars have inside height of 5'6" and tight bottom cars have inside height of 4'8". Capacity of these cars is 50 tons. |
| Drop end gondola | - One having 62'6" inside length, 9'6" inside width, 3'6" inside height, and a capacity of 70 tons. |
| Flat car | - One having a rigid body, and one having 16 drop doors in the floor. Cars are 41'6" inside length and 8'6" inside height. The drop bottom cars have inside height of 5'6" and tight bottom cars have inside height of 4'8". Capacity of these cars is 50 tons. |

This marks a new point of advance in a continuing effort over many years and, in my opinion, represents a distinctly constructive step.

Policy in handling orders

The way in which orders for freight cars are distributed among the car builders is not strictly a mechanical engineering function, but it has a bearing on the ability of the shops to turn out cars. A policy which seems to me sound and wise for new freight car building may be outlined as follows:

No new sizes or types or designs to serve defense needs. No orders will be placed with car builders for cars of a type which have not already been built at that factory. The placing of orders for small lots of cars will be avoided by arranging to add the requirements of small roads or relatively small lots purchased by any railroad, to other orders of substantial quantity which have been placed by another road for similar equipment. An order of 1,000 cars or less should not be placed with more than one builder, but the allocation of total requirements should be accomplished by distributing the orders equitably in large lots.

So far as practicable, standard sizes and shapes will be obtained, but when necessary odd sizes of plates and shapes will be used.

(Ass to locomotives, Mr. Budd listed 65 parts and specifications for construction which are now standardized, and commented as follows:)

Steam locomotive problems

The fact that steam locomotives are built for the use of the owning roads and are never produced in the large quantities which characterize orders for new cars has made mass production methods inapplicable. Possibly locomotive individuality has been carried too far and might be modified to advantage. The ideal locomotive assignment on a large railroad is to have the capacity of the locomotives so adapted to the grade line that the heavier power on the steeper grade districts will permit the handling of a train of uniform tonnage the entire length of the line. In other words, the locomotives serve to flatten out the humps and hollows of the grade line.

Avoid new types now

Improvements in motive power should be fostered and encouraged in every way, and that can be done best by not stifling individual initiative, but it does seem that the emergency conditions now prevailing justly avoiding, at this time, new types of locomotives, and confining the building of new ones to the duplication of suitable existing types.

As in the case of cars, an effort should be made to add the orders for small numbers of locomotives to the larger orders to permit building them in larger lots. Car builders and locomotive builders have generously expressed a willingness to cooperate by the interchange of drawings, and by making available to each other dies, patterns, and other plant equipment.

Best features in few types

At the risk of seeming criticism, which is not intended, I suggest that it should be possible as soon as the national emergency is over to bring out designs of steam locomotives which would eliminate all but a few types; which would afford a sufficient variety to provide the necessary tractive power and speed for almost any circumstance, and to embody in these locomotives the best features which have been proved in service on the various railroads.
Contracts cleared and awarded

Defense contracts totaling $111,928,624 were awarded by the War Department and Maritime Commission and cleared by the Division of Purchases, Office of Production Management during the period November 27 to December 3, inclusive. Of this total, Army contracts amounted to $102,163,644 as compared with $186,796,951 for the previous week. Maritime Commission contracts totaled $9,764,980 as compared with $11,020,000 for the previous week.

Construction contracts during the period amounted to $1,849,976; ship construction to $9,764,980; ordnance to $49,280,661 and equipment and supplies to $51,033,605.

CONSTRUCTION

N. A. Woodworth Co., Fenndale, Mich.; acquisition of additional facilities at plant for manufacture of aircraft engine parts; $992,043. (Defense Plant Corporation agreement of lease.)

Hughes-Forlklift Co., Philadelphia, Pa.; construction of optical shop, Frankford Arsenal, Pa.; $742,000.

James I. Barnes Construction Co., Santa Monica, Calif.; construction of plane anchorage, runway, taxiways, etc., Long Beach Ferrying Command, Calif.; $315,923.

SHIP CONSTRUCTION

The Globe Shipbuilding Co., Superior, Wis.; five seagoing tugboats; $5,434,000.

Avondale Marine Works, Inc., New Orleans, La.; four seagoing tugboats; $4,020,000.

ORDNANCE

Western Cartridge Co., Winchester Repeating Arms Co. Division, New Haven, Conn.; $5,791,500.


Easy Washing Machine Corporation, Syracuse, N. Y.; machine gun mounts; $4,322,120.

General Motors Corporation, Olds Motor Works Division, Lansing, Mich.; guns; $2,950,000.

Quittenton Diesel Engine Co., Chicago, Ill.; engines; $2,555,302.

Gibson Electric Refrigerator Co., Greensville, Va.; tubes; $3,000,640.

Minneapolis Moline Power Implement Co., Minneapolis, Minn.; shovels; $855,309.

Apex Electrical Mfg. Co., Cleveland, Ohio; machine gun mounts; $3,000,640.


Nash Kelvinator Corporation, Detroit, Mich.; binoculars; $599,593.


Otis Elevator Co., New York, N. Y.; gun mechanisms; $1,690,360.

Ward LaFrance Truck Corp., Elmira, N. Y.; trucks; $827,549.

Columbus Auto Parts Co., Columbus, Ohio; forgings; $1,317,500.

National Firearms Co., Rahway, N. J.; ammunition; $4,977,265.


Antonelli Fireworks Co., Rochester, N. Y.; incendiary bombs; $1,059,500.

EQUIPMENT AND SUPPLIES

Bedford Motor Corporation, Cincinnati, Ohio; truck-tractors; $1,964,691.

Total production still rises despite shortages and capacity work in many lines

America's mighty effort to arm, and to supply the democracies overseas with weapons, has pushed production, the real income of the people, the money they have to jingle in their pockets to the highest levels ever realized in this country.

After holding steadily at a peak throughout August and September, the Federal Reserve index of industrial production rose 3 points to the new high of 164 in October—up more than a third from the top level in 1937.

Purchasing power up 28 percent

The index of the purchasing power in goods and services of the average wage earner climbed by September to 127.9 (latest figure available), 27.9 percent higher than the average for 1935—39.

And money in circulation in September for the first time exceeded $10,000,000,000—$76.41 per person. Of this, $713,000,000 was in coins clinking in and out of cash registers.

Even farm income—net income from agriculture received by persons on farms, as the economists meticulously phrase it—rose to levels not attained since the late twenties. But money today buys considerably more than it did in 1929.

Business still edges upward

How high production would go no one could say. The Department of Commerce remarked: "Business activity has edged upward despite the reaching of capacity limits in important industries, the increasing stringency of material supplies, and the strain of shifting to defense production."

Nevertheless, price indices revealed definite signs of inflationary effects, which threatened as they rose to nullify all of the benefits of higher wages and profits. Economic storm signals warned of dangerous winds blowing.

INDUSTRIAL PRODUCTION

Federal Reserve index of industrial production, 1929—39

AVERAGE INDEX

1929 30 31 32 33 34 35 36 37

INDUSTRIAL PRODUCTION

290 280 270 260 250 240 230 220 210

FEDERAL RESERVE INDEX OF INDUSTRIAL PRODUCTION

1935—39

AVG. INDEX 135 130 125 120 115 110 105 100 95

1928 '29

DEFENSE

20 15 10 5 0

INDEX

1928 29 30 31 32 33 34 35 36

DEPRESSION

120 110 100 90 80 70 60 50 40

RECOVERY

20 15 10 5 0

DEPRESSION

1928 29 30 31 32 33 34 35 36

RECOVERY

120 110 100 90 80 70 60 50 40
AGRICULTURE...

AAA chief urges 6-point program for agriculture in post-war period

A six-point program for the Agricultural Adjustment Administration in the post-war period was recommended last week by R. M. Evans, national administrator, at the annual meeting of the Illinois Agricultural Association.

Mr. Evans' remarks follow: I believe we must: First, use our program now so that agriculture will enter the post-war period in the soundest possible condition. To do this, we must hold down production and control the marketing of our surplus commodities, such as wheat, cotton, and tobacco, today.

Second, keep our national farm program strong and flexible so that we can make the adjustments that will be inevitable after the war is over.

Must regain markets

Third, be ready to regain our fair share of the world's markets—but also remember that if we export, we must be willing to import.

Fourth, maintain a sound Ever-Normal Granary program based on commodity loans and protected by tight control of our production through acreage allotments and marketing quotas when necessary.

Fifth, make conservation farming a reality. Learn the value of grass as a reservoir into which we have been able to draw off our surplus for use in peace time emergencies resulting from drought and crop failure. In recent years it has also served as a reservoir into which we have been able to draw off our surplus production to protect the commercial grower. Today, this Ever-Normal Granary has become a vital factor in time of war.

Let no one talk to me about farmers and their program of "scarcity." First let them try to outproduce us.

The farmer's contribution

Because we had the courage to find a way to live with abundance, we were prepared for the unexpected demands made upon us last spring. Since then farmers have made greater immediate contributions to our defense effort than any other group in America.

We must also enlist the city consumer in our efforts. Now that the prices of many farm products are up around parity, there are people who say that farm prices are too high. That is not the case when you look at the facts.

World War Number One started during a period of relative agricultural prosperity and fair farm prices. World War Number Two started during a period of depression and generally low farm prices. City people had grown accustomed to these low prices. They had forgotten what they paid for food during the 1920's. They forgot that food prices today are still 15 percent below those in the '20's.

Shouldn't run prices sky high

On the other hand, I believe that the surest way to lose the ground we've gained is to try to run farm prices sky high. I don't think farmers want to do that, either. I believe they just want a square deal—parity—today and tomorrow.

We must also tell the man in the city that farmers can keep on producing in plenty and at full speed only if industry is willing and able to keep people employed and able to buy.

Material for new farm machines given A-8 rating till Feb. 14

Preference Rating Order P-33, which assigned a rating of B-1 to the acquisition of material for the production of new farm machinery, has been amended to provide a rating of A-8 for the same purpose, and extended to February 14, 1942. This date corresponds with the expiration date of its companion order, P-32, which extends priority assistance to the production of repair parts for farm machinery.

Preference Rating Order P-32, which extends priority assistance to the production of farm machinery, has been amended to provide a rating of A-8 for the production of repair parts for farm machinery. This rating is assigned to the production of repair parts for farm machinery on the expiration date of its companion order, P-33, which has been extended to February 14, 1942.
HEALTH AND WELFARE . . .

McNutt asks doctors to endorse nutrition objectives, pass them on to guide public

The nutritional level of the American people depends, to a large extent, on the advice they receive from their personal physicians, wrote Federal Security Administrator Paul V. McNutt in a letter addressed to the physicians of the United States.

Urging each individual physician to support the nutrition objectives of the Office of Defense Health and Welfare, Mr. McNutt called the doctors' attention to the recommendations of the committee on food and nutrition of the National Research Council and the council on foods and nutrition of the American Medical Association. These recommendations were contained in a letter to the physicians from the chairman of these committees, who placed the issue directly before their colleagues thus:

We seek your active assistance to improve the quality of American diets. Many men, women and particularly children, either because of lack of funds or of adequate advice, are not getting the food they need to maintain them in good health. The scientific knowledge of nutrition now at hand has not been applied to best advantage for the benefit of the national health.

Committee provides scientific guidance

In compliance with a request of the Government, the National Research Council established a committee to provide scientific guidance for a campaign to improve human nutrition. The membership includes 10 physicians, 5 physicists, 8 chemists, 6 nutritionists, and representatives, two each, of agriculture and food technology. This committee merits your confidence; six of its members also are members of the council on foods and nutrition of the American Medical Association.

RECOMMENDATIONS

Following are the actions taken by the committee on food and nutrition:

IMPROVEMENT OF FLOUR AND BREAD

The purpose of this recommendation is to ensure a supply of foods that will meet the vitamin needs of all members of our population. The recommendations include 10 physicians, 5 physicists, 8 chemists, 6 nutritionists, and representatives, two each, of agriculture and food technology. This committee merits your confidence; six of its members also are members of the council on foods and nutrition of the American Medical Association.

SUMMARY

The conference believes that use of whole wheat bread and of butter should be encouraged for the improvement of our nutrition. The use of these foods is recommended because of their high nutritional value. The conference recommends that the use of these foods be encouraged because of their high nutritional value. The conference recommends that the use of these foods be encouraged because of their high nutritional value.

Addition of Vitamin A to Oleomargarine

A recommendation has been adopted to add vitamin A to oleomargarine. This action has been taken to encourage the use of this nutrient in the diet.

SUMMARY

The conference believes that use of whole wheat bread and of butter should be encouraged for the improvement of our nutrition. The use of these foods is recommended because of their high nutritional value. The conference recommends that the use of these foods be encouraged because of their high nutritional value.

Can makers asked to add grapefruit to "thin plate" list

Can manufacturers were asked December 2 by the Materials Division, OPM, to add grapefruit and grapefruit juice to the list of products being packed in thin tin plate cans. The thin plate reduces by 10 percent the amount of tin used.

South American skiers invited to U. S. in annual exchange visit; to tour country

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced December 1 that invitations had been mailed to the Ski Association of Chile, and corresponding organizations in Argentina and Bolivia to select 10 men for a 2-month visit to the United States in the winter of 1942. Present plans provide for their arrival in New York, January 26. The National Ski Association of the United States, which is cooperating with the Office of Inter-American Affairs in this project, is extending its invitations.

Will tour the country

The skiers will tour the United States observing and studying Red Cross First Aid training, the operation of the National Ski Patrol System, and the organization of the National Volunteer Winter Defense. Argentina and Chile will have four representatives each, and Bolivia two.

The project is designed to extend the friendly relationship between North and South American skiers begun by the visit of the United States Ski team to Chile in 1937, and marked since that year by annual exchanges of sportsmen. A year ago, with the cooperation of the Office of the Coordinator of Inter-American Affairs, the National Ski Association invited to the United States a Chilean team of six. Their tour of ski centers covered 10,000 miles and took them into 23 States.

Foster mutual interests

It is further hoped that the project will aid the formation in the Argentine, Bolivian, and Chilean Andes of a first-aid and rescue service comparable to that maintained by the National Ski Patrol in the mountain areas of the United States. Further, it is expected that the contacts established by the visit will foster a widening of mutual interests existing among skiing enthusiasts of North and South America, and thus contribute to an increase in understanding between the Americas.

The tour will be under the direction of the National Ski Association, which will appoint a committee drawn from its regional associations, its affiliate, the National Ski Patrol System, and the directors of the Chilean Team Tour of a year ago.
U. S. schools will observe Bill of Rights Day; President's talk to climax ceremonies

Many ceremonies scheduled
Throughout the nation on Bill of Rights Day observance of the 150th anniversary will be marked by patriotic meetings, tableaux, and other ceremonies to commemorate the adoption of the original Ten Articles by which the historic guarantees of freedom of speech, assembly, religion, and the press were insured to Americans for all time. Previously, as part of the Nation-wide observance, ceremonies will have been held at Faneuil Hall in Boston and at Mt. Vernon in Westmoreland County, N. V., at the tomb of John Peter Zenger, the editor whose trial established the freedom of the press.

Halifax transmits message
Viscount Halifax, the British Ambassador to the United States, on December 7, addressed the following communication to Archibald MacLeish, Librarian of Congress:

"DEAR MR. MacLEISH: In connexion with the forthcoming celebration of the 150th anniversary of the American Bill of Rights, I am very glad to be able to send you the following message from Sir William Holdsworth, Vineyean Professor in English Law at the University of Oxford, which has been telegraphed to me by the Foreign Office:

"The clauses of the American Bill of Rights are an eloquent testimony to the community between the Constitution and the political ideals of the British and American peoples, which is derived from a common legal tradition. All of them recall hard-won victories in Parliament and in the courts, and all guarantee liberties, by the winning and exercise of which our two nations have made themselves able to govern themselves democratically.

"On this 150th anniversary of their enactment it is peculiarly fitting that the British people should send a message of congratulation to the American people, because today all ideals embodied in this Bill of Rights are threatened by an ethically barbarous people, who are using all the resources of the civilization which those ideals have rendered possible, to destroy it. They are threatened not by untutored, but (what is much more dangerous) by the tutored savages. Together we can and will defeat this threat and, with the help of these ideals, give a real and lasting peace to the world."

Miss Marble urges women to keep fit, be ready for increased work demands

"I wonder what would happen if every girl and woman in this country were suddenly confronted with a 50 percent increase of effort in her job? A 50 percent increase in responsibility and demand in sheer stamina? Would they be able to withstand such a strain—could they "take it in their stride" physically?"

These are questions propounded by Miss Alice Marble, tennis champion and assistant to John B. Kelly, director of the Physical Fitness program of the Office of Civilian Defense.

"We have every reason to believe extra demands will be made upon the women of America and our job is to prepare ourselves now!"

"Let us realize that an emergency does exist in America.

"The purpose of our National Physical Fitness Program is, therefore, to develop among individuals a desire for the well-being which comes with physical fitness—to build and strengthen morale through this Nation-wide program and to enlist the support of organized agencies and individual volunteers for the carrying out of local, State, and national programs, contributing to the improvement of national health.

"With the assistance of an Advisory Board made up of experts in all phases of health, we have agreed that the four essentials to acquiring and maintaining good health are sleep, food, exercise, mental health.

Sound health habits important
"Statistics show there is widespread malnutrition in our country, that the average person does not regularly get sufficient sleep, nor realizes the importance of rest in maintaining physical fitness. The leave-of-absence list of any girl and woman in this country was suddenly confronted with a 50 percent increase of effort in her job? A 50 percent increase in responsibility and demand in sheer stamina? Would they be able to withstand such a strain—could they "take it in their stride" physically?"

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Sound health habits important
"Statistics show there is widespread malnutrition in our country, that the average person does not regularly get sufficient sleep, nor realizes the importance of rest in maintaining physical fitness. The leave-of-absence list of any large industrial plant or business house shows that colds are frequent among all classes of workers, and that they could be eliminated if sound health habits were adopted.

"Our program will circulate information which will help everyone to become health-conscious. We have the cooperation of all the champions of sports and games. They bear out the testimony that physical fitness is fun. Of equal importance, physical fitness prepares us to face the future with high morale and the ability to make our lives happier and ourselves worthy citizens of a great country."
Asphalt manufacturers asked to hold down prices

Manufacturers of asphalt are being asked by the Office of Price Administration not to write contracts for 1942 sales at prices higher than the prices in contracts signed January 1, 1941, Administrator Henderson announced December 5.

Likewise, the manufacturers are being asked not to make open market sales at prices higher than the January 1, 1941, contract market prices. The letter embodying these requests is now being prepared and will be sent out shortly to more than a hundred manufacturers.

Asphalt is an end product secured in the distillation of crude oil. It is used principally in the manufacture of roofing and as a paving material. Approximately 75 percent of all asphalt is sold under annual contracts ordinarily entered into at the start of each year. A small amount is sold on the open market, usually at prices somewhat higher than the annual contract price.

During the past year open market prices have increased substantially throughout the entire country. Prices of asphalt vary widely, depending upon the distance from fields where asphaltic base crude oil is found. Along the Eastern seaboard the open market price on one principal grade of asphalt rose during 1941 from around $13 a ton for major grades to as much as $15 and there have been requests received by OPA for additional increases.

Marine paint producers granted A-3 rating for raw materials

Manufacturers of marine paints have been accorded the use of preference rating A-3 to obtain necessary raw materials by order of the Division of Priorities.

Materials used in marine paints have become increasingly scarce, and the preference order of December 5 was issued to avoid the possibility that ships might be delayed by lack of the paint necessary to keep them in proper condition.

To qualify for use of a preference rating under Order P-65, a producer of marine paint must supply to the chemicals section of the Priorities Division, on Form FD-82, information as to his volume of production, inventory, and anticipated needs for the specified scarce materials covered by the order, by 3-month periods. P-65 will remain in effect until revoked. Effective date is December 5.

Restrictions lifted on power in South as heavy rain contributes to relief

A heavy general rainstorm, which began December 4 throughout the Southeast and which was still continuing in many sections the next day, has now made it possible to remove all restrictions on power use in that area, it was announced December 5 by Priorities Director Nelson.

The rains had already averaged from 1 to 3 inches throughout the area, and thus had greatly increased the available supply of hydropower. The pool must be continued

Mr. Nelson announced, however, that it would be absolutely essential to continue in effect, at least for December, the 13 State power pool which has been instrumental in safeguarding power supplies throughout the area and permitting maximum use of plants within the area by bringing in from the surrounding area large quantities of surplus power.

The power pooling arrangement which was set up and supervised by the OPM power branch is now bringing into the Southeast more than 42,500,000 kilowatt-hours per month.

Mr. Nelson announced the December 5 actions after consideration of a report on the power curtailment and pooling operations submitted to him by J. A. Krug, chief of the power branch, who was in charge of the program.

Cooperation effective throughout area

In his report, Mr. Krug stated that the power situation in the Southeast had been brought under control by the combination of the curtailments imposed and the widespread effective cooperation which was given OPM orders throughout the entire Southeastern area. The

Heavy rainstorm proved to be the final factor making it possible to lift the restrictions.

"It is gratifying," Mr. Krug told Mr. Nelson, "that a large measure of assistance and support was received from private business and civic organizations, from newspapers in the area, and from the general public. In spite of the fact that the program has involved heavy sacrifice from many, compliance has been cheerful, willing, and complete. By their response to this emergency, the citizens of an entire region have furnished dramatic evidence of their patriotism and made an important contribution to the defense program."

In making his announcement, Mr. Nelson said: "It is good to know that by prompt steps to save power and by heartening response on the part of the people and industry, together with the rains, it has been possible to handle a problem of considerable gravity in an efficient manner which speaks well of the kind of response we can expect when such steps are necessary."

Helburn named chief of rubber branch

Appointment of Willard Helburn, of Cambridge, Mass., as chief of the rubber and rubber products branch of the Division of Civilian Supply was announced December 5 by Joseph L. Weiner, deputy director.

Mr. Helburn succeeds Barton Murray, who resigned recently because of the pressure of personal affairs.

Mr. Helburn is president of Willard Helburn, Inc., a leather manufacturing company, of Peabody, Mass. He was graduated from Harvard University in 1904 in the same class with President Roosevelt.

After 2 years as a newspaperman, he entered the leather business headed by his father and has been connected with it for approximately 35 years. He was loaned to the Government in August to organize a hide and leather products section of the old Office of Price Administration and Civilian Supply. Since the Division of Civilian Supply became a part of OPM, he has been serving as a civilian allocation specialist assigned to the textiles, clothing and equipage branch of the Division of Purchases.
Knudsen urges surveys for power line to Massena aluminum plant

In order to expedite construction of a power line from New York to Massena to serve the new aluminum plant going up at Massena, OPM Director General Knudsen has recommended that surveys be undertaken immediately by the Corps of Engineers.

In his letter of November 28 to the Under Secretary of War, Mr. Knudsen said that the OPM had not yet completed the study necessary as a basis for a final conclusion as to the best plan for transmitting surplus New York City power to Massena.

Text of letter

"The President has forwarded to me the recommendation of the Federal Power Commission that a Government-owned transmission line be constructed from New York City to Massena, N. Y., for the purpose of transmitting surplus power for aluminum production at Massena. We understand that the President contemplates that the Corps of Engineers would construct these facilities. "The Office of Production Management has not completed the study necessary as a basis for a final conclusion as to the best plan for transmitting surplus New York City power to Massena. However, it is apparent that any plan will require the construction of a Government-owned transmission line from Taylorville to Massena, N. Y. And if our study, when finished, shows that the entire line should be Government-constructed, as the most feasible plan in the interest of national defense, then it would be necessary to construct the New York City-Taylorville section. For these reasons and in order to save all possible time, we therefore recommend that the Corps of Engineers begin immediately the surveys and preliminary engineering necessary for the Taylorville-Massena section and also such general surveys as will be helpful in proceeding with the New York City-Taylorville section if and when it is determined to construct it."

Strategic materials are defined by the Army and Navy Munitions Board as "those essential for national defense, for the supply of which in war dependence must be placed in whole, or in substantial part, on sources outside the continental limits of the United States, and for which strict conservation and control measures will be necessary." They include manila fiber, antimony, activated carbon, chrome ore, ferromanganese, manganese ore, mercury, mica, nickel, quartz crystals, quinine sulphate, rubber, silk, tin, and tungsten ore. Since both groups are composed of raw materials they fluctuate in price more sensitively than manufactured or semi-finished goods.