

VICTORY

formerly **DEFENSE**



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

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DEFENSE PROGRESS

MANPOWER

National labor force, Nov.....	53,300,000
Unemployed, Nov.....	3,900,000
Nonagricultural workers, Oct....	*40,749,000
Percent increase since June 1940	14
18 defense industries, Oct.....	*2,700,000
Percent increase since June 1940	69

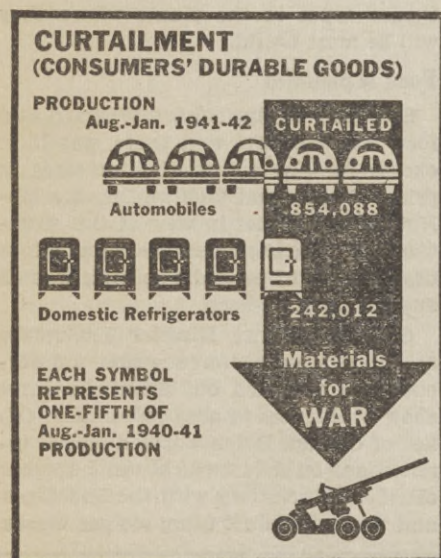
FINANCE

June 1940 to latest reporting date	(In millions of dollars)
Authorized program, Dec. 15.....	74,507
Obligations, Nov. 30.....	47,687
Total disbursements, Dec. 15.....	*14,313

PRODUCTION

Paid on contracts, June 1940-	
November 30, 1941.....	\$10,488,000,000
Combat vessels in November	2
Merchant ships, November.....	11
Week ended December 27	Strikes Workers
Significant defense strikes in progress during week.....	3 1,000
Number settled.....	2 600

*Preliminary.



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Review of the Week

Christmas week, 1941, brought a major Japanese assault on the Philippines and the bombing of the open city of Manila. The week also brought British Prime Minister Churchill to Washington to map over-all war policy with President Roosevelt, and it brought other conferences in Moscow and Chungking. But underlying these headlines was another series of events. Typical of these was the fact that Supply Minister Beaverbrook accompanied his prime minister, and took part in a White House conference attended also by leaders of the agencies in the Office for Emergency Management.

Tire list exclusive

These leaders and their agencies were working as never before to excise the fat and build the muscle of America. Two days after Christmas the Office of Price Administration announced the uses for which the sale of new automobile tires will be permitted after January 4—and the list is every bit as exclusive as advertised. While the Production Division of the Office of Production Management continued its effort to work machines longer and harder and get the last ounce of output from existing war-material facilities, the Contract Distribution Division moved to marshal many factories now making civilian goods. The Division's deputy director confirmed plans for a series of conferences to that end, and told a House committee that some \$3,900,000,000 worth of weapons and munitions a year might be added by halfway conversion of 15 durable goods industries.

74½ billions for war

The war effort these measures were to meet had grown, according to new figures from the OPM Bureau of Research and Statistics, to nearly 74½ billion dollars. With foreign transactions in the United States, the total exceeded 78 billions.

To insure the delivery of materials and the men who will use them, President Roosevelt created within the Office for Emergency Management an Office of Defense Transportation. Joseph B. Eastman, chairman of the Interstate Commerce Commission, was appointed director.

The President's labor-management conference reached an agreement putting aside strikes and lock-outs for the duration of the war, and recommended appointment of a war labor board to settle disputes. The National Defense Mediation Board passed its fifth consecutive week without a strike among the cases under its consideration.

Tripling synthetic rubber plans

The tire rationing plan grants no new tires to passenger automobiles for purely personal purposes, and sharply restricts tires for trucks. The organization of local tire-rationing boards went forward in every State during the week. An inventory of all new tires and tubes was in progress. New automobiles delivered were limited to four tires each. At the same time the tripling of America's synthetic rubber program was given preliminary approval by the Supply Priorities and Allocations Board. Federal Loan Administrator Jones's plan is expected to bring the total capacity to 120,000 tons a year in 1943, if the OPM Priorities Division can find construction materials.

Meanwhile the Priorities Division announced Federal control over all imports of antimony, cadmium, chromium, copper, graphite, kyanite, lead, mercury, rutile, tungsten, vanadium, zinc, and zircon. This step followed similar action the previous week on tin.

Burlap reserved for military use

The entire supply of burlap, which comes from India, was subjected to allocation and all peacetime uses were cut off with the exception of agricultural and chemical consumption. The OPM Bureau of Industrial Conservation asked users to conserve and salvage burlap in their possession.

The Priorities Division strengthened the basic Priorities Regulation No. 1. Most important change provided that all rated orders, including those bearing the B designation given to civilian essentials, must be accepted in preference to nonrated orders. A-10 was assigned to all defense orders not otherwise rated.

Further tightening its control, the Division withdrew all priority aid from six

companies held to be violators of priority rules.

A maintenance, operating and supply order was issued to insure uninterrupted operation in the complete cycle of production for copper, lead, zinc, antimony, mercury, and cobalt. The order controlling the distribution of zinc was extended to March 31, 1942.

Strict control was imposed on the use of materials for the development of new oil and natural gas wells. A preference order put into effect the supplying of materials to certain privately financed homes for which foundations were in place October 9.

Price Administrator Henderson announced that OPA was reviewing its price ceilings in the light of the pending legislation. He said the schedules apparently would stand with minor revision except in the case of agricultural commodities.

Responsibility on retailers

In an open letter, Mr. Henderson put it up to retailers to see that their prices for sugar reflect the stability imposed by OPA at the wholesale level.

Also, OPA put a ceiling on leather to forestall increases in the prices of shoes and other leather products. With revised schedules on cotton "fine" goods and combed cotton yarns, OPA completed its program to relate all its existing ceilings in the cotton textile field to the price of "spot" cotton.

The maximum price schedule for iron and steel scrap was revised to encourage increased collection and the flow of particular types to the plants where they will be most useful.

Food is plentiful

Secretary of Agriculture Wickard said food was plentiful and there was little excuse for any substantial increases in price. Health and Welfare Director McNutt declared that in view of this situation hoarding was unnecessary and a four days' supply of several essentials was all any family need keep.

Civilian Defense Director LaGuardia said in a press conference that indifference had vanished but Americans must show willingness to obey rules. The Office of Civilian Defense issued official instructions on field medical units, further clarified its relations with the Red Cross, and warned against using old gas masks.

VICTORY

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OPA reveals classes eligible for new tires, method of getting them under ration plan

Classifications of vehicles for which new tires and tubes may be purchased on proper showings to local tire-rationing boards, under the rationing plan to go into effect January 5, were announced December 27 by Leon Henderson, administrator, Office of Price Administration.

The list is designed to insure continuance of operation of vehicles required for the public health and safety, vehicles with a capacity of 10 or more passengers required for transportation purposes, and for essential truck operations.

The restrictions on sales of new tires and tubes are the result of Japanese attacks on rubber-growing areas in the Far East from which the United States ordinarily imports close to 98 percent of its crude rubber. These attacks have imperiled future imports and have necessitated rigid restrictions on the use of crude-rubber stocks already in this country and on sales of new tires held in manufacturers' and dealers' inventories.

Military demands large

The need for conservation of existing crude rubber and new tire stocks as well as for extreme care by all automobile and truck operators in use of their vehicles has been enhanced further by the fact that a very large part of existing rubber stocks must be reserved for military requirements. Only a very small supply will be available each month for civilian use and but few tires will be manufactured for civilian use until the rubber supply situation is cleared up.

In announcing the classifications of eligible buyers, Mr. Henderson urged that all vehicle operators, including particularly those not listed in the classifications, take steps immediately to reduce the amount of driving they are doing. He suggested that unnecessary driving be stopped entirely and that wherever possible car owners "double up" in driving to work, thus making one car and one set of tires do the work of three or four cars and sets of tires in transporting single occupants. Furthermore, he urged that all vehicle operators strive to lengthen the life of their tires and conserve rubber by reducing the speeds at which they drive, by keeping their tires inflated to the proper levels, and by avoiding injury to tires through hitting obstructions.

Persons on the eligible list seeking to buy new tires will have to fill out appli-

cation forms to be provided. The applicant will then have to get this approved by an inspector. The inspectors will be dealers or garagemen authorized by the local rationing boards to inspect and report on the condition of the applicant's tires.

If the inspector finds that the tire or tires which the applicant desires to replace are unsafe, cannot be repaired, reconditioned, or retreaded, and that a new tire is necessary for the operation of the vehicle, he will so certify on the application form.

The applicant will then take this form to the local board for review. If the board decides the applicant's vehicle falls within the eligible classification and the need for such tire is properly certified by an authorized inspector, the board may issue a certificate to the applicant for the purchase of the desired tire. The number of tires which may be sold in any State or county will be limited by quotas to be established each month.

Following is the "Eligibility Classification" established by the Office of Price Administration:

List of vehicles which may be equipped with new rubber tires, casings, or tubes

No certificate shall be issued unless the applicant for the certificate certifies that the tire, casing, or tube for which application is made is to be mounted:

(a) On a vehicle which is operated by a physician, surgeon, visiting nurse, or a veterinary, and which is used principally for professional services.

(b) On an ambulance.

(c) On a vehicle used exclusively for one or more of the following purposes:

1. To maintain fire-fighting services;
2. To maintain necessary public police services;
3. To enforce such laws as relate specifically to the protection of public health and safety;
4. To maintain garbage disposal and other sanitation services;
5. To maintain mail services.

(d) On a vehicle, with a capacity of 10 or more passengers operated exclusively for one or more of the following purposes:

1. Transportation of passengers as part of the services rendered to the public by a regular transportation system;
2. Transportation of students and teachers to and from school;
3. Transportation of employees to or from any industrial or mining establishment or construction project, except when public transportation facilities are readily available.

(e) On a truck operated exclusively for one or more of the purposes stated in the preceding sections or for one or more of the following purposes:

1. Transportation of ice, and of fuel;
2. Transportation of material and equipment for the building and maintenance of public roads;

3. Transportation of material and equipment for the construction and maintenance of public utilities;

4. Transportation of material and equipment for the construction and maintenance of production facilities;

5. Transportation of material and equipment for the construction of defense housing facilities and military and naval establishments;

6. Transportation essential to render roofing, plumbing, heating, and electrical repair services;

7. Transportation by any common carrier;

8. Transportation of waste and scrap materials;

9. Transportation of raw materials, semi-manufactured goods; and finished products, including farm products and foods, provided that no certificate shall be issued for a new tire, casing, or tube to be mounted on a truck used (a) for the transportation of commodities to the ultimate consumer for personal, family, or household use; or (b) for transportation of materials for construction and maintenance except to the extent specifically provided by subsections 2, 3, 4, 5, and 6 of this section (e).

(f) On farm tractors or other farm implements, other than automobiles or trucks, for the operation of which rubber tires, casings, or tubes are essential.

(g) On industrial, mining, and construction equipment, other than automobiles or trucks, for the operation of which rubber tires, casings, or tubes are essential.

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Tripling of synthetic rubber program approved by SPAB, subject to priorities study

The Supply Priorities and Allocations Board on December 23 approved tripling of America's present synthetic rubber production program, subject to detailed examination of the program by the Division of Priorities to make certain that sufficient materials can be provided for construction and operation of the new plants.

This action was taken after presentation to SPAB by Jesse Jones, Federal Loan Administrator, of a program being worked out by him with the industry and designed to give the Nation an annual production of 120,000 tons of synthetic rubber. Productive facilities for synthetic rubber now under construction will have a capacity of 40,000 tons per year.

Mr. Jones explained that, if the program were approved immediately, construction of the increased facilities could begin promptly. It is expected that all of the new plants can be in production early in 1943.

SPAB directed the OPM Division of Priorities to proceed at once to work out with the RFC detailed tables of the materials required to execute the program.

CONTRACT DISTRIBUTION . . .

Some \$3,900,000,000 in war materials annually might be made by conversion of 15 durable goods industries, Wheeler says

Walter H. Wheeler, Jr., deputy director of OPM's Contract Distribution Division, estimated December 23 that perhaps \$3,900,000,000 worth of war material could be produced annually by industry-wide conversion of 15 durable goods industries from civilian to war production.

Testifying before the House Committee Investigating National Defense Migration, Mr. Wheeler said the OPM was planning conversion conferences with a number of such industries. All the interested divisions of OPM, including Contract Distribution, Production, and Purchases, would participate in these conferences, he added.

Only one industry-wide move so far

The Contract Distribution Division has already assisted many thousands of individual plants in these and other industries to convert from civilian to war production, Mr. Wheeler testified, but the only industry-wide conversion completed to date is that involving the domestic washer and ironer industry, which has received contracts to make machine-gun mounts. Because of the necessity for large-scale results in the shortest possible time, he said, the OPM is now concentrating on industry-wide conversions.

Based on 50 percent cut

On the basis of preliminary surveys he estimated that, if production of normal goods were cut on an average of 50 per-

cent of 1939 levels, the industries shown in the accompanying table would have capacity available for war production as stated.

Mr. Wheeler expressed the personal opinion that an excess profits tax, limiting profits to 1941 levels, was advisable. He said he believed such taxation would enable Government procurement officers to place orders quickly with the knowledge that, even if the prices asked by some producers proved eventually to be too high, the Government would recover the excess through taxation.

Cost is higher in smaller plants

Mr. Wheeler explained that the cost of war production in moderate size plants sometimes runs 30 to 40 percent more than in larger mass production plants, and that initial arms orders often involve conversion costs similar to those of bringing out new models. If there is long delay while these costs are being figured, he added, "the parade will go by" before maximum production is attained.

Holds "moderate-size" plants must be used

He said that, prior to the Japanese attack on Pearl Harbor, the volume of war orders had been insufficient to use all qualified sources of such production. But he expressed the opinion that all suitable "moderate-size" plants in the country must be used to turn out the orders now in prospect.

Industry	Usable capacity (in dollars)	Potential use when converted
Farm implement.....	231 millions.....	Tanks.
Cooking utensils, aluminum ware.....	54 millions.....	Hurricane lamps, bomb components, tail fin assemblies, magazine holders, engine cowlings.
Household appliances.....	36 millions.....	Bombs, aircraft components.
Metal furniture.....	76 millions.....	Airplane fins, rudders, boilers, bombs, ammunition boxes.
Refrigerator cooling and air conditioning.....	481 millions.....	Fuel tanks, general sheet metal work, including engine cowlings, small compressors, fuse cylinders, mine sinkers, engine castings, magneto parts, bomb components, searchlight and motor parts and smoke shells.
Bolts.....	51 millions.....	30 and 50 calibre ammunition.
Sewing machines.....	18 millions.....	Rifle and pistol parts.
Railroad and street cars.....	101 millions.....	Tanks, gun mounts, projectiles.
Fountain pens and pencils.....	15 millions.....	Primers, igniters, fuse components.
Office machinery.....	90 millions.....	Ammunition, rifle and pistol components.
Light fixtures.....	75 millions.....	Cartridge cases, fuse and primer components.
Stoves.....	125 millions.....	Main assemblies, such as wings, rear fuselages, etc., general aircraft sheet metal work, small assemblies such as fins, tail planes, rudders, etc., radiators, boilers, smoke bombs, ammunition boxes, shell casings, cylinder and fuse containers, smoke floats, shell turnings, land mines, trench mortar bombs.
Automobile industry.....	2½ billions.....	Airplane components, gun mounts.
Wiring devices.....	47 millions.....	Ammunition components.
Rubber tires.....	undetermined.....	Tanks, turret parts, treads, etc.

First "subcontracting department store" opened in St. Louis; 7 more scheduled by January 10

OPM's first "department store of subcontracting," a permanent exhibit in which samples of needed defense equipment and parts will be shown to prospective producers opened December 23 on the Eighth floor of the Boatmen's Bank Building in St. Louis.

Pieces of war goods to be exhibited

Bits and pieces of needed war goods will be exhibited by 48 holders of large war contracts and by the Army, the Navy, and the United States Maritime Commission.

Advice will be available

Articles displayed in the exhibit hall will be changed from time to time as those previously shown are placed under contracts or subcontracts. A representative of the Contract Distribution Division will be available regularly to advise manufacturers who believe they can make items exhibited. In many instances, the items will be tagged with a price mark indicating the figure at which contracts or subcontracts will probably be placed.

Other exhibits scheduled

Similar exhibits are scheduled to open between now and January 10 in the following cities:

Philadelphia.—Broad Street Station Building. This exhibit, in which 29 prime contractors have already agreed to participate, will open before January 1.

New York.—Chanin Building, 122 East Forty-second Street. This exhibit, in which 31 prime contractors have agreed to participate, will open before January 1.

Cleveland.—Union Commerce Building. Twenty-five prime contractors have agreed to take part in this display, which probably will open before January 1.

Los Angeles.—Western Pacific Building. Scheduled to open about January 5.

Chicago.—Civic Opera Building. Scheduled to open about January 5.

Atlanta.—Hurt Building. Scheduled to open about January 7.

Detroit.—Boulevard Building, Grand Boulevard and Woodward Avenue. Scheduled to open about January 10.

Total of 48 to be operated eventually

Twenty additional permanent exhibits are expected to be opened by the end of January, and a total of 48 will be operated eventually in as many industrial centers.

Odlum plans conferences to convert many industries to war production

Following the recent conversion of the domestic washer and ironer industry from civilian to war production, Floyd B. Odlum, director of the Contract Distribution Division of OPM, decided to ask the Armed Services and other OPM divisions to join with the Contract Distribution Division in a series of conversion conferences with many industry committees, especially in the durable goods field.

This move was announced by Mr. Odlum at a meeting of the domestic washer and ironer industry in Cleveland on December 15.

Mr. Odlum's address follows, in part:

You are the first industry to be converted from civilian production to war production. You are doing this quickly by working with the Government through a committee representing your entire washer and ironer industry. You have pooled your best engineering brains and made them available to the smallest plants in your industry; you have agreed to divide the work into those parts that each can do best; you have placed primary responsibility for the completion of your contracts on the shoulders of three larger members. In this way you have made it possible to complete the conversion in a fraction of the time required if each plant were working on its own.

Series of conversion conferences

As a result of your outstanding success, I have decided to ask the Armed Services and the other divisions of OPM to join with my Contract Distribution Division in a series of conversion conferences with many industry committees, especially in the durable goods field.

In 1941 we produced approximately \$25,000,000,000 worth of durable goods. We have the capacity to produce much more. By far the bulk of this capacity has not yet been shifted from civilian to war work. Some of it cannot be converted, it is true; and some must be kept at the job of making essential civilian goods. But we must work out many additional conversions right now if we are to overcome Hitler's 6-year head start; and I am convinced that the fastest single method of doing it is by working along industry-wide lines, as you have.

Many other industries have grave problems. A recently compiled list shows those already subject to priorities and curtailment orders. They include the

automobile industry, the refrigerator industry, the vacuum cleaner industry, and furniture manufacturers, to mention only a few.

OPM branches must work together

Established industrial branches in the different divisions of OPM have primary responsibility for dealing with the corresponding committees of industry. Naturally, in this conversion effort, all the branches of OPM must work closely together.

At industry committee conferences, my division will be represented by the best engineering and organizing talent available. The best engineers of each industry must also be on hand. Officers of the Armed Services must tell us and show us what is needed. Representatives of OPM's Civilian Supply Division must inform us of civilian requirements. Officials of the Production Division must advise on over-all arms requirements and facilities. Representatives of the Labor Division must plan the retraining of workmen. Men from the Materials Division must provide accurate information on scarce material supplies and representatives of all the other interested Government agencies must attend and work together like a fine football team.

Not a new method

Many industry committees have already been set up by the Government. Committees for other industries may be established as needed. OPM has full power to take the lead in creating such groups under procedure designed to guard against violations of the antitrust laws.

This method of mobilizing industry is not new. It was used effectively by America in the first World War and adapted by Germany for its present rush toward world domination. We must employ this weapon now for all it is worth.

In addition to the conversion of entire industries to war work, we must continue to attack the problem in many other ways. Individual manufacturers must make full use of the information available in nearly 100 field offices of my Division. By doing so they can learn for themselves what they can make for the fighting forces—just as thousands have already done.

Factory owners, large and small, should attend the defense production clinics we are now putting on in major

cities. There they can meet and confer with Government procurement officers and prime contractors concerning war work that must be done.

By organizing local defense production associations, many factories too small to handle arms contracts or subcontracts can pool their facilities and jointly become a vital part of the Arsenal of Democracy. Manufacturers who want to get into such pools can find out from local offices how to go about it without running afoul of the antitrust laws.

Exhibits better than blueprints

Producers should visit the permanent exhibits we are setting up in more than a dozen cities. There they can see and feel the thousands of bits and pieces needed to make more weapons of war. Better than any blueprints or specifications, these exhibits will give them an idea as to what they can tackle.

There can be no doubt in anyone's mind that we must now use every device at our command to mobilize all the existing productive capacity of America to make munitions and essential civilian goods.

I know that American industry will do its part.

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London, Ohio, certified for special contract treatment

London, Ohio, was certified by OPM December 25 for special consideration in placing of War and Navy Department contracts.

This certification was based upon findings by the Contract Distribution and Labor Divisions of OPM that the community faces severe unemployment due to shortages of material for nondefense work.

London is a community of 4,700 persons 25 miles from Columbus and Springfield, Ohio.

In its certification to the War and Navy Departments, OPM recommended that the Services consider the possibility of negotiating contracts requiring a minimum of 90,000 man-hours of work on such items as ammunition chests and chemical and incendiary bombs.

This action was recommended to prevent working forces being dispersed and lost to the war production program.

Previously, the OPM has certified 11 other communities and one industry in a similar manner. Defense contracts and subcontracts placed in certified areas so far total approximately \$66,000,000.

PRIORITIES . . .

Basic Priorities Regulation No. 1 revised; acceptance of B orders now mandatory

Priorities Regulation No. 1, the basic document which governs the operations of the priority system, has been amended in several important respects effective December 23.

Most important of the changes is a requirement that *all* orders bearing a priority rating, including B ratings for essential civilian orders as well as A ratings for defense orders, must be accepted by producers, in preference to any unrated order. Previously the acceptance of B-rated orders was not mandatory.

Further step toward allocation

The required acceptance of B-rated orders is a further transitional step in the move toward allocation of scarce materials, since B ratings are one method of designating the relative importance of civilian uses for materials after war requirements have been met.

Treatment which must be given to defense orders is clarified by a new provision which assigns a priority rating of A-10 to all defense orders not otherwise rated. This change is intended to eliminate any confusion which might arise as to the handling of those defense orders which were previously unrated, in relation to other orders which had been specifically rated A-10, the lowest rating in the A series.

Inventories more strictly limited

Section 944.14 of Priorities Regulation No. 1 has been revised to provide a stricter limitation of inventories. Whereas producers were previously forbidden to increase their inventories beyond the amount necessary to meet required deliveries of their products, they are now forbidden to accept delivery of materials for inventory in excess of a practicable working minimum. This means that all inventories of any materials whatever must be reduced to a practicable working minimum, strictly construed, before they can be replenished. The prohibition applies to suppliers of materials for inventory as well as to producers who maintain inventories, and it covers nondefense as well as defense producers. An exception is made, however, for inventories of materials imported from foreign countries.

A possible loophole in the inventory restriction is closed by a provision that

no material may be fabricated, processed, alloyed, or otherwise altered if the producer's inventory of the material in its altered form would thereby be increased beyond a practicable working minimum, unless specific authorization is granted by the director of Priorities.

Safeguarding prior orders

Another amendment will help to prevent receipt of a new, high-rated order from interfering with fulfillment of the delivery date on a previously accepted lower rated order. Unless the new order bears an AA rating or is accompanied by specific direction from the director of Priorities, it will not have to be accepted if its acceptance would necessitate preempting material which has already been completed to fill a previously accepted defense order which bears a lower rating, or if it would preempt material which is within fifteen days of completion. Or, if the new order is accepted, the producer may not divert material already completed or about to be completed on a previous defense order for use in filling the new order.

Priorities Regulation No. 1 lays down a general framework for priorities compliance, and it may affect all types of industrial and commercial transactions. Copies of the regulation as amended may be obtained from the Priorities Division of OPM in Washington or from field representatives.

Summary of changes

A summary of the important changes made December 23, with explanation, is given below:

944.1a All defense orders, as defined, are assigned an A-10 rating. The Regulation as previously written required the acceptance of defense orders and preferred treatment for such orders, but did not specifically assign them a grade, so that the question was frequently raised as to how unrated defense orders should be treated, in comparison with orders specifically rated A-10. The change is largely one of form rather than substance, because the answer which has been given to this inquiry is that they should be treated as A-10 orders.

944.2 This paragraph has been changed to require acceptance of B-rated orders as well as defense orders. Since the assignment of a B rating is one form of allocation of scarce material, it is essential that we require the acceptance of such orders in preference to unrated orders if the allocation is to be effective. The same considerations which led to the adoption of the original provision of the Regulation requiring acceptance of defense orders led to the conclusion that all

rated orders should now be made mandatory both as to acceptance and preferred treatment.

944.4 It is provided that any preference rating (including B ratings) may be assigned to any order before the contract or purchase order is placed. This is done in order to provide for identification of prospective purchase orders as to which acceptance is required pursuant to the amendment just discussed.

Determining precedence

944.7 Paragraph (b) is amended so that where preference ratings and delivery dates are the same the sequence of deliveries is to be determined by the dates of receipt of the preference rating. At the present time such cases of conflict are to be referred to the Division of Priorities. It is believed that the proper rule is incorporated in the amendment, rather than allowing the date of receipt of the order to govern, since the preference rating is only effective when received.

944.8 The amendment requires that each order bear a specific delivery date. This is done in order to terminate the practice which now exists, particularly in the PD-3 field, of specifying "immediately" as the delivery date.

944.10 This paragraph is revised to make it clear that allocation and limitation orders take precedence over preference ratings and that, generally speaking, the more stringent restrictions take precedence over the less stringent.

Fabrication limited

944.14. The general inventory restriction is revised in accordance with the policy of the Priorities Division. Hereafter no material may be fabricated, processed, alloyed, or otherwise altered if the producer's inventory of the material in its altered form would thereby be increased beyond a practicable working minimum, unless specific authorization is granted by the director of Priorities.

944.15. The Regulation as originally drawn required all persons "affected by any rule, regulation, or order" to keep records. This rule was difficult of application, as almost any person could be said to be affected by some order or regulation of the director of Priorities. The revised provision substitutes a rule which seems to be simpler of application, viz, only the persons actually participating in any regulated transaction are required to keep records.

944.18 The original violations provision was restricted to penalties for furnishing false information. It has been expanded so that it now includes penalties for violation of any order or regulation.

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ZINC ORDER EXTENDED

General Preference Order M-11, controlling the distribution of zinc, December 27 was extended to March 31, 1942. The order was scheduled to expire December 30.

The zinc order requires all producers to set aside a percentage of the zinc, zinc oxide, and zinc dust produced each month to be distributed upon express direction by the Director of Priorities and provides for allocation or controlled distribution of the remainder.

All imports of 13 strategic materials placed under Government control

The Federal Government on December 27 took control of all imports of 13 designated strategic materials and may add others to the list later, it was announced by Priorities Director Nelson.

Materials listed are antimony, cadmium, chromium, copper, graphite, kyanite, lead, mercury, rutile, tungsten, vanadium, zinc, and zircon.

General Imports Order M-63, which went into effect at 12:01 a. m., December 28, provides that, unless otherwise authorized by OPM, all future contracts for imports of these materials will be handled by the Metals Reserve Company, RFC subsidiary, or other Governmental agency. No private person or concern can make arrangements for imports, except that in certain cases, such as imports for processing and immediate re-export, the Director of Priorities may grant specific exception to the order.

To work through established channels

It was announced, also, that the Metals Reserve Co. plans to use existing channels to make its foreign purchases and will work through established brokers and dealers.

The order does not disturb existing contracts or commitments, except that future shipments or goods now in transit may not be sold except to the Metals Reserve Co., unless under written authorization of the Director of Priorities. Persons seeking such authorization or other action by the Director of Priorities are instructed to use Form PD222A in all instances.

Collectors of Customs at all ports of entry in the United States will assist the Office of Production Management in clearing shipments affected by the order. The consignee will file a report with the collector in each instance and then may move his shipment to the point of first destination in this country. There it must be held for disposition as outlined in the order.

Quick clearance urged

In many instances, clearance of goods in transit is possible, and importers are urged to get in touch with the appropriate branch of the Office of Production Management to avoid delay after shipments have arrived. Materials going directly into plants with war contracts are in that category and automatic clearance for such shipments may be arranged.

The Metals Reserve Co. is prepared to negotiate with holders of open commitments and will take over their contracts where that is feasible. All material purchased by the company will be held for allocation by the Director of Priorities.

The order provides that all persons who have made arrangements for imports affected by the order shall report the facts immediately to the Metals Reserve Co.

The control of imports was taken, it was explained, as a result of the policy of the Supply Priorities and Allocations Board that steps be taken to insure, insofar as possible, adequate supplies of materials for war production.

Steel warehouses get optional quota basis; alloy limits, other rules changed

Steel products handled through a large number of jobbers, for which there is a heavy seasonal demand, are accorded special treatment by an amendment to the steel warehouse order, M-21-b, issued December 24 by the director of Priorities.

Under the directive with respect to Supplementary Order M-21-b which was issued September 26, 1941, jobbers were assigned quotas based on their receipts from producers during the corresponding calendar quarter of 1940 covering their orders for hot rolled concrete reinforcing bars, pipes, and tubes, wire and wire products, tin and terne plate, galvanized sheet and strip.

The December 24 amendment incorporates the quotas into the order itself, but permits any warehouse, by notifying his supplier on or before February 1, 1942, to base his quota for the Schedule B products listed above on one-fourth of the total tonnage of such product classification shipped by the supplier to the warehouse during the year 1940.

Must stick to one method

This option will enable warehouses to make necessary adjustments in their 1942 orders for the products specified, as compared with their receipts in 1940. However, once the warehouse has chosen whether it will base its quota on the corresponding calendar quarter or 25 percent of the whole year 1940, the method cannot be changed for any subsequent quarter in 1942.

Big plant sped to help aviation gas production

Construction of the world's largest gas cycling plant will be undertaken in Texas as a major step in the program to boost production of 100-octane aviation gasoline, it was announced December 20 by the Office of Petroleum Coordinator for National Defense.

The plant, to be erected in the Katy gas field of Waller County, will process 274,000,000 cubic feet of gas daily—an amount which will yield nearly 7,500 barrels per day of combined distillate, kerosene, naphtha, natural gasoline, butane, and iso-butane.

At the recommendation of the Office of Petroleum Coordinator, the announcement continued, a preference rating of A-1-a was assigned to the project.

Previous limitations on the size of items of alloy, stainless and tool steel which may be sold by warehouses on unrated orders have been removed, but they may sell such items after January 1 for essential maintenance and repair purposes only, and total deliveries on unrated orders for such items may not exceed 10 percent of the average monthly deliveries of such materials by the warehouse to all customers during the first calendar quarter of 1941.

Carbon steel plates restricted

Sales of carbon steel plate from warehouse stock are restricted to defense orders after January 1, 1942.

An A-9 rating was assigned by Supplementary Order M-21-b to orders for certain percentages of the quotas of specified products which warehouses may receive. The order as amended provided that this rating may be extended by a producer to his suppliers, if such extension is necessary in order to obtain materials needed to manufacture steel for warehouse account. This amendment removes any unfair competitive advantage which may have been enjoyed by integrated steel mills as compared with independent mills.

The amendments go into effect January 1, 1942.

Any questions or inquiries with respect to the order should be addressed to J. R. Stuart, Head, Warehouse Section, Iron and Steel Branch, Office of Production Management, Washington, D. C.

All chlorine produced in U. S. subject to direct allocation after February 1, 1942

All chlorine produced in the United States will be subject to direct allocation after February 1, 1942, in accordance with the terms of an amendment to General Preference Order M-19 issued December 20 by the director of Priorities.

War demands for chlorinated products have accentuated the shortage of chlorine which was the occasion for placing chlorine under full priorities control on July 28, 1941.

New requirement provided

To facilitate allocation, a new type of requirement is now provided for scheduling orders for chlorine. Regardless of priority ratings, no producer of chlorine may accept orders after the 10th day of any month for delivery in the next calendar month without a specific direction from the director of Priorities.

No distributor of chlorine may accept orders after the 5th day of any month for delivery in the following month without specific direction from the director of Priorities.

Must file schedule of deliveries

All producers of chlorine are required to file with the chemicals branch of the Office of Production Management in Washington, on or before the 15th of each month, on Form PD-191, a schedule of deliveries to be made the following month.

After February 1, 1942, no deliveries of chlorine may be made without specific authorization from the director of priorities. Authorizations will be based on a review of the schedules submitted, in the light of defense and essential civilian requirements. If no change in the proposed schedule is made by the director of Priorities by the 25th day of the month, deliveries in the following month may be made according to the schedule as submitted.

All orders for chlorine must be accompanied by Form PD-190 properly executed.

Another provision of the amended chlorine order specifies priority ratings which are to be granted to orders for chlorine for certain purposes.

Set aside 5 percent for reserve

Under the amended order, every producer of chlorine is required to set aside each month 5 percent of his estimated monthly production in liquid chlorine.

The producer is to make no commitments with respect to this chlorine reserve. However, subject to the general provisions of Priorities Regulation No. 1, the reserve chlorine may be sold and delivered if no express order for its disposition has been issued by the director of Priorities by the 15th day of the month in which the reserve is set aside.

Nondefense orders must be accepted

Nondefense as well as defense orders for chlorine must be accepted by producers if a priority rating has been assigned to such orders.

Except for the allocation provisions which become effective February 1, 1942, the December 20 amendments to General Preference Order M-19 go into effect immediately and will remain in effect until revoked by the director of Priorities.

All burlap, including inventories, to be allocated; most peace-time uses cut off

Allocation of our entire burlap supply was ordered December 22 by the Office of Production Management.

All of our burlap comes from India. Three-fourths of it is now used to bag agricultural and chemicals products. The remaining one-fourth is used by the furniture, upholstery, rug and carpet, textile, meat-packing, and rubber industries.

Under the order, agriculture and chemicals will continue to receive burlap but in greatly reduced quantities. The other peacetime uses will be cut off entirely.

Much of the burlap will be used for defense purposes—for sandbags as protection against bombings and for camouflage.

Future deliveries to build stockpile

The order applies to burlap now in this country in inventory and to future deliveries, with the exception of broken bales on which there is no restriction.

Unbroken bales now in inventory may be used for bags for agricultural and chemical products. None of it may be used for the other peacetime uses.

Burlap now en route to this country as well as future deliveries will be dealt with more drastically. Two-thirds of it will be set aside in a stock pile over which

Lead and tinfoil order L-25 held up pending further restrictions on tin

The lead and tinfoil order, L-25, will be held in abeyance for a few days pending completion of a new tin limitations order, it was announced December 23 by the Division of Priorities.

War changes program

The order was issued November 24, then suspended for 30 days. It would have become effective December 24.

In view of the stoppage of tin imports by Japanese aggression in the Pacific a new and more complete restriction on the use of tin is necessary, it was announced. The pending order will include foil and L-25 is expected to be revoked when it is issued.

L-25 would have prohibited the manufacture of foil after January 15 and its use after March 15.

OPM will have control. Army, Navy, and civilian defense will have first call on it. If any is left, it may be made available for bags for agricultural and chemical products and for hardship cases.

The remaining one-third will be used for the manufacture of bags for agricultural and chemical products.

The order sets up a system of quotas for importers, importing bag manufacturers, and nonimporting bag manufacturers.

Inventories restricted

The quotas for importers apply to burlap shipped from Calcutta on and after January 15, and are based on their average annual imports during the period from 1935 to 1939 inclusive.

Quotas for nonimporting bag manufacturers become effective January 1, 1942, and are based on their burlap purchases in 1939 and 1940.

Bag manufacturers are required to distribute bags to their 1941 customers in the same proportion as they did in 1941.

Slashing or mutilating bags in opening them is prohibited.

Inventory of any importer, importing bag manufacturer, or nonimporting bag manufacturer is restricted to a 30 days' supply.

New maintenance order insures full cycle of metal production against interruption

With domestic metal production of more vital importance than ever before in American history, the Priorities Division issued December 22 a Preference Rating Order designed to assure that the complete cycle, from mining through refining, be completed without interruption.

Of the four steps essential to metal production—mining, concentration, smelting and refining—the first two are covered by Preference Rating Order

P-56, which extends priority assistance to mine operators in the acquisition of necessary maintenance, repair, and operating supplies. The order issued December 22, Preference Rating Order P-73, provides similar aid to accredited smelters and refiners of copper, lead, zinc, antimony, mercury, and cobalt.

Must get serial number

Primary producers engaged in these operations must obtain a serial number

from the Priorities Division before the benefit of the order may be applied to deliveries. Form PD-212, marked "Ref: P-73," should be filled out by the applicant, and forwarded to the Priorities Division.

Under the terms of the new order a basic rating of A-3 is provided for essential repair, maintenance, and operating supplies. Producers will be given an emergency rating of A-1-a for actual break-down or suspension, and an intermediate rating of A-1-c for necessary advance provision to avert break-down or suspension. These two latter ratings are available only after advance approval by the Director of Priorities. In requesting such advance approval, the producer must furnish the following information:

(1) Nature and effect of break-down or suspension of operations, including loss of production that would result.

(2) Whether this has already taken place or whether it is necessary to make advance provision to avert a break-down or suspension.

(3) Kind, quantity, and total value of material required to repair or avert the break-down or suspension of operations in this case.

(4) Why the material described in (3) cannot be obtained by the A-3 rating soon enough for the purpose.

(5) Names and addresses of suppliers with which orders have been placed for the exact material required and the approximate aggregate value of material to be furnished by each supplier.

A producer, or his suppliers, in order to apply a preference rating assigned under Preference Rating Order P-73, must furnish one copy of the order, with a form of acceptance unsigned, to each of his suppliers with whom he places a purchase order.

In addition he must endorse on each purchase order the following statement:

"Preference Rating A _____ is applied hereto under Preference Rating Order No. P-73, Serial No. (s) _____, with the terms of which Order the undersigned is familiar."

Foreign firms eligible

Foreign refiners and smelters are eligible to make use of the assistance extended by the order in the same manner as domestic operators. When the materials to deliveries of which a preference rating is assigned are to be shipped outside of the United States, its territories and possessions, the Philippine Islands, and the Dominion of Canada, there must be added to the endorsement above, the following:

"This Material is for export and is covered by Export License _____ dated _____"

Materials to develop new oil and gas wells placed under strict control

Use of materials for the development of new oil and natural gas wells is put under strict control by Conservation Order M-68, issued December 23 by the Director of Priorities.

The order prohibits every operator in the petroleum industry from acquiring or using materials for production purposes except under specified conditions or by specific authorization from the Director of Priorities.

No special authorization is needed, however, for materials used to drill or complete oil wells which follow a uniform well-spacing pattern of not more than one well to each 40 surface acres, or natural gas wells which are uniformly spaced with not more than one well to each 640 surface acres. Materials may be used without limitation for experimental or exploratory wells in new fields.

May apply for different spacing

These restrictions on the spacing of wells are in accordance with the recent trend of the petroleum industry in the interests of conservation of petroleum resources, but are especially advisable at present because of the necessity for conserving steel and other scarce materials used in oil and natural gas well development.

However, exceptions may be made to these requirements for the spacing of wells either for a single operator or for a whole field upon application to the Petroleum Coordinator on special forms provided for that purpose. Permission to space wells more closely may then be granted by the Director of Priorities upon recommendation by the Office of the Petroleum Coordinator.

Materials may not be used for pumping or artificial lifting equipment for more than an average of one well to every 10 acres in any lease or tract, except that a single well may be furnished with such equipment on a lease or tract of less than 10 acres. Leases or tracts may not be subdivided to take advantage of this provision.

Materials for use in petroleum research laboratories, in the search for and discovery of previously unknown petroleum pools, for specified secondary recovery operations or for certain types of lease equipment are exempt from the limitations of Order M-68.

P-100 or PD-1 to be used for present

A new order, to be known as P-98, is being prepared to cover the needs of the petroleum industry for materials and equipment. Until Order P-98 is issued, operators in the industry may obtain supplies under the general provisions of the maintenance and repair order, P-100, or by individual applications on form PD-1.

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Geo. C. Brainard to head machine tool branch

William H. Harrison, director of the Production Division, OPM, announced the appointment of George C. Brainard, industrialist of Youngstown, Ohio, as head of the machine tool branch.

Mr. Brainard will assume his new position January 1, succeeding Mason Britton, who has been in charge of the branch since 1940.

Punitive action taken against metal company and plumbing supply house

Suspension orders were issued December 20 by the Priorities Division against a plumbing supply house in Brooklyn, N. Y., and a metal company in Canton, Ohio, for violation of priority orders and regulations.

State Metals & Steel Co., Inc., Canton, Ohio, made deliveries of high-grade aluminum scrap, for melting into ingots, without preference rating for the delivery, with the result that 67,000 pounds of aluminum ingots were diverted for purposes not sanctioned by the Director of Priorities.

Lieb & Buchalter, Brooklyn, N. Y., attempted to place an order for brass pipe and copper tubing with a false statement that the order was entitled to an A-10 rating.

All priority aid withdrawn temporarily

Action taken against the two firms parallels the penalty imposed on a Chicago aluminum company 2 months ago, but the penalties imposed are more severe in that all priority assistance of every kind is withdrawn while the suspension orders are in effect.

This means that the companies will not be entitled to the use of a preference rating under General Preference Order P-100 on their needs for maintenance, repair, and operating supplies, nor can they use any other preference rating to which they might otherwise be entitled. State Metals & Steel Co. is also forbidden to deal in aluminum while the suspension order is in effect.

Details of the two cases, with provisions of the suspension orders, are as follows:

I

Lieb & Buchalter, a plumbing supply house of Brooklyn, N. Y., ordered 4,740 feet of brass pipe, and 720 feet of copper tubing, with a false statement that the order was entitled to a preference rating of A-10 because the material was to be used as emergency inventory for three Brooklyn hospitals. Inquiry revealed that Lieb & Buchalter had no such orders from the hospitals named. All priority assistance has been withdrawn from the firm until March 1, 1942, by Suspension Order No. S-2.

II

State Metals & Steel Co., Inc., Canton, Ohio, violated Supplementary Order M-1-c by delivering 153,234 pounds of

aluminum utensil scrap to Central Aluminum & Flux Co., Garfield Heights, Ohio, for melting into 98-99 percent aluminum ingots without a preference rating or authorization from the Director of Priorities.

State Metals & Steel Co. subsequently delivered 67,000 pounds of the ingot made from the scrap to Timken Roller Bearing Co. to be used for deoxidizing purposes, a use of the ingot which was not sanctioned by the Director of Priorities.

Officials of State Metals & Steel Co. were fully aware of the terms of the orders which they violated. On May 17, 1941, the company had requested permission from the Office of Price Administration and Civilian Supply to furnish the Timken Roller Bearing Co. 100 tons of aluminum ingots. This request was referred to the Office of Production Management. When informed that additional information would be required before its request could be considered, the company made no further requests or inquiries.

The secretary of the company had read and was familiar with General Preference Order M-1 and Supplementary Orders M-1-a and M-1-c at the time the improper deliveries of aluminum scrap were made.

Material was of critical importance

High-grade aluminum scrap is scarce and of critical importance. The willful violation of the aluminum orders by State Metals & Steel Co. has resulted in the diversion of high-grade aluminum scrap from primary defense needs into unauthorized uses.

All priority assistance is withdrawn from State Metals & Steel Co. until July 1, 1942, by Suspension Order No. S-7. Until that date, the company, its successors and assigns are forbidden to accept deliveries of primary aluminum, secondary aluminum, aluminum scrap, aluminum products, or alloys of which aluminum constitutes a major part. The company is likewise forbidden to accept purchase orders or enter into contracts or commitments for delivery of aluminum or aluminum products, or to make such deliveries, except as specifically directed by the Director of Priorities. All other persons are forbidden to deliver aluminum or aluminum products to the company in violation of the order while it is in effect.

Suspension orders issued against cottonseed mill and hosiery company

The Priorities Division on December 23 announced punitive action against four more companies which have violated priorities orders and regulations. Suspension orders have been issued against each of the companies, withdrawing all priority assistance for periods of from 6 to 8 months, and forbidding the firms to deal in the products affected by the orders while they remain in effect.

The companies against which suspension orders have been issued are: Enterprise Oil Co., Enterprise, Ala.; Mock, Judson, Voehringer Co. of North Carolina, Inc., Greensboro, N. C.; Siler City Hosiery Co., Siler City, N. C.; Alabama Hosiery Mills, Decatur, Ala.

Linters sold outside chemical industry

Enterprise Oil Co. is a cottonseed crushing mill. This company sold its entire output of cotton linters in August and September outside of the chemical industry, in violation of General Preference Order M-12 which provides that 80 percent of cotton linter production shall be sold to the chemical industry for making explosives and other essential uses.

Mock, Judson, Voehringer Co. and its subsidiaries, Siler City Hosiery Co. and Alabama Hosiery Mills are all engaged in making hosiery. These three companies obtained permission from the director of Priorities to process 65,000 pounds of raw silk by stating falsely that this silk had been removed from its original bales prior to August 2, 1941. As a result, all but 9,000 pounds of the silk were diverted from defense use to the manufacture of silk hosiery.

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Dealer sales of passenger cars, light trucks to Army, Navy excluded from production quota

Donald M. Nelson, director of Priorities, acted December 20 to make it clear that passenger cars and light trucks and replacement parts for them are excluded from production quotas established by OPM when sold directly or through authorized dealers to the Army or Navy and certain designated Government agencies and foreign governments.

DEFENSE PROGRESS . . .

America's war program over 74 billions; 13 billions spent, nearly 48 obligated

Authorizations for expenditures on America's war program to December 26 total \$74,440,000,000, including the Third Supplemental National Defense Act of 1942, according to figures compiled by the Bureau of Research and Statistics, OPM.

The financial program covered by these figures includes cash appropriations, net contract and tonnage authorizations and Reconstruction Finance Corporation commitments.

In addition, foreign transactions in the United States amount to \$3,772,000,000, of which \$3,747,000,000 is for war orders and \$25,000,000 for administrative expenses. The total authorized program for war expenditures in this country thus becomes \$78,212,000,000.

Obligations \$47,726,000,000

Obligations incurred under the program through the end of November amounted to \$47,726,000,000, against which \$13,299,000,000 was paid out. Obligations include contracts awarded and letters of intent to private industry, orders placed with Federal arsenals and navy yards, pay, subsistence and travel for the military and civilian agencies, and miscellaneous noncontractual items.

The lag between appropriations and obligations arises from a number of causes. Plans for additional factory facilities or shipyards frequently must be made, including the design and manufacture of tools. Contracts for construction of these must be negotiated. Experimental production sometimes is necessary before costs can be determined for the letting of large contracts. Studies of available labor supply, transportation and materials sometimes are necessary before even a plant site can be selected. As available facilities are burdened with orders and materials become scarcer, these problems increase.

War Department leads

Broken down by Federal agency the financial program was allocated as follows: War Department, \$31,979,000,000; Navy Department, \$19,396,000,000; Maritime Commission, \$2,668,000,000; RFC and subsidiaries, \$4,347,000,000, and other defense agencies, \$16,050,000,000. The last item includes \$12,985,000,000 for Defense Aid (Lend-Lease).

Obligations by agencies are as follows: War Department, \$21,205,000,000; Navy Department, \$15,102,000,000; Maritime Commission, \$1,644,000,000; RFC and subsidiaries, \$3,450,000,000, and other agencies, \$6,325,000,000.

The following table presents a breakdown of financial program and obligations, June 1940 through the latest reporting date, by object:

UNITED STATES WAR FINANCIAL PROGRAM
[In millions of dollars]
(Subject to revision)

Objects	Financial program ¹ as of Dec. 15, 1941	Obligations ² Nov. 30, 1941
Ordnance.....	\$16,605	\$8,850
Airplanes, parts and accessories.....	13,196	10,025
Naval ships.....	8,846	7,545
Industrial facilities.....	8,163	5,805
Posts, depots and stations.....	6,881	4,135
Other munitions and supplies.....	5,622	3,522
Stockpiles and miscellaneous.....		
Lend-Lease exports.....	4,674	1,839
Pay, subsistence and travel.....	4,252	2,513
Merchant ships.....	3,323	2,112
Housing.....	942	430
Miscellaneous ³	2,936	950
Total.....	74,440	47,726

¹ Financial program includes Congressional cash appropriations, contract and tonnage authorizations, RFC commitments.

² Obligations include contracts awarded and letters of intent to private industry, orders placed with Federal establishments, pay, subsistence and travel of the armed forces, and miscellaneous noncontractual items.

³ Includes "welfare" of men in the armed forces, technical training, and incidental expenses.

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There's no such thing as junk any more, says Henderson

"There is no longer such a thing as junk. A pile of so-called junk, when rehabilitated, becomes tanks, bombers, and bullets. A pile of old newspapers is a potential cardboard carton to carry weapons and ammunition to their destination."

This statement was made by Leon Henderson, OPA Administrator, in regard to the campaign now being conducted to mobilize waste paper for war duty.

"Every waste paper transaction between a housewife and her neighborhood waste dealer means that much more fighting equipment arriving at the proper place at the proper time."

War requirements boost 1942 construction program to all-time record

New requirements brought suddenly into focus by the outbreak of war have caused OPM officials to increase by nearly 1 billion dollars their estimates of the amount of money to be needed for all kinds of construction in this country during 1942.

Preliminary estimates under the old defense program set the 1942 construction total at about \$10,400,000,000—a slight decrease from the \$11,000,000,000 expected to be spent during 1941. The new estimate is for approximately \$11,250,000,000, an all-time high, of which all will be for defense construction or construction essential to health and safety.

Nearly 11 billions available

There will be large increases in 1942 over 1941 in direct military construction and Government-financed defense plant expansion, defense housing, and community facilities. In every other major category there will be decreases.

On December 20 the defense construction program, then in its eighteenth month, measured in terms of funds available, amounted to nearly \$11,000,000,000. During 1942 the amount expected to be used for defense construction alone will be approximately \$8,650,000,000.

The value of defense work in place December 20 was \$4,900,000,000, or about 44 percent of the \$11,000,000,000 in defense funds already made available. Monthly expenditures now average about \$500,000,000.

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War Department discontinues listing individual contracts

The War Department recently discontinued the announcement of individual war contracts due to the necessity of greater secrecy, hence VICTORY no longer prints such a compilation.

Consideration is being given by the War Department to the possibility of announcing the names of firms to which major contracts have been awarded, with an indication of the size of the contract, but not sufficiently specific so that the volume of war materials to be produced could be estimated.

PRICE ADMINISTRATION . . .

OPA reviews price ceilings in light of pending bill, thinks most will stand

The following statement was issued December 23 by OPA Administrator Henderson:

"A subcommittee of the Senate Banking and Currency Committee on December 19 approved in substance the standards for control of prices previously adopted by the House of Representatives. In view of this action, and statements made on the floor of the Senate as to the probable acceptance of these standards, the staff of OPA last week began a review of all formal price ceilings and informal agreements to bring them into conformity with those standards which are common to the House bill and the bill reported by the Senate subcommittee.

Agriculture may require some changes

"It is believed that no upward adjustments will be required in those cases where ceilings have been established or agreements reached on nonagricultural commodities. These schedules and agreements are generally in accord with the standards established by the pending legislation and it is expected that the re-

visions to establish strict conformity will be relatively minor.

"In the case of ceilings on agricultural commodities some changes will be necessary to bring existing schedules into line with the special standards which have been set up for farm products. Three special standards were established for these commodities in the House bill. Of these the Senate subcommittee has approved but one—namely, that no price shall be established below the market price prevailing on October 1. Existing ceilings on domestic farm commodities will be reexamined in the light of the October 1 provision.

"Further ceilings on agricultural commodities issued between the present date and that of final approval of the bill will be consistent with the October 1 date.

"The review of the existing price schedules is designed to eliminate confusion when legislation is enacted. It is obviously important that there be a prompt and easy transition from the existing control to that provided by the Price Control Act."

Large firm gives up price rise on felt-base floor covering

Armstrong Cork Co., Lancaster, Pa., has dropped plans for an advance in prices of its felt-base floor coverings at the request of OPA, Administrator Henderson announced December 24.

As a result, this concern, one of the largest manufacturers of hard-surfaced floor coverings in the country, will continue to sell both its felt-base and inlaid linoleum lines at unchanged prices.

"This cooperation by the Armstrong Co. is extremely commendable," Mr. Henderson stated. "Higher prices at this time for felt-base floor coverings, which are such an important article of furnishing in the homes of the lower-income groups of our population, would be certain to stimulate price advances in other household goods. The Armstrong Co. is to be commended for its leadership in stabilizing prices."

Paul R. Hasson appointed to machinery section

Appointment of Paul R. Hasson, former chairman of the board of John Fowler & Co., major English agricultural implement manufacturers, to the farm equipment and tractors unit of the machinery section of the Office of Price Administration was announced December 22 by J. K. Galbraith, assistant administrator.

Mr. Hasson, a native Californian, has been connected with John Fowler & Co. since 1912, with the exception of the years between 1917 and 1919, when he returned to this country to enter the American army during the last world war. He served overseas as a first lieutenant in the Ordnance Corps.

In 1937 Mr. Hasson directed the expansion of his company to include the manufacture of tanks. In 1940 he resigned to return to America to serve the United States Government during the emergency.

Diesel engine producers agree to hold prices at October 1 level

Informal arrangements whereby Diesel engine prices will not be increased above the levels of October 1 will be continued for the present, OPA Administrator Henderson announced December 22.

On December 6, the administrator requested Diesel engine manufacturers to adhere to October 1 prices and not to change their methods of determining prices for specially designed equipment. A meeting at which makers of 85 percent to 90 percent of all Diesel engines were represented was held December 18 at the OPA offices. Attending producers expressed the opinion that the voluntary method of keeping prices stabilized would be effective for the time being.

However, to implement the voluntary price control program, Diesel engine manufacturers will be asked to file with OPA affirmations that they have complied with his request of December 6.

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Dry color prices stabilized to April 1, others added

Individual agreements stabilizing prices of dry colors, due to expire January 1, 1942, have, with minor modifications, been extended to April 1, it was announced December 24 by OPA Administrator Henderson.

Mr. Henderson also announced the broadening of the agreements to include pulp colors, certified food colors, dispersed colors, and other similar products.

The agreements, discussed with representatives of producers at a meeting in New York December 17, provided for prices no higher than those quoted in price lists of a majority of producers in effect on October 1, 1941.

Exceptions to this are "peacock blue," the price of which is not to exceed 52 cents per pound delivered for the base grade; and "English vermilion," the price of which will be stabilized at a future date.

Mr. Henderson stated because of the agreements with producers, and their cooperation to date, it would not be necessary for OPA to take formal action to prevent inflationary rises in the prices of these products during the first quarter of 1942.

Iron and steel scrap schedule revised to increase collection, aid best usage

Revision of the iron and steel scrap schedule to meet the exigencies of actual war conditions was announced December 22 by Leon Henderson, administrator of the Office of Price Administration.

Major objectives sought by the changes are: (1) A vastly increased collection of all kinds of scrap; and (2) a system of pricing that will have the effect of directing the flow of particular types of scrap to plants of producers able to make the most advantageous use thereof.

Much of the substance of the revisions was developed at a series of meetings of OPA officials with all branches of the scrap trade and all types of consumers. These meetings extended over a period of 3 weeks and all problems relative to scrap supply and use were discussed.

Types segregated according to use

The revised schedule segregates the various types and grades of scrap according to use and establishes maximum prices for each type of consumer. These "use" classifications are open hearth, which contains seven grades; blast furnace, which contains four grades; electric furnace and foundry, which contains eight grades (two of which, with differentials for preparation to specific sizes, are entirely new); and gray iron foundry, which contains six grades of cast iron scrap.

Excluding cast iron scrap, the method of computing maximum scrap prices at the shipping point has been changed so that dealers may now make use of "the most favorable" basing point, instead of the "nearest basing point in terms of transportation charges." The present geographical price differentials remain unchanged. Four new basing points are added in the Pittsburgh district, and the Pittsburgh basing point itself has been redefined.

Pricing aids electric furnaces

With the exception of machine shop turnings, all of the open hearth grades are assigned a maximum price of \$20 per gross ton at Pittsburgh. Machine shop turnings, which are used by both open hearth and blast furnaces are priced at the same level as the blast furnace grades, or \$16 per gross ton at Pittsburgh.

The blast furnace grades are uniformly priced at \$16 per gross ton at Pittsburgh, to reflect a fair average of the differentials in the former schedule.

Electric furnace and foundry grades are priced at levels somewhat higher than

the open hearth grades to allow for the added costs of preparation required by these users. This premium is not high enough to make it attractive to divert open hearth grades to electric furnace and foundry use, but a specific restriction is imposed upon open hearth operators to prevent them from buying electric furnace and foundry grades. This restriction consists of a provision forbidding open hearth, or blast furnace, operators from paying more for electric furnace and foundry grades than the ceiling price set for comparable open hearth or blast furnace grades.

The addition of two entirely new electric furnace and foundry grades—heavy cut structural and plate scrap and cut automotive steel scrap, each in three length specifications—is intended to replace the steel rail scrap formerly used by these consumers, but now virtually unavailable.

The prices provided in the revised schedule for low phos. billet, bloom, and forge crops and electric furnace bundles may only be charged or paid when these materials are shipped to the consuming electric furnace or foundry directly from the original industrial producer thereof.

Cast iron in separate appendix

Perhaps the most sweeping change contained in the revised schedule is the complete segregation of all cast iron scrap into a separate appendix with a provision for maximum prices on a regional shipping point basis. This type of scrap is used primarily by gray iron foundries.

The shipping point prices for the six grades of cast iron scrap are broken down into three groups: Group A, which includes Montana, Idaho, Wyoming, Nevada, Utah, Arizona, and New Mexico; group B, which includes North Dakota, South Dakota, Nebraska, Colorado, Kansas, Oklahoma, Texas, and Florida; and group C, which includes all States not named in either group A or group B.

The cast iron grades of scrap and their maximum shipping point prices by groups are as follows:

	Group A	Group B	Group C
No. 1 cupola cast.....	\$18.00	\$19.00	\$20.00
No. 1 machinery cast, drop broken, 160 lbs. and under.....	18.00	19.00	20.00
Clean auto cast.....	18.00	19.00	20.00
Stove plate.....	14.00	15.00	16.00
Heavy breakable cast....	16.50	17.50	18.50
Charging box size cast...	17.25	18.25	19.25

Consumers of cast iron scrap may pay the shipping point price, plus the established charge for transporting the scrap to their plant by the mode of transportation used.

Motor vehicle deliveries

In the case of cast iron scrap deliveries solely by motor vehicle, the buyer must require from the seller certification made out to the Office of Price Administration of the shipping point, transportation charges, and other particulars of the sale.

To help machine tool makers

The unusual provisions with respect to cast iron scrap, Mr. Henderson stated, are in the nature of an experiment. Results will be observed closely by first hand checks in the field. It is expected that the incentive for collection and preparation of this type of scrap, which is of vital importance to machine tool makers who use large castings for machine beds, will be considerably greater than heretofore.

The amendments announced September 26 and November 25, dealing with "remote" scrap, are now made a permanent part of the revised schedule.

Commissions clarified

Of particular interest to scrap brokers is a clarification of the circumstances under which commissions may be collected. This section of the new schedule states that no such commission may be charged unless (a) the broker guarantees the quality and delivery of an agreed tonnage of scrap; (b) the scrap is purchased by the consumer at a price not higher than the applicable ceiling; (c) the broker sells the scrap at the same price at which he purchased it; (d) the broker does not split the commission with anyone. No commission shall be payable to a person for scrap which he prepares. A person who has not acted as a broker prior to April 3, 1941 (this date formerly was June 18, 1941) shall in no case be allowed a brokerage commission.

Differential for inferior grades

In all cases the maximum prices apply to the grades listed in the schedule. Inferior grades, it is stipulated, must continue to bear the same differential below the corresponding schedule grade as existed between September 1, 1940, and January 31, 1941. No price above the schedule's maximums may be paid or collected with respect to any "superior" grades of scrap without prior approval of the OPA. Special "preparation charges" are not allowed.

News for Consumers

Black-out Materials

"Do not rush out to buy new material for black-out curtains," is number one of a series of suggestions from the Consumer Division of the Office of Price Administration for the benefit of householders in coastal cities, to guide them in making and using drapes to screen house lights during air-raids or black-out drills.

Using material already on hand in the home will help the consumer avoid an unexpected and sudden expense. Even more important, it will help ease the strain that an abnormal civilian demand would place upon our textile industry, now working overtime on military orders, and it will prevent needless drain of the country's supply of textile goods, according to the Consumer Division.

The Division makes the following suggestions on black-out curtaining:

1. Do not go out immediately to buy material for black-out curtains. Coast-line areas may be required to black out nightly, but all-night every-night black-outs over the whole United States probably never will be required. In any event, the signal to prepare for black-out will come from Civilian Defense authorities.

2. If you need black-out curtains, examine your own resources. The drapes now hanging on your windows possibly may be adapted. Such things as blankets, quilts, bedspreads, rugs, carpets, draperies, dark oil-cloth, overcoats, slip covers, etc., may be found adequate.

3. To be acceptable, the cloth must pass no light when held before a lighted electric bulb. Test the material again after hanging—send someone out to see if any cracks of light shine through.

4. All windows in the house or apartment need not be curtained. In many British households one room is used exclusively during black-outs. The family retires to this room as soon as the air-raid siren is heard, turning off all lights in the other rooms.

5. The cloth used in black-out curtaining need not be black. It may be any dark color that screens the light (the British have found dark blue, brown, dark green, wine, and other shades to be successful).

6. In hanging the black-out curtains, remember that you need ventilation. British experience indicates that windows ought to be left partly open and the curtains should be constructed with

this in mind. Lightweight curtains will blow open and expose light. The curtains should be heavy, or securely fastened above and below the window.

7. Other suggestions:

String a row of hooks around your window, put rings (large ones, so there will be no fumbling in an emergency) into your cloth, and keep the cloth rolled up near the window for emergency use.

If you now have drapes that are closed by a pull cord, see if they are dense enough to keep light in and if they meet with at least a 3-inch overlap at the center. If they are too light you might line them on the side towards the window. If they do not overlap at least 3 inches, add some material at the center, and in any event, fix buttons, hooks, or ties so they may be fastened at the center and will not blow open. If your drapes show a crack of light at the top, hang them up higher.

If you don't have adaptable drapes, run a track at the top and bottom of the window, well beyond the frame, and put your material on these tracks so it can be slid across the window quickly.

Material may be installed on a roller, like a window shade, and pulled down when necessary. Roller curtains should fit the window exactly, and should be fastened at the bottom.

Venetian blinds alone are not sufficient to black out a room, but closed and covered with dark material they will keep light from escaping.

8. Your curtain must cover the window. If it's a roller shade, it must fit tightly into the window frame. If you are making loose cloth curtains, your material should be one and one-half times the area of the window, and when hung, should extend at least 8 inches above and on either side of the window frame, and should hang down to the floor. Curtains smaller than this should be fastened to the window frame on all sides.

9. Use of black or dark blue paint to cover windows is not recommended for the average householder. Windows blacked out in this manner cannot be opened during blackout unless curtains have also been provided.

One large New York department store, with hundreds of windows to cover quickly during an emergency, plans to use black paint, but paint men warn that the black paint will absorb the heat of the sun's rays and expand much more than the glass to which it adheres, bringing up the danger of breakage. Besides, unexpectedly large purchases of black paint at this time would unbalance the supply of critical defense materials.

10. The householder with a basement workshop or a few hand tools may build

a wooden frame to fit tightly over the window frame, and cover it with a flat section of black-painted cardboard or with wood or plywood. Slits could be introduced in the sides of the frame to allow air movement without letting light out, and the frame may be kept near the window, to be hooked over it during black-out.

The war may be a long one, and householders should do the best possible job of making black-out curtains that will last. Since the enemy will not furnish a timetable, the curtain should be kept near the window for immediate use, or it should be fastened permanently in place, to be drawn or dropped when necessary.

College Consumer Weeks

Plans for further extension of the "Consumer Week" idea to college campuses are being developed by the consumer relations section of the consumer Division, OPA, as a result of the successful completion of the experimental consumer week at Skidmore College, Saratoga Springs, N. Y.

Activities of the week at Skidmore included a Consumer's Town Hall, a style show and round table discussions on the part that college students can play in assisting the Victory Program by warring on waste.

The style show, held at the conclusion of the week, presented 21 students of the home economics department modelling dresses they had made. During the show, costs and fabric wearing characteristics were stressed. Substitutes that probably will be used in the future were discussed.

As a result of the interest aroused in consumer problems, Skidmore faculty and students decided at the end of the week to form a permanent consumer committee on the College Victory Council, to institute study groups on nutrition, budgeting, metals and metal substitutes, and other consumer problems.

A consumer center will be established at the College Victory office headquarters, and a class in consumer education offered in the second semester.

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Order restricts civilian use of high-grade chromium steel

Civilian use of high-grade chromium steel, except in fabricated articles, was restricted December 27 by the Director of Priorities.

Manufacturers, OPA cooperate in inventory of tires and tubes

Final plans were completed December 20 for the taking of an inventory of all new tires and tubes held by dealers and distributors preparatory to implementation on January 5 of the rationing plan required by the threat to further rubber imports, OPA Administrator Henderson announced.

Printing of the forms was being rushed to completion by the Government Printing Office and distribution to manufacturers and private brand distributors by special delivery mail was to be started December 21. The manufacturers and distributors were in turn asked to mail the forms to their retail and wholesale outlets.

The inventory forms provide for data on stocks of tires and tubes for passenger car, truck and bus, and "other" uses. The "other" classification includes farm implements, bicycles, motorcycles, trailers, wheelbarrows, excavation, road grading equipment, and all other vehicles. The forms must be returned to State defense councils by December 31, 1941. Data secured in the inventory study will be used by the Government in administering the rationing plan.

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Formation of rationing boards goes forward in all States

Organization of local tire rationing boards was moving forward in every State on December 23, according to OPA Administrator Henderson.

Members of the group working in the Central and Western States are:

Harry Camp, OPA regional director in San Francisco, directing organization of the boards in California, Oregon, Washington, Idaho, Nevada, and Arizona.

O. W. Campbell, associate regional coordinator, Division of Defense Housing Coordination, in charge of Utah, Montana, and Wyoming.

C. I. Long, assistant to the Minnesota State defense coordinator, in charge of Minnesota, North Dakota, South Dakota, and Iowa.

A. C. Tilley of the Division of Defense Health and Welfare Services, Denver, in charge of Nebraska, Kansas, and Colorado.

John C. Weigel, OPA regional director in Chicago, is handling Wisconsin, Illinois, Indiana, and Missouri.

George Bogert, professor of law, University of Chicago, and legal consultant to council of State government, working in Texas, Oklahoma, and New Mexico.

News for Retailers

Sugar Price Responsibility Put Up To Storekeepers

Responsibility of keeping the price of sugar stable to American housewives now rests with the Nation's retailers OPA Administrator Henderson indicated December 29.

In an open letter addressed to all wholesalers and retailers of sugar, the OPA administrator called attention to Price Schedule No. 60—Direct Consumption Sugars—and pointed out that by thus imposing maximum sugar prices at the wholesale level his office has made it possible for retail outlets to acquire their supplies at no advance over pre-war prices. Under these circumstances, the letter said, "we urge all retailers to see to it that the American housewife can buy sugar at prices that reflect this stability at the wholesale level."

"I am confident," Mr. Henderson added, "that all food retailers will accept this serious responsibility in full measure."

Text of Mr. Henderson's letter follows:

To all wholesalers and retailers of sugar:

Under the stress of emergency conditions thrust upon our country by the outbreak of war, it has become necessary for your Gov-

ernment, acting in the public interest, to take two steps vitally affecting supplies and prices of refined and other "direct consumption" sugars.

The first step in the form of an order issued on December 13 by the Office of Production Management curtailed excessive purchases of sugar and, in effect, froze inventories. The second step, announced on Sunday, December 21, by the Office of Price Administration, established maximum prices at which primary distributors may sell refined and other "direct consumption" sugar to wholesalers and, in addition, restricted the resale of such sugars by wholesalers to the level of prices that prevailed during the period December 1-December 6.

Thus, by Price Schedule No. 60, the Office of Price Administration has acted to stabilize the prices at which wholesalers may buy sugar from cane refiners and beet sugar producers, as well as the prices at which all retail outlets may buy from the wholesale suppliers.

The OPA schedule does not set maximum prices for the sale of sugar at retail.

The primary purpose of the action of my office is to prevent the development of runaway prices for one of the most essential of all foodstuffs. Hoarding and profiteering in sugar reached the proportions of a national scandal during the last World War. I am confident that during this war America's retail distributors of food are 100 percent behind their Government's firm policy to protect the public against any repetition of this condition.

Now that we have taken steps to give retailers the benefit of stable wholesale sugar prices, we urge all retailers to see to it that the American housewife can buy sugar at prices that reflect this stability at the wholesale level.

I am confident that all food retailers will accept their responsibility in full measure.

New autos limited to 4 tires

An order prohibiting sale, shipment or delivery by producers or any other person of new passenger automobiles equipped with more than four new tires was issued December 24 by Priorities Director Nelson.

This means that dealers as well as manufacturers cannot sell or deliver new cars equipped with new spare tires. The order is effective immediately.

The ban is in line with the recently announced prohibition on sale, lease, trade, delivery or transfer of new tires except to fill orders bearing an A-3 or higher preference rating. Under this prohibition, an auto manufacturer cannot obtain new tires without special authorization from the Office of Production Management.

Mr. Nelson's order also formalizes the new December and January passenger

car production quotas in accordance with the recent announcement that quotas originally established for those months would be cut 25 percent and 50 percent, respectively.

May extend December quota

Because of the shutdowns usually occurring in the automotive industry during the holiday season, it is provided that manufacturers may extend the December quota into January, but the combined quotas for the 2 months cannot be exceeded. This carry-over privilege also applies to the use of bright work or bright finish containing certain critical materials, provided the parts are used on the first cars produced in January. An earlier order prohibited use of bright work, except in certain cases, after December 31.

Action on combed cotton yarns completes relating of ceilings to "spot" prices

Following close upon the establishment of flexible ceiling prices for cotton "fine goods," Price Administrator Leon Henderson issued December 24 a revised schedule of maximum prices for combed cotton yarns which similarly provides for upward and downward adjustments in line with fluctuations in "spot" cotton prices.

This completes the OPA program, begun last October, to tie in all of its existing ceilings in the cotton textile field with the price of raw cotton.

Not in final form

The December 24 schedule, Mr. Henderson explained, is not in final form as to several details. However, it was considered necessary to expedite its issuance in order to facilitate the Army's procurement program covering cloth for uniforms, windbreakers, barrage balloons, etc. The details that remain to be worked out include exports, treatment of jobbers, and amplification of the premium yarn provisions.

The general level of maximum prices as revised reflects the higher costs of long-staple cotton. The lower and upper counts of yarn have been somewhat reduced in price, and prices of the middle counts have been raised.

While the yarn numbers covered by the amendment are unchanged, the ceiling now extends over 3-ply yarns, as well as over singles and 2-ply. The 3-ply maximum prices are the same as for 2-ply. Particular attention is called to the fact that reference to yarns of "ordinary commercial quality" has been dropped out of the new price list and that the maximum prices now established apply to all qualities, grade and specifications of combed cotton yarns up through 120s in single, 2-ply and 3-ply.

Only two premiums permitted

Only two premiums, which are essential to the Army's procurement program, are permitted. These are:

1. A premium for warp twist varying with the count of the yarn. In this connection it is pointed out that the "twist standard" of warp twist is specifically defined.
2. A premium for unusually high quality cotton when the yarn is sold for weaving into wind-resistant cotton cloth and uniform twills for sale to the Army.

Provisions for adjustments in the ceiling prices as raw cotton prices change follow the same principles used in the other cotton yarn and textile schedules. While the level of the maximum prices

reflects the longer staple cottons used to manufacture combed yarns, the ceiling price adjustments are automatically geared to fluctuations in the average closing of 15/16ths middling cotton on 10 spot markets.

For yarn numbers up through 49s, the schedule provides for a one-half cent change in the ceiling price for every fluctuation of 40 points in raw cotton prices. For yarn numbers 50s and higher, the maximum prices change by one-half cent for every 37-point fluctuation in cotton prices.

Old and new ceilings compared

Comparison of the old and new ceiling prices on several important yarn numbers follows (cent per pound):

Yarn number	Dec. 23 "spot" cotton close ¹ (17.20-17.59)	Ceiling "base" (15.99-16.38)	Old ceiling
20s:			
Single-----	42.0	40.5	41.0
2-ply-----	45.5	44.0	45.0
30s:			
Single-----	46.5	45.0	45.0
2-ply-----	50.5	49.0	49.0
36s:			
Single-----	50.0	48.5	48.0
2-ply-----	55.0	53.5	53.0
40s:			
Single-----	53.0	51.5	50.0
2-ply-----	58.5	57.0	55.0
	(17.45-17.81)	(15.99-16.35)	
60s:			
Single-----	73.0	71.0	67.0
2-ply-----	80.0	78.0	72.0
80s:			
Single-----	110.0	108.0	108.0
2-ply-----	122.0	120.0	120.0

¹ 17.48 cents a pound.

Contracts made under the old ceiling must be carried out at the old ceiling prices.

Printed copies of the complete schedule will be available in the near future.

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Work-clothing representatives to meet January 6

Representative members of the work-clothing industry will meet at the OPM offices January 6 to nominate a list of names from which officials of the OPM will select an industry advisory committee. When this committee is chosen, R. R. Guthrie will serve as its Government presiding officer.

OPM urges textile mills be put on all-out production basis

The Office of Production Management urged December 29 that the country's textile mills be placed on an all-out production basis.

"It is urgently important to speed up production of all mills making cotton yarns and cotton fabrics of all kinds," said Frank L. Walton, chief of the OPM textile and fiber section. "It is hoped that plans can be made for mills to run overtime and on Sundays and begin third shift operations wherever possible.

Demands increasing rapidly

"Defense demands are increasing rapidly and will, no doubt, continue to increase and it will be necessary to take care of certain requirements for Lend-Lease and friendly foreign governments.

"Some mills are better equipped than others for producing defense fabrics and some mills can change over to defense fabrics easier than others. But this means that those plants which must produce fabrics used largely for civilian purposes must likewise increase production where possible to take care of essential civilian requirements. No shortage of raw cotton is anticipated.

"Several surveys have been made and certain facts collected which are now available in getting these textile plants organized for defense fabrics. This data will be revised and brought down to date immediately.

Each mill to consider own position

"Particular stress will be laid on combed yarns and fabrics of various types used for defense, also for cotton duck, osnabergs, sheeting, and such carded fabrics and yarns, and a study is being made of this production.

"It is going to be important for each mill to consider its own position and what changes it can make to produce some of these essential fabrics. Shortly data will be made available. There are a number of ways to increase production in essential plants and suggestions are invited from any plant that has a plan for increasing its capacity.

"To cooperate with the OPM in this plan, there is contemplated having a cotton textile advisory committee. Steps are being taken immediately to select such a committee. It is further contemplated that after the committee is set up several smaller committees will be organized to deal with essential defense fabrics."

Premium provisions modified in amended grey goods schedule

By a technical amendment to Price Schedule No. 35 (Carded Grey and Colored-Yarn Cotton Goods), OPA Administrator Henderson acted December 27 to modify the provisions under which "extra cam" and "fancy draw" premiums may be charged.

"Extra cam" premium

The "extra cam" premium, it is provided, may only be collected on weaves other than plain weaves which, exclusive of salvage, require five or more cams in their production. In such cases a premium of $\frac{1}{4}$ cent a yard may be charged for five-cam weaves; for weaves requiring six or more cams, the permissible extra charge is $\frac{1}{2}$ cent a yard. The change makes such fabrics as three-leaf twills and jeans, customarily made with a tape selvage, ineligible for the "extra cam" premium, even though five cams are used in their weaving.

"Fancy draw" premium

The "fancy draw" premium, the amendment makes clear, is not applicable to all-over patterns resulting from cam or dobby-loom weaving unless additional effects such as ply cords, bunched ends, etc., are added to the all-over pattern.

The amendment became effective December 29.

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Plea to salvage all burlap follows allocation order

After announcement by OPM on December 22 of a burlap allocation order, the Bureau of Industrial Conservation December 26 called upon all users of burlap supplies to conserve and salvage any of this material in their possession at present.

Wholesalers, retailers, farmers, or any users of burlap bags were urged to return the bags to the source from which they had come, or to dispose of them with any other so-called waste materials, such as waste paper, scrap metals, old rags, and rubber. All of these items are currently being collected as part of the national "salvage for victory" program sponsored by the Bureau. Waste dealers will now buy burlap, it was said, or collecting charities will accept the material.

Revised ceiling ties "fine" goods to market price of raw "spot" cotton

Revised ceiling prices for cotton "fine goods," tied to the market price of raw "spot" cotton, were announced December 24 by OPA Administrator Henderson.

Cotton "fine goods" for the most part are woven of combed cotton yarn made from long-staple cotton, which sells at a premium above ordinary cotton.

Schedule completely rewritten

While retaining the number of the original cotton grey goods schedule (No. 11), the revamped schedule has been completely rewritten and now bears the title "Fine Cotton Grey Goods." In addition to the constructions of combed broadcloth, combed lawns, dimities, and voile already covered, the new schedule takes in eight marquisettes, five filling sateens, and single constructions of pique and pongee. As now enlarged the OPA ceiling extends over about 50 percent of the fine goods market. Its issuance follows completion of a study of production costs of a wide variety of fine goods.

Similar in form to No. 35

The schedule lists maximum prices for fine goods in the form already made familiar to the trade by Price Schedule No. 35, which tied maximum prices for carded grey and colored yarn cotton goods to raw "spot" cotton. However, the "tripping points" for fine goods prices (i. e., the points at which ceiling prices change as cotton moves up or down) are based upon 50-point fluctuations in the market price of $15\frac{1}{16}$ ths middling "spot" cotton, and changes in the goods prices themselves are the basis of hundredths of a cent per yard, rather than in hundredths of a cent per pound.

For those fine goods which already were covered by the schedule, the ceiling prices, using the 15.99-16.48 spot cotton price range for comparison, have been raised in the case of 13 constructions and lowered in the case of five constructions. These changes take into account results of the recently completed cost study and changes in the premiums at which long-staple cottons sell.

Comparison of ceilings

Comparison of old, new "base," and current ceiling prices for leading constructions in each group of fine goods follows (cents per yd.):

Construction	Dec. 23 Ceiling (16.99-17.48 cotton)	Base Ceiling (15.99-16.48 cotton)	Old Ceiling
37 inches 136X60 combed broadcloth, single ply.....	16.10	15.80	14.875
40 inches 76X72 combed lawn.....	10.90	10.75	10.25
36 inches 96X68 dimitie.....	10.55	10.40	10.75
39 inches 60X52 slack twist voile.....	9.50	9.35	9.00
38 inches 176X100 pique.....	24.18	23.80	(1)
38 inches 72X100 pongee.....	13.86	13.65	(1)
39½ inches 48X28 marquisette.....	8.38	8.25	(1)
38½ inches 84X136 carded filling sateen.....	18.94	18.65	(1)

¹ Not covered by old ceiling.

An important change is made in the schedule as regards export sales. Originally, all export sales were exempted from the fine goods ceiling prices. As revised the schedule does not permit manufacturers to sell for export at prices above the established maximums without first obtaining permission to do so from OPA. Approval of such applications will be based upon actual higher costs involved in export sales.

Jobbers and wholesalers, with only certain exceptions, are not bound by the ceiling prices, either in connection with their domestic or export sales.

The entire question of export sales is under study. It is contemplated that on the basis of information now being collected, a more definitive provision will be made for export sales.

Other features outlined

Other features of the revised schedule are as follows:

1. Mills are required to report monthly to OPA the details of all fine goods produced in quantities of 15,000 yards or more in the preceding month in any construction or weave not covered by the maximum prices.

2. The new maximum prices are made applicable to any contracts made under the recent interim amendment allowing sales on memorandum pending issuance of the revised schedule.

3. A special section deals with so-called "specification goods," that is, goods made according to a customer's particular requirements that cannot be satisfied by standard goods. Goods of demonstrably superior quality also are dealt with in this section.

4. Premiums are provided for certain special weaves and weaving effects, such as fancy draw, hard twist, clipping, etc.

Ceilings on 39 grades of green coffee from 28 countries included in new schedule

A definitive schedule of maximum prices for green coffee, superseding the emergency schedule of December 11, was announced December 28 by OPA Administrator Henderson.

Takes in 39 grades

Whereas the emergency schedule covered only 15 grades, the new schedule takes in 39 grades imported from 28 foreign countries. Maximum prices established for "spot" coffee are one-quarter of 1 cent per pound higher than those set in the temporary schedule. Differentials in prices of the various grades are those agreed upon at a conference held in New York December 18 between officials of OPA and representatives of all branches of the coffee trade from large and small trading centers.

Ceiling prices for "futures contracts" traded on the New York Coffee and Sugar Exchange are retained in the new schedule at the levels prevailing at the close of that market on December 8. Only two grades: Santos #4 and Rio #7, both of Brazilian origin, are the subject of "futures" trading. The closing prices of December futures as of December 8 were 12.83 cents per pound for Santos #4 and 8.26 cents a pound for Rio #7.

All forms of selling covered

All forms of selling, excepting sales at retail and sales of less than one bag are covered by the schedule.

"The ceiling for green coffee as established by the new schedule is intended to provide the American public with ample supplies of coffee at prices not inflated by the impact of war," Mr. Henderson stated. "The prices were arrived at after studies that covered a period of 6 months.

"In keeping with the terms of the pending price-control bill, the coffee ceilings generally represent the price levels that prevailed on October 1, adjusted in some instances to reflect changes resulting from the Inter-American Coffee Board conference of October 23.

Sound basis for trading

"The Inter-American Coffee Board has been fully informed as to the substance of today's schedule and the members of that board, representing 14 Latin American neighbor countries responsible for about 98 percent of United States coffee supplies, have expressed the belief that

the OPA ceiling prices provide a sound basis for trading.

"The schedule is tangible evidence of the United States Government's approval of the purpose of the Inter-American Coffee Agreement, which is to give 'prices fair to producers and consumers'."

In order to assure to South American producing countries a constant return on their exports of coffee, the schedule contains a special provision with regard to rates for ocean freight, war-risk insurance, and marine insurance. Any changes in such rates from those that prevailed on December 8, it is stipulated, shall be added to or deducted from the established maximum prices.

The ceiling prices are quoted in cents per pound, ex dock New York City. A commission not to exceed 1 percent of the maximum price may be paid by a buyer requiring the services of a broker at the port of entry. With this excep-

Ceiling imposed on all types of leather to forestall higher prices for products

Leather of all types, grades, and qualities may not be sold above the highest prices that prevailed during the period November 6-December 6 under the provision of a new emergency ceiling schedule issued December 25 by OPA Administrator Henderson. The new schedule went into effect on December 29.

To forestall higher prices

"Behind today's action is the desire of OPA to forestall the higher prices for shoes and other leather products that inevitably would follow advances in the cost of leather," Mr. Henderson stated. "Greatly increased demands for leather and leather raw materials already are developing as result of our own expanding army and navy and the need to help our allies. At the same time many foreign sources of hides and skins will be cut off for the time being because of the war at sea. Taken together, these factors spell great pressure for higher leather prices. The emergency price schedule is intended to prevent this."

Ceiling is temporary

Like most of the other schedules issued by OPA since the war broke out 2 weeks ago, the leather ceiling is temporary in nature and subject to revision after

tion and the special provision for variations in ocean freight and insurance rates, the maximum prices include all charges and commissions.

The schedule makes it clear that the maximum prices apply to the best quality of each type and grade named. In respect to green coffee imported from any other country or for grades not named of poorer quality, the maximum prices shall be determined by applying the customary trade differentials in effect prior to the United States declaration of war. Premiums commensurate with pre-war trade practices may be added for aged grades of "extra superior" quality or for imports from any country of limited amounts of coffee of quality markedly superior to the best grade listed for that country.

As was provided in the temporary schedule, the new schedule allows completion of all contracts entered into prior to December 11. However, all sellers and buyers with outstanding contracts at prices above the OPA maximums are required to report the details thereof to OPA on or before January 12, 1942.

studies now under way are completed.

All forms of selling, excepting retail, are covered by the new schedule and the term "leather" is so defined as to include whole pieces or cut stock, as well as shearlings.

Contracts entered into before the schedule's effective date, December 29, may be completed at the contract prices, even though these may be above the new ceilings.

Method of determining maximum prices

The method of determining the maximum prices for each seller of leather is set forth in the schedule as follows:

1. The maximum price shall be the highest price contracted for or received by the seller for the sale or delivery during the period between November 6, 1941, and December 6, 1941, inclusive, of leather of the same type, quality, and grade to a purchaser of the same general class.

2. If during said period no such sale or delivery was made, the maximum price shall be a price in line with the maximum prices for related types, qualities, and grades of leather, determined in accordance with paragraph (1) above, to purchasers of the same general class.

3. No seller of leather shall increase the maximum prices established by this schedule by requiring a purchaser to pay transportation or other charges in connection with a sale or delivery of leather which such purchaser would not have borne during said period.

OPA announces conditions governing tire sales to users on "eligible" list

Details of the conditions which must be met by "eligible" tire users in securing new tires and tubes under the rationing plan to go into effect January 5 were announced December 28 by OPA Administrator Henderson.

These conditions are set forth in the official order issued by the Priorities Division of the Office of Production Management establishing the rationing plan. The plan is being instituted because of the fact that further importation of crude rubber is imperiled by the Japanese attacks on rubber-growing areas in the Far East. The order is unique in that it delegates to the Office of Price Administration a wide range of powers regarding administration of the rationing plan. This delegation was expressly approved by President Roosevelt, who countersigned the order.

Conditions governing sale of tires

Conditions governing sale of tires to users on the eligible list (operators of vehicles required for maintenance of the public health and safety, transportation vehicles with a capacity of 10 or more passengers, and essential truck operations) include:

(1) That the vehicle on which the new rubber tire, casing, or tube is to be mounted is included in one of the categories enumerated in List A, and thus constitutes an "eligible" vehicle.

(2) That the vehicle on which the new rubber tire, casing, or tube is to be mounted cannot be replaced by a vehicle owned or operated by or subject to the control of the applicant, which is equipped with serviceable tires and tubes and which is not fully employed for a use specified in one or more of the categories enumerated in List A.

(3) That the new rubber tire, casing, or tube is to be installed at once on a wheel or rim, to replace a tire, casing or tube no longer serviceable.

(4) That the tire, casing, or tube, when added to all other tires, casings, and tubes in the applicant's possession, whether unmounted or mounted on a vehicle, and when that total is applied only to eligible vehicles, does not add up to more than one spare tire, casing, or tube of a given size for each eligible vehicle.

(5) That the existing tire, casing, or tube cannot be recapped, retreaded, or repaired for safe use at speeds at which the applicant may reasonably be expected to operate, or that such recapping, retreading, or repairing cannot be obtained without inordinate delay.

(6) That the applicant agrees to trade in replaced tires, casings, and tubes on new tires, casings, and tubes purchased under this order, or to dispose of replaced tires, casings, and tubes as may otherwise be directed by the Office of Price Administration.

OPA field staff to handle rationing

The task of administering the tire rationing plan was delegated to OPA, Mr. Henderson explained, for several reasons, paramount among which is the close relation between the problems incident to price control and to rationing. Furthermore, he pointed out, the OPA field staff now being set up will be organized along lines fitting it to handle rationing prob-

lems; the consumer division of OPA is in a position to represent effectively the consumer viewpoint in development of rationing plans and has participated in preparation of the tire rationing plan; and the work of OPA has brought it closer to retailers than the operating divisions of OPM dealing largely with manufacturers.

"It has been possible to develop the rationing plan for tires on short notice only through the close cooperation and unstinting aid of many governmental agencies including particularly the Office of Production Management," Mr. Henderson stated. "I am deeply appreciative of the fine spirit which has been shown by all agencies which have worked on the plan."

Other powers delegated to OPA

There is delegated to the Office of Price Administration, in connection with administration of the rationing plan, the powers of the Office of Production Management with respect to the granting of exceptions and exemptions; the interpretation of the order; the prescribing of forms for reports; the prescribing of requirements with respect to the keeping of records; the making of audits, inspections, and investigations; and the making of amendments in various respects. Power to revoke the order is reserved to the Office of Production Management.

The order provides that any person who willfully violates any provision, or falsifies records or information to be furnished pursuant to the order may be prohibited by the Office of Price Administration from receiving further deliveries of any new rubber tires, casings, or tubes. Recommendations for prosecution under Section 35A of the Criminal Code and recommendations to the OPM that violators be prohibited from receiving further deliveries of any other material subject to allocation may also be made by the Office of Price Administration.

Setting up of tire rationing boards

Rationing Regulation No. 1 attached to the order outlines the procedure under which local tire rationing boards are being set up. These boards will consist of three members who will serve as agents of OPA; the members will be appointed by OPA but that agency may be guided in its discretion by recommendations of State and Local Defense Councils.

Mr. Henderson explained, in this connection, that the Office of Price Administration will not contact local rationing boards directly but will work only through the State Defense Councils.

Processing of rubber permitted for fire hose, other apparatus

Processing of rubber for the manufacture of fire hose and other fire-extinguishing apparatus will be permitted under an amendment issued December 27 to the order sharply restricting rubber consumption and temporarily prohibiting most sales of new automobile tires.

The exemption from terms of the order, however, applies only to production of fire-fighting equipment at the November 1941 rate, pending a further survey.

This amendment to Supplementary Order M-15-b, issued by Donald M. Nelson, director of Priorities, also corrects an error in the first amendment—the one which extended the ban on tire sales to January 5.

Permission was granted under the first amendment to process rubber at the November 1941 rate for the manufacture of "heels made of black or brown composi-

tion rubber only, and rubberized fabrics, innersoles, midsoles, fillers, and backing cloths to be incorporated in shoes and other footwear."

It was intended that this exemption should apply also to "soles, taps, and soling strips made of black composition only," and the new amendment adds this language to the original provision.

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Steps taken to halt further rise in wax prices pending ceiling

Action to prevent further rise in the price of waxes was taken December 27 by OPA Administrator Henderson.

The OPA head requested that no sales of Carnauba, Beeswax, Candelilla, and Ouricury, which comprise 96 percent of the waxes consumed in this country, be made at prices higher than the f. o. b. New York prices prevailing December 18, 1941.

TRANSPORTATION . . .

Office of Defense Transportation created by President within OEM

President Roosevelt, by Executive order dated December 18 and published in the Federal Register of December 25, created within the Office for Emergency Management an Office of Defense Transportation. Text of the order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to define further the functions and duties of the Office for Emergency Management with respect to the state of war and to assure maximum utilization of the domestic transportation facilities of the Nation for the successful prosecution of the war, it is hereby ordered:

"Domestic transportation" defined

1. The term "domestic transportation" whenever used in this Order shall include railroad, motor, inland waterway, pipe line, air transport, and coastwise and intercoastal shipping.

2. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Defense Transportation, at the head of which shall be a Director appointed by the President. The Director shall discharge and perform his responsibilities and authorities under the direction and supervision of the President. The Director shall receive compensation at such rate as the President may determine and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To coordinate policies, activities

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

a. Coordinate the transportation policies and activities of the several Federal agencies and private transportation groups in effecting such adjustments in the domestic transportation systems of the Nation as the successful prosecution of the war may require.

b. Compile and analyze estimates of the requirements to be imposed upon existing domestic transport facilities by the needs of the war effort; determine

the adequacy of such facilities to accommodate the increased traffic volume occasioned by the war effort; develop measures designed to secure maximum use of existing domestic transportation facilities; and stimulate the provision of necessary additional transport facilities and equipment in order to achieve the level of domestic transportation services required; and in this connection advise the Supply Priorities and Allocation Board as to the estimated requirements and recommend allocations of materials and equipment necessary for the provision of adequate domestic transportation service.

To direct traffic movements

c. Coordinate and direct domestic traffic movements with the objective of preventing possible points of traffic congestion and assuring the orderly and expeditious movement of men, materials, and supplies to points of need.

d. In cooperation with the United States Maritime Commission and other appropriate agencies, coordinate domestic traffic movements with ocean shipping in order to avoid terminal congestion at port areas and to maintain a maximum flow of traffic.

e. Perform the functions and exercise the authority vested in the President by the following subject to the conditions set forth in paragraph 3 of this Order:

(1) Sec. 1 (15) of Interstate Commerce Act as amended, USC title 49, sec. 1 (15).

(2) Sec. 6 (8) of Interstate Commerce Act as amended, USC title 49, sec. 6 (8).

f. Survey and ascertain present and anticipated storage and warehousing requirements at points of transfer and in terminal areas; and encourage the provision of increased storage, loading, and unloading facilities where necessary.

To take part in rate negotiations

g. Represent the defense interest of the Government in negotiating rates with domestic transportation carriers and in advising the appropriate governmental agencies with respect to the necessity for rate adjustments caused by the effect of the defense program.

h. Advise upon proposed or existing emergency legislation affecting domestic transportation, and recommend such ad-

ditional emergency legislation as may be necessary or desirable.

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

OPM to determine preferences

4. In the exercise of its functions and authority with respect to transportation priorities and preferences, the Office of Defense Transportation shall be governed as to the relative importance of deliveries required for defense by such instructions, certifications, and directives as may be issued by the Office of Production Management pursuant to the provisions of the Executive Order of August 28, 1941,¹ entitled "Delegation and Coordination of Priority Authority;" and the Office of Defense Transportation shall take all lawful steps within the scope of its authority to effect such deliveries through appropriate public or private agencies.

5. In the study of problems and in the discharge of its responsibilities, it shall be the policy of the Office of Defense Transportation to collaborate with existing departments and agencies which perform functions and activities pertaining to transportation and to utilize their facilities and services to the maximum. Particularly, the Office of Defense Transportation shall maintain close liaison with the United States Maritime Commission in the consideration of problems involving the relationship of ocean shipping with coastwise and intercoastal shipping and inland transport; with the Interstate Commerce Commission on problems of rates, routing, and car service; and with the War and Navy Departments with respect to the strategic movement of troops and supplies by domestic transportation carriers. The Office of Defense Transportation may arrange for the establishment of committees or groups of advisers representing two or more departments and agencies or private transportation groups, as the case may require, to study and develop plans for the coordination and most effective use of existing domestic transportation facilities.

Liaison officers to be named

6. To facilitate unity of policy and action and the use of existing govern-

¹ 6 F.R. 4483.

mental services, the heads of each of the following departments and agencies shall designate a responsible representative or representatives to maintain formal liaison with the Office of Defense Transportation: The Department of War, the Department of the Navy, the Department of the Treasury, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Interstate Commerce Commission, the United States Maritime Commission, the Civil Aeronautics Board, the Federal Works Agency, the Federal Loan Agency, the Board of Investigation and Research appointed under the Transportation Act of 1940, the Office of Production Management, the Office of Price Administration, the Economic Defense Board, and such additional departments and agencies as the President may subsequently designate.

Divisions in office

7. There shall be within the Office of Defense Transportation a Division of Railway Transport, a Division of Motor Transport, a Division of Inland Waterway Transport, a Division of Coastwise and Intercoastal Transport, and such other operating and staff divisions as the Director may determine. The Director may provide for the internal management of the Office of Defense Transportation and shall obtain the President's approval for the appointment of the heads of the above divisions and such other divisions as may be established.

8. Within the limits of such funds as may be appropriated or allocated to the Office of Defense Transportation, the Director may employ necessary personnel and make provision for the necessary supplies, facilities, and services. However, the Office of Defense Transportation shall use such statistical informational, fiscal, personnel, and other general business services and facilities as may be made available through the Office for Emergency Management.

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KNOX ASKS 168-HOUR WEEK

Secretary of the Navy Frank Knox on December 23 asked that establishments manufacturing naval material be worked to the limit of available workers and material for 24 hours per day and 7 days per week—but, insofar as practicable, that individual employees work 6 days only per week.

Two new field offices opened

Opening of two additional field offices, one at Tulsa, Okla., and one in Charleston, W. Va., to help qualified manufacturers obtain war work has been announced by the Contract Distribution Division of OPM, bringing to 97 the total number of such offices now operated by the division.

Location of new offices

Addresses of the new offices are:

Tulsa, Okla.—435 Kennedy Building. John H. Keyes, acting manager.

Charleston, W. Va.—Capital and Quarrier Streets. John A. Kennedy, recently appointed chairman of the State advisory committee for West Virginia, will make Charleston his headquarters.

Manufacturers in these cities are invited to take or send to the new offices information as to the equipment of their plants and types of products they now make or have made in the past. Owners of factories qualified to do war work will be given engineering assistance and directed to the Government procurement offices or contractors who have war work that they might do.

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Dairy industry representatives to meet in Washington Jan. 6

Representative members of the dairy industry have been invited to meet in Washington January 6, 1942, to nominate persons in the industry for membership on a dairy industries advisory committee and to discuss problems confronting the industry.

On the agenda

Among the matters to be taken up are: conservation of strategic materials used in the construction of dairy equipment; maintenance and replacement needs of the industry; allocations of strategical and critical materials among the various units of the industry; allocations of plant expansion and of new plant facilities; allocations of Lease-Lend and other defense orders; cooperative exchanges of machinery and inventory to lessen demands of the industry for new machinery; plant conversion, and any possible adjustment in distribution methods.

Clyde E. Beardslee, who is in charge of dairy products in the OPM foods supply branch, has been designated Government presiding officer of the committee.

36 bedding industry executives named to advisory panel

Thirty-six bedding manufacturing executives, comprising a geographical cross section of the entire industry, have accepted appointment by OPA to an industry advisory panel, Administrator Henderson announced last week.

This panel will be drawn upon from time to time for committees to furnish OPA with such technical information as it may require on industry price problems.

Members of the newly appointed panel and their business connections are as follows:

Harold G. Balyeat, Balyeat Manufacturing Co., Mansfield, Ohio; A. Becker, Becker & Co., New York, N. Y.; L. P. Best, Mobane Royall Co., Mobane, N. C.; Henry Brandewein, A. Brandewein & Co., Chicago; R. Brewer, Rome Co. Premier Bed Spring, San Francisco; I. Buchman, L. Buchman Co., Brooklyn, N. Y.; Kenneth F. Carragher, C. B. Van Vorst Co., Los Angeles; E. Casey, Leggett & Platt Manufacturing Co., Louisville, Ky.; Jesse E. Eofnass, New York Mattress Co., Boston, Mass.; A. O. Foster, Foster Brothers, Utica, N. Y.; H. M. Graves, Barcalo Manufacturing Co., Buffalo, N. Y.; F. M. Jackson, Perfection Mattress & Spring Co., Birmingham, Ala.; H. D. Jamison, Jamison Anchor Bedding Co., Nashville, Tenn.; J. R. Haas, U. S. Bedding Co., Memphis, Tenn.; Paul W. Hake, Burton Dixie Corporation, Chicago.

Jack Hubbell, The Simmons Co., New York, N. Y.; W. Humehogan, The Logan Co., Louisville, Ky.; L. G. Koch, Columbia Bedding Co., Chicago; W. Lamey, Haggard & Marcusson Co., Chicago; R. L. McCleavy, Joseph Turk Manufacturing Co., Bradley, Ill.; W. McNamara, American Beauty Mattress, Lynchburg, Va.; H. B. Mallory, P. R. Mitchell Co., Cincinnati, Ohio; E. B. Malone, Miami Mattress Manufacturing Co., Miami, Fla.; J. L. Moore, The Moore Co. Muncie, Ind.; Frederick Parker, Parker Bedding Co., Houston, Tex.; J. B. Pike, J. Ed. Swonder & Co., Evansville, Ind.; Ira Pink, Superior Felt & Bedding, Chicago; H. F. Reed, L. O. Doup Co., Omaha, Nebr.; M. Salisbury, Salisbury-Satterlee-Way, Minneapolis; R. W. Schwab, Southern Spring Bedding Co., Atlanta; C. Shaughnessy, R. H. Macy & Co., New York City; N. Shore, Superior Sleeprite Corporation, Chicago; Leo Simon, Simon Mattress Manufacturing Co., San Francisco; E. F. Stearns, Stearns & Foster, Lockland, Ohio; Frank M. Weikal, A. J. Logan Co., Pittsburgh; and I. Weisglass, Eclipse Sleep Products, Brooklyn, N. Y.

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J. J. Miller appointed as OPA technical expert

Appointment of Jay Jefferson Miller, Baltimore department store executive, to the textile, leather, and apparel section of OPA was announced December 18 by J. K. Galbraith, assistant administrator.

Mr. Miller, who has been vice president and director of the Hecht Company in Baltimore, will serve as a technical expert in the preparation of price actions involving the channels of distribution.

MATERIALS . . .

Power pooling and rationing seem certain as new victory needs outstrip supply

This Nation, now faced with new and unprecedented demands on its production capacity, needs electric power—lots of power—to make the aluminum and iron and steel and thousands of tanks and guns and planes for the war against the Axis.

But there is not enough power. For the defense program sent the need for power soaring in broadening spirals to new heights, and the new Victory Program will surpass even those requirements.

Just to make matters more difficult, it so happens that some of the things we need most—like aluminum and magnesium—are the very things whose production eats up power at an enormous rate.

That's why the country is facing a serious power shortage in important strategic defense areas; why deficiencies in 1942 and 1943 seem certain in several sections of the country, including the Southeast, the Southwest, the Pacific Coast, and part of the Middle West.

It's not that the public and private power agencies serving those areas have been asleep at the switchboard. They anticipated increased power demands and ordered new power equipment accordingly. But, as everyone knows, the defense program did not remain static. Beginning a year and a half ago at a fairly moderate pace, it was stepped up from time to time until by the time Japan attacked Pearl Harbor the program was moving along at a pretty lively rate. But that will seem slow by a comparison with what is ahead, now that we are at war.

Unfortunately, it hasn't been possible for power facilities to keep up with the step-up in production. It just isn't possible to build a new power plant as quickly as a new powder plant. A new aluminum plant can be built in 6 months, but it takes 2 years to build a new steam plant and as long or longer to build a power dam.

Machinery orders heaviest in history

Orders for power machinery since the start of the defense program have been the heaviest in history. Steam turbines with a total generating capacity of 3,000,000 kilowatts were ordered in 1940

and 4,500,000 kw. in 1941. Hydro or waterpower generators ordered in 1940 amounted to 500,000 kw. in 1940 and double that amount in 1941. Of the steam turbines ordered in the 2 years, probably not more than 2,000,000 kw. have been completed, leaving a backlog of more than 5,000,000 kw. still to be completed.

Nor is that all. The same industry has had the job of building marine turbines for our two-ocean navy and our expanding merchant marine. Naval vessels are floating power plants. For example, a big battleship or aircraft carrier has a power plant of sufficient capacity to furnish the ordinary power needs of a city of half a million people. The power plants of such ships have capacities of up to 150,000 kw. Compare that with TVA's Norris Dam which has a capacity of only 100,000 kw.

The turbines being built for the two-ocean navy and the merchant marine total approximately one-half the present installed capacity of all the power plants in this country.

The important thing is that, however great the task, the country's power-producing facilities are being increased. At the end of 1940 the country's power capacity was roughly 50,000,000 kw. New capacity at the end of 1941 was estimated at 2,180,000 kw., an additional 3,096,000 kw. by the end of 1942, and an increase of 1,834,000 kw. by the end of 1943. At present only 535,000 kw. of new capacity is scheduled for 1944 but that probably will be increased. The increase from 1941 through 1943 is approximately 7,000,000 kw.

Increase capacity of strategic areas

More important than the over-all figure for the country is what is being done to increase capacity in strategic defense areas. In the Tennessee Valley area, for instance, where a large part of our total aluminum output is being produced and where the production of ferroalloys and phosphorus is important, the Tennessee Valley Authority was scheduled to increase its capacity 159,000 kw. in 1941, 437,000 kw. in 1942, and 149,000 kw. in 1943.

In the West, where enormous aluminum and magnesium plants are being

built and where some of our largest airplane and shipbuilding plants are located, public and private power agencies together are adding to their capacity. For instance, the Bonneville-Grand Coulee capacity was scheduled to be stepped up 148,000 kw. in 1941, 275,000 kw. in 1942, and 114,000 in 1943. New units for the Bureau of Reclamation's Parker and Boulder dams were scheduled to bring in 195,000 additional kilowatts of capacity in 1941, 142,500 in 1942, and 30,000 in 1943. Pacific Gas & Electric, serving central and southern California, planned for an increase of 94,000 kw. in 1941, 66,000 in 1942, and 219,000 in 1943.

Similar expansions have been planned for the industrial East and Middle West, with Public Service of New Jersey scheduling 50,000 kw. additional in 1942 and 150,000 in 1943; Philadelphia Electric, 259,000 in 1943; Detroit Edison, 75,000 each of 3 years beginning with 1941; American Gas & Electric, 360,000 new capacity in 1942; Commonwealth Edison of Chicago, 74,000 in 1941, 160,000 in 1942, and 143,000 in 1943.

Must resort to pooling, rationing

These figures on power expansion should not, however, give one a false feeling of security in regard to the adequacy of power. Big as the expansion is, it is not big enough. All sorts of devices will have to be resorted to. Of these, probably the most effective will be power pooling on a grand scale. This is a procedure whereby the power systems in a large section of the country are hooked together so that power not needed in one part of that section can be sent to another part where it is needed.

Power rationing is also in store for the shortage areas. In order to assure vital defense industries all the power they need, power for civilian uses will be curtailed.

Every piece of power machinery that can be produced, and which can be spared from the two-ocean naval program, will be needed. Even so, the shortage will not be overcome by the time the victory program reaches its peak.

Shortages expected to develop

Typical of the shortages expected to develop in several sections of the country is the situation in the Southeastern area served by the Tennessee Valley Authority and the Aluminum Co. of America. OPM studies show that power loads in that section for the last 6 months of

1943 will approximate 1,010,000,000 kilowatt-hours per month, even if we add in that area no more defense loads other than Government-owned aluminum plant facilities presently projected.

Total power available in the TVA-Alcoa area, including plants now under construction by TVA and the Aluminum Co., will average around 900,000,000 kilowatt-hours per month, leaving a deficiency of over 100,000,000 kilowatt-hours per month. (A kilowatt-hour is the quantity of power consumed by a 100-watt bulb in 10 hours. The average residential consumption in this country is approximately 85 kilowatt-hours per month.)

It was because of this that the OPM supported the construction of Douglas Dam.

Power for electrometallurgy

It is power that makes the wheels of our munitions plants go around.

Electric energy is playing an increasingly important role in another field—that of electrometallurgy and electrochemistry. Airplanes are made out of aluminum and magnesium, and electric power is indispensable in the production of both.

Highest grade alloy steel—used in high speed machinery, ordnance, naval vessels, tanks, and airplanes—is also made with electricity, in electric furnaces.

Copper and zinc are other metals vital for the Victory Program and electric power enters into the production of both of them. Electricity is used in the final refining process of nearly all copper and in the major part of zinc.

Power for electrochemistry

Chlorine, a principal element in the manufacture of deadly poison gas, is made from common table salt—sodium chloride. The job here is to break the chlorine free from the sodium, and here again electricity takes over the job.

Electrochemistry includes a large number of other chemicals used in the defense program. Most of the phosphorus, an ingredient of explosives, is made electrolytically. Another of the important electrochemical products is calcium carbide, the material from which acetylene gas is made.

Less well-known perhaps but even more useful in the defense program is oxyhydrogen welding, without which the building of our two-ocean navy would slow down considerably. The oxyhydrogen flame is so hot that it cuts through inch-thick armor plate like a hot knife sliding through butter. Oxyhydrogen is

another of the defense materials made possible by electricity.

Unfortunately, these electrochemical and electrometallurgical processes require enormous quantities of power—much more, per pound of material, than the power needed to turn wheels or operate pumps and compressors.

Ordinary mechanical power

All this, however, does not belittle the importance of electricity for ordinary mechanical power. The requirements for this mechanical power is large, running into billions of kilowatt-hours a year. But most of these plants were in operation before the rearmament program began and their power requirements were provided for.

That is not so with respect to electrometallurgical and electrochemical plants. The greatest expansion during the defense program has been in that field, and the additional burden on the country's power supply has been very heavy.

Need prime power 24 hours a day

The 2,240,000,000 kilowatt-hours of power used in 1936 for the production of aluminum was mostly secondary power—that is, power that was available at times during the year when rains were plentiful and storage reservoirs full. With the 14,000,000,000 kilowatt-hours needed for the defense aluminum requirements it is entirely different. That must be prime power available 24 hours a day, 7 days a week, 365 days a year. It must be available despite drought that dries up stream beds and draws down storage reservoirs. It must be available even though it means a blackout of city streets and more drastic measures if necessary.

This is not theory. We have already had one experience with shortages in the Southeast due to heavy defense loads combined with drought. Requirements of the aluminum plants in Tennessee and Alabama were especially heavy.

"What do we do about it?"

Power shortages are expected in other parts of the country in 1942 and again in 1943. They probably will recur in the Southeast, because increased capacity will be absorbed by increased defense loads. But the Southeast probably won't be alone. A shortage is possible in 1942 in the Southwest—in Texas, Arkansas and Louisiana where new magnesium, aluminum, and explosives plants are being built.

A shortage may also develop in Buffalo, the former electrochemical center of the country.

St. Louis may also feel the pinch of a power shortage in 1942. A good many defense industries are located there, including a zinc refining plant that uses an electrolytic process.

And despite large hydroelectric dams built by the Government in the Pacific Northwest in recent years, that section may also feel the power shortage in 1942. Big electrometallurgical and electrochemical plants, including aluminum and chlorine, are the reason.

The question, then, is what do we do about it?

The OPM power branch has already shown that much can be done. When the Southeastern trouble developed OPM stepped in. It ordered a blackout of all nonessential lighting, such as signs, show-windows, interior and exterior decorative lighting, and flood lights for all purposes, including night football games. It ordered more than 40 interconnected utility systems forming almost a solid block from Texas to Florida and from Illinois to Virginia to feed their surplus power into the six States where the shortage existed.

It ordered a curtailment of power for all large commercial and industrial consumers not engaged in vital defense production.

The result was highly successful. The power pool brought into the shortage area more than 40,000,000 kilowatt-hours a week, some 15,000,000 kilowatt-hours more than came in under the previous voluntary arrangement. The blackout and voluntary curtailment of residences reduced consumption by some 7,000,000 kilowatt-hours a week.

The pattern used in the Southeast can be followed in general when shortages develop elsewhere or recur in the Southeast, with such adaptations as are necessary to meet changed local conditions.

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ARMY SEEKS RADIO OPERATORS

Amateur radio operators throughout the country now have the chance to turn their hobby into a vital role in the Army of the United States, the War Department has announced. Amateurs between the ages of 18 and 35, unmarried and in good physical condition, are urged to apply to the nearest Army recruiting station or to the Signal Officer at the Headquarters of the respective corps areas for further information and enlistment in the Signal Corps.

Problems confronting OPM and industry taken up by Industry Advisory Committees

A number of questions have arisen as to the function and organization of Industry Advisory Committees. Following is a simple explanation of what these committees do, how they are set up, and how they are used by the Office of Production Management.

The outbreak of war and the consequent need for more and faster production of war materials has made it more than ever important for industry and the Government to coordinate their efforts to obtain maximum output from the Nation's industrial plant.

As the shortage of vital materials grows and spreads, it is necessary for the Office of Production Management to have the continuous advice of an ever-increasing group of American industry as to the best methods of turning out the war materials quickly and to make the best possible use of what is left of these scarce materials for civilian needs.

Furnish specialized information

Such close contact between industry and the Government is provided by Industry Advisory Committees, some 30 of which have already been set up by OPM and more will be added.

The main function of the committees is to make available to OPM the specialized information about those industries that only the men who run the industries are in a position to know.

The committees are advisory only; OPM makes all the decisions. The committees, do, however, make recommendations which OPM studies and may adopt if not incompatible with the war program.

Needs of the war program come ahead of all else, but the needs and wishes of industry are considered, as well as civilian supply where not incompatible with the needs of the war effort.

Advise on putting program into effect

For example, the war in the Pacific will reduce imports to this country of materials required for the war program. The same materials have important civilian uses—in fact, until a year and a half ago almost the entire supply of these commodities went into civilian use. But now the supply is to be cut, in some cases even cut off. The advisory committee representing such an industry is informed of the facts, in cold figures: how much of the material is on hand in the country, how much may reasonably be

expected from future imports, and what the military needs are.

Committee members are asked if they have any suggestions as to how necessary programs can be put into effect with the least possible dislocation of the industry itself and civilian economy, bearing in mind that the military requirements must be met regardless of the hardship it might work on industry or civilian economy.

In making such recommendations, committee members are concerned chiefly with three points: producing the military requirements as quickly as possible; seeing to it that the quantity of material available is distributed equitably in the industry, so that all plants will receive a share of the business; and making the civilian supply go as far as possible.

Making the most of the greatly reduced civilian supply can be achieved in a number of ways. Simplification of design, whether suits or tin cans, is one way. Eliminating certain civilian uses less essential than others, is another. Reducing the amount of the material in a unit of the finished product is still another. These are all problems with which the men in the industry are most familiar and on which their advice to OPM can be most valuable.

Cross section of industry on committee

Recommendations of such a committee are representative of the industry. That is assured by the way in which the committee is formed. A cross section of the industry is invited to Washington to meet with OPM at which the industry representatives nominate a smaller group for membership on that industry's advisory committee. Before making their nominations, they are advised by the OPM presiding officer that three factors must be represented in the makeup of the committee: the committee must include representatives of large, small, and medium-sized plants; members must come from all sections of the country; and the committee must include nonmembers as well as members of the trade association representing the industry.

The nominations for the committee are purely for guidance and are not binding on OPM. Usually the committee is selected from the nominations, but, sometimes others are added by OPM to make certain that all three of the requirements for the committee membership are met.

Final selection is made by the director of the division in collaboration with the Bureau of Industry Advisory Committees to see that meetings are conducted in accordance with conditions laid down by the attorney general.

All decisions made by OPM

After the committee has been formed by OPM, problems confronting the industry as the result of the war program are taken up. Committee members are free to express their individual or collective opinions but no action is taken on them at the meeting. All decisions are made by OPM when not in conference with the committee.

Committee members serve without compensation.

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Need and availability of women workers in war plants studied

A special series of studies is being made by the OPM Labor Division of the future needs of war plants for qualified women workers and the qualified women available for defense industries, Associate Director General Sidney Hillman announced December 26.

A subcommittee of the OPM's National Labor Supply Committee is planning a program to meet anticipated future needs for women workers, and means to utilize this labor supply. Mary Anderson, chief of the United States Women's Bureau, Department of Labor, is chairman. Other members are Nelle Miles, United States Employment Service, and Thelma McKelvey, labor relations branch of the OPM Labor Division.

"The President's policy of 7-day week operation of war production facilities requires a great expansion of our labor force," Mr. Hillman said, "And I am certain that a great many women will be required for industrial work before many more months have passed.

Proved usefulness in England

"Women have proved indispensable to war production in England, and we must prepare to expand their usefulness to our industries.

"The skills and abilities of women are needed, and we are working on a program to train and employ women for jobs in war industry, which will make their labor available to their country's service rapidly and effectively as they are needed."

The Women's Bureau already has made several studies.

Rockefeller announces three appointments to New York staff

Three new appointments in the Communications Division were announced in Washington December 7 by Nelson A. Rockefeller, coordinator of Inter-American Affairs.

Russell Pierce was appointed associate director of the Communications Division, in charge of administration and projects of the New York office.

John W. G. Ogilvie was named associate director of the Communications Division with special radio responsibilities.

Merlin H. Aylesworth continues as chairman of the Radio Section, and Sylvester L. Weaver becomes director.

All three of the new appointees will be on the New York staff of Don Francisco, director of the Communications Division.

Mr. Pierce helped organize the South American operations of the J. Walter Thompson Co. He was manager for Argentina and later vice president of the domestic company.

Mr. Weaver was formerly advertising manager of the American Tobacco Company. On September 1, he obtained leave of absence to serve as associate director of the Communications Division in Washington.

Mr. Ogilvie assumes the position formerly held by Mr. Weaver but will be located in New York. He has had long experience in the other American Republics, traveling extensively on business in Argentina, Chile, Cuba, and Puerto Rico. He was recently Director of Radio for the International Telephone and Telegraph Company. From 1935 to 1938, Mr. Ogilvie was president of Radio Corporation Puerto Rico.

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Merchants asked not to encourage buying of black-out cloth

R. R. Guthrie, chief of the textiles, clothing, and equipage branch of OPM, again appealed to merchants, wholesale and retail, not to encourage the purchase of black-out cloth.

"All of the yardage of our looms will be needed for our war program," Mr. Guthrie said. "No new materials should be bought for black-out purposes."

Business-paper editors and publishers ready to help in Nation's war effort

"America today is confronted with a task of converting industry into a machine for victory; and in this task the business press of the Nation can play a most conspicuous part."

Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, made this statement to a widely representative group of business-paper editors and publishers who met with him at his office on December 19.

Must outproduce a powerful enemy

"The war," said Mr. Nelson, "has made necessary the full industrial mobilization of America. It means drastic changes in our existing industrial economy. We must think only in terms of outproducing a powerful enemy; and anyone who underestimates the ability of the enemy to produce is kidding himself."

"Industry faces the prospect of producing either war matériel or goods absolutely essential to civilian needs. And civilian needs are going to be judged by this test: 'what is the very least the public can get along with?' This is going to involve dislocations—in some cases tragic dislocations—on a scale we never dreamed of until war became a fact. This job of industrial conversion is one which must be taken up, industry by industry; and preferably by industry itself. In this process, the business press can be most helpful in guiding industry by its advice and seeing to it that the job is done intelligently."

Editors support war effort

The conference with Mr. Nelson was preliminary to the establishment of a standing committee of business-paper editors to cooperate with the Government in the war program. Request for the conference followed discussion at a meeting of the National Conference of Business-Paper Editors held in Chicago December 9. At that meeting—two days after the attack on Pearl Harbor had changed America's defense preparations into an all-out war effort—the editors in attendance went on record as wanting to give their most effective support to the war effort and voted to send to Washington a delegation representative of various divisions of the business-paper field to learn how the industrial press could make itself most useful to the Nation and to industry.

Present at the Washington meeting were the following: James Custer, Chil-

ton Publications; Julien Elfenbein, Haire Publications; H. V. Kappel, Chicago; S. D. Kirkpatrick, "Chemical & Metallurgical Engineering"; G. F. Nordenholt, "Product Engineering"; H. C. Parmalee, "Engineering & Mining Journal"; H. J. Payne, F. W. Dodge Publications; Frank Steinbach, Penton Publications; George Taubeneck, Business News Publishing Co.; Paul Trimble, Donnelly Publications; Douglas G. Woolf, "Textile World"; Paul Wooton, McGraw-Hill Publications.

These men will form the nucleus of an informal advisory committee which will cooperate with the Government in various phases of the war program, particularly in the field of conservation. It will be a flexible committee, to which names will be added from time to time.

After the conference with Mr. Nelson, the editors met with Robert W. Horton, director of the Information Division of the Office for Emergency Management, who outlined ways in which the business press could be of great assistance in the Nation's war efforts. Their publications, he said, could help industry conserve vital materials at the source and could also, through case studies and otherwise, speed up salvage campaigns. They could be the medium through which industry could share its knowledge.

Metal requirements outlined

In the evening, the editors attended a dinner meeting at the Willard Hotel at which officials of the Office of Production Management outlined the metal requirements for the war program—an outline which indicated serious shortages for civilian purposes in most instances—and discussed the various methods of conservation available to industry—simplification, substitution, revision of specifications, and industrial salvage. Speakers included Paul Wooton, president, National Conference of Business-Paper Editors, who presided; T. W. Wilson, Jr., chief, campaigns branch, Division of Information; Paul C. Cabot, deputy chief, Bureau of Industrial Conservation; Harvey A. Anderson, chief, conservation and substitution division; Dr. E. W. Ely, chief, simplification branch; James T. Kemp, consultant, revision of specifications branch, and George T. Weymouth, chief, industrial salvage branch of the Bureau of Industrial Conservation; and Dr. C. K. Leith, consultant on minerals, Office of Production Management.

AGRICULTURE . . .

Plenty of food, little excuse for any substantial price rises, says Wickard

The United States entered the war period with one asset no other Nation has—plenty of food, Secretary of Agriculture Wickard said last week.

"We have on hand the largest total supplies of food in the history of the United States," Secretary Wickard said. "In addition, we have large supplies of feeds in our Ever-Normal Granary and the productive capacity on our farms to add to our food supply on an unprecedented scale. We have plenty for our own people, including the armed forces, and enough more to help feed our Allies.

"The war gets underway at a time when farmers have just completed a record production year and are now planning another record next year. The fact that we still have time to revise our production goals for 1942 before planting begins makes it possible for us to make increases where necessary. We are now studying these goals very carefully in the light of actual war and will plan increased production in any commodity or produce where an increase appears advisable."

"Little excuse" for substantial price increases

"There is little excuse for any substantial increase in the price of agricultural commodities at this time and we will do everything in our power to check speculative increases," Secretary Wickard said.

The Secretary called attention to the current issue of "The National Food Situation," a publication of the Department of Agriculture.

Total supplies of food in the United States are expected to reach a new high level in 1942. Good crops in 1941 and large Ever-Normal Granary supplies have built up large stocks of foodstuffs and feedstuffs. Supplies of high-protein feeds, grain, and hay are larger than a year ago. The supply of feed grains is the biggest in 20 years. Moreover, the number of livestock on farms is increasing, and probably is about 5 percent larger than a year ago. With average pasture conditions in 1942, a material increase in livestock production is to be expected. The national farm program for next year is designed to increase food

supplies for domestic use and for shipment abroad.

Stocks of grains have accumulated

Stocks of grains have been accumulating in recent years since the blockade cut off our European markets. This is especially true for wheat and corn. Since there are no immediate prospects of an outlet for these stocks of wheat, a continuation of about the current level of production or less has been recommended for 1942. The large stocks of corn will provide feed for increased livestock production. The accumulated stocks of manufactured dairy products will be needed for expanding domestic consumption and increasing shipments to Britain. Although stocks of fats and oils are large, requirements for 1942 will also be large. Increased domestic demand and large shipments of lard to Britain may reduce stocks unless imports are increased. Uncertainties of shipping make import increases somewhat doubtful.

Fish catch could be increased

The total commercial production of meats is expected to set a new high record for 1942, and expected improvement in domestic consumer demand, combined with large Government purchases of pork and lard, will give strong support to livestock prices in 1942.

The fish catch of the United States could probably be increased "almost immediately" to 4,628 million pounds and later to 6,200 million pounds compared with 4,443 million pounds in 1939 according to the Fish and Wildlife Service of the Department of the Interior. Recommendations to the industry have been formulated for carrying out this program without increasing materially the capital outlay or cost of operation.

Forecast heavy marketing of chickens

Although current consumption of chicken meat is large, storage stocks are being accumulated more rapidly than usual. Marketings of chickens are expected to continue heavy during the remainder of 1941 and into 1942.

The number of layers on farms next year will be about 10 percent larger than in 1941. Total production of chicken

meat in 1942 may be about 14 percent larger than the 1941 output.

Record milk output expected

Total milk production in 1942 is expected to be the largest on record. This increase will result partly from an expected 3-percent increase in the number of milk cows on farms.

The production of manufactured dairy products in 1942 probably will be the largest on record, mainly because of prospective larger export needs under the lend-lease program. Production of American cheese and evaporated milk probably will increase most.

A milk production goal of 125 billion pounds (7 percent above probable production in 1941) has been recommended for 1942. This quantity of milk would provide not only for the increased requirements for exports in 1942 but also for a record per capita consumption of milk and other dairy products next year.

Fats and oils to be increased

A high level of domestic demand for fats and oils and substantial purchases of lard for export are expected for 1942. With increased livestock slaughter in prospect the output of animal fats and oils will be expanded. Production goals for 1942, moreover, call for increases of 1.1 million acres of soybeans for beans and 1.6 million acres of peanuts. With average crop yields, these increases would provide an additional 500 million pounds of oil.

Increased plantings of vegetables are in prospect for 1942, because of generally higher prices in 1941, and if yields average close to those of 1941, production will be somewhat larger.

Potato crop goal larger

The acreage of potatoes, sweetpotatoes, and truck crops (both for market and for processing) may be increased in 1942. The national goals call for an increase of nearly 5 percent in plantings of potatoes, of 1 percent in sweetpotatoes, about 5 percent in truck crops for market, and 25 percent (revised) in the acreage of truck crops for processing.

Fruit crop about the same

Although it is impossible at this time to determine the size of the fruit crop for 1942, the probabilities are that the total tonnage will be about the same as in 1941. A generally smaller output of deciduous fruits probably will be offset by a larger production of citrus fruits.

HEALTH AND WELFARE . . .

Hoarding food unnecessary, says McNutt; 4-day supply is enough to keep

Following conferences with nutrition officials, Federal Security Administrator Paul V. McNutt, director of Defense Health and Welfare Services, said December 22 a 4-day supply of a few food essentials is all any family needs to keep in stock during war-time.

Emphasizing that hoarding is unnec-

essary since ample foods are and will be available for consumers, Mr. McNutt issued the following list, prepared by the nutrition division, in answer to inquiries as to what nutritionists consider the necessary food allowance for one person for one day and for a family of 4 persons for 4 days.

	Food for 1 person (for 1 day)	Food for a family of 4 (for 4 days)
Milk, evaporated.....	1 can.....	16 cans.
Cheese.....	¼ jar.....	4 jars (5 ounces).
Dried beans or peas.....	2 ounces dried.....	½ pound dried.
	or	or
	¼ can baked.....	4 cans baked.
Peanut butter.....	1 ounce.....	1 pound jar.
	or	
	2 tablespoons.....	
Vegetables, canned (beans, peas, corn, sauerkraut).....	¼ can (No. 2½).....	8 cans (No. 2½) (2 of each).
Tomatoes, canned.....	¼ can (No. 2½).....	4 cans (No. 2½) or 6 cans tomato juice.
Fruit, canned (applesauce, peaches, berries).....	¼ can (No. 2½).....	4 cans (No. 2½).
Grapefruit juice.....	¼ can (No. 2).....	4 cans (No. 2)
Dried fruit.....	¼-pound package.....	1 pound prunes or apricots.
		½ pound raisins.
Meat or fish, canned (corn beef, salmon, luncheon meat).....	¼ pound.....	4-5 pounds.
Cereal:		
Prepared.....	1 cup.....	2 packages.
To be cooked.....	½ cup.....	1 pound.
Crackers:	16-20 crackers.....	4 packages or 4 lbs.
Whole wheat crackers.....		2 packages.
Soda crackers.....		Do.
Chocolate bars.....	1 bar.....	16 bars (1½ to 2½ ounces).
Cocoa or chocolate syrup.....	2 tablespoons.....	1 pound can.
		8 ounces.
Sugar.....	2 tablespoons.....	1 pound package
Jam.....	2 tablespoons.....	1 pound jar
Coffee.....	2 tablespoons.....	1 small can (½ pound)
Tea.....	2 teaspoons.....	¼ pound package.

(Stock only foods that will keep. Put bulk foods in glass jars. Protect cartons against moisture.)

2,087 homes completed in week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced December 24 that 2,087 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ended December 20 making a total of 62,444 completed or occupied.

With 425 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 106,352.

Federal funds have already been allotted for 129,154 defense homes.

FHA-inspected privately financed homes started during the week, totaled 3,006. Since January of this year, 210,521 such homes have gone into construction.

President determines need of 465 more homes

President Roosevelt determined December 24 that a need exists for 465 homes for families of industrial defense workers and enlisted personnel in Hartford, Conn., upon recommendation of Defense Housing Coordinator Palmer.

1,550 demountable

In addition the President approved provision of temporary accommodations for 200 families in two localities and 1,550 demountable units in four localities.

Demountable.—Jackson-Flora, Miss., 350; Alton-E. Alton, Ill., 200; Springfield, Ohio, 250; Dayton, Ohio, 750.

Temporary.—Burns City, Ind., 100 trailers; Jacksonville, N. C., 100 trailers.

Order issued aiding completion of privately financed homes

Preference Rating Order P-71, to make materials available to complete privately financed dwellings for which foundations were in place on October 9, was issued December 24 by Priorities Director Nelson.

Details of the plan were announced December 11 by Leon Henderson, director of the Division of Civilian Supply. An A-10 preference rating will be made available for materials necessary to complete certain homes and apartment buildings now under construction which cannot qualify for assistance under the Defense Housing Plan—Preference Rating Order P-55.

At the time of Mr. Henderson's announcement, it was said that application forms (PD-135) and other documents necessary to obtain priorities assistance would be available about December 22 at field offices of the Federal Housing Administration.

Because of the large printing task involved, it was impossible to get these forms to the proper offices on the announced date. Work on them is proceeding as rapidly as possible, and it is expected that field offices will have ample supplies shortly.

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Natural gas supply in Pittsburgh area discussed

J. A. Krug, chief of the OPM power branch, held a meeting in Pittsburgh December 23 to discuss the problem of natural gas supply in that highly industrialized area in relation to military and normal civilian needs this winter.

Officials of major natural gas companies serving the area as well as representatives of the War Department and of the Federal Power Commission attended.

The area is served by Peoples Natural Gas Co., Equitable Gas Co., Manufacturers Light & Heat Co., T. W. Phillips Gas & Oil Co., and United Natural Gas Co.

Natural gas is the principal source of fuel for the steel furnaces and the many other plants in the area engaged in the manufacture of military materials, including alloy steel, tools, gas masks, and airplane parts.

Gas consumption in the area is heaviest in winter, as it is used in thousands of homes for heating.

Among subjects considered were the measures necessary to meet any shortage that may develop.

CIVILIAN DEFENSE

Indifference gone, says LaGuardia, but public must be willing to obey rules

Indifference to civilian defense measures has disappeared overnight, OCD Director LaGuardia said in a press conference December 19, but the public must be impressed with the need for complying with the rules. He discussed with reporters the steps that are being taken to safeguard the civil population.

Excerpts follow:

Mayor LaGuardia. One of the greatest difficulties I encountered was the absolute confidence and belief that there was no need of training air-raid wardens or getting auxiliary firemen, or doing anything about civilian defense, and for three or four months I had to absorb not only indifference but ridicule.

Now, of course, that is over and the situation on the West Coast changed literally overnight. There is one thing I want to make clear, and that is that in this office we can work out the general rules and instructions, but we can only advise and coordinate. This office has no power within the States or municipalities, except through persuasion, to carry out its own instructions. Therefore we must have the full and complete cooperation not only of municipalities and State governments, but also of the press. The radio has been very helpful.

Q. Hasn't the press?

Local conditions important

A. I don't think the press quite understands the necessity of clarification rather than complication.

Q. In what way?

A. I'll stand on that. I'll come to it in a minute, though. For instance, our rules here, and our instructions, and our plans of operation must be general for the entire country. They serve as a guide. Now, every municipality, every city, every locality, every county naturally has its own local conditions, and these general rules must necessarily be modified to some extent in some instances to meet local conditions.

Now, then, to answer your question specifically. In many instances, we have had the press kind of joyfully, may I say, say, "Why, here the OCD in Washington has said so and so, while the local defense council says differently in this instance. There is confusion." There is no con-

fusion on that at all. It is that local conditions differ.

Suitable types of alarms differ

Now, take this. We have had comment on the alarm, what the alarm should be, and suggestions have been made. Now, you cannot make an alarm uniform for the simple reason that that too depends upon local conditions. In some small community, the ringing of bells will be enough. The sounding of the fire gong will be enough. In other communities, a siren will be enough. Now, we find in the very large cities that a siren or a steam horn is not good. It will not spread. The tall buildings just stop it. We had a test in New York City the other day. We were offered a horn requiring 200 pounds of steam. "Well," we said, "we have to test it first," and we did test it. And strange to say, across in Queens it was heard for a good distance, several miles, but in Manhattan it wasn't heard. You see, your acoustics are entirely different in different localities. So that each community will necessarily have to adopt the kind of alarm that is suited for its own needs and local conditions.

But here is one thing that is very important and must be uniform throughout the country, and that is that no alarm is sounded until the Army gives the signal. Now, that was one of the first things that I clarified out on the West Coast, and I don't believe we will have any trouble about that.

Notification of practice alarms

Q. What about all these practice alarms we are having over the country? Is the Army in that situation?

A. No. You see, we have to have practice alarms for several reasons: one, to sound out the sound device that is to be adopted.

Q. I mean by that, if you come out with this statement, "There will be no alarm except on order from the Army from now on," people will think that is an actual thing.

A. No, because you give notice ahead of time if you have a practice alarm. We did the other day.

On the air-raid warden, it is necessary to intensify the training. That means that all communities should have the air-raid wardens report for duty and as-

signed for duty an hour or two each day or overnight in order to get them accustomed and toughened to do the real work should the occasion arise. You can't expect just the enrollment and listening to theoretical lectures to be sufficient to train large bodies of men and women.

The auxiliary fire forces, of course, received their training in the fire houses on the use of fire equipment and in the art of fire fighting. No city as yet has sufficient fire fighting equipment. The bill has been reported favorably in the House and favorably in the Senate, and if it passes, why, we would be able then to ask for the appropriations, and then, when we get the appropriations, we will be able to place the orders, and then, when we place the orders, we will have to wait until we can get the equipment, and that will require some time.

Simple rules must be obeyed

I must stress again the need of full and complete cooperation on the part of the people. Without that the best disciplined or trained air-raid warden service or auxiliary fire force would be helpless. That means the willingness to cooperate, the willingness to comply with rules and to follow instructions. Those instructions are being sent out as fast as we can get them off the press. They're very simple. They're on one sheet, one little leaflet. And again, there might be some slight modification necessary there to meet local conditions. But as a rule, they contain the general line of conduct which would afford the maximum protection to the individual.

I have seen statements made that, well, we haven't equipment. That is true, and there is nothing we can do about it except, as I have told you, to wait for the legislation to go through. That goes for the insignia also. Most of the cities, mine included, were getting donations of the arm bands, but we have no provisions yet for the metal helmets which are necessary for an air-raid warden who is going to remain on the street while everybody else is under cover, under danger of fragments flying from the facing of buildings. I hope that we may be able to get that as soon as we get the bill through and the appropriations.

Q. Is the idea that you're only going to turn (street lights) off when an alarm is given?

A. Unless we are ordered to black-out.

Q. Well, in London it's quite different.

They definitely turn them off. Of course they're closer to the scene of war.

Normal activities continue in black-out

A. I said, "unless we are ordered to black-out." Now here is the difference. On an alarm, of course, they must go off, and that is only on the signal from the Army. Normal activities continue in a black-out. The purpose of an air raid is to paralyze activities. Therefore, if your community was stopped and activities stopped during a regular black-out, it would serve the same purpose. So we must gear ourselves and train ourselves to continue normal industrial, commercial, family, recreational activities, traffic, everything, during regular black-outs, but not during alarms.

Squads to protect mains

Q. Mr. Mayor, in connection with big cities like yours and others on both coasts, have you taken up the matter of protection of the water mains, gas mains, and electric mains, and so forth, of the public utility corporations?

A. Yes. We, in the larger cities, formed—and the instructions from this office have gone out, and many cities have already done it—regular squads, for street repair, water supply, gas, sewage, telephone, and electric. So when we move on an emergency, we move in batteries, just like a fire department has its hose, its pump, its rescue, and everything; we move in batteries, so that when we reach the spot every possible kind of equipment is there.

We have had full and complete cooperation from the private utility companies. Then that battery is supplemented with extra men and personnel from the building trades unions. They supply the extra personnel. We have the regular squads of these companies and functional departments of Government, along with the supplementary force recruited from the building trades.

Cost of civilian defense

Q. Mr. Mayor, can you tell us anything about your budget conference at the White House?

A. Well, it's just a regular budget conference and routine.

Q. Can you tell us how much money may be needed to set up for a year?

A. I don't want to scare you. It's way over the original 77 million dollars because estimates have been presented for gas masks, while we only had an educational order for gas masks in the first estimate. Do I hear somebody ask me how many we estimate now?

Q. We do, your Honor.

A. It's 50 million gas masks now for

the target areas—and the answer to your question is about \$3.75 each.

Q. You don't intend to give them to the public?

A. Yes.

Q. This 50 million is supposed to cover the cities which would be most likely to be bombed?

A. And about 200 miles inside.

Q. That is the two coasts?

A. The coasts and Gulf.

Months required to get gas masks

Q. Is there any information as to whether they can be obtained if you get money?

A. Oh, they have to be ordered.

Q. You mean materials?

A. Yes. In our first estimate, we provided there, I think, about 5 million for getting the educational order and the machinery set in case we needed these others. It will take some time. If I had the money here I couldn't get them tomorrow or the next day or in a month, or in two months, or in three months, or in six months, I don't believe . . . The General (General Gasser, War Department member of the Board for Civilian Protection) reminds me that in his estimates we go right into building the facilities necessary to produce these gas masks.

Q. How long will it be before these can go into mass production and be delivered in any amount?

A. I am only guessing that it is a matter of months. It isn't weeks. I'd say several months.

Panic the worst enemy

Q. We've been having dim-outs here in town. Are they any good?

A. Anything that helps to train the people what to do and how to do it is helpful. But nothing must be done to get people jittery. The worst enemy we have, gentlemen, in an air attack is panic. Now, if we can only avoid fear, disorder, confusion, and panic, while we suffer loss of life, we can certainly keep it to a minimum if we can avoid panic. That is the one big thing we have to avoid, that everyone dreads.

Q. What has the effect of these black-outs on the West Coast been on production? Have you gotten that straightened out yet?

Keeping up production

A. The first night in Seattle they actually stopped it. But on the third night, in Seattle, the blackout was really effective.

Q. Mr. Mayor, have you made an estimate for air-raid shelters?

A. No, we are only working on plans

for that. With our position and the relative position of the enemy, I don't think that it's necessary to go into shelters now. But of course that is being studied.

Q. You were saying that added to all your troubles has been that the public has been apathetic. The trouble of the press is that they don't know just how far to go without frightening the people to death.

A. That is true. Well, one thing—at least give us who are trying to do a job a little bit of cooperation. That would be very helpful. We have no secrets, and anything the press wants to know, we will only be too happy to give them that information.

"We are not holding back"

Q. Mr. Mayor, I've got a kind of general question. I don't know exactly how to put it. Do you feel that we should start right out and do everything possible for civilian preparation, or are you holding back to see how things come on?

A. No. That is a very useful question, I think. We are not holding back anything, and I believe that we should start right now because modern warfare and its new techniques are such that no one can take any chance on anything. Now, the only thing that I said is what we ought to be certain of is whether the Army says that it is prudent to have these gas masks. On the equipment, chances are, and I hope, we'd never need all of it. But I am certainly pressing and pressing hard for that. I am pressing and pleading and begging for intensified training of air-raid wardens and fire auxiliaries and the necessary medical squads to operate during the raid. No, we are not holding back. We can't go fast enough, because no matter how much time we will have, we will not have had enough time.

Q. You don't think it is a matter of alarm to say that you think we ought to have 50 million gas masks? It would be a matter of giving the public confidence.

A. I would say this: If we need masks, we ought to prepare to have a first consignment of 50 million.

Q. The Japs are not going to tell you in advance they're going to use gas bombs.

Yes. General Gasser, what is your opinion on the immediate need of gas masks, from your information from the Army?

General GASSER: Well, I will speak now without any information from the Army. It is my personal opinion that if you are prepared you certainly won't be attacked.

Operation of casualty, first aid field units described in Medical Bulletin No. 2

The second of its official series of instructions for emergency medical care of the civilian population in war, entitled "Equipment and Operation of Emergency Medical Field Units Bulletin No. 2" was issued December 28 by the medical division of the Office of Civilian Defense.

The bulletin explains the duties of local chiefs of Emergency Medical Service, describes the operation of casualty stations and first aid posts, and lists the minimum equipment for emergency medical field units, organization of which was described in the first bulletin "Emergency Medical Service for Civilian Defense" issued in August.

Defense councils asked to adopt plans

The medical division of the Office of Civilian Defense recommends that all defense councils adopt the plans as set forth in these bulletins. Uniformity will make it possible for adjacent communities to pool or exchange their resources, and it is also desirable because of priorities in materials and manufactures. All equipment recommended conforms with that of the Medical Department of the United States Army, the bulletin points out.

Field casualty service

The field casualty service projected by the medical division of the Office of Civilian Defense will be made up of emergency medical field units derived from hospitals in the community. These units will work in casualty stations set up at a predetermined site some distance from the scene of a disaster. The casualty stations will care for persons with minor injuries and those suffering from nervous shock or hysteria until they may return to their homes or to temporary shelters. An important part of the work of these stations will be to keep records of patients treated.

First aid posts

From the casualty stations medical teams may be sent closer to the disaster to set up first aid posts in which severely injured persons may receive emergency treatment before they are sent to hospitals. Here casualties will be classified according to the seriousness of the injuries and directed to casualty stations or hospitals as their condition requires. The instructions emphasize the importance of tagging all casualties immediately, giving all possible information as to their identity, their injuries, and the treatment given.

Equipment for the medical teams who will work in first aid posts has been worked out to provide in easily portable form the essentials for emergency treatment. Replacements will be furnished by casualty stations, which will have on hand larger stores of supplies.

To facilitate the sorting of casualties when they arrive at hospitals, the following symbols have been devised to be drawn on the forehead of injured persons: U—Urgent—requiring priority attention; TK—Tourniquet; T—Indicating tetanus antitoxin has been given; H—Internal hemorrhage; M $\frac{1}{4}$ —Indicat-

ing morphine gr. $\frac{1}{4}$ or, M $\frac{1}{2}$ —Gr. $\frac{1}{2}$ given.

Casualty stations will have on hand bulky equipment that cannot be carried by the first aid groups, such as traction splints, stretchers, collapsible cots, blankets and a reserve supply of drugs and dressings which may be issued to first aid posts as needed.

A tag has been designed which includes information as to identity and provides space for recording diagnosis, treatment, and disposition of the case. The tag is to be filled out at the first aid post and will be attached to the patient before he is transferred to a hospital.

Duties of local chiefs

The local chief of Emergency Medical Service, who functions under the admin-

OCD launches Nation-wide program of youth participation in civilian defense

A Nation-wide program of youth participation in civilian defense was launched December 22 with the conclusion of a 3-day conference of the regional youth representatives of the youth division of the Office of Civilian Defense. The representatives, each attached to a regional branch of the Office of Civilian Defense, met in Washington under the leadership of Miss Jane Seaver and Gilbert Harrison, codirectors of youth activities in civilian defense.

Program for institutions discussed

The conference centered about the discussion of methods to organize young people both in colleges and schools, and in youth agencies through the local communities, for the most complete participation in civilian defense. The conferees met with Mrs. Eleanor Roosevelt and Mrs. Henry Morgenthau, Jr.

The college program will be offered to the institutions when the regional youth representatives return to their posts. The basis for this college plan was worked out by Mr. Harrison during his visit two weeks ago to the Pacific Coast, when students and faculty leaders of 22 colleges in southern California met and adopted a plan for organizing their universities to meet the immediate needs for civilian defense in that area.

Tied in with defense councils

The plan for youth participation in the local communities, as well as the college plan, is designed to fit in with the work of local and State defense councils in order to provide for the widest allo-

cation of funds and avoid duplication. In some sections of the country, youth auxiliaries of defense councils have already been set up to cooperate with the city and State defense councils. A second order has gone out asking for the appointment of a youth representative on each State defense council; in Pennsylvania and Maryland such representatives have been appointed to the State defense councils.

January 1 is starting date

Although the official starting date of this entire youth program does not become effective until January 1, 1942, several regional youth representatives have already set the machinery in operation.

From a memorandum being released this week on community plans for youth auxiliary committees under the local defense councils, the following statement is made:

"Total war demands the participation of each American citizen. Young people working side by side with adults can contribute energy and talent to the war effort."

Following are the youth representative appointed to this date. Their regions correspond to the Army corp area:

Region 1—Maxwell Miller, Boston (consultant); Region 2—John McCauley, New York City; Region 3—George Nielson, Baltimore; Region 5—Esther Collicott, Columbus; Region 6—John Langdon, Chicago; Region 7—Merle Miller, Marshalltown, Iowa; Region 8—Alfred Payne, College Station, Tex.

Miss Pauline Redmond of Chicago was named administrative assistant in Washington.

istrative authority of the local director of civilian defense, has 15 specified duties, explained in detail in Bulletin No. 2. Briefly, these officers' duties will be to

Integrate official and voluntary organizations which are to participate in the medical activities into the comprehensive community program.

Help organize emergency medical field units as described in Bulletin No. 1.

Select sites for casualty stations.

Make a map locating hospitals, casualty stations, storage depots.

Plan transportation service for casualties and for medical personnel.

Cooperate with local defense authority in arranging drills of emergency medical field units in cooperation with other civilian defense units.

Make inventory of hospitals and other buildings in adjacent territory to which patients might be evacuated.

Plan courses for volunteers

Assist in planning courses for volunteers in medical activities.

Stimulate recruitment of volunteers for the nurses' aide courses of the American Red Cross and help in placing these aides in hospitals, clinics, health departments and field nursing services.

Assist the local civilian defense volunteer office in training and placement of volunteers in health and medical agencies.

Stimulate and guide first aid training through the Red Cross and other agencies.

Stimulate and guide organization of first aid detachments in industrial plants and similar establishments.

Collaborate with health authorities in protective measures against sanitary hazards.

Collaborate with authorities in plans for evacuation, with particular attention to medical needs of the population.

Keep the community and the participating groups informed of plans and activities.

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Public warned against using gas masks of first world war

Because of reports of the sale to the public of gas masks left over from the first world war, the Office of Civilian Defense Dec. 21 issued the following statement based on information obtained from the Chemical Warfare Service of the United States Army:

"Gas masks that do not bear the approval of the Chemical Warfare Service for use against war gases should not be used regardless of any claims of the manufacturers. See your local defense council officials for advice concerning masks approved by this service.

"Gas masks of the first world war type are now worthless, due to the deterioration of the filling, stiffness, and age of the face piece and other components."

Joint statement outlines relationship of Red Cross chapters to defense councils

A joint statement of policy governing the relationship of Red Cross chapters to State and local defense councils, as developed by the Office of Civilian Defense, the Office of Defense Health and Welfare Services, and the American Red Cross, was issued December 28, as follows:

I. The Red Cross through its chairman as a member of the Civilian Protection Board has made available all of its services as needed by the United States Office of Civilian Defense and State and local defense councils. As illustrative of its national services, attention is called to the programs involving blood plasma, medical technologists, and nursing enrollment. The Office of Civilian Defense and the American Red Cross are agreed that Defense Councils and Red Cross Chapters should develop local plans of cooperation in their civilian defense activities.¹

To avoid duplication in training

II. Recognizing the basic responsibility of government, it is the duty of every Red Cross chapter and branch to aid in the most efficient marshalling of the community's resources. It is agreed that duplication should be avoided in these services and training courses required in civilian defense activities and that the long-established Nation-wide program of the Red Cross should be utilized to the fullest extent.

III. Services required in civilian defense activities will be made available by chapters to defense councils in accordance with the policies herein stated. Chapters will cooperate to the fullest extent and during the period of emergency will operate subject to the authority of the defense councils or appropriate governmental officials. Red Cross at all times will maintain administrative and financial control of its immediate operations.

IV. Chapters should expand Red Cross services and training courses within the scope of their responsibility so that they may be prepared to give such services as needed in the local programs of Defense Councils.

Areas of responsibility

V. In the specific application of the above general policies it is agreed that the areas of Red Cross responsibility shall be:

1. Red Cross chapters will be prepared to function in the following fields of activity in full cooperation with all public and private agencies:

- Disaster relief—training and service—food, shelter, clothing, and other necessities of life in the event of disaster, whether occasioned by belligerent action or other cause.
- First aid—training.
- Nurse's aides—training and service.
- Red Cross home nursing—training.

Assistance to defense councils

2. Red Cross chapters will assist defense councils in the following fields on the basis of mutual specific agreements as to lines of responsibility:

- Disaster relief—service—will assist

local defense councils in rescue work and emergency medical care.

b. Nutrition aides—training and service.

3. Red Cross chapters will make available to defense councils as needed the services of the following Volunteer Special Service units, which shall at all times maintain the Red Cross unit organization: (See III above).

- Motor corps—service.
- Production corps—service.
- Staff Assistance corps.
- Canteen corps and canteen aides—service.
- Hospital and recreation corps—civilian hospitals—service.

Services to armed forces

4. Red Cross chapters in their services to the armed forces are fully responsible for the following activities:

- Information and claims—service.
- Communications and reports.
- Consultation on personal and family problems.

5. The functions of Red Cross chapters adjacent to Army posts and Naval stations include the following:

- Hospital recreation corps—training and service—in military hospitals.
- Motor corps—training and service—service originating on military reservations.
- Production corps and staff assistance corps—activities on military reservations.
- Participation in Red Cross Camp and Hospital Service Councils.

Status of Junior Red Cross

6. Junior Red Cross:

a. The participation of boys and girls in elementary and secondary schools in Red Cross services through Junior Red Cross programs should be maintained in the same relationship to local defense councils and to the armed forces as is established in this statement with respect to its parent organization. Junior Red Cross activities will be channeled through the local Red Cross Chapter.

b. Red Cross chapters will make available to defense councils as needed those activities of the Junior Red Cross which contribute to the health, welfare, and unity of schools and communities.

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RADIO MEN SOUGHT FOR U. S. MERCHANT SHIPS

Federal Security Administrator Paul V. McNutt on December 19 called upon licensed amateur radio operators to apply at State employment offices for free training in marine radiotelegraphy in preparation for positions as radio operators on America's new merchant vessels. Enrollment of radio operators is a part of the Nation-wide drive to recruit 40,000 trainees to man new merchant ships of the United States Maritime Commission.

¹ See Joint Statement of the Director of OCD and Chairman of Red Cross of September 4, 1941—published in DEFENSE September 9.

Businessmen told of advantages offered by Pay-Roll Allotment Plan for Defense Bonds

Business heads are adopting the Defense Savings Voluntary Pay-Roll Allotment Plan—as a simple way for every worker to start a systematic and continuous Defense Bond savings program. It is a sensible step, the United States Treasury Department holds, toward reducing the ranks of the post-war needy. It will help spread the financial participation in national defense among all of America's wage-earners. It is expected to retard inflation by "storing" part of our pyramiding national income, thus reducing the demand for our diminishing supply of consumer goods.

All the employer needs to do is offer employees the convenience of having a fixed sum allotted from each pay envelope to the purchase of Defense Bonds. Each employee who chooses to start this savings plan decides the denomination of the bonds to be purchased, and the amount to be allocated from his wages each pay day. The employer delivers a bond to the employee each time his allotments accumulate to a sufficient amount.

The Treasury Department is ready and willing to give all kinds of help. Local civilian committees have been set up in the 48 States. The Treasury will supply most of the necessary material.

Employers are urged to write for the free kit of material being used by companies that have installed the Voluntary Defense Savings Pay-Roll Allotment

Plan. Address: Treasury Department, Section A, 709 Twelfth Street NW., Washington, D. C.

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OPM chiefs praise plan to work war plants on New Year's Day

OPM Director General Knudsen and Associate Director General Hillman commended December 27 suggestions that all plants engaged in military production work full time New Year's Day.

"This sacrifice of a single day's time would produce striking results," Mr. Knudsen said, "due to the fact that production of planes and tanks and weapons of all kinds is now rolling along on a mass production basis.

"For example, as far back as September, United States plants were turning out almost 2,000 (1,914) military aircraft monthly—and the production rate has been rapidly increased.

"That's more than 60 airplanes a day," Mr. Knudsen declared, "more than 60 airplanes which workers in the aircraft industry might send as a New Year's greeting to their own armed forces and to our overseas allies.

"The men in the plants know this firsthand. They know the vital importance of their part in ultimate victory."

Chart shows curtailment in civilian goods

The chart on the front cover of VICTORY shows the percentage of curtailment in the production of passenger automobiles and domestic mechanical refrigerators ordered by OPM. Each line of symbols indicates production during the period August 1940 through January 1941. The white symbols at the left of the black arrow indicate the percentage of the previous year's production which is being permitted currently. The symbols over which the arrow is imposed indicate the percentage of curtailment to free materials for war.

Actually 1,928,517 passenger automobiles were produced for civilian use from the beginning of August 1940 to the end of January 1941. The allotment for the 6 months ending January 31, 1942, is 1,074,429—a reduction of 854,088 automobiles, or 44 percent. During the 6 months ended January 1941, 1,275,553 domestic mechanical refrigerators were produced. The quota for 6 months ended January 1942 is 1,033,541—a reduction of 242,012, or 19 percent.

(Mats available for publication)

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TEXTS OF ORDERS

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

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