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BAD NEWS FOR THE AXIS
By the President

We ordinarily do not release production figures because they might give aid and comfort to the enemy. I am going to give today just a few which are definitely going to give the Axis just the opposite of "aid and comfort."

We are well on our way towards achieving the rate of production which will bring us to our goals.

In May, we produced nearly 4,000 planes and over 1,500 tanks. We also produced nearly 2,000 artillery and anti-tank guns. This is exclusive of anti-aircraft guns and guns to be mounted in tanks.

And here is a figure which the Axis will not be very happy to hear—in that one month alone we produced over 50,000 machine guns of all types—including infantry, aircraft and anti-aircraft. That does not include sub-machine guns. If we add those in, the total is well over 100,000. All these figures are only for one single month.

While these figures give you some idea of our production accomplishments this is no time for the American people to get overconfident. We can't rest on our oars. We need more and more, and we will make more and more. And we must also remember that there are plenty of serious production problems ahead—particularly some serious shortages in raw materials, which are receiving the closest consideration of the Government and industry.

June 25, 1942
Review of the Week

News from the war front last week was mixed and, with Tobruk and fresh assaults on Russian line, not very good. But in America, the news was definitely good.

The best news was President Roosevelt's release of war production figures, which, the President pointed out, were of no aid and comfort to the enemy. He revealed that in May we produced nearly 4,000 planes, more than 1,500 tanks, 2,000 artillery and anti-tank guns and more than 100,000 machine and submachine guns.

To his big news, the President attached an emphatic warning against over-confidence and a call for more and more production. He warned "we must also remember that there are plenty of serious shortages ahead."

A hint of one way in which production is being increased came in a release from the War Production Board citing an increase of 63½ percent since a labor-management committee started a War Production Drive in the plant of the Cleveland (Ohio) Tractor Company. In May alone the increase was 33 percent.

More good news

Issuance of OPA orders extending the price ceiling to services in connection with commodities, effective July 1.

The extension of rent control to 60 new areas by Price Administrator Henderson.

The ceiling on services is the third step in the price control program. The first step was the limiting of wholesale prices. The second step was the limiting of retail prices. Both of these steps were taken in May. In each step, the highest price at which sales were completed in the month of March became the highest price that may be charged now.

The third step places under price control only those services involving commodities. A doctor or a masseur is exempt; a radio repairman and a shoe shiner are affected because their services involve commodities; radio sets and shoes.

Controls strengthen each other

Supporting this program and gaining support from it, is the rent control program. As rapidly as it becomes necessary, areas in which war production flourishes are being put under rent control. In rents, the March maximum is not always the ceiling figure. Some rents have been rolled back to levels in 1941. In extending the control areas, Mr. Henderson has brought Federal protection against rising rents to regions in which 38,000,000 Americans live—one quarter of the Nation.

The OPA believes that the price ceiling and the rent ceilings are effective barriers against runaway inflation in America.

At this writing, the exact amount of rubber salvaged by the gas stations and other agencies has not been tallied. The amount obtained, however, was less than hoped for but it was sufficient to encourage the President to continue the drive for 10 more days.

One flash of fireworks in the battle for salvage: Paul C. Cabot, deputy chief of the Bureau of Industrial Conservation, WPB, wrote a long, long letter to Phillip Murray, President of the CIO, recounting the bureau’s successes in salvaging scrap metal. His point: "The story ... in which you are quoted as having said the Government’s failure to gather scrap was ‘almost criminal’ would appear to be unwarranted."

Of buses and beef and beehives

The WPB stopped the production of nonmilitary truck trailers; limited the use of elastic fabric to essential health and military uses; limited the types and sizes of dental burs; and froze all large stocks of canned corn beef to make them available for the Army. The board’s other orders during the week were largely taking bugs out of earlier restrictions. Civilian quotas of certain dyes were increased, the use of already manufactured zippers was permitted, and orders were relaxed to permit more drilling for gas in certain areas and to permit the making of more beehives and farm packing machinery.

Gas ration plan changes

The WPB reduced by 14 percent the amount of cocoa beans that may be processed in the next 3 months and reduced by 10 percent the civilian apricot pack. On the other hand, it increased the quota of cloves by from one-third to one-half.

It was a busy week for the OPA. In addition to orders on rents, the OPA changed the date for the new gas rationing plan in the east from July 15 to July 22. Registration dates were changed from July 1, 2 and 3 to July 8, 10 and 11.

The OPA demonstrated that gas rationing rules have teeth when it suspended deliveries to 64 filling stations and garages in the metropolitan areas of New York, Newark and Philadelphia for selling gasoline to persons without a ration card.

More tires for war workers

The OPA issued several score orders ironing out inequalities in the price control picture, announced it would set ceiling prices on toys, arranged to get more tires for war workers and still found time to urge the use of a new sand-blast method of rehabilitating typewriter rollers instead of replacing the rollers.

War Manpower Commissioner McNutt issued eight directives to the U. S. Employment Service, the WPB, the Director of Selective Service and the Secretary of Agriculture, setting up the machinery by which men will be found for war jobs and cared for on the job. The Commissioner also established a Negro Manpower Service to broaden the opportunities for Negroes to help in war work.

** WAR EFFORT’S PROGRESS TOLD VISUALLY **

The charts appearing every week on the front cover of Victory tell the story of America’s battle as it is fought here at home. One-column mats are available for publication by newspapers and others who may desire them. Requests should be sent to Distribution Section, Division of Information, O.E.M., Washington, D. C.


Subscription rates by mail: 75¢ for 52 issues; 25¢ for 13 issues; single copies 5¢, payable in advance. Remit money order payable directly to the Superintendent of Documents, Government Printing Office, Washington, D. C.
On the Home Front

We launched our attack on the high cost of living—_inflation to the econo-

mists_—in three waves. On May 11 we clamped a ceiling on the prices of almost
everything we eat, wear, and use at the manufacturing and wholesale levels. On
May 18 we extended this ceiling to cover commodity prices at the retail level.
This week we stretched it over the prices of most consumer services. In less than
two months, then, we have set our eco-

nomics house in order—worn the first
battle in our fight to avert economic
chaos.

$5,000,000,000 a year for consumer services

Price control of consumer services is
important to everybody. The American
people spend upwards of $5,000,000,000 a
year in nearly 1,000,000 shops and stores
on such services and the fact that they
are being brought under control will go
a long way toward stabilizing the budgets
of 32,000,000 American families.

“Consumer service” is a fancy term for
something which is a part of our daily
living. Every time you have your shoes
shined or your suit pressed or your watch
fixed you are buying a consumer service.
When you put your automobile In a
parking lot or send your clothes to the
laundry or have a roll of film developed
you are getting a consumer service.
There are a thousand-and-one consumer
services which add to our enjoyment of
life—and tap our pocket books.

Fewer new goods, more repairs

Under the terms of the Office of Price
Administration’s order, tradesmen can-
not charge more for most consumer serv-
ices than in the month of March. It’s
important to remember, however, that
price control extends only to service ren-
dered in connection with a commodity.
That exempts work done by dentists, for
example, or barbers or hairdressers—but
it includes services rendered by the
undertaker.

One of the most important types of
service covered by the ceiling are repair
services. As time goes on and new con-
sumer goods vanish from the shelves we
are going to call on the repair man at
more frequent intervals. We will then be
delighted that the cost of repairing auto-
mobiles, electrical appliances, furniture,
luggage, and a host of other things has
been stabilized.

The mobilization of manpower for
maximum service at the front, in the
factory, and on the farm is going to oc-
cupy our attention for many months to
come. The War Manpower Commission
already has taken some big strides
toward the goal and took additional steps
last week. Commission Chairman Paul
V. McNutt issued eight directives to the

REPRINTING PERMISSIBLE

Requests have been received for
permission to reprint “On the Home
Front” in whole or in part. This
column, like all other material in
_Victory_, may be reprinted without
special permission. If excerpts are
used, the editors ask only that they
be taken in such a way that their
original meaning is preserved.

U. S. Employment Service, the War Pro-
duction Board, the Selective Service Sys-
tem and the Department of Agriculture
designed to “promote effective mobiliza-
ation and utilization of the Nation’s man-
power.” These agencies were allotted a
specific task in the program to make cer-
tain that healthy young men without spe-
cial skills go into the fighting forces, that
the skilled mechanic of middle years stays
at his lathe and that trained farm work-
ers remain in the fields. A Democracy
engaged in total war cannot tolerate mis-
fits, malingerers or maceaps on any
front.

Many skilled workers unemployed

Mr. McNutt attacked another man-
power problem last week—that of the
temporary unemployment of skilled and
semiskilled workers caused by the shut-
ting down of nonessential civilian indus-
tries. He conferred with Governor Leh-
man of New York, Mayor LaGuardia of
New York City and Donald M. Nelson,
chairman of WPB, over the situation in
New York City, where nearly 400,000 men,
many of them highly skilled, are idle
at the very time when we need the high-
est production in our history. Much of
this unemployment is due to the shut-
down of nonessential civilian industry—
but men—and plants, too—must be con-
verted to the work of war.

Training program for Negroes

The vital stake of America’s 13,000,000
Negroes in the fight for freedom has been
emphasized by creation of a Negro Man-
power Service within the War Manpower
Commission. Under the direction of Dr.

Robert C. Weaver, an expert on Negro
employment, the Service will carry out a
program of training and placement of
colored workers. The unhappy race dis-

crinations of peacetime are fast dis-

appearing.

Campaign launched to save trucks

Transportation must not be a battle-
neck. If men and materials are to move
to far-flung fronts in sufficient quantities
to defeat the Axis. Highly-trained sol-
diers waiting in cantonments, finished
weapons piling up on steamship docks,
are of no value on the battlefield. The
Office of Defense Transportation has
opened a new offensive on the trans-
portation front with the formation of a
“U. S. Truck Conservation Corps.” This
corps will enlist the owners and drivers
of our 5,000,000 motortrucks and thou-
sands of others who service and supply
them in a Nation-wide campaign to save
their machines and their tires. The
President opened the offensive, saying
that “it has become the patriotic duty
of every truck operator in America to help
in every possible way to make his truck
and tires last longer.” Our trucks, like
our passenger cars, and our trains, must
last for the duration.

Enemy-owned patents seized

Automobile graveyards yielded more
than 383,253 tons of scrap metal in May,
10 percent more than in April and 100
percent more than the monthly rate in
1941. . . . Last summer’s aluminum collect-
ion drive resulted in the recovery of
6,398,651 pounds, only 42 1/2 percent of the
amount expected. . . . Several million ad-
ditional pounds of honey have been made
available as a substitute for sugar in bak-
evry goods, ice cream, candy and soft
drinks. . . . And beekeepers have been
encouraged to produce more honey by a
WPB order increasing the output of
wooden beehives.

Your landlord has not been prohibited
from repainting or redecorating your
apartment if it constitutes normal “main-
tenance or repair” . . . Enemy-owned pa-
tents seized by the U. S. Alien Prop-
erty custodian cover a wide variety of
machines and processes—among one
group of more than 750 seized last week
were patents for coal mine conveyors,
amatic drills for use in airplane con-
struction, oil refining processes, and
chemical compounds . . . the patents
were owned by German, Italian, Japa-
nese, and Hungarian corporations and
individuals . . . WPB has amended its
regulations to expedite the piping of gas,
water and electricity to thousands of war
housing units . . .
MANPOWER...

U. S. agencies concerned with various aspects of manpower given specific tasks in 8 directives issued by McNutt

War Manpower Commissioner Paul V. McNutt June 25 issued eight directives to "promote effective mobilization and utilization of the Nation's manpower."

To channel manpower where needed

The directives are addressed to Federal agencies concerned with various aspects of manpower, including the War Production Board, the Selective Service System, and the U. S. Employment Service. Collectively, these directives constitute a program to coordinate information regarding manpower supply and to channel available manpower where it is needed—in war industry and in agriculture.

Employment Service has primary role

Four of the directives are addressed to the U. S. Employment Service, making clear the primary role which that agency is to play in all-out mobilization along the home front.

The employment service is directed to prepare and maintain lists of essential activities and occupations, as well as lists of occupations in which shortages exist. It is directed to analyze and classify occupational questionnaires distributed by the Selective Service System, to interview individuals with skills in critical war occupations, and to refer such individuals to job openings in war production. The U. S. Employment Service is further instructed to alleviate critical war production shortages by making preferential referrals of workers to war industry employers in order of priority, and to enlarge its activities so as to insure an adequate supply of agricultural workers.

Data on job priorities from WPB

The plan by which a system of job priorities is established will be buttressed by information supplied by the War Production Board. The board is charged, in Mr. McNutt's directive to it, with the task of furnishing the War Manpower Commission "current information with respect to the relative importance, in connection with the maintenance and effectuation of the national war supply program, of filling job openings in plants, factories or other facilities."

Selective Service to collaborate

WPB, in securing this information, may seek the aid of the War and Navy departments, the Maritime Commission, the Department of Agriculture, the Army and Navy Munitions Board, "and such other departments and agencies as it may deem appropriate."

The directive to the Director of Selective Service calls for "close cooperation" between the Selective Service System and the U. S. Employment Service to the end that persons engaged in essential war activities are temporarily deferred from military training and service and that individuals not now engaged in essential activities, but who are qualified for such occupations, be afforded "reasonable opportunity" to become so engaged.

Housing of transient farm workers

Two of the directives, addressed to the Secretary of Agriculture and to "certain Government agencies" respectively, concern the housing and transportation of the additional transient agricultural workers essential to this summer's "Food for Victory" harvest.

The Secretary of Agriculture is instructed to gather information regarding housing facilities in areas which will require nonlocal agricultural workers and to make certain that additional labor camp facilities are established where necessary.

Transportation needs coordinated

The transportation directive calls on the U. S. Employment Service, the Department of Agriculture and "any other department or agency having information concerning workers transferring to, moving between or engaged in essential activities" to transmit information regarding transportation needs to the Office of Defense Transportation. Under the Executive order by which it was established, the ODT is responsible for assuring adequate transportation facilities for war workers.

Other provisions

The directive to the U. S. Employment Service establishing priorities in recruitment of war industry workers and that dealing with recruitment of transient agricultural workers both safeguard the workers' interests from the point of view of wages and working conditions.

The "Placement Priorities Directive" provides that the employment service may except from the priority provision an employing establishment in which "wages and conditions of work are not at least as advantageous to a worker referred to a job opening therein as those prevailing for similar establishments in the industrial area." And the "Directive to Expedite the Recruitment and Placement of Essential Agricultural Workers" provides that the service shall not recruit agricultural workers for "any agricultural employment in which the wages or conditions of work are less advantageous to the worker than those prevailing for similar work in the locality."

***

Weaver named director of new Negro manpower division

Chairman Paul V. McNutt June 20 announced establishment within the War Manpower Commission of a Negro Manpower Service to work for the full utilization of Negroes in the training and employment phases of the war production program. Dr. Robert C. Weaver has been appointed director of the new division which will operate under Arthur J. Altmeyer, executive director of the War Manpower Commission.

***

Second Arkansas site selected for Japanese evacuees

Nearly 8,000 acres of potentially productive Mississippi Delta land in Chicot and Drew Counties, Arkansas, near Jerome will be cleared and brought under cultivation by Japanese evacuees from the Pacific Coast military zone, the War Relocation Authority announced June 26. Ninth in national program

The new Delta relocation site is the second war-duration work center for West Coast evacuees to be selected in Arkansas and the ninth in the national relocation program. Others are situated in the eastern part of California and in Arizona, Idaho, Wyoming, and Colorado.
May machine tool production up 80 percent over 1941

The value of new machine tools, presses, and other metal-working machinery shipped during May was $116,500,000, 80 percent more than the same month last year, it was announced June 26 by the War Production Board.

Price cut on aluminum products postponed to August 1

Reductions in prices of fabricated aluminum products previously scheduled by the OPA to take effect July 1, have been postponed until August 1, Price Administrator Henderson announced June 26.

Training of war workers pushed by joint committees, says McNutt

"Joint management-labor committees are operating effectively to push the training programs for essential war production workers, Paul V. McNutt, Chairman of the War Manpower Commission, said June 29 in reviewing apprenticeship training results during the past 6 months.

"Joint committees, particularly apprenticeship committees, which represent management and labor have been most effective in shaping policies for general training programs to be conducted in the plants," Mr. McNutt pointed out.

A 6 months' progress report of the apprenticeship section submitted to Mr. McNutt as a result of the recent transfer to the Federal Security Agency from the Department of Labor, reported the training of more than 500,000 war workers, which helped solve 97,000 in-plant training problems in war industries.

Mr. McNutt urged immediate expansion of in-plant training programs. "Increased production is paramount now," he said. "All-round workers are needed not only for supervisors and foremen for the tremendously expanded labor supply in war production plants, but they are needed, too, as lead, set-up and quartermen and for installation, maintenance and repair work..."

***

Colorado steel firm granted relief on Lend-Lease shipments

Colorado Fuel and Iron Corporation, of Denver, Colo., has been granted permission to pass on to the buyer a larger share of heavy freight costs on shipments of iron and steel products to the Eastern seaboard for the account of the Lend-Lease Administration. Price Administrator Henderson announced June 26.

Such shipments, the Administrator explained, go far beyond this company's usual market area.

In Order No. 14 under Revised Price Schedule No. 6 on iron and steel products, effective June 30, 1942, Colorado Fuel and Iron is permitted on sales for Lend-Lease account to charge maximum Chicago basing point prices, freight on board, Minnequa, Colorado.

Order No. 14 extends to Lend-Lease shipments of all types of products by the company the same transportation cost relief granted last month on a Lend-Lease shipment to the Eastern seaboard of 300 gross tons of galvanized steel fencing wire.
LABOR . . .

Steel Workers’ demand for dollar-a-day increase, union security analyzed as Board gets “Little Steel” fact-finding report

William H. Davis, chairman of the National War Labor Board, June 30, made public the report of the Board’s fact-finding panels on the wage and union security dispute between four “Little Steel” companies and the United Steelworkers of America, CIO. A public hearing before the full board is scheduled for this week.

The fact-finding panel, which is composed of Arthur S. Meyer, chairman of the New York State Board of Mediation, representing the public; Cyrus S. Ching, vice president of the U. S. Rubber Co., representing employers; and Richard T. Frankensteen, director of Aircraft Organization, United Automobile Workers of America, CIO, representing labor, and assisted by Sidney A. Wolff, New York attorney, submitted its report to the Board after four and one-half months of hearings and study. The panel has condensed over 2,500 pages of testimony and hundreds of exhibits, including scores of complicated economic and financial charts, down to a report of 67 pages.

The panel was not asked to make recommendations to the Board but “to define and investigate the issues in dispute between the parties” and to “submit to the Board its findings of fact.”

The dispute concerns the union’s demands for a wage increase of $1 a day, union security and check-off, and, in the case of the Republic Steel Corporation and the Bethlehem Steel Company, a demand for a minimum wage guarantee. The other two companies are the Youngstown Sheet and Tube Company and the Inland Steel Company. The union represents 157,000 employees of the four companies.

HIGHLIGHTS OF FINDINGS

If any wage increase is granted by the Board in this case, it will be retroactive to the date of certification of the case, in accordance with an interim order of the Board issued April 24. The cases were certified at different dates, between February 6 and 10.

Briefly summarized, the highlights of the panel’s findings are as follows:

1. “The panel finds that all four companies are able to pay the requested wage increase of $1 a day.”
2. “Profit taxes represent the Government’s opinion of the extent to which the Government should share in the net profits of business after all other expenses including labor costs, or steel wage rates have been deducted. To propose that steel wages should be affected by profit taxes, is to propose that labor’s return should be conditioned by the Government’s impact on industry.”
3. “The companies’ earnings before Federal profit taxes are ample and represent the proper criterion of ability to pay, the panel pointed out. The panel also pointed out, however, that the companies would pay only small part of a decreased labor cost of 11-1/2 percent under the Treasury profits tax proposal and 6 percent under the Ways and Means proposal. The balance would cost the companies nothing, since it would come out of a decrease in taxes.
4. “The panel found that in March 1941, the hourly earnings in the durable goods industries were 12 percent less than they were in the industry. During the past year, this relationship has changed so that for the year 1942 the panel estimates the hourly earnings will be only 7.5 percent less than a steel, a shift of 4.8 percent.
5. In March 1941, the hourly earnings in all manufacturing industries were 20 percent less than steel, whereas, for the year 1942 they are estimated to be only 17.2 percent, a shift of 2.8 percent.
6. The panel estimates an even greater shift in the relationships, when calculated on a weekly basis, that is, figures show that in March 1941, hourly earnings in durable goods were 42 percent less than the weekly earnings in steel, whereas, for the year 1942 durable goods will be 12 percent below, a shift of 30 percent. In March 1941, the weekly earnings in all manufacturing were 16.5 percent below steel, whereas, for the year 1942 they will be only 7.5 percent below, a shift of 9.1 percent.
7. “The panel’s estimates have been made on the assumption that there will be no increase in work rates or in hours of work after the month of April 1942. The panel, however, has drawn attention to the fact that it is highly probable that hours of work will continue to increase throughout the year except in steel. Steel is a three-shift industry working at capacity and there is no elasticity for increase of hours. The major cause of weekly hours worked in steel and the continually increasing hours in durable goods and all manufacturing have accounted for the shift in the panel, for the shift in relationships which have occurred during the past year.
8. “The panel further finds that a greater weight is normally given to hourly earnings because hourly earnings fix costs and because it is proper that workers who are paid according to the extent of their labor—weekly earnings should be given more weight in the determination of a just wage for the steelworkers.
9. The panel also found that the comparisons between steel and durable goods and steel and all manufacturing have been calculated on the basis that the former is more to the point. It also found that “contrasts between present comparative relations of industries and past comparative relations are pertinent though not controlling.”
10. “The panel finds that from March, 1941, to March, 1942, the cost of living in all the steel towns advanced 14 percent, average weekly earnings in the steel industry advanced approximately 13.1 percent, and average hourly earnings advanced approximately 14 percent.

The panel then compared the changes in the cost of living which had taken place since the steel strike. Wage increases in April, 1941, with the changes in weekly earnings since April, 1941, and concluded: ‘The panel believes that weekly earnings are the proper criterion for measuring the impact of rising living costs and therefore finds that the buying power of the earnings of the steel worker has decreased approximately 13.3 percent since the last general change of wage rates in the steel industry.’

Cyrus Ching dissenters from this finding because he does not believe union maintenance should be imposed in these cases.”

Other excerpts from the report

1. The United Steelworkers of America has contracts with firms producing 60% of the total tonnage of the entire steel industry covering more than 600,000 employees. This does not include the four companies involved in this case, which produce about 32% of the total tonnage.
2. The union’s dues are $1 a month. The initiation fee is $3. The union has never levied special assessments.
3. The union was designated the sole collective bargaining agent in the plants of the four companies in the summer and fall of 1941, and it won National Labor Relations Board elections in Bethlehem by a majority of 70% and showed the NLRB by a check of
union membership records that between 70% and 76% of the eligible employees in the other three companies were members of the union.

The wage demand

4. The union bases its demand for a general wage increase of $1 a day on the following arguments:

“(1) The steel worker has not received the increase of savings through increased production efficiency in the steel industry.

“(2) The wages of the steel worker are inadequate when judged by standards of health and decency.

“(3) The companies are able to pay the increase demanded.

“(4) Comparable wages justify the demand.

“(5) The change in the cost of living justifies the demand.”

5. “The panel finds that the union cannot ground a demand for a wage increase that is in excess of savings through increased production efficiency in the steel industry.”

6. “The average per day production of steel workers was $1,856.72 in the year 1941. . . . The panel finds that the union has not sustained its contentions that wages in the steel industry are inadequate when judged by standards of health and decency.”

Ability of the companies to pay

7. The $1 a day increase would cost Bethlehem, $23,600,000; Republic, $16,500,000; Youngstown, $4,700,000; Inland, $3,300,000.

The 1941 earnings of the four companies before Federal profit taxes were: Bethlehem, $119,758,000; Republic, $70,289,000; Youngstown, $37,624,000; Inland, $30,079,000.

8. If the union demands the $1 a day increase, the 1942 earnings of the companies prior to Federal profit taxes would be in round figures as follows: Bethlehem, $90,000,000; Republic, $50,000,000; Youngstown, $30,000,000; Inland, $30,000,000.

9. “It will be noted that in each case the figure is substantially greater than any year in the 1931-1940 decade, and is in the case of Bethlehem over twice, Republic over three times, Youngstown over 20 times and Inland over 3 times the average annual earnings for the period.”

Comparative wages

10. “The panel finds that for the year 1942 hourly earnings in the steel industry will be greater than hourly earnings in durable goods and greater still than hourly earnings in all manufacturing but in both cases the percentage difference will be less than it was in the past.”

11. “The panel finds that for the year 1942 weekly earnings in durable goods will probably be substantially greater than weekly earnings in the steel industry whereas in March 1941, they were slightly less. Weekly earnings in all manufacturing will probably be in the neighborhood of weekly earnings of steel workers whereas, in March 1941, they were substantially less.”

Earnings of all workers for the year 1942

<table>
<thead>
<tr>
<th>Hourly earnings</th>
<th>Relation to steel</th>
<th>Weekly earnings</th>
<th>Relation to steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel</td>
<td>$9.4</td>
<td>100%</td>
<td>$46.9</td>
</tr>
<tr>
<td>Fatigue-shedding</td>
<td>9.1</td>
<td>7.9</td>
<td>44.12</td>
</tr>
<tr>
<td>All manufacturing</td>
<td>9.1</td>
<td>7.9</td>
<td>44.12</td>
</tr>
</tbody>
</table>

“Wage increase to be paid for March 1941 will be chosen for comparison because that was the month preceding the steel wage increase of April 1941.”

Earnings of all workers for the month of March 1941

<table>
<thead>
<tr>
<th>Hourly earnings</th>
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</tr>
</tbody>
</table>

Cost of living

12. “Wage rates in the steel industry advanced ten cents an hour on April 1, 1941. Giving effect to this advance, the Panel further finds that:

“(1) From April 1, 1941 to March 1942, the cost of living in steel towns advanced 13.3%.

“(2) Over the same interval, average weekly earnings in the steel industry decreased a fraction of 1/32.

“(3) Over the same interval, average hourly earnings in the steel industry advanced approximately 3.2%.

13. “On the presumption that the present policies of price freezing of most goods, rationing of scarce goods, control of rents in defense areas will continue and prove effective, and solely on the basis of the material in the record, the Panel has allowed nothing for increases of living costs after March 1942.”

Inflation

14. “The Panel further finds that the country is committed to fighting inflation on a seven point front, that one of the seven points is the stabilization of wages and that every wage increase has an inflationary effect proportionate to its size and base.”

“The national income represents the total sum distributed to individuals plus a sum which represents business savings. It is, therefore, the whole dividend of the Nation after the subtraction of depreciation and corporate taxes. For the years 1939 to 1941, the Panel finds that the national income has represented between 68% and 681/2% of the national income. Labor’s proportion has, in other words, remained practically constant. An important shift in the allocation of the national income would, at this time, justly cause concern.”

“It is clear that the national money income shares importance with the consumer’s share and that, though the latter will shrink, the former will grow. To ask labor to accept less than its proportionate share of the Nation’s money income in order to prevent labor from acquiring too much pie leaves out of account that money has value even when it must be saved.

“The Panel does not, however, intend to imply that a technique of forced savings can properly be worked out in the course of adjusting labor disputes.”

Minimum wage guarantee

15. “Many workers (50% of Bethlehem’s; 20% of Republic’s) are paid on a piece-rate or incentive basis, rather than solely on an hourly basis. Days when their piece-rate earnings do not equal the guaranteed minimum hourly wage multiplied by the number of hours worked. Other days they earn more than the guaranteed minimum. Bethlehem and Republic guarantee these workers that their daily wage will equal the minimum when averaged over the pay period, which varies from one to two weeks. The union requests that they pay the guaranteed minimum as of each day. Youngstown and Inland are either complying with the union’s request or are willing to comply.”

16. The Panel finds that: “The workers desire the change requested. The union represents the employees and its word should be accepted as to their wishes. Granting the request would involve no direct additional cost to the companies.” Since no wage increase is intended, there is no reason for retroactive adjustment, the panel found.

If the Board grants the union’s request the panel suggests that the Bethlehem and Republic companies negotiate with the union regarding any changes that need to be made in the incentive, tonnage, or piece-work rates, “on the assumption that the companies will have to bear no direct, additional cost, and that the steel workers’ pay for performing a given quantity and type of work shall not be decreased.”

* * *

Sellers of motor fuel at service stations given price adjustment privilege

Sellers of motor fuel, including Diesel fuel, at service stations are given the same privilege of asking for maximum price adjustments as sellers of other commodities, in Amendment No. 31 to Maximum Price Regulation No. 137 (Motor Fuel Sold at Service Stations), issued June 26 by Price Administrator Henderson. The amendment was effective June 30.

The amendment was issued because, when Temporary Procedural Regulation No. 2 was issued to guide applications for adjustment under the general maximum price regulation, it was so phrased that it was inapplicable to the service station regulation.

* * *

Drive for scrap rubber continued 10 days by the President

President Roosevelt on June 29 called for a 10-day extension of the scrap rubber drive. He was advised that a great amount of scrap could still be cleaned.

As the whirlwind national rubber campaign went into its second week June 22, Lessing J. Rosenwald, chief of the WPB’s Bureau of Industrial Conservation, issued a special appeal asking members of over 12,000 local salvage committees to redouble their efforts to bring in as much scrap rubber as possible.
PRICE ADMINISTRATION... 

Ceiling put on charges for consumer services of million U. S. businessmen

Price Administrator Leon Henderson June 23 transferred all consumer services connected with commodities—from shoe shining to watch repairing—from the general maximum price regulation and placed them under a separate ceiling with provisions to meet the distinct price control problems involved.

In Maximum Price Regulation No. 165—Consumer Service, effective July 1—the Price Administrator set the highest prices charged last March by each individual seller as a wartime ceiling over consumer services for which the American public pays more than $5,000,-000,000 yearly.

The new regulation completes the over-all price ceiling program that began when President Roosevelt outlined his seven-point anti-inflation drive in a special message to Congress.

"Services to the ultimate consumer are a special problem in the field of price control," Mr. Henderson stated.

"The new regulation does not change in any way the main objectives of the Office of Price Administration, which are to stabilize the cost of living under wartime conditions at levels reflected in the highest prices charged for commodities and services during March 1942.

1,000,000 establishments affected

"Estimates place the number of establishments supplying the consumer services covered by today's order at nearly 1,000,000. While the prices of some so-called wholesale services are controlled by the new regulation, for the most part it applies directly to services sold at retail and hence affects the budget of every family."

The general maximum price regulation established each seller's highest March prices as a ceiling for practically every article and service sold in the United States at all levels of selling—producer, manufacturer, wholesaler, and retailer. The only exceptions important to the average family's cost of living were a limited number of food commodities and various personal and professional services exempt from any control by OPA under the Emergency Price Control Act of 1942.

By its different effective dates, the general regulation, in effect, divided the over-all price control program into three main parts:

First came the ceiling of May 11, which applied to all sales of services and commodities at the manufacturing and wholesale level.

Second was the ceiling of May 18, applying to all sales of commodities at retail.

The third phase, effective as of July 1, applied to sales of services at retail.

"Wholesalers" included in order

While retail sales of services are the focal point of the third regulation, the new order goes beyond the retail level by defining a "consumer service" as "any service when sold to an ultimate consumer other than an industrial or commercial user, whether sold directly or through any other person to such ultimate consumer, or integrated with further servicing sold to the person with whom such ultimate consumer contracts." The phrase "integrated with further servicing" brings within the scope of the new regulation such operations as wholesale dry cleaning on behalf of a tailor shop—whether or not the wholesale dry cleaner or the tailor presses the garment being "serviced."

Outstanding features

Outstanding features of the new consumer service regulation include:

1. The automatic licensing on July 1 of all persons covered. No physical evidence of license is issued, but all sellers of the consumer services covered, are nonetheless licensed and subject to OPA action for revocation in the event of violations.

2. A provision permitting sellers of seasonal services—rental of beach equipment at a summer resort, for example—to determine their maximum prices by (a) taking the highest price charged in the corresponding season of 1941 and (b) adding an amount arrived at by multiplying that price by the percentage increase in the cost of living between last season and March 1942. A table showing these percentage increases is part of the regulation.

3. Provision for prompt adjustment upward of the March ceiling prices of any seller of consumer service who can prove he is suffering substantial hardship because his top prices do not reflect cost increases between February 1 and April 27, 1942, and that continuance of his service is threatened.

Copies of Maximum Price Regulation No. 165, Consumer Service, may be obtained by writing Distribution Section, Office of War Information, Social Security Building, Washington, D. C.

Henderson denounces splitting of iron, steel orders into near carloads to get higher prices

Selling of iron and steel products in quantities just under carload weight with the view of obtaining the higher prices permitted for less-than-carload shipments is an evasion of Revised Price Schedule No. 49 on such products, Price Administrator Henderson warned.

"Revised Price Schedule No. 49 provides that mill carload prices shall be charged for straight carloads sold out of warehouse stock," said Mr. Henderson.

"The schedule establishes 40,000 pounds as a minimum carload shipment on iron and steel products with the exception of rails, where a minimum carload lot is 56,000 pounds.

"Splitting of orders into near carload shipments, or compelling customers to place orders for not over 39,999 pounds with the intent of getting the higher less-than-carload price is an evasion...

"The War Production Board now prohibits carload shipments from warehouses, other than mixed cars, except on certification. This is not to be construed, however, to mean, that the War Production Board legislates generally against shipments in carload quantity from warehouses. They may exclude specific shipments for specific reasons, but it is their wish, along with the Office of Price Administration, that a certified carload shipment be made at proper carload price as established by the Office of Price Administration..."

Consumer service ceiling explained to trade at meetings

A series of State and local meetings designed to carry to proprietors of retail service establishments information on the application of the consumer service maximum price regulation is planned by the OPA.

The first of the series was held in Washington June 25 when trade association representatives of close to 100,000 establishments supplying consumer services met with OPA officials.

The morning session was given over to an explanation of the new regulation. The afternoon session was devoted primarily to questions and answers on the application of the regulation to particular situations.
Scope of new order on consumer services

The scope of the new order placing ceilings on consumer services beginning July 1 is explained by the following questions and answers:

Q. What is the maximum price regulation for consumer services?
A. A separate price regulation placing a ceiling on consumer services.

Q. What is a consumer service?
A. A consumer service under the regulation is a service rendered in connection with a commodity for the ultimate consumer such as the housewife, the motorist or the farmer. But consumer service as used in this regulation does not include an industrial or commercial service, the ceiling prices for which were set by the General Maximum Price Regulation and became effective last May 11.

Examples of consumer services

Q. What are examples of consumer services?
A. Laundry, dry-cleaning and shoe repairs are some of the most common services performed for consumers. Others are the lubrication or repair of a private passenger car, the developing and printing of amateur films, the repair and servicing of home radio sets and electrical appliances, and the sharpening of household knives and scissors.

Q. What are examples of industrial or commercial services, which remain under the general maximum price regulation?
A. The sponging and shrinking of cloth after it has left the manufacturer and before it has been sold for cutting into garments; the services of a stevedoring company, and the warehousing of products on the way from a mill to a retail store.

Parking lot charges affected

Q. Is the charge made by a parking lot covered by the regulation?
A. Yes, an automobile is a commodity and the storage of a commodity is therefore under the price ceiling.

Q. What are the maximum prices on consumer services?
A. The highest prices which the supplier of the service charged in March 1942.

Q. Are prices on services standardized by this regulation?
A. No, the regulation simply places a ceiling for each establishment at the highest price it charged for a service in March 1942. But ceiling prices will vary from shop to shop just as uncontrolled prices varied in March.

Q. May prices be charged below the ceiling?
A. Yes, the regulation does no more than place a top limit beyond which prices cannot go.

Q. Some members of a chain of shoe-repair shops during March made a special rate of 75 cents for half-selling men's shoes. Other members of the chain held to the customary price of $1.00. What is the ceiling price in these establishments?
A. The ceiling price has nothing to do with the ownership of the store or service business. The ceiling price is determined for each separate establishment on the basis of the highest price which it charged for a service supplied during March. For any stores which cut the price to 75 cents during the entire month the ceiling is 75 cents. For those which sold as high as $1.00, the ceiling is $1.00.

Professional services excluded

Q. Does the consumer service price regulation put a ceiling on charges for such personal services as haircuts and manicures?
A. No, the definition of "service" in the consumer service price regulation is limited to those rendered in connection with a commodity.

Ceiling on auto repairs

Q. What about the charges of a garage for the repair of a private automobile? Is there a ceiling on the rate for a standard repair job, such as a motor tune-up?
A. Yes, if the garage in March made a standard charge of, for example, $3 for a motor tune-up, that is the highest price the garage may charge for a motor tune-up after July 1.

Q. Is any provision made for determining the ceiling prices on seasonal services (such as the sharpening of ice skates) which are not generally rendered during March?
A. Yes, for such services the maximum charge is the highest charge made during the last season, plus an adjustment for the percentage increase in the cost of living between the time of the last service and March 1942. A table of living cost rises is included in the consumer service regulation.

Automatically licensed

Q. What are the provisions about licenses?
A. Every person selling a consumer service is automatically licensed under this regulation, and every new seller automatically is licensed. There is no certificate or other actual license, but the seller is licensed nevertheless.

Q. What is the purpose of the license?
A. It is a method of enforcement. If a seller, after a warning from OPA, violates the regulation, a court of proper jurisdiction may suspend the license for as long as 12 months. Without a license it is illegal to sell services which are under this regulation.

Q. Must a service establishment post any ceiling prices in a manner similar to the "cost-of-living" posting rules of the general maximum price regulation?
A. No, the regulation does not require any service establishment to display a list of the ceiling prices.

Q. But does not the consumer service establishment have to make some list or report of its ceiling prices?
A. Yes, every person supplying a consumer service over which this regulation sets a price ceiling must prepare by September 1 a complete list of the highest prices he charged for all services he supplied during March for which prices were regularly quoted in that month. This report must also show any pricing methods regularly used in March, and all customary allowances and discounts.

U. S. emergency purchases excluded from GMPR

Purchases by the United States Government for immediate delivery of any commodity for which there is an emergency need are excluded from the general maximum price regulation through an amendment announced June 24 by Price Administrator Henderson.

Originally Supplementary Regulation No. 4 in exempting sales of armaments to the Government from the general regulation, provided in addition for the exclusion of emergency purchases of goods not exceeding $1,000 in value. Amendment No. 5 to this supplementary regulation, effective June 30, 1942, removes this monetary limitation on such purchases.

The person making an emergency purchase on behalf of the United States or any of its agencies must file a report with the Washington office of OPA certifying that it was made in a situation in which it was imperative to secure the commodity immediately and in which it was impossible to secure or unfair to require, immediate delivery at the applicable maximum price.
Price regulations changed to make them easier understood and enforced

A series of amendments to simplify the application of the general maximum price regulation were announced by Price Administrator Leon Henderson.

The changes, none of which affects the level of price ceilings, are contained in Amendment No. 7 to the general maximum price regulation and in Supplementary Order No. 6, both effective June 25.

Chief points covered follow:

State and Federal taxes
The amendment rewrites the section on Federal and State taxes to make clear that a seller is required to absorb a tax only if, during March 1942 he paid the tax and did not pass it on when reselling the article on which he had paid the tax.

This section also permits a seller who absorbed a tax in March to pass on an increase in a tax effective after March provided the amount of the increase is separately stated from the selling price and provided the tax law or ordinance does not prohibit the tax from being passed on.

Now the section, for example, will permit a retailer to pass on to the consumer an increase paid by the retailer in the cigarette tax if the retailer separately states the actual amount of the increase.

Price ceilings for distributors and jobbers

The definition of a "sale at wholesale" has been changed to permit a person who buys a commodity and resells it to an industrial or commercial user without substantially changing its form to use the method of a wholesaler rather than of a manufacturer in establishing his ceiling prices.

Purchases by war procurement agencies

A section has been added to the over-all price regulation eliminating war procurement agencies and contracting and paying officers from liability to penalties for paying more than ceiling prices. This enables contracting officers of the Army, Navy, Maritime Commission and the Leasing-Defense Section to buy war materials without waiting to determine whether the seller's prices were in conformity with the general maximum price regulation.

This change, however, in no way lifts the price ceiling for the seller.

Institutional sales

A special category releases persons selling cost-of-living commodities exclusively to governmental agencies, or to religious, educational, or charitable institutions, institutions for the sick, deaf, blind, disabled, aged or insane, or any school, hospital or library from the rule requiring them to display or report their ceiling prices on cost-of-living commodities.

Mixed feed for animals

The definition of "mixed feed" for animals has been rewritten so as to bring under the general maximum price regulation mixed feed resulting from the mixing or blending of byproducts from a single vegetable, plant or other agricultural product, including molasses, beet pulp, and mixtures of cottonseed hulls and meals.

Screenings—the materials removed in cleaning grain or seeds—were also brought under the regulation.

Clarifying earlier regulation

Although price ceilings established under the general maximum price regulation do not apply to commodities covered by separate price regulations, the amendment makes clear that certain basic provisions of the general maximum price regulation apply to all OPA price regulations, unless the particular commodity price regulation specifies to the contrary.

These provisions cover (a) the licensing and registration of wholesalers and retailers, (b) the issuance of sales receipts or slips, and (c) the posting and reporting of ceiling prices on retail sales of cost-of-living commodities.

Posting ceiling prices

To eliminate any conflict or overlapping between the general maximum price regulation and separate price regulations on the posting of ceiling prices of cost-of-living commodities, Supplementary Order No. 6 adjusts the posting requirements of eight price regulations.

Ceiling adjusted on dead-burned grain magnesite for 2 consumers

To insure an adequate supply of maintenance grade dead-burned grain magnesite for the Vanadium Corporation of America and the Mathieson Alkali Works, Inc., Price Administrator Henderson has granted permission to the Westvaco Chlorine Products Corporation to increase its selling price for this commodity to $40.50 per ton in sales to these two consumers.

The change in the maximum price, which applies only to these two customers and to shipments from Westvaco's Patterson, California, plant, was effected by Amendment No. 2 to Revised Price Schedule No. 75. The amendment became effective June 26.

The higher maximum price which Westvaco is permitted to charge to these two consumers will not result in an increased selling price for any of their products, Mr. Henderson stated.

Adjustable pricing allowed on contracts for steel castings pending action on freight costs

To speed the Nation's war program, Revised Price Schedule No. 41 has been amended to allow foundries to apply for permission to charge buyers of steel castings the abnormal freight costs on shipments of castings directly related to the war effort if such costs are occasioned by unusual circumstances such as deliveries beyond the normal shipping area.

Category of exceptions created

In order that the production of defense material may not be impeded during the time that such permission is being obtained, the schedule has further been amended to permit the Price Administrator to allow foundries to adjust their prices on deliveries made during the period their application is being considered by OPA.

Formerly, adjustable pricing was permissible only on contracts for steel castings where delivery was not required until 6 months or more after date of contract.

The changes have been effected through Amendment No. 2 to Revised Price Schedule No. 41, Steel Castings, Price Administrator Henderson announced June 22. The amendment became effective June 25.

"The amendment creates a category of exceptions so that the Price Administrator may permit a seller to charge more than maximum prices in cases where he would otherwise be forced to absorb abnormally high transportation costs resulting from dislocated tonnage shipments needed for the emergency requirements of the war effort," Mr. Henderson said.

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CARTOONS HELP

PRODUCTION DRIVE

The War Production Drive committee of the E. I. du Pont de Nemours plant at Louisville, Ky., gathers cartoon ideas from workers in the plant and distributes them in mimeograph. A recent picture of a Jap with a hot-foot was captioned: "We are not making foot powder, but its good for de-feet of our enemies." A drawing of an arrogant Nazi was captioned: "How would you like to have him for a shift supervisor?"
Rents paid by roomers, boarders in 20 defense-rental areas ordered under Federal control

Rents paid by roomers and boarders in 20 defense-rental areas were ordered under Federal control, effective July 1, by Price Administrator Henderson June 26. These areas have been under Federal regulation for housing accommodations other than hotels and rooming houses since June 1.

Cuts ordered in Baltimore area

At the same time, the Price Administrator issued regulations for the Baltimore, Md. defense-rental area, ordering rents reduced to levels prevailing in Baltimore on April 1, 1941. One regulation for Baltimore covers hotels and rooming houses, the other covers housing accommodations other than hotels and rooming houses. Both are effective July 1.

Under the regulations issued for hotels and rooming houses in the 20 defense-rental areas, landlords are to register the rooms they rent, or are offering for rent, within 45 days of the effective date of the regulation. That means this registration is to be concluded by midnight of August 15.

Rental properties which come under the regulation for hotels and rooming houses include: hotels, rooming houses, boarding houses, dormitories, auto camps, trailers, residence clubs, tourist homes or cabins, and all other establishments of a similar nature.

Excluded from this regulation are rooms in hospitals, or rooms of charitable or educational institutions used in carrying out their charitable or educational purposes.

Other provisions made in the regulation cover such points as: prohibitions; minimum services; adjustments; restrictions on removal of tenant; inspection; evasion; enforcement; procedure; petitions for amendment; and definitions.

Areas affected

The 20 areas, in addition to Baltimore, for which this regulation for hotels and rooming houses applies, with the maximum rent dates follow:

Bridgeport, Conn., April 1, 1941; Hartford-New Britain, Conn., April 1, 1941; Waterbury, Conn., April 1, 1941; Schenectady, N.Y., April 1, 1941; Birmingham, Ala., April 1, 1941; Mobile, Ala., April 1, 1941; Columbus, Ga., Jan. 1, 1941; Wilmington, N.C., April 1, 1941; Hampton Roads, Va., area, April 1, 1941; De-troit, Mich., April 1, 1941; Akron, Ohio, April 1, 1941; Canton, Ohio, April 1, 1941; Cleveland, Ohio, July 1, 1941; Havena, Ohio, April 1, 1941; Youngstown-Warren, Ohio, April 1, 1941; South Bend, Ind., April 1, 1941; Bur-lington, Vt., May 1, 1941; Wichita, Kan., July 1, 1941; San Diego, Calif., Jan. 1, 1941; Puget Sound, Wash., area, April 1, 1941.

OPA may act to cut rents July 1 in 60 more defense-rental areas in 30 States

Present indications are that the OPA will act to reduce rents in 60 more Defense-Rental Areas on July 1 by issuing maximum rent regulations, Price Administrator Henderson said June 22.

Voluntary efforts not enough—Henderson

The areas under consideration for this action embrace a population of 28 million persons and include such cities as Chicago, Philadelphia, San Francisco, Pittsburgh and Newark. The areas are scattered throughout 30 States.

"Demands for rental housing are increasing everywhere," Mr. Henderson said. "Voluntary efforts—good as they have been to control the rent problem—have not been effective enough. Our defense workers—and that means everyone these days—must be protected from soaring rents and threats of evictions. Our investigations in Defense-Rental Areas are continuous, and we will act wherever necessary and whenever necessary."

For the 60 areas under consideration, the Price Administrator made recommendations as to stabilizing rents on April 28, giving the 60-day period prescribed in the emergency price control act to meet his recommendations. Investigations in these areas as to what extent the recommendations have been met have been going on during this month.

Areas considered for action

The areas now being considered for action on July 1, with 1940 population and maximum-rent date are:

San Luis Obispo, Calif., 33,246; Gainesville-Starkes, Fla., 53,762; Alexandria-Leesville, La., 107,356; Montgomery-Prince Georges, Md., 173,402; Jackson-Milan-Humboldt, Tenn., 124,928; Tullahoma, Tenn., 97,309; Brownwood, Tex., 65,740; Mineral Wells, Tex., 36,936; Alexandria-Arlington, Va., 141,492; Jan., 1, 1941.

Anniston, Ala., 76,948; Huntsville, Ala., 150,167; Muscle Shoals, Ala., 40,323; Talladega, Ala., 108,130; New Haven, Conn., 300,667; New London, Conn., 181,447; Jacksonville, Fla., 210,143; Macon, Ga., 105,464; Joliet, Ill., 114,210; LaPorte-Michigan City, Ind., 75,918; Junction City-Manhattan, Kan., 85,830; Bath, Maine, 55,417; Baltimore, Md., 1,195,966; New York, N.Y., 249,866; Niles, Mich., 89,117; Biloxi-Pascagoula, Miss., 71,460; Hattiesburg, Miss., 54,961; Rolla, Mo., 48,950; Massena, N.Y., 91,098; Watertown, N.Y., 84,003; Fayetteville, N.C., 74,287; Dayton, Ohio, 567,049; Lawton, Okla., 38,560; Sioux-Forced, Pa., 101,050; Abilene, Tex., 79,093; Beaumont-Port Arthur, Tex., 162,711; El Paso, Tex., 131,067; Bedford-Fairfield, Va., 141,550; Morgantown, W. Va., 119,935; April 1, 1941.

Indianapolis, Ind., 400,926; Parsons, Kan., 30,352; Louisville, Ky., 451,473; Minden, La., 33,076; Joplin-Neosho, Mo., 107,744; Lorient-Elyria, Ohio, 112,390; Texarkana, Tex., 82,088; July 1, 1941.

San Francisco Bay, 2,066,091: Savannah, Ga., 117,070; Chicago, 4,418,122; Rockford, Ill., 196,586; Springfield, Mass., 404,568; Flint, Mich., 267,944; Saginaw-Hay City, Mich., 232,543; St. Louis, Mo., 1,476,865; North- eastern, N. J., 3,115,160; Buffalo, N. Y., 928,487; Portland-Vancouver, Ore., 501,276; Erie, Pa., 180,898; Philadelphia-Camden, 3,199,837; Pittsburgh, 2,593,780; Charleston, S. C., 141,833; San Antonio, Tex., 437,844; March 1, 1941.

Bangor firm's proposed increase in power rates opposed by OPA

Permission to intervene in opposition to a proposed increase in secondary power rates of the Bangor Hydro-Electric Company was sought June 27 by Price Administrator Henderson in a petition filed with the Maine Public Utilities Commission in Bangor.

Would be inflationary

The Administrator's petition said that, on the basis of information supplied by the power company, the effect of the proposed increase would be to raise the annual operating costs and expenses of certain manufacturers of pulp and paper, which products are under OPA price ceilings.

Further, according to the petition, "it appears that the proposed increased rates are predicated principally upon alleged estimated increases in Federal income taxes to be levied in 1942." Approval of the increase under these circumstances, the commission was told, would be contrary to the intent of the Congress, inflationary in character, and would adversely affect the programs and policies of OPA to stabilize prices.

CRITICAL HOUSING AREAS

The War Production Board has added eleven new areas to the Defense Housing Critical Area List. They are:

Corona, Calif.; Ontario-Pomona-Upland, Calif.; Twentymile Falls, Calif.; Peru, Ind. (for conversion and rehabilitation purposes only); Claremont, N. H.; Sioux Falls, S. D. (for conversion and rehabilitation purposes only); Big Springs, Tex.; Fort Stockton, Tex.; Brigham, Utah; Magna, Utah; Windsor, Vt. 
Three steps to stabilize cost of iron and steel products announced by Henderson

Three steps designed to stabilize further and make "fair and reasonable" the cost of iron and steel products to buyers, particularly to the Nation's armament makers, were announced June 26 by Price Administrator Henderson.

In Amendment No. 6 to Revised Price Schedule No. 6, on iron and steel products, effective June 30, these actions were taken:

1. Producers of iron and steel products were directed to file with the OPA data covering conversion and processing charges. The data, the Price Administrator said, will be studied to determine whether such charges are fair and reasonable, and whether any future regulation of them is necessary.

2. Uniform rules for the application of extras and other charges on cold finished steel bars and shafting were issued. These rules are designed to clarify such charges, and eliminate the possibility of the charging of several overlapping extras on the same product. This step, the Price Administrator said, will result in "substantial savings" to buyers. In many instances members of the industry have already voluntarily adopted the revised practices, so that the amendment, to some extent, merely standardizes existing pricing practices.

3. Conditions under which producers of concrete reinforcing bars are required to give discounts were defined by OPA. The Tennessee Valley Authority and Bureau of Reclamation, as well as concrete reinforcing bar fabricators, were listed as customers entitled to the discount of 25 cents per hundred pounds on such bars.

Commenting on the request for data on conversion or processing charges, the Price Administrator said that in the past, steel mills have sometimes purchased billets or other steel from persons who were able to obtain such steel on the market and have processed or converted it under an agreement to resell. In these cases, the purchases by the steel producers and subsequent resale to the former owner have been at ceiling prices. With these sales, the Office of Price Administrator is not greatly concerned so long as the prices are within the permissible maximums, Mr. Henderson said.

In regard to the new uniform rules for the application of extras, the Price Administrator said that extras applicable to sales of cold finished steel bars and shafting, both in the carbon steel and alloy steel classifications, have for some time been confused. Both bars and shafting are highly important in the war program.

Provisions of general price regulation modified for Puerto Rico, Virgin Islands

Special conditions peculiar to two territories of the United States—Puerto Rico and the Virgin Islands—were recognized June 17 by Price Administrator Henderson in a supplementary regulation (No. 13) modifying several features of the general maximum price regulation as they affect the islands.

Base period changed

The modifications are:

1. The base period for determination of ceiling prices under the general maximum price regulation in Puerto Rico and the Virgin Islands has been changed from the month of March, to the period from April 10 to May 10, 1942.

2. The date by which sellers on these islands must have their statements of ceiling prices ready has been extended to August 1, 1942.

3. Sellers in these islands must show in these statements their maximum prices, both for the month of March, 1942, and for the period from April 10 to May 10, 1942. It is the April 10-May 10 period, however, that establishes their ceilings.

4. The date by which sellers in these islands must post conspicuously in their stores their maximum prices for the list of nearly 200 cost-of-living commodities is extended to August 1.

5. Power to adjust cases in which sellers claim the regulation causes them substantial hardship has been delegated to the administrator of the Ninth Region, subject to review by the Price Administrator on appeal. Applications for adjustment are to be filed with the Territorial Directors of Puerto Rico and the Virgin Islands in accordance with Procedural Regulation No. 7.

New cosmetics order expected to limit shades, odors

One of the features of a forthcoming limitation order on production of cosmetics will be a reduction in the number of permitted shades and odors of a wide variety of items ranging from lipsticks to "cosmetic" stockings.

Simplification of shades and odors is expected to lead to a reduction of dealer and wholesaler inventories and a consequent saving in container and closure material.

Vanadium melting restricted

Melting of vanadium was placed under complete control of the Director of Industry Operations in an amendment to the vanadium conservation order, M-23-a, dated June 23.

64 gasoline violators penalized by suspension of deliveries

Gasoline deliveries to 64 filling stations and garages in the metropolitan areas of New York, Newark and Philadelphia were suspended June 25 by Paul M. O'Leary, acting deputy administrator in charge of rationing, for periods of 15 to 30 days for violation of OPA rationing regulations.

The June 26 suspension orders are the largest group which the OPA has served against filling stations and garages for selling gasoline without requiring a rationing card of the motorist.

In the initial enforcement drive opened by the OPA earlier this month, inspectors for OPA made a "spot check" from which came 175 cases for further investigation. Thus far, 78 suspensions have been ordered. Final action has not been taken on a number of remaining cases.

The suspension orders, served on the retail dealer and on his gasoline supplier, prohibit delivery to the dealer for the specified period but do not prevent sales of such supplies as may be in his storage tanks. The orders also do not bar the dealer from performing any other service operations.

Housewife will be able to judge quality of meat under new order

Housewives are assured of a simple and accurate guide for buying beef and veal when the new OPA price regulation on these meats becomes effective July 13, the Consumer Division of the OPA said June 26.

Under the new order, all beef and veal sold at wholesale must be graded according to Government specifications of quality. Ceiling prices asked by beef and veal wholesalers must be related to the grades stamped on each meat carcass.

The new grading requirement is a guarantee to the homemaker that she will obtain the quality she pays for.

When the new regulation goes into effect, shoppers will find all beef, yearling, and veal stamped with a grade letter. Government grades now called "prime" and "choice" will be combined into the new grade "A." The present Government grade known as "good" will be stamped "A," and will cover most of the better grades of beef and veal bought by housewives. The "commercial" grade will be stamped "B," and the "utility" grade will be stamped "C."
Prices on all kinds of scrap rubber alined with maximums on tire, tube scrap

Acting to smooth out distortions in the scrap rubber market, Price Administrator Henderson June 27 announced issuance of Revised Price Schedule No. 87 as amended, effective June 26, which brings prices to consumers for all kinds of scrap rubber into line with the maximums already established on tires, tire parts, and tubes.

The Administrator emphasized that the ceiling order in no way affects either Rubber Reserve Company's offer to buy scrap tires and miscellaneous scrap rubber at $25 a ton in carload lots at any shipping point in the country, or the price paid to individuals by filling stations and other collection agents in the national campaign.

* * *

California-processed sugar raised 15¢ per 100 pounds on DSC sales in 10 States

Because of demand in the eastern deficit area under rationing regulations and surpluses in West Coast refiners' hands, Price Administrator Henderson June 26 ruled that California-processed cane sugar hereinafter may be sold by Defense Supplies Corporation or its designees at $5.60 per 100 pounds in ten Northeastern States.

This increase of 15 cents per 100 pounds, requested by DSC was to be effective June 27, by Amendment No. 2 to Order No. 1 under Revised Price Schedule No. 60 (Direct Consumption Sugars).

* * *

Dead animals ascend through price ceiling

Dead animals, usually termed fallen animals, were exempted from provisions of the general maximum price regulation by Amendment No. 9 to Supplementary Regulation No. 1, effective June 25, 1942.

The value of the carcasses depends largely upon the hides and the distance the animals must be transported for rendering and in certain areas no fallen animals were sold during March.

Gasoline raised 2½ cents per gallon on Eastern Seaboard to pay higher cost of moving

A special increase in the price of gasoline, kerosene and light fuel oils along the Eastern Seaboard—to finance the increased cost of transporting petroleum products into the restricted area and assure unrestricted movement—was to be made June 29, Price Administrator Henderson announced June 27.

Users to bear costs

The increases are: gasoline, 2½ cents per gallon; kerosene, range oil, tractor fuel, distillate Diesel fuel oils, gas house oils and Nos. 1, 2, 3 and 4 fuel oils, 2 cents per gallon. There will be no increase on residual fuel oils. The advances are permitted also on retail sales.

* * *

FANCY BED LINEN PRICES

Specific prices that one manufacturer may charge for fancy bed linens were established June 27 by the OPA.

Sales and deliveries of certain sheetings, sheets and pillow cases by Defender Manufacturing Co. of New York City are exempted from the provisions of Revised Price Schedule No. 89 (Bed Linens) through Amendment No. 7. Simultaneously maximum prices for these bed linens are provided under Order No. 12 to the general maximum price regulation. Both actions took effect June 23.

Amendment No. 7 to Schedule 89 at the same time provides that deliveries of grey sheetings and bleached pillow tubing against contracts entered into between May 4 and May 27, 1942 will be governed by Maximum Price Regulation 118 (Cotton Products). Deliveries against contracts made after May 27, come under the scope of Schedule 89.

* * *

Burning of old tires to prevent frost damage prohibited

Rubber Coordinator Arthur B. Newhall June 25 called attention to the fact that WPB regulations prohibit the burning of old or cut-up tires for the purpose of preventing frost damage in fruit or citrus groves.

Supplementary Order M-15-b contains a general ban on the destruction of certain rubber products except where essential to manufacturing or reclaiming operations.
Retailers' price ceiling statements

An explanation in question and answer form, of the price ceiling statements which all retailers must prepare by July 1, was released June 25 by the OPA. Some of the questions and answers follow:

1. Q. What are the statements that a retailer is required by the general maximum price regulation to have finished by July 1?
   A. He is required to prepare:
   1. A statement of the maximum prices at which he is offering "cost-of-living commodities" for sale on June 30, or on the day he files the statement. The great majority of these maximum prices will be the highest prices at which he sold or offered for sale cost-of-living commodities during March. The maximum prices for articles which he did not offer prior to June 30, 1942 will be determined on the basis of similarity, or selling competitors, or in applying the formulas in Section 3A of the Regulation. The nearly 200 "cost-of-living commodities" are listed in Appendix B of the Regulation.
   2. A statement of the highest price at which each March he sold, or offered for sale, each article in his store on which the regulation places a ceiling. These prices are his own price ceilings which he must not exceed. This statement must also show customary allowances, discounts and other price differentials.

Must file first statement

2. Q. What must the retailer do with these statements when he has finished them?
   A. (1) He must file the first statement, covering the articles on the cost-of-living commodity list which he handles, with the nearest War Price and Rationing Board by July 1. If he does not know where this nearest board is located, he may call his local newspaper, the police department, city hall or county courthouse.
   (2) He must keep the second statement, covering all his items having price ceilings, in his place of business, starting July 1, for examination by any customer or interested person during business hours.

Why necessary

3. Q. Why does the Office of Price Administration require these statements of retailers?
   A. To provide a quick means for each retailer to prove that he is obeying the general maximum price regulation, and is thus doing his full part in the battle against inflation.

4. Q. In what form should a retailer prepare his statement of maximum prices for such of the cost-of-living commodities as he handles?
   A. OPA suggests that the retailer use standard letter size paper; that he does not have a typewriter he prepare his statement carefully in ink; that the exact name and address of the establishment be indicated on a separate title page, or at the top of the first page; that items he listed be the order shown in Appendix B of the general maximum price regulation, of course omitting groups, classes and items not handled.

5. Q. How does OPA suggest that the retailer arrange his items and prices if he uses this standard size paper?
   A. The following would be a typical arrangement: Typical clothing store: The name and address of the store appears at the top of the first sheet. The rest of the sheet and the other sheets are divided into four columns, respectively "Name of commodity;" "Manufacturer, name or code number and style number;" "Current identification number;" and "Maximum Price." Under "Name of Commodity" the heading is "Apparel and "yard goods." Under that comes "Men's and boys' clothing." Under that comes "Men's pajamas," etc. Besides "Men's pajamas" in the second column, the pajamas are described as "John Smith Co. Or (No. 22) style C 49." In what the "Identification" column, the pajamas are further identified as "Jacket style, plain color," complete. Prices are then listed as $1.98. And so on through the retailer's stock.

Chain may not file blanket statement

6. Q. May a chain of stores file a blanket statement of maximum prices with OPA covering all cost-of-living items it handles in all stores, although every store may not have all those items?
   A. No. The regulation requires a separate list for each store. But if all the stores in the chain have the same price ceiling for each article, the central office may mimeograph or print a list containing all such items with the maximum prices for each item, and these lists can be submitted separately by each store. If the prices are different in some stores a list of items could be prepared, and the prices filed in by each store.

7. Q. What form should the retailer's statement of all March maximum prices, which he keeps in his store, be prepared?
   A. It does not at present have to be prepared in any specified form, so long as it is perfectly clear from the statement what the maximum price is for each particular article. Each article described in the statement must be described in such manner as to be easily identified by any person. Identification should include manufacturer's name, style, brand, size, etc.

8. Q. How may the record-keeping provisions of the general maximum price regulation be summarized?
   A. The record-keeping provisions require the retailer to do six things:
   1. Preserve all existing records of March 1942 prices.
   2. Keep the same kinds of records or documents relating to prices charged after May 18.
   3. Prepare a statement of highest prices charged in the base period (March).
   4. Keep records showing the basis for determining the maximum price for any item sold after May 18.
   5. Continue to provide customary sales slips and give receipts.
   6. Prepare the order shown in Appendix B of the general maximum price regulation, of course omitting groups, classes and items not handled.

Retailers may use catalogues, other printed lists in preparing ceiling statements

Catalogues or similar printed merchandise lists supplied by wholesalers, manufacturers or trade organizations may be used by retailers in preparing the statements of maximum prices which every seller under the general maximum price regulation must have by July 1, the OPA stated June 22.

Two statements required

Such lists may prove particularly helpful to drug stores, hardware retailers, jewelers and others carrying a large assortment of items.

In compiling the list of March prices, printed lists are acceptable as long as there is included, in one way or other, every item in stock that is covered by the general maximum price regulation.

This statement, OPA said, is to be also be filed with any OPA office but is to be retained in the place of business beginning July 1 for examination by any customer or interested person.

A second statement which retailers must prepare is the list of ceiling prices on the designated cost-of-living commodities shown in Appendix B of the general maximum price regulation. This is a restricted list of the store's maximum prices on a representative group of items that enter into the family cost-of-living and must be filed with the nearest War Price and Rationing Board by July 1.

Maximum prices set on antifreeze

American motorists will be able to obtain antifreeze at reasonable levels during the coming winter, Price Administrator Henderson stated June 25 in announcing maximum prices for this commodity.

The retail price has been established at levels well under the speculative quotations prevalent at the end of last winter, he said. In addition to prices at retail, ceilings for antifreeze have been determined for manufacturers and distributors.

Since May 18 retail maximum prices for antifreeze have been governed by the provisions of the general maximum price regulation—that is, the highest price which the individual seller charged during March. The dollars and cents maximums announced June 25 were established by Maximum Price Regulation No. 170, Antifreeze, effective June 30, 1942.
New ceilings set on beef, veal at packer and wholesale levels

The basis for maximum prices of beef and veal at the packer and wholesale levels is changed by a special regulation (Maximum Price Regulation No. 169), announced June 20 by Price Administrator Henderson. The regulation, effective July 13, provides that packers and wholesalers' ceilings for each grade of carcass and quarter of beef (or carcass and saddle of veal) shall be a price no higher than the lowest price at which each individual merchandizer sold at least 30 percent of his total quantity of that grade during March 16-28, 1942.

To relieve squeeze against retail ceilings

Maximum retail prices to consumers are not changed by the regulation, and continue to be governed by the general maximum price regulation.

As a necessary part of price control on beef and veal, provision also has been made for standard grading of these meats by all packers and wholesalers in accordance with the grading specifications of the Agricultural Marketing Administration of the United States Department of Agriculture.

"The new regulation will relieve the undue squeeze against the retail ceiling prices on these commodities," Mr. Henderson pointed out.

** ** **

Licenses necessary to sell used egg cases

All persons who sell used egg cases and used component parts and who are subject to the maximum price regulation established for these goods are being licensed as a condition of selling, Price Administrator Henderson announced June 20.

The licensing provision is contained in Amendment No. 1 to Maximum Price Regulation No. 117—Used Egg Cases and Used Component Parts—and became effective June 22.

** ** **

WAR SHIPPING APPOINTMENTS

Admiral Emory S. Land, War Shipping Administrator, June 23 announced the appointment of Charles H. C. Pear- sall as WSA manager in the Caribbean area with headquarters in Havana, Cuba. At the same time Admiral Land announced the appointment of Charles M. Colgan as WSA representative at the Canal Zone.

20 food industry leaders named to help solve price adjustment problems

Twenty leaders of the food industry, representing virtually every phase of processing and distribution, were appointed by Price Administrator Henderson June 24 as a national food industry advisory committee to work with OPA in the solution of problems and adjustments under the general maximum price regulation.

To advise on adjustment problems

The committee, representing canners, processors, wholesalers, and chain and independent retailers will advise with OPA on problems of adjustment under the general maximum price regulation.

"The job of the committee," Mr. Henderson stated, "will be to work out a full and complete solution of the problems of the food industry in a spirit of mutual understanding."

Trade associations to help

The first meeting was to be held on June 26 and was to concern itself largely with the problem of the "squeeze" created for retailers and wholesalers under the general maximum price regulation, and to over-all discussion of OPA policy and the maintenance of ceiling prices.

Two mines allowed to make adjustable-pricing contracts

Issuing orders under Maximum Price Regulation No. 120 (Bituminous Coal Delivered from Mine or Preparation Plant), Price Administrator Henderson has permitted two mines—one in West Virginia and the other in the State of Washington—to enter into adjustable-pricing contracts pending disposition of petitions asking price adjustment.

The contracts would fix interim sales at existing maximum prices, with the provision that they be adjusted to price changes, if any are permitted, in OPA's final decision on the company's petitions.

Order No. 11 permits the West Virginia Coal and Coke Corporation, Cincinnati (on and after May 16, 1942, the effective date of Maximum Price Regulation No. 120), to enter into such agreements with buyers of bituminous coal produced at the Norton Mine, at Norton, W. Va., in Production District No. 3, to adjust prices upon deliveries made during the pendency of its petition for adjustment or exception, in accordance with the disposition of the petition.

Order No. 14 permits the Pacific Coast Coal Company, Seattle, on and after May 27, 1942 (date of filing of the petition), to enter into adjustable-pricing contracts pending disposition of its petition.

Phillips to direct automotive supply rationing

Appointment of Dr. Charles F. Phillips of Syracuse, N. Y., to the newly created position of director of the automotive supply rationing division was announced June 22 by Price Administrator Henderson.

In his new capacity, Dr. Phillips, a former professor of economics at Colgate University and marketing consultant to a food store chain, will supervise tire and passenger automobile rationing activities and rationing of bicycles, which is soon to begin.

Announcement of his new position follows by only a few weeks his appointment as chief of the tire rationing branch, a post to which Robert S. Betten succeeds.

Simultaneously with Dr. Phillips' appointment, Mr. Henderson named Hubert G. Larson as chief of the automobile rationing branch and Robert E. Stone as associate chief. Both had been assistants to Rolf Nugent, the former automobile rationing chief, who recently became head of the Price Administration's consumer requirements branch.
Importers may sell commodities to industrial, commercial users at prices above ceilings under certain conditions

Importers are given permission by the OPA to sell imported commodities, under certain conditions, to industrial and commercial users at prices above those paid in March 1942, the established ceiling prices provided by the general maximum price regulation.

To assure free flow of imports

This permission is granted in Supplementary Regulation No. 12 to the general maximum price regulation, effective June 20.

The purpose of the new supplementary regulation is to make possible a continued free flow of imported commodities into this country.

Buyer must process commodity

Under the supplementary regulation, persons who import any commodity after March 31, 1942, and sell it to an industrial or commercial user in substantially the same condition in which it was imported, are permitted to sell such a commodity above their ceiling price in March to the extent of the difference between their delivered costs of the commodity and their delivered costs for the same commodity delivered by them in March.

Mr. Henderson stated:

The supplementary regulation further provides that the importer may only sell above his maximum price in March to an industrial or commercial user, who is defined as a person who does not resell the commodity he purchases in substantially the same form as he received it. In other words, the buyer must process the commodity in some manner before he resells it.

User to absorb increased costs

The industrial or commercial user is placed on notice that he will have to absorb any increased costs which he paid for the imported commodity to the importer. In this manner, any possibility of a resulting inflationary tendency from such transactions will be stopped at the point of first resale of the imported commodity in this country.

As a safeguard, the importer is obliged under the regulation to notify the industrial or commercial user that he is selling the imported commodity to him above his March ceiling price, and in that manner the latter can determine for himself whether he is in a position to absorb the increased delivery costs before he enters into the transaction.

No effect on Government purchases

The supplementary regulation is limited in its coverage to imports into the continental United States from its territories and possessions and from foreign countries. It does not apply to imports into its territories and possessions from any origin. This limitation is necessary, it was explained, because there are other regulations covering the territories and possessions.

Lumber from Canada is exempted from the provisions of the new regulation because specific coverage of imported Canadian lumber is to be provided under other regulations.

The Price Administrator pointed out that sales by domestic sellers of imported commodities, unprocessed by them, to the United States or any of its agencies or to any person who will use the imported commodity to fulfill a contract or a subcontract with the United States or any of its agencies were excepted from the provisions of the general maximum price regulation under Amendment No. 1 to Supplementary Regulation No. 12, therefore, has no effect on Government purchases of Import commodities which have already been excepted.

Combed yarns, woven goods for war use not under MPR 157

All combed yarns of the types covered by Revised Price Schedule No. 7 and all finished woven goods of the descriptions governed by Maximum Price Regulation No. 127 remain under the provisions of these two price orders, even when sold or fabricated for military purposes, the OPA made clear June 23.

Questions had arisen in the trade, according to information received by OPA, as to whether goods or yarns of these types were exempted from these two price orders and came under the provisions of Maximum Price Regulation 157 (Sales and Fabrication of Textiles, Apparel and Related Items for Military Purposes) when made in accordance with military specifications for a war procurement agency.

The June 23 statement was made at the request of the Army Quartermaster Corps and the War Production Board, OPA said.

OPA further pointed out that Regulation 157 does not apply to any other commodity for which a maximum price is in effect, except those covered by the general maximum price regulation.

Paper products regulation revised by OPA to include other grades

Certain grades of paper omitted erroneously from the section of Maximum Price Regulation No. 129, which established conditions of sale for these grades, are now included by Amendment No. 4 to the regulation (paper and paper products) issued June 23 by the OPA.

The amendment corrected subparagraph (3) of Section 1347.12 (d) by adding the words "(and (d) (2)) so that the conditions of sale affecting maximum prices include the grades set forth specifically in (d) (2) — "all other grades of Machine Finish Kraft Wrapping Paper, and all grades of Machine Glazed Kraft Wrapping Paper, Machine Finish Variety Bag Paper, Machine Glazed Kraft Bag Paper, including but without limitation Unbleached Kraft Butchers Paper."

The amendment also qualifies Unbleached Kraft Butchers Paper in the same subparagraph by adding to the clause "where the basis weight is 40 pounds and up."

No basis weight for this type of paper was originally listed.

Other corrections

Other corrections made by the amendment are:

- Variety bag papers, glassine, greaseproof, fruit wrapping and manifold are now listed among those excluded from the paper set forth in subparagraph (6) of Section 1347.11 (a), and the word "converting" is inserted to conform with the statement of considerations issued with the regulation.
- The addition of the words "Machine Finish and Machine Glazed" to the headnote in paragraph (d) of Section 1347.12 and the addition of the words "Machine Finish to Grades" clarify the types of wrapping and bag paper originally intended to be covered by the regulation.

**Paper makers must bear increased freight costs**

Manufacturers of industrial paper and converted paper products may not add increased freight costs to their maximum prices which were established in some cases by Maximum Price Regulation No. 129 and in others by the general maximum price regulation, the OPA announced June 24.

Under this interpretation, announced to clarify the problems of freight costs which have arisen since the issuance of the general maximum price regulation, manufacturers who allowed partial freight must absorb the 6 percent increase in freight rates, effective in March 1942, and any other increase in freight costs incurred as the result of wartime emergency conditions such as the rerouting of shipments by rail instead of water.
Markups adjusted on resales of new bags made from cotton and burlap fabrics

Markups which sellers, other than manufacturers, of new bags made from cotton and burlap fabrics may charge were adjusted by the OPA June 24 through an amendment to Maximum Price Regulation No. 151 (New Bags). At the same time the definition of “new bags” was also clarified.

May add highest “cents per bag” margin

Amendment No. 1 to the regulation takes into consideration the variation in markups customarily charged by resellers according to the type of bag and the section of the country where sold. Persons purchasing bags for resale are permitted by the amendment to add to the “delivered cost” a margin which is, generally, equivalent to the highest markup, in cents per bag, charged during the month of March 1942.

While the highest “cents per bag” margin obtained by resellers during March 1942 is permitted, OPA officials pointed out that this represents a smaller percentage marking because of the increased cost of the bags they resell.

Other provisions

When a seller made no sales or deliveries of a new bag of the same type during March 1942, other methods are provided for determining his markup under various situations such as basing it upon his most nearly similar new bag or the markup of his most closely competitive seller.

Definition of new bag clarified

Markups to be charged by sellers other than manufacturers are based on the “delivered cost” of the bag to the seller. This delivered cost must not exceed the maximum price established by the regulation, plus actual transportation charges incurred by the seller in transporting the bags to the point of shipment.

The definition of new bag is amended to read:

“New bag” means a previously unused container which (i) is manufactured within the United States, (ii) is to be used for packaging a commodity therein for transportation or storage (iii) is manufactured from burlap or cotton textile material which has not previously been used for any commercial purpose. It shall not include seamless cotton bags.

Jobbers of woolen or worsted civilian apparel fabrics may use optional pricing

An optional method of establishing a maximum price for woolen or worsted civilian apparel fabrics sold by jobbers under Maximum Price Regulation No. 163 and two clarifications of provisions applying to jobbers’ sales were announced June 24 by Price Administrator Henderson.

Amendment No. 1 to Regulation 163 makes the optional pricing method applicable only to those jobbers who deal in the same fabric during the period October 1 to December 1, 1941. It provides that they may use as their ceiling for a fabric the highest price at which they sold or delivered the same fabric during that period so long as such optional maximum is not higher than the replacement cost of the fabric plus the permitted mark-up. Otherwise the percentage mark-ups over the manufacturer’s invoice price set by the regulation originally are applicable.

Affects those who supply custom tailors

“The mark-up presently permitted by the regulation in many cases would establish a maximum lower than the prices at which the same fabrics were sold to customers of jobbers during the fall of 1941,” Mr. Henderson explained.

The June 24 amendment will, for the most part, affect those jobbers who supply custom tailors and who, of necessity, maintain large inventories to be able to fill orders out of stock. A substantial proportion of current inventory was acquired by them some time ago, at prices considerably below replacement cost.

Another provision of the amendment makes it clear that the division factor applicable to sales of cut lengths of 9 yards or less to merchant tailors also applies to sales of such lengths to the custom tailoring departments of retail stores for which the jobbers perform the same service.

It is also provided that the jobber in establishing his mark-up by using the manufacturer’s invoice price uses the gross price rather than the price after any discount.

Simultaneously with the June 24 amendment to Regulation 163, OPA issued corrections of typographical errors appearing in the text of the regulation. In Section 1410.11 (a), the word “or” is corrected to read “of” and in Section 1410.115 (a) (5), the word “not” is corrected to read “nor.”

Converters’ prices on rayon yarn “rolled back;” formal ceilings set

Prices which converters of rayon yarn may charge were “rolled back” June 22 by Price Administrator Henderson at the same time that he issued a companion regulation placing formal ceilings over rayon yarns and staple fibers.

6 regulations on rayon

The two regulations of June 22 bring to a total of six the number of OPA schedules specifically covering various phases of the rayon industry. All forms of rayon or its products not specifically covered by any of these six regulations are controlled by the general maximum price regulation on the basis of March 1942 levels.

Maximum Price Regulation No. 167 (Rayon Yarn and Staple Fiber) issued June 22 establishes maximum prices at the levels which rayon yarn producers have observed for their products since October 1941 at OPA request.

Maximum Price Regulation No. 168 (Converted Yarn and Converting Charges) applies to commission converters and sellers of converted yarn. By converting is meant the changing of the original form of the yarn by operations such as twisting, warping, dyeing, and spooling, in order to prepare it for the weaving and knitting industries.

Set at lower prices

The ceilings provided under this regulation are set at substantially lower prices than most converters charged in March 1942, which were the prices established as the ceilings under the general maximum price regulation. The June 22 regulation supersedes the general regulation for these converting operations and establishes uniform specific charges.
PRODUCTION DRIVE...

War plant reports 63½ percent production increase in three months' drive

An increase in war production of 63½ percent, one of the greatest since the start of the War Production Drive, was reported on June 25 by Donald M. Nelson, chairman of the War Production Board, by the War Production Drive Committee of the Cleveland (Ohio) Tractor Company.

Cites monthly increases

The committee cited its production increases as follows:

March—greatest production in the history of the company.
April—23 percent greater than March.
May—33 percent greater than April, or approximately 63½ percent greater than at the start of the War Production Drive.

The report was signed by Nick Naradolijo, John J. Bergman and W. G. Schultz, representing labor; and H. R. Buckner, L. F. Hawkins, and L. H. Grutsch, chairman, representing the management. The labor representatives are members of the International Association of Machinists, A. F. L.

In acknowledging the report, War Production Drive Headquarters sent this message:

"Your remarkable production record is outstanding even during these times when millions of men are striving toward the same goal."

Work behind the increase

The committee reported the activities of its subcommittees in detail. The report gives an interesting picture of the work behind the production increase.

The housekeeping committee has cleared a bottleneck in transportation, reducing the waiting time for stock.

The safety committee is stimulating departmental rivalry for the best safety record. It also distributes safety bulletins.

The material saving committee, through weekly educational meetings, reduced labor loss 3 percent and material loss by 24 percent. The report states, "This savings percentage is actually a greater ratio when the production increase for 33 percent for the month of May is taken into consideration." Losses, the committee said, will be even lower in June.

The fire prevention committee makes a weekly inspection of the plant and arranges for the installation of new firefighting equipment, signs, etc., when needed. It holds weekly training classes.

The transportation committee erected three large city maps, one for each shift, and located the homes of each employee with numbered pins. A master file gave information necessary for the formation of car pools. A test in one department showed employees had reduced their cars by fifty percent. The committee expects poolings will eventually eliminate 300 cars.

The publicity committee is developing a slogan contest and has erected a production bulletin board. The committee discovered four cartoonists among employees and their work is being utilized in publicity.

The absentee committee, not satisfied with reducing absenteeism 25 percent during the month of May, is making personal contact with habitual absentees this month.

The suggestion is about to put its program into effect, offering war bonds and stamps on 10 percent of a year's saving from the suggestion.

Nielsen to attend London maritime conference

The Maritime Commission and the War Shipping Administration June 20 announced that Erich Nielsen, assistant director of the Division of Maritime Labor Relations of the War Shipping Administration, will attend as an observer the conference of the Joint Maritime Commission of the International Labor Office to be held in London, commencing June 22.

Chief aim of the conference, the twelfth of its kind, will be to help coordinate efforts of all United Nations' seamen's organizations and shipowners to secure maximum cooperation between these groups and the United Nations in carrying out the wartime responsibility of shipping.

"DON'T LET THEM DOWN"

The Chrysler Corporation plant at Detroit labor-management committee reports to War Production Drive Headquarters that bulletin boards have been erected showing the number of brothers, sons, uncles, cousins, fathers, nephews, and husbands in the Army, Navy, Marine Corps, and Army Air Corps. The bulletin board carries the words: "Don't let them down! Their lives may be in your hands."

Foreign requirements branch to act as priorities liaison

Establishment of a foreign requirements branch in the Bureau of Priorities was announced June 22 by Henry Nelson, assistant bureau chief in charge of requirements.

Functions of new branch

The new branch will be headed by Fred Lavis, Jr., who has been a priorities specialist in the automotive branch of OPM and WPB since September 1941.

The foreign requirements branch will serve as liaison on priority matters between the War Production Board, the Lend-Lease Administration, and the Board of Economic Warfare, and will receive all applications for priority assistance from foreign governments or purchasers in foreign countries (except Canada) received through these agencies. In cooperation with existing agencies, the foreign requirements branch will develop improved procedures for handling priorities on materials and products for export.

CUTS REJECTS 25 PERCENT

Thomas Muckenfuss, an inspector of purchasing material in the Camden, N. J. plant of the R. C. A. Manufacturing Co., Inc., which has an active War Production Drive Committee, suggested a change in parts on a piece of essential war equipment which eliminated 25 percent of the number of rejects and saved the cost of grinding, finishing and the cost of parts bought from a subcontractor.
Germany scours occupied countries for labor

Nazi agents have been forced to scour the occupied countries for labor because Germany has been drained of all able-bodied men for war service and because the efficiency of labor has dropped because of war conditions, according to a statement issued June 17 by the Office of War Information.

Further excerpts follow:
A recent order by Himmler calls for replacing the men in provincial police stations with women, so that the men may go to the front. Radio Moscow has reported the presence of pale, hastily-trained German factory workers who have been thrown into the battle to replace shock weary troops.

**Various recruitment methods**

Hitler has used various methods in recruiting labor for Germany.
1. The Germans, as in Norway, order forced mobilizations of workers and load them into freight cars bound for Germany.
2. The occupation chiefs threaten to reduce food rations unless workers “voluntarily” go to Germany.
3. Occupations force a flat percent of workers laid off, so they can be shipped to Germany. The Swedish radio reported that the Nazis ordered 30 percent of the Norwegian workers 1’d off, and the Athens City Council was told to halt its public projects.
4. Nazi diplomats have concluded agreements with friendly nations to deliver workers. Radio Ankara reported that Laval agreed to send 150,000 additional workers to Germany in return, according to the Free French, for 10,000 sick war prisoners. Several hundred thousand Italians are in Germany, and 180,000 were reported to have arrived in May. The Falangist party of Spain has encouraged workers to go to Germany. Approximately 85,000 Bulgarians are in the Reich.
5. The Nazi labor agents promise the workers higher wages, better food and special privileges. Special broadcasts paint a picture of Germany as a “labor utopia.” The Nazis, however, do not mention that all foreign workers in the Reich must pay a “worker’s tax,” which ranges from 25 to 30 percent of the wages, nor the barracks in which the workers live under the watchful eye of the Gestapo, nor the long hours of work, nor the order that factory workers must devote their free time to farm labor.

Stripped of their own labor, the occupied and dominated countries are forced into an agonized position. Radio Vichy said that without the 800,000 French peasants, prisoners of war in Germany, France was faced with famine. Hungary has been forced to mobilize girls from 14 to 60 to serve in war industries. All men between 18 and 60 in Croatia may be called up for farm work, public works, swamp draining and other manual tasks.

**“HE’S WATCHING YOU”**

Poster design prepared by Grohe for the Division of Information, Office for Emergency Management, scheduled to appear in war plants during the week. Requests for 14 x 10 inch posters and two-column mats may be addressed to the Distribution Section, Office of War Information, Washington, D. C. A limited supply of 28 1/2 x 40 inch posters are available and requests for single copies will be filled until supplies are exhausted.

**Butadiene placed under allocation from producers**

Butadiene, basic ingredient for the manufacture of Buna-type synthetic rubber, was placed under allocation from producers June 27 by the Director of Industry Operations with the issuance of Order M-178, effective July 1.

Producers seeking to deliver and persons asking delivery of butadiene are required to make application to the Director of Industry Operations, Reference M-178. They are requested to use Form PD-33, which covers the production and shipment of all chemicals used in the manufacture of synthetic rubber.
PRIORITIES...

AAA now highest rating as WPB devises new high preference series

Provision for rerating war orders and for applying a new series of high preference ratings is made in Priorities Regulation No. 12, and amendments to Priorities Regulations 1 and 3, issued June 27 by the Director of Industry Operations.

AA abolished

The new ratings are AAA, AA-1, AA-2, etc., all of which will take preference over A-1a ratings. Heretofore the highest rating has been AA, whose use was permitted only by special authorization of the Director of Industry Operations. This rating is now abolished, and all outstanding AA ratings are automatically changed to AA-2.

For urgent war materials

The chief purpose of the rerating is to permit greater flexibility in the assignment of preference ratings to definite quantities of military and related nonmilitary items, most of which have recently been either AA or in the A-1a series. It will permit use of top ratings for a balanced program of urgent war materials without seriously disturbing the pattern of ratings for other war and essential civilian orders.

Assignment of ratings

The new high ratings may be assigned either directly by the Director of Industry Operations or by appropriate officers of Government war agencies expressly authorized to issue reratings. A special form, PD-4X, called a "Rerating Direction," is prescribed for use where the Army, Navy or other Government agency rerates deliveries of war materials to be made directly to it.

Whenever a rerating direction is issued, it must include the Allocation Classification and Purchasers' Symbols required by Priorities Regulation No. 10.

Reratings by manufacturers

A separate form called a "Rerating Certificate," PD-4Y, is provided for use by a manufacturer whose deliveries to a war agency have been rerated, so that he may in turn rerate related deliveries to be made to him. The test for determining what deliveries may thus be rerated by a manufacturer or his suppliers is substantially the same as the test for determining to what deliveries an original rating may be applied or extended, as specified in Priorities Regulation No. 3, which was recently amended to provide a uniform standard in this respect.

A manufacturer may apply or extend the rerating to material which will be delivered by him on a rerated order, or physically incorporated in material so delivered, or to restore inventories to a practicable working minimum when material has been taken from inventory to fill a rerated order.

Other provisions

The new ratings may also be used by small companies for certain operating supplies which will be consumed in filling the rerated order, up to 10 percent of the cost of materials to be processed, provided that not more than 25 percent of such operating supplies are metals in the forms listed in Priorities Regulation No. 11. Such reratings may not be used to obtain operating supplies by any company whose use of the metals listed in Regulation 11 amounts to more than $5,000 in a quarter. Most such companies obtain ratings for their operating supplies under the production requirements plan.

Companies operating under the production requirements plan are specifically authorized, like other companies, to apply or extend the higher ratings to rerate deliveries to themselves, but may not use the ratings to obtain greater quantities of material than they are authorized to receive on their PRP Certificate (Form PD-25A) or a supplementary certificate issued upon application on Form PD-25F or PD-25H.

Displacement of rated orders

Priorities Regulation No. 1 has been amended by altering the provision with respect to displacement of rated orders by new orders bearing a higher rating. Previously, no producer was required to divert material already processed to fill an order rated A-10 or higher which was within 15 days of completion, even when he received a new order with a higher rating, unless the new rating was AA. Hereafter, this provision applies only in case the rating on the original order was higher than A-2. Such an order within 15 days of completion must be displaced only by a new order with an AAA rating, or by specific direction from the Director of Industry Operations.

In no case, however, is a company required to terminate existing production schedules in less than 15 days after receipt of a new rated order, and a company may continue on its existing production schedule up to a maximum of 40 days if change is impracticable, unless specifically instructed to change the schedule by the Director of Industry Operations.

To rate items separately

Priorities Regulation No. 3 is amended to conform to the provisions of Regulation 12, and the amendments to Regulation 1. The amendment to Regulation 3 also modifies the previous provision with respect to simultaneous extension of several different ratings. Whereas previously a company having several different ratings to be extended to orders for the same material could put them all together and write one purchase order for the entire quantity, using the lowest rating for all of it, this will now be permitted only when it is not commercially practicable to rate and obtain the items separately.

Procedure for importing coffee contracted for prior to July 2

The WPB and the Board of Economic Warfare June 20 issued an explanation of the procedure to be followed under General Imports Order M-63 for importing coffee already contracted for or which may be contracted for prior to July 2, 1942.

Order M-63 in general prohibits the importation of coffee without prior authorization by the Director of Industry Operations of the WPB. The procedure to be followed by an applicant seeking such authorization is as follows:

He should file with the War Production Board, Washington, D.C. (Ref. M-63) in duplicate, an application for authorization on Form PD-222-c, attaching to such application a letter in duplicate certifying that the application covers a contract existing on the effective date of the inclusion of coffee under the order (July 2) and giving details concerning the contract (including date, original quantity, quantity still undelivered, price, and whether coffee is afoot or for prompt shipment or, if for future shipment, the month of scheduled shipment or availability at port.)
Adjusted steel order permits metal for keys, tags, other uses

Three changes in the steel conservation order, M-126, were made June 26 by the Director of Industry Operations. The first permits the use of iron and steel for maintenance and repair of coffee roasting machinery. This requires only a small amount of metal and was not permitted by the original order. “Manicure implements” are eliminated from List A of M-126 as their manufacture now is covered in detail by Order L-140.

The original order prohibited the use of iron and steel in the manufacture of identification, key, name and price tags. The June 26 amendment (No. 2) permits the manufacture of tags or badges for these uses: To identify workers in governmental agencies; to identify workers in industrial plants; metal tags required by Federal or State law for livestock or poultry; and pin or wire attached tickets for price marking of soft goods.

** Higher priority to enable canners to increase 1942 pack **

Fruit and vegetable packers are assigned higher preference ratings for material and machinery under Amendment No. 1 to Preference Rating Order P-115, issued June 23 by the Director of Industry Operations. The amendment will aid approximately 3,000 canneries to pack the 1942 fruit and vegetable pack, which is expected to be approximately 15 percent larger than that in 1941.

The rating for materials for repairs, maintenance and operation is raised from A-3 in the original order to A-1-1.

** Civilian apricot pack cut another 10 percent **

In order to make apricots available for Lend-Lease purposes without allocating additional tinplate, an additional 10 percent reduction in the civilian apricot pack was ordered by the Director of Industry Operations June 22.

This is accomplished by Amendment No. 3 to Conservation Order M-81, reducing the permitted civilian pack for 1942 from 75 percent to 65 percent of the 1940 pack.

DYNAMIC NAMES

The Douglas Aircraft Corporation, of Santa Monica, Calif., reported to War Production Drive Headquarters that it had offered prizes for the best names for planes it is building for the Army. Among the names suggested for bombers were: Scorpion, Dingo, Diablo, Banshee, Guardsmen, Bolo, Dragon, and Dominator. Prize winners will get additional prizes if the Army adopts their names.

** Restrictions on copper and brass ironed out **

Restrictions governing the use of copper and brass in certain civilian products were revised by an amendment to Conservation Order M-9-c announced June 20 by the Director of Industry Operations.

Permission is granted to attach and use zippers, snappers, fasteners and other copper and brass clothing findings, though none may be manufactured.

Other effects of the amendment are:
1. Watches and clocks may be assembled from parts completed prior to June 15, 1945 into cases not containing brass or copper.
2. The prohibition on use of copper and brass in manufacture of bells is lifted, under certain circumstances, to permit such use for conducting electricity.
3. The prohibition on use of copper or brass in radio manufacture is lifted to permit manufacture of replacement vacuum tubes and various special types of radio apparatus under certain circumstances.

800 new gas wells in three States authorized

Threatened curtailment of war production and essential civilian activities in Missouri, Kansas, and Oklahoma because of lack of sufficient natural gas has been averted through modification of existing conservation laws, announced June 20 by the Director of Industry Operation. Approximately 800 new wells will be allowed.

Supplementary Order M-68-2, issued by the Division, provides that in Missouri and in certain areas of Kansas and Oklahoma, the size of the unit required before drilling, completing, or providing additions to any well can be carried out will be sharply reduced from the original minimum of 640 acres. Necessary material for such work may now be obtained if the unit is 40 acres or more.

New version of laundry, cleaning equipment order issued

A reissue of General Limitation Order L-91, as amended to June 22, was announced June 23 by the Director of Industry Operations. This is the order which controls the production and distribution of laundry and dry cleaning equipment and tailors’ pressing machines.

Further changes made

The new version embodies the terms of previous amendments and itself makes certain further changes. Principal among these are the requirements that distributors, as well as manufacturers, must file monthly reports of orders, production, and shipments on Form PD-418, and the addition to the list of deliveries authorized by paragraph (b) (I) of shipments to fill orders for bagloading or other ordnance plants where the hazard is such that the machinery has been specified as necessary by the Army or Navy.

Another change adds vessels constructed for the U. S. Navy to the list of those entitled to receive the equipment controlled by L-91. Attached to the amended order is List A, naming the types of machinery covered by the order.

** War rejects of olive drab wool waste may be used for civilians **

Olive drab wool waste remnants, ends, seconds or rejects more than 1 1/4 yards long may be sold or used for civilian garments if the Army or Navy, having been offered them, rejects them. This is provided for in Amendment No. 2 to General Preference Order M-87 issued June 22. The same applies to blankets made from remnants, ends, seconds or rejects of any length.

The amendment also changes the word “wool” to “wool fiber” to make clear that the wool referred to in the order means any wool fiber rather than only new wool.

** DYE QUOTA INCREASES **

More of the better dyes will become available for civilian use during the third quarter of 1942 as a result of an amendment to Conservation Order M-103 issued June 26. The amendment provides civilian quotas for antrazinone dyes for July 1 to September 30 at the rate of 70 percent of their use in 1941. The current quarter’s quota is at the rate of 50 percent of last year’s use.
Chemical producers are permitted to build up inventories of coal and coke by Amendment No. 2 to Preference Rating Order P-89, issued June 24 by the Director of Industry Operations. The action was taken as part of a Nation-wide drive to encourage the accumulation of fuel stocks in anticipation of shortages expected to be caused next winter by war demands on transportation facilities.

Amendment No. 2 also makes the order, and all amendments to the order, effective until revoked.

Order P-89 assigns preference ratings to chemical producers for repair, operating, and maintenance supplies. Amendment No. 2 removes the restrictions on inventories of coal and coke in conformity with General Inventory Order M-97, which permits any person to deliver or accept any amount of coal or coke, even though such delivery may be in conflict with other WPB orders, including General Priority Regulation No. 1.

**All large stocks of canned beef set aside for armed forces**

All large stocks of imported canned beef in the United States were frozen June 22 and made available to the armed forces.

Under order M-172 all stocks held by any person in excess of 5,000 pounds in any one place, in contiguous places, or in transit in the United States are required to be set aside for 90 days under allocation to the armed forces.

In addition, all stocks of canned beef in transit from abroad also must be set aside for the Government upon arrival at U.S. Ports, unless imported by a Government agency or under General Import Order M-63. Beginning July 2, 1942, all imports of canned beef will be licensed under M-63. It is likely that such licenses will be limited to importations for the armed forces.

Any person having a stock to be set aside must file a report with WPB on Form PD-555 by July 22.

**DENTAL BUR TYPES LIMITED**

The War Production Board on June 25 ordered a reduction in types and sizes of dental drills to increase production of necessary types. This action, which will reduce the present number of types and sizes by about 50 percent, is embodied in Schedule I to Limitation Order L-139.

### PRIORITY ACTIONS *From June 17 Through June 24*

<table>
<thead>
<tr>
<th>Subject</th>
<th>Order No.</th>
<th>Related form</th>
<th>Issued</th>
<th>Expired date</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air conditioning machinery and equipment: (Industrial and commercial refrigeration): a. Manufacturers and distributors afford some relief from provisions of L-38.</td>
<td>L-38 (Amend. 1)</td>
<td>PD-520</td>
<td>6-19-42</td>
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<tr>
<td>Aircraft products (Material entering into the production of): a. Amended to permit suppliers who are not required by Rev. 16 to come under R-P to extend ratings for purpose of filling purchase orders of producers rated under L-109 and P-109-a, even after the orders have expired. b. Amended with P-109-a.</td>
<td>P-109 as amend. 6-14-42 (Amend. 2)</td>
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<td>A-4-1</td>
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<tr>
<td>Curb lited on coal and coke inventories</td>
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<tr>
<td>Chemical producers are permitted to build up inventories of coal and coke by Amendment No. 2 to Preference Rating Order P-89, issued June 24 by the Director of Industry Operations. The action was taken as part of a Nation-wide drive to encourage the accumulation of fuel stocks in anticipation of shortages expected to be caused next winter by war demands on transportation facilities.</td>
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*Victory* June 30, 1942
June 30, 1942

More wooden beehives allowed under modified farm order

Beekeepers of the United States, called upon by the Government to increase honey production to assist in offsetting shortages of sugar and beeswax, will benefit by the terms of an amendment to the farm machinery and equipment order, announced June 22 by the Director of Industry Operations.

Amendment 4 to Limitation Order L-26 authorizes a substantial increase in the output of wooden beehives. Previously permitted production of all beekeepers' supplies was 100 percent of 1940 output. This is now altered to allow manufacture of 133 percent of the hives produced during the base period, provided those to be made are of wooden construction. Production of metal hives is still subject to the terms of the original order.

Another provision of the amendment permits the production of belt-driven, but not electric, irrigation turbine pumps of 1,200 gallons per minute capacity, and larger, in sufficient quantities to fill orders rated A-3 or better. Previously, production of any turbine pumps of these sizes was prohibited.

High rating assigned cloth for the American flag, and others

To encourage display of the American flag, the WPB June 27 issued an order (M-166) granting a preference rating of A-2 to purchase orders by flag manufacturers for certain cotton and rayon fabrics to be used in the manufacture of flags.

The preference rating assigned by the order applies not only to cloth for the manufacture of American flags but also to cloth for many others.

The following types of cotton fabrics are made available by the order for flags:
1. Cotton, mercerized bunting manufactured according to Federal specifications;
2. cotton scrim, 40 inches wide, 32 by 32 construction, 2.70 yds. per pound;
3. cotton sheeting, 40 inches wide, 44 by 44 construction, 3.25 yds. per pound;
4. cotton print cloth, 38 1/2 inches wide, 64 by 60 construction, 5.35 yds. per pound.

Rayon fabric made available for flags are: 1 Rayon taffeta, 30 inches wide, 110 by 60 construction, made with 150 denier viscose or cuprammonium bright rayon yard; 2. rayon taffeta, 40 inches wide, 120 by 68 construction, made with 120 denier acetate rayon yard.

Noncritical building materials lifted from L-63 curb

A large group of slow-moving, noncritical building materials is specifically released from the restrictions imposed by Suppliers' Inventory Limitation Order L-63, under the terms of Exemption No. 5 to the order, issued June 23 by the Division of Industry Operations.

Dealers holding stocks of the following materials need no longer include them in the records and reports called for by L-63, although they remain subject to the inventory restrictions of Priorities Regulation No. 1:
Portland and natural cement, lime, gypsum and gypsum products, bituminous roofing materials, concrete pipe, cut stone, sand gravel, crushed stone, clay products, insulating board, acoustical materials, mineral wool, paving materials, concrete products, glass, lumber, wooden millwork.

WPB asks fewer furniturefairst

The War Production Board on June 23 asked the furniture industry to hold only one instead of four markets each year to reduce unnecessary travel.

Compliance branch begins audits under PRP

Continuous audit of a large segment of American industry will be inaugurated by the War Production Board on July 1, when the compliance branch will commence successive surveys of the records of manufacturers operating under the Production Requirements Plan.

Some 9,000 companies have elected to take advantage of PRP since the establishment last December of this over-all method of extending priority assistance. Beginning July 1, it is expected that this number will be doubled as a consequence of the mandatory provisions of Priorities Regulation No. 11, which requires that all manufacturing users of metals in excess of $5,000 worth per calendar quarter invest in PRP applications not later than June 30.

WPB's compliance branch has enlisted the aid of the field investigation staff of the Wage and Hour Division of the Department of Labor in its program. Field work will be directed by the eight regional compliance chiefs, and accountants' reports of audits will be reviewed by analysts on their staffs.

PRIORITY REGULATIONS

<table>
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<tr>
<th>Subject</th>
<th>Order No.</th>
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<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>Rubber and products and material of which rubber is a component:</td>
<td>M-19-b Amend. 10.</td>
<td>L-138</td>
<td>6-19-42</td>
<td>A-1-e.</td>
<td></td>
</tr>
<tr>
<td>a. Prohibits importation of rubber and rubber products including balatas, except by subsidiaries of the RFC.</td>
<td>M-81 Amend. 3.</td>
<td>L-63 Amendment No. 6.</td>
<td>6-22-42</td>
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</tr>
<tr>
<td>Sanitary belts and supports:</td>
<td>E-1-e.</td>
<td>E-1-b 1st.</td>
<td>6-11-42</td>
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<tr>
<td>a. Use of elastic fabrics in the man. of sanitary belts and supports is restricted.</td>
<td>P-46 Amend. to 3-20-42</td>
<td>Est. 1960 Amendment L.</td>
<td>6-22-42</td>
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<tr>
<td>a. Assigns preference rating for utility extensions to housing projects.</td>
<td>M-57 Amend. 2.</td>
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<td>Tinplate and tinned plate:</td>
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<tr>
<td>a. Additional 10 percent reduction in civilian apricot pack ordered.</td>
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<td>Viscose:</td>
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<tr>
<td>a. Melting and delivery of any amount over 10 pounds per month placed under complete control.</td>
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<tr>
<td>Wool (O. D. clips, O. D. wool rags and O. D. wool waste):</td>
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<tr>
<td>a. Provides for sale of garments which Army and Navy reject.</td>
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</table>

Prior Reg. No. 11
Amend. 1. Operators of metal mills partially excluded from use of the PRP. Metal mills which do not buy more than $5,000 worth of metal in a quarter for processing into forms not included in the metal list of Priorities Reg. No. 11, and for maintenance and repair are not required to apply under the PRP, but may continue to receive and extend ratings as they have in the past.

Prior Reg. No. 11
Amend. 2. Amended to clarify the interim procedure to be followed by companies which have not yet received a PRP certificate; and also to redefine the permissible use of ratings by companies already operating under PRP.

Subject Number

Field investigation staff of the Wage and Hour Division of the Department of Labor in its program.
Utility extensions to war housing units get same preference ratings as projects

The WPB acted June 24 to expedite the extension of utility services, such as electricity, gas and water, to thousands of war housing units throughout the country.

Approval of applications decentralized

Under an amendment to P-46, utility extensions to housing projects are assigned the same preference ratings as are assigned to the housing projects themselves. Herefore extensions to housing projects were specifically excluded from the automatic rating assigned by P-46. In order to facilitate the use of the preference rating, new procedures have been developed under which utility applications for housing extensions will be reviewed in the field and will be processed simultaneously with the housing project application.

Strict standards for use of materials

Materials needed for such extensions will be made available as far as possible from the inventories of the utility companies themselves. A catalog listing excess stocks has been compiled by the WPB power branch and has been sent to all utilities. To make certain that these materials will go as far as possible, the power branch has prepared strict standards for the use of scarce materials.

The new plan has been worked out by the power branch of the WPB in collaboration with the Board's housing priority branch and Federal housing agencies. Utilities are being instructed in the new procedure by an administrative letter from the WPB power branch. Local offices of the FHA will be able to give full details to private builders in 2 or 3 days.

Other changes in the June 24 amendment and extension to P-46 include:

1. Utilities in Canada are brought under the terms of P-46, formalizing arrangements previously worked out by WPB with the Department of Munitions and Supply in Ottawa.

2. Material required for utility extensions to all projects rated A-5 or better is assigned the same rating as is assigned to the project itself.

3. An A-5 rating is assigned to material required by utilities for protection against air raids, provided such protection is directed by an authorized Federal or State agency.

Order extended to September 30

4. After July 1, 1942, a preference rating of A-1-c is assigned to deliveries of material required for repair of an actual breakdown of existing utility facilities or required to make reasonable advance provision for such repair. The amount of material that may be acquired under an A-1-c rating is restricted.

5. Automatic approval of 250-foot extensions formerly permitted, is changed to apply only to projects if (1) the buildings affected are wired or piped and ready for service by July 1, 1942, or (2) in the case of new construction, foundations are completed prior to July 1. After July 1, no extension of any length can be made without special WPB approval.

6. The order, which was to have expired June 30, 1942, has been extended to September 30, 1942.

Industry takes steps to push production of heat exchangers

Steps were taken June 25 by the newly organized heat exchanger industry advisory committee to seek facilities capable of producing $200,000,000 worth of heat exchangers needed in the war program before July 1, 1943.

Critically needed

During 1941 the industry, comprising 53 companies, produced heat exchangers valued at $80,000,000. It is estimated that present facilities can produce only about $80,000,000 worth in the required time, leaving a deficit of approximately $120,000,000.

Heat exchangers—condensers, coolers, feed water heaters and other such equipment—are critically needed for the manufacture of chemicals for explosives, synthetic rubber, aviation gasoline and other petroleum products and for land and ship power plants.

William K. Frank was Government presiding officer at the meeting. James B. Forbes, on leave as district sales manager for heat exchangers of the American Locomotive Co., of Chicago, has been appointed chief of the recently organized heat exchanger and equipment section of the WPB.

Pulp and paper policies to be explained at general meetings

The pulp and paper branch of the WPB June 24 announced that two general meetings were to be held this week to inform the industry of the policies and the work of the branch.

One meeting was scheduled July 1, in New York City, and the second on July 2, at Chicago.

Motion picture producers tell of plans to save critical items

Motion picture producers advised the WPB at an industry advisory committee meeting in Washington June 23 of measures it is taking to save critical materials in the production of motion pictures.

Conservation efforts have been directed chiefly toward reducing the amount of film used by elimination of waste and revision of certain technical practices, and reducing the quantity of materials used in the construction of sets.

The same chemicals that go into the production of films also go into the manufacture of munitions. A WPB representative told the committee that the situation is regarded to some of the chemicals used in films will become even tighter than at present, calling for utmost conservation on the part of producers.

Production of heavy truck trailers halted except for war

The WPB has ordered a halt to production, effective July 1, of commercial-type truck trailers for nonmilitary use.

After the end of this month, no manufacturer will be permitted to produce any truck trailers having a load-carrying capacity of 10,000 pounds or more, except for the Army and Navy, certain designated Government agencies, governments of the United Nations and for deliveries under the Lease-Lend Act.

Buses removed from L-1 series

The stop-production order covering commercial-type truck trailers is contained in Supplementary Limitation Order L-1-g, which also removes buses from the terms of orders in the L-1 series. Buses are now covered by General Limitation Order L-101, which is administered by WPB's transportation equipment branch. Order L-101 was issued May 21, and the transfer of buses from orders in the L-1 series is simply a formality.

1,957 vehicles released in week

The automotive branch announced June 22 that during the week ended June 20, it released 1,957 trucks, truck trailers and miscellaneous vehicles to civilian users and holders of Government exemption permits.
Restrictions on paper and ilmenite inventories lifted

Paper, paperboard, paper products, waste paper, and ilmenite, which is a source of titanium pigments, have been removed from the inventory restrictions of Priorities Regulation No. 1 and all other WPB orders by amendments to General Inventory Order M-161, issued June 26 by the Director of Industry Operations.

The action on paper and paper products was taken to permit building up inventories in anticipation of a transportation shortage next fall and winter.

Restrictions on ilmenite are unnecessary because the National Lead Company's new development at Tahawus, New York, is expected to produce all that is needed in the United States.

Curb in two petroleum orders doesn't apply to Canadian firms

Two orders providing for conservation of materials in the production and marketing of petroleum and petroleum products were amended June 25 by the Director of Industry Operations to restrict their application to the United States, its territories and possessions.

This action was taken to make it clear that the restrictions continued in orders M-68 and M-68c do not apply to Canadian oil companies to which priority assistance has been extended by a recent amendment to Preference Rating Order P-98. Application of the ratings by Canadian companies will be subject to Canadian government restrictions.

Monthly clove quotas raised

Monthly clove quotas for food processors, manufacturers of medicines and clove packers June 25 were increased by one-third, and for other manufacturers and wholesale receivers they were doubled.

The increases, which are the result of larger supplies of cloves built up by greater imports during recent months, are granted by Amendment No. 1 to Supplementary Order M-127-a.

Under the amendment, the new quota for any industrial receiver is 100 percent of the average monthly amount of cloves he used in the corresponding quarter of 1941.

New industry advisory committees

The Bureau of Industry Advisory Committees, WPB, has announced the formation of the following new industry advisory committees:

**FIBER DRUM INDUSTRY**


Members:

- R. C. Carlson, Emery-Carpenter Container Co., Cincinnati, Ohio. 
- E. M. Gross, Carpenter Container Corporation, Brooklyn, N. Y. 

**FIN COIL & COOLER INDUSTRY**

Government presiding officer—A. H. Baer, air conditioning and commercial refrigeration branch.

Members:

- R. C. Colman, vice president, McGay Inc., Minneapolis, Minn. 
- B. E. James, York Ice Machinery Corporation, York, Pa. 
- C. Z. Klopisch, general manager, Wolverine Tube Division, Calumet & Hecla Consolidated Copper Co., Detroit, Mich. 

**HEAT EXCHANGER INDUSTRY**

Government presiding officer—William K. Frank, chief, resources protection board.

Members:

- W. C. Beekeley, vice president, Whittlock Manufacturing Co., Hartford, Conn. 
- H. M. Corcoran, division manager, Agra Products Division, American Locomotive Co., New York, N. Y. 
- J. A. Coy, president, J. A. Coy Co., Tulsa, Okla. 
- J. A. Currier, vice president, Ross Heater & Manufacturing Division, American Radiator & Standard Sanitary Co., Buffalo, N. Y. 
- C. H. Latial, vice president, Southwestern Engineering Co., Los Angeles, Calif. 

**LIVESTOCK EQUIPMENT MANUFACTURERS INDUSTRY**

Government presiding officer—William R. Tracy, chief, farm machinery and equipment branch.

Members:

- J. B. Clay, Clay Equipment Corporation, Cedar Falls, Iowa.

**POWER CRANE AND SHOVEL INDUSTRY**

Government presiding officer—Joseph F. Ryan, chief of the construction machinery branch.


**ZINC PRODUCERS INDUSTRY**

Government presiding officer—George H. Heikes, chief of the zinc branch.

TRANSPORTATION...

Motor transport units would move troops, civilians in emergency, under joint plan

The Office of Civilian Defense and the Office of Defense Transportation are cooperating in a plan for the organization of motor transport units in various parts of the country to facilitate the movement of troops and civilians in event of emergency, it was announced June 24.

24 trucks in a unit

ODT has sent letters to the large transportation companies explaining the purposes of the plan. Each letter was accompanied by an application blank and tables of organization for use of companies desiring to participate.

Each unit would consist of 24 trucks or buses capable of transporting 40 passengers each. Depending on local conditions, each unit also may include a five-passenger automobile, a service truck, a tank truck, and a light pick-up truck.

The letter sent out to the transportation companies states:

The primary function of the motor transport units will be to serve the needs, if they should arise, of the War Department for the movement of troops and of the Office of Civilian Defense for evacuation or other civilian protection purposes. The Office of Defense Transportation, through its local offices, will exercise control over allotment or assignment of such motor transport units.

To be paid for actual use

The plan is based on an agreement among the War Department, the Navy Department, the ODT, and the OCD. Motor transport units already organized or in the process of being organized under the auspices of military or other authorities are expected to be incorporated into the new program.

Companies joining in the program will be compensated by the Federal Government to the extent their equipment actually is used in emergency transportation. The companies themselves will be expected to bear the cost of organizing the units and training personnel.

A representative of the OCD will assist the companies in perfecting organization of the units. It also is expected that a representative of each company will have the opportunity to attend a training course sponsored by the OCD.

Voluntary plans for saving milk trucks, tires cleared by ODT and Justice

Several voluntary plans for the conservation of milk trucks and tires have been cleared by the ODT, and the Department of Justice.

Estimated mileage reductions in several of the plans went beyond the 25 per cent—required by General ODT No. 6, which also prohibits special deliveries, call backs, and more than one delivery a day to the same person.

Cities or areas affected and the number of dealers involved in plans thus far approved include:

Washington, D. C., six dealers; Indianapolis, Ind., 19 dealers; Luzerne, Lackawanna and Susquehanna Counties, Pennsylvania, 38 dealers; Detroit, Mich., 15 dealers; Madison, Wis., six dealers; Flint, Mich., nine dealers; New York-New Jersey Metropolitan District, 97 dealers, and Niagara Frontier Milk Distributors, representing 51 dealers in and around Buffalo, New York.

“Frustrated” freight may be moved from U. S. ports at once under general order

Defense Transportation Director Eastman, June 27 issued a general order which makes it possible for ODT to remove from United States ports any freight cargo when necessary to assure expeditious movement of troops and war materials.

The order (General Order No. 12) makes it possible to relieve certain ports of cargoes on hand, or in storage, many of which were destined for foreign ports at about the time of enemy occupation of those ports.

Issuance of the order does not imply that there exists any serious port congestion, ODT officials said. The fact remains, they added, that certain of this so-called “frustrated” freight occupies needed cars, ground, and warehouse space while it awaits final disposition.

“KEEP ‘EM ROLLING” DRIVE LAUNCHED BY ODT

With “Keep ‘em Rolling” as the rallying call, the ODT has launched one of its major campaigns—organization of a U. S. Truck Conservation Corps designed to assure the continued and uninterrupted flow of the material of war and the necessities of civilian life.

A booklet entitled, “America’s Trucks—Keep ‘em Rolling,” has been prepared by the vehicle maintenance section of the division of motor transport explaining in detail the basic rules which should be followed by every truck operator and maintenance man during the emergency.

APPEAL BOARD NAMED

The ODT June 22 announced the appointment of another local appeal board to pass on appeals taken by persons who have been refused permission by ODT local allocation officers to purchase new trucks.

The new board will serve District No. 7—Tennessee, Kentucky, and Mississippi—with headquarters at Nashville, Tenn.

Personnel of three more local appeal boards was announced June 24 by the ODT.

Areas they will serve follow:

District No. 10—Nebraska, Kansas, Iowa, and Missouri; headquarters at Kansas City, Mo.

District No. 13—Wyoming, Colorado, and New Mexico; headquarters at Denver, Colo.

District No. 16—Southern California and Arizona; headquarters at Los Angeles, Calif.

STAFF APPOINTMENTS

Four appointments to the staff of the division of railway transport were announced June 23 by ODT Director Eastman.

C. T. Kenney, of Cedar Rapids, Iowa, was made supervisor of rail terminals at Seattle, Wash.

William E. Curley, of Chicago, was named supervisor of rail terminals at Chicago. Shannon Kuhn, of Cleveland, Ohio, was named locomotive assistant in the mechanical section to specialize in locomotive repair problems.

Frank J. Swanson, of Oak Park, Ill., was named service representative in the mechanical section, and will visit car builders and railway shops to aid in facilitating car building and repair.
Labor policy committee set up to help formulate price, rent, rationing policies

Creation of a labor policy committee in the OPA composed of representatives of the AFL, the CIO, and the Railway Labor Organizations was announced June 27 by Administrator Henderson.

Composed of three members from each of the labor groups, the committee will work with Mr. Henderson and other OPA officials in the formulation of price, rent, and rationing polices of interest to labor. The first meeting of the committee was held on June 25, and was devoted to an introductory discussion of OPA problems.

Committee members

Members of the committee include:

AFL—E. M. Ornburn, secretary-treasurer of the Union Label Trades Department; Frank P. Fenton, director of organization; and Boris Shiskin, economist.

CIO—Emil Rieve, president of the Textile Workers Union; Sherman Dalrymple, president of the United Rubber Workers; and Joseph Curran, president of the National Maritime Union. All three CIO members are vice presidents of the parent organization.

RAILWAY LABOR ORGANIZATIONS—T. C. Cashen, chairman, Railway Labor Executives Association; J. G. Luhhnen, executive secretary, Railway Labor Executives Association; and Martin H. Miller, national legislative representative of the Brotherhood of Railroad Trainmen.

"We look forward to a relationship of great importance to the OPA program," Mr. Henderson said. "Organized labor has a lot to contribute to the protection of the consumer interests and living standards during this period of decreasing consumer goods production. It won't be an easy job. I am glad to have this opportunity to deal directly with organized labor on all matters in which we have a joint interest. I hope that as a result of this relationship we shall not only be able to protect workers' interests as consumers but also to preserve and extend the legitimate aspirations of trade unionism."

The new committee will be assisted in carrying on its work by the staff of the recently established Labor Office in OPA and by staff members of the three organizations represented.

Separate order for toys coming

A maximum price regulation setting the top prices at which all toys and games may be sold will be issued soon, Price Administrator Henderson announced June 26.

RATIONALING . . .

New gas plan opening shifted to July 22; OCD enlists in drive to form car clubs

The Office of Price Administration last week postponed until July 22 the date for the inauguration of the permanent gasoline rationing system on the Atlantic Seaboard to give motorists an additional week to form car-sharing clubs as the Office of Civilian Defense offered its facilities to bring automobile owners together.

At the same time OPA shifted the registration dates for obtaining basic "A" books for motor cars, "D" books for motorcycles and other special books to July 9, 10, and 11 in the public schools.

Holders of the present "A," "B-1," "B-2," and "B-3" cards were allotted an additional ration of gasoline to get them through to July 22.

Coupon good for 4 gallons

Announcement of the regulations under which the permanent system will operate disclosed that each coupon in the new books will be valued at 4 gallons each but will be subject to change as the Eastern oil supply ebbs and flows. Every automobile owner is entitled to an "A" card regardless of his driving needs. It carries 48 coupons or enough to allow 2,880 miles of driving annually on the basis of 16 miles to the gallon. Eighteen hundred miles of this is earmarked for occupational use and the remaining 1,089 miles for miscellaneous household use.

Extra rations for car-poolers

To obtain a supplementary "B" or "C" book, the motorists must prove that his driving needs are in excess of 1,800 miles annually and that he is carrying three or more persons to work as a member of a car-sharing club; or that he has tried to form such a club and failed and that there are no adequate means of public transportation open to him. If he meets these requirements, he will be given additional rations tailored to fit his exact needs.

Local defense councils asked to help

James M. Landis, director of OCD, tendered the service of the 3,000 local defense councils in the rationed area in the campaign to form car-sharing clubs. Each council was asked to enlist service clubs, civic organizations and patriotic groups in matching up drivers with empty space in their cars and war workers in need of a ride. Business and factory executives will be urged to persuade employees living in the same neighborhood to ride together. District centers will be set up for the registration and organization of the clubs in every community.

War chiefs call for cooperation

To lend emphasis to his plan, Mr. Landis made public an open letter from Secretaries Stimson, Knox and Ikeks, War Production Chief Nelson, Price Administrator Henderson and Transportation Director Eastman calling on all motorists to get behind the effort in order to save gasoline and rubber.

"We ask you to give your fullest cooperation to this car-sharing plan," the letter said. "It becomes one more direct way in which you, every one of you, can help to win this war."

Gasoline dealers may favor certain classes of consumers if supply unequal to demand

Dealers whose gasoline supply is not sufficient to meet all consumer demands may give preference to cars of defense workers, trucks and ambulances under provisions of an amendment No. 6 to the emergency gasoline rationing regulations, announced June 24 by the OPA.

As a condition for showing preference to one or more of the classes of consumers mentioned in the order, a dealer will be required to post a notice of his intention to do so. The notice shall specify which class or classes of consumers are to be preferred. A copy of the notice must be mailed to the State OPA office in the State where the dealer's establishment is located.

The amendment, which revises a section of the regulations requiring that a dealer shall not discriminate among consumers legally entitled to gasoline, specifies that by "defense worker" is meant a worker (including an executive, technician or office worker) employed at (1) naval, military or hospital establishments; (2) public utilities plants, including establishments operating public transportation and communication systems; (3) plants engaged in the production of machines, munitions and other materials used in the war.
AGRICULTURE...

Dried fruit buying program for West Coast expected to encourage maximum output

The Department of Agriculture has announced the prices to be paid West Coast growers of dried peaches, apricots, pears, and apples in connection with the Department's program to encourage an adequate pack of dried fruits to meet the increasing demands of the armed forces, Lend-Lease shipments, and civilian consumers.

**AMA purchases to support prices**

The Department's dried fruit purchase program for the West Coast, announced June 9, provides that announced grower prices will be supported through purchases by the Agricultural Marketing Administration, and that processors would be requested to reserve a part of their 1942 pack for Government purchase.

Grower prices to be paid by the AMA for the four natural condition dried fruits will average, roughly, per ton: Peaches, $280, apricots, $340, pears, $220; and apples, $260. Rough average prices for the two other major dried fruits produced on the West Coast, announced earlier, are raisins, $105 per ton, and prunes, $135.

Processors will probably be requested to reserve the following percentages of their 1942 pack of each dried fruit for Government purchase: Apples and pears, 70 to 75 percent; peaches, 45 to 50 percent; apricots, 50 to 55 percent; and raisins and prunes, 40 to 45 percent. Definite percentages will be announced later.

With a capacity production of dried fruits needed this coming year, these grower prices are expected to encourage maximum output of the dried fruits, and also insure a proper relationship between the prices received by growers and processors. Purchases from processors will be made at prices in line with those received by growers plus a reasonable margin for handling, processing, packing and shipping.

**Over $154,404,000 in farm products bought in May**

Farm products costing more than $154,404,000 were bought in May by the U. S. Department of Agriculture under the general buying program for Lend-Lease and other needs, the Department reports.

**For Lend-Lease, other needs**

While this was less than April's high mark of $193,893,000, it was the second highest for any month since the program started March 15, 1941. The decline was attributed largely to seasonal factors.

Total value of all farm products bought for Lend-Lease shipment and other distribution needs for the 14 1/2-month period ending May 30 approximated $1,223,660,315.

During May, meat again led the list of commodities bought, although the volume dropped from previous totals. Particularly heavy purchases were made of canned and cured pork, frozen pork loin, lard, dried eggs, dry skim milk, cheese, dry beans, cornstarch, processed strawberries, and salad oil.

**Sugar studies to determine possible ration increase**

Further studies of the sugar situation to determine whether prospects for our future supplies will now make possible a moderate increase in the sugar ration, are being made by the OPA.

While final decision on any increase will depend principally upon prospects for shipments of sugar from Puerto Rico and Cuba during the coming 6 months, the decision will also be influenced by additional information which is now becoming available on actual distribution under rationing.

OPA officials stated flatly that the stocks of sugar now on hand in the United States, even though somewhat greater than they had been able to count on, do not themselves justify any increase in the ration. They declared that the invisible supply in the hands of consumers and others today is 50 percent less than a year ago; that stocks held by primary distributors are 20 percent below last year's, and that the total sugar stocks on hand in the country are one-third less than we had at this time in 1941.

**Farm labor problem will be more difficult next year than this, Wickard warns**

The problem of farm labor will be more difficult next year than this, although hardships have been faced in some areas this year, Secretary of Agriculture Claude R. Wickard warned in a radio broadcast June 19 on the National Farm and Home Hour.

"By then, farm machinery may be even more difficult to get than it is now and we will need more manpower to keep farm production high," he said. "At the same time the Army will need more men, and so will war factories. Then, we'll have to make good use of every lesson we learn this year."

Pointing out that labor problems are different in different areas, Mr. Wickard expressed the belief that, despite difficulties at some points, "most farmers can get by this year. In many sections plenty of help still is available. Average figures for the whole country show that there is enough farm labor to go around."

If insufficient first-class farm hands are to be found, the Secretary advised turning to other sources of help, such as farmers who have small farms and can spare some extra time, farm-bred boys who work in country towns and can give some time, older men who haven't been active lately but who can still get a lot of jobs done, farm women and girls, high-school and college boys, white collar workers willing to assist in farm work on their vacations, and women in land army organizations.

The Secretary also suggested higher wages might be necessary in areas where they remain low both as a means of getting more farm workers and to make for a sounder agriculture in the long run.

**Ice dealers get relief**

Steps to permit price adjustments to retail sellers of ice in certain areas—where a dealer is the sole practical source of ice and where continued operations at unprofitable ceiling figures would result in a cutting off of supplies—were provided June 26 by Price Administrator Leon Henderson in Amendment No. 2 to Maximum Price Regulation No. 154 (Ice). The new amendment was effective June 30.
War workers may become eligible for Grade II tires by new plan

An amendment to the tire rationing regulations that makes war workers eligible for third, fourth, and fifth line new tires under restrictive conditions and simultaneously provides a system designed to make each tire deliver the utmost in essential transportation was announced June 21 by Price Administrator Henderson.

Must present statement from plant committee

Amendment No. 16 to the Revised Tire Rationing Regulations sets up a procedure under which an employee of an establishment essential to the war effort and employing more than 100 workers must present to his local War Price and Rationing Board a statement from a committee set up in his own plant, showing that he needs tires and has agreed to make maximum use of them in carrying other employees to and from work.

The amendment also provides that a war worker whose eligibility is thus established may be granted a certificate to buy a new Grade II tire—third, fourth, and fifth lines fall within this classification—when the casings on his car are unfit for recapping. War workers heretofore have been eligible only for recapped casings or recapping services.

Effective July 15

To give all establishments affected by the plan time to set up the certifying committees and make arrangements for the requisite maximum use of cars, the amendment will not be put into effect until July 15.

The committee set up in a war production establishment will be required to certify to the local board that an applicant for a tire purchase certificate:

1. Is not a temporary or transient worker;
2. Has no other practicable means of transportation available to him; or that, using another means, he would have to spend more than one hour in getting to work or returning to his residence;
3. Resides at least two miles from his place of employment; and
4. Regularly carries with him at least three other workers of the establishment, none of whom lives less than two miles from his work. If the vehicle is of less than four-passenger capacity, the committee is required only to certify that it is used to capacity. Moreover, the committee may certify a vehicle whose driver is unable to get a full load because his residence is remote from that of others who might ride with him, or their working shifts do not coincide.

Solvents can be reclaimed 50 percent for further use, says salvage chief

Millions of gallons of valuable chemical solvents and oils which are now being discarded can be reclaimed for further production purposes, it was said June 23 by S. Donald Perlman, salvage director for the chemical and textile industries of the industrial salvage section of the Bureau of Industrial Conservation.

"Contacts and conferences with business firms engaged in the reclamation and recovery of commercial solvents," said Mr. Perlman, "indicate that they have facilities available for increasing by 50 to 75 percent the amount of solvent reclamation now going on in the country. Salvage of dirty, contaminated solvents so that they can be used again in industrial processes and channelled into war production is a problem to which every commercial user of solvents and oils should pay attention. We cannot afford to waste precious chemical resources."

NEW EQUATION TABLES grow out of the war. This is the second in a series of "FOTOFACS." Two-column mats are available for publication. Requests should be addressed to Distribution Section, Office of War Information, Washington, D.C.

In ordering, refer to V-43
Selective Service boards to segregate registrants into broad induction groups

Emphasizing that “the national interest requires that all calls to meet the manpower requirements of the armed forces be filled on schedule,” National Headquarters, Selective Service System, June 25 advised its agencies that insofar as is practical in meeting these calls local boards would segregate registrants into four broad categories from which men may be called for service.

New policy set up

The announcement by National Headquarters, made coincident with the signing by the President of the bill recently adopted by Congress which provides family allowances for dependents of enlisted men in the armed forces, sets up a new policy under which registrants will be selected for induction from categories in the following order:

Category 1. Registrants otherwise qualified for military service who have no bona fide financial dependents.  
Category 2. Registrants otherwise qualified for military service who have financial dependents other than wives or children mentioned in categories 3 or 4.  
Category 3. Registrants otherwise qualified for military service who have wives with whom they are maintaining a bona fide family relationship in their homes and who were married prior to December 8, 1941, and at a time when induction was not imminent.  
Category 4. Registrants otherwise qualified for military service who have wives and children, or children alone, with whom they maintain a bona fide family relationship in their homes who were married prior to December 8, 1941, and at a time when induction was not imminent.

While setting up the four broad categories, National Headquarters made it emphatic that they do not provide for the permanent deferment of men with dependents but rather provide the order in which registrants with dependents will be inducted. Local boards will continue to review the facts in the case of each individual, National Headquarters said, adding that in the selection of registrants for induction from any of the four categories the “full facts in each individual case shall be considered, and the local board, subject to the usual appeals, must judge whether or not there are sufficient unusual circumstances to justify a departure from the general rule of priority of induction.”

That wrist motion won’t be so important in cooking from now on, WPB remarks

The can opener will no longer be the most important utensil in American kitchens if the suggestions made by the Bureau of Industrial Conservation to save tin now used in cans are carried out on a Nation-wide scale. War production demands upon this critical metal already exceed prospective supply. Tin cans will not be entirely eliminated from the household scene, but there will be fewer of them, and they will be of larger, metal-saving sizes. Tin plate must be conserved for packing large quantities of fresh fruits and vegetables to be consumed by the fighting men of America’s Army and Navy.

Substitute containers urged

Food packers and processors and the manufacturers of containers in which food usually comes to the pantry shelf are being asked by the bureau to eliminate metal containers, especially tin cans. Paper, cardboard, corrugated paper containers, wooden boxes, pails, barrels and glass containers should be more generally used for holding and shipping foods. Certain products requiring metal containers but not necessarily tin surfacing to keep them from deteriorating, will be packed in unlimed black plate containers which will result from these conservation practices and there will be plenty of food to go around.

The bureau points out that the housewife will help conserve the Nation’s supply of tin by following these suggestions:

1. Order and eat perishable fruits and vegetables in season.
2. Make use of your cellar for storing foods that can be preserved in a dry, cool place for considerable periods of time. Take a leaf out of grandmother’s book and lay in a supply of apples, potatoes, pumpkin, squash, carrots, beets, cabbage, cauliflower, onions, pears, ripe peas, and beans.
3. Do your own home packing, making use of glass jars. Almost any food that comes in a tin can may also be packed by the housewife in a glass jar. An adequate supply of rubber sealing rings is assured for this purpose.
4. Use sun-cured, dried and dehydrated foods. Excellent dried foods can be prepared with dried apples, peaches, apricots, prunes, peppers, peas, and beans.
5. Plan to put up, store, and buy foods that can be successfully preserved in earthen crocks, wooden pails, and large glass jars. Such items are pickles, sauerkraut, olives, spiced and pickled fruits, and green tomatoes.

Alien Property Custodian seizes 750 more patents

The office of Leo T. Crowley, Alien Property Custodian, has seized an additional group of more than 750 enemy-owned patents and copyrights, among them about 200 patents of I. G. Farben-Industrie not previously vested. Included were patents owned by Japanese, Italians, and Hungarians. The patents cover an automatic drill and riveter for use in aircraft construction, a conveyor already widely used in American coal mines, certain processes in oil refining, and chemicals, including adrenalin compound and chlorinated rubber.

Vesting orders covered the seizure of control of the J. M. Lehmann Co., manufacturers of machinery used in the ink and paint industries. The seizure eliminated all barriers to immediate conversion of the company’s plant to war production.

Also seized was the interest of German nationals in the estate of Anna M. von Zedlitz, who organized a personal holding company to control about $2,500,000 of improved New York City real estate.

A new order by the Alien Property Custodian requires all persons claiming any interest in patents or patent applications now or formerly owned by nationals of designated foreign countries to report their interest, including any license agreement or claims of ownership, on Form AFC-2 by August 15, 1942.

WELL-KNOWN ARTISTS WILL DRAW FOR YOUR PAPER OR MAGAZINE

VICTORY PRESENTS, on facing page, a seventh group of 4 drawings by well-known American artists who have volunteered their talents to help emphasize, in their own medium, matters vital to winning the war. Victory will print four drawings by these and other artists each week. Permission to reprint is hereby granted. Mats in two-column size (larger than appears here) are available weekly. Requests to be put on the mailing list regularly, or for individual mats should be addressed to Distribution Section, Office of War Information, Washington, D. C.

(Individual orders for the four drawings displayed this week, please refer to the serial numbers printed on the drawings.)
"Not only a firebug, Sergeant—he uses GASOLINE."
—Drawn for Division of Information, O. E. M.

"Before I sell you this, I want to know if you are in this for patriotism or because you’re getting rich at it."
—Drawn for Division of Information, O. E. M.

"You'll have to come to it sooner or later, Mclein."
—Drawn for Division of Information, O. E. M.
U. S. speeds rubber-tapping equipment for other American republics

United States Government agencies in collaboration with the other Americas are planning for one of the biggest equipment tasks of the war—the outfitting of thousands of rubber tappers to collect wild rubber in the forests of South and Central America, according to information received from the office of the Coordinator of Inter-American Affairs. Excerpts follow:

Officials studying rubber equipment needs, for instance, estimate 100,000,000 tapping cups may be required. In addition, thousands of machetes will be required, also knives, shotguns, stoves, spouts, wringers, flies to sharpen tools and other paraphernalia.

Dr. Earl N. Bressman, director of the Agricultural Division of the Office of Inter-American Affairs, recently told a United States Senate Committee that a preliminary equipment order from Brazil included 5,000 tapping cups, 5,000 machetes, 10,000 files, 5,000 shotguns, 250,000 shotgun shells and 3,000,000 atebrine tablets for combating malaria. This order indicates the scope of the equipment task. Some 40,000 rubber tappers are estimated to be at work now in the Amazon basin. Officials hope to get another 20,000 equipped this year.

United States authorities hope to arrange for production in Brazil and other rubber-producing countries of much of the needed equipment. This will help relieve already overwhelming demand upon United States manufacturing industry, and at the same time, would help build the rubber industry in those countries.

The United States is giving financial and technical aid to rubber production in the other Americas. Agreements for purchase of rubber export surpluses already have been made with Brazil, Peru, and Nicaragua. Negotiations have been under way with other rubber-producing countries of the hemisphere.

The United States has agreed to contribute $5,000,000 toward rubber development in Brazil and $1,125,000 to Peru. Similar financial aid, it is indicated, may be forthcoming for other American republics joining in this vast rubber program. Aside from direct aid, additional millions of dollars are to go into health and sanitation projects to protect workers engaged in production of rubber and other strategic materials.

**INDEPENDENCE DAY**

The following statement concerning the July 4 holiday was made June 27 by WPB Chairman Nelson (quoted in part):

... on Independence Day this year we can pay proper honor to our freedom only by working in the defense of that freedom. Our soldiers on the battlefields of the world celebrate no holidays. We at home dare not have a July 4 holiday in war production...

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**WAR EFFORT INDICES**

**MANPOWER**

National labor force, April... 53,400,000
Unemployed, April... 3,900,000
Nonagricultural workers, April... 40,773,000
Percent increase since June 1940... 14
Farm employment, June 1, 1942... 11,917,000
Percent increase since June 1940... 1

**FINANCE**

(In millions of dollars)

<table>
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<tr>
<th>Program</th>
<th>Authorized</th>
<th>January 15, 1942</th>
<th>December 15, 1942</th>
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<tbody>
<tr>
<td>Airplanes</td>
<td>161,673</td>
<td>35,978</td>
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<tr>
<td>Ordnance</td>
<td>35,229</td>
<td>16,697</td>
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<tr>
<td>Industrial facilities, etc.</td>
<td>15,588</td>
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<td>Naval ships</td>
<td>7,465</td>
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<td>Merchant ships</td>
<td>4,851</td>
<td>Housing</td>
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<td>Food, feed, etc.</td>
<td>1,392</td>
<td>Miscellaneous</td>
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<tr>
<td>Industry</td>
<td>6,861</td>
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</table>

Total expenditures, June 1940-June 15, 1942... 64,762
Sales of War Bonds Cumulative May 1941-June 15, 1942... 63,324

**PLANT EXPANSION**

June 9 to latest reporting date

Gov. commitments for war plant expansion: 1,644 projects; April 30... 12,131
Private commitments for war plant expansion: 8,227 projects, May 31... 2,738

**EARNINGS, HOURS, AND COST OF LIVING**

<table>
<thead>
<tr>
<th>Manufacturing industries</th>
<th>Percent increase from June 1939</th>
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<tr>
<td>April</td>
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<tr>
<td>Average weekly earnings</td>
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<td>$36.63</td>
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<td>Average hours worked per week</td>
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<td>42.4</td>
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<td>Average hourly earnings</td>
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<td>81.9</td>
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<td>Cost of living (1933-39 = 100)</td>
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<tr>
<td>Index</td>
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<td>May 1942</td>
<td>116.9</td>
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<tr>
<td>June 2, 1942</td>
<td>115.9</td>
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</tbody>
</table>

*Preliminary. Includes revisions in former months.

**OFFICE FOR EMERGENCY MANAGEMENT**

WAYNE COT, Liaison Officer

CENTRAL ADMINISTRATIVE SERVICES: Dallas Bort, Director.
BOARD OF WAR COMMUNICATIONS: James Lawrence Fly, Chairman.
INFORMATION DIVISION: Robert W. Horton, Director.
NATIONAL WAR LABOR BOARD: Wm. H. Davis, Chairman.
OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, Director.
OFFICE OF CIVILIAN DEFENSE: James M. Landis, Director.
OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, Director.
OFFICE OF DEFENSE TRANSPORTATION: Joseph B. Eastman, Director.
OFFICE OF FACTS AND FIGURES: Archibald MacLeish, Director.
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WAR PRODUCTION BOARD: Donald M. Nelson, Chairman.

Donald M. Nelson, Chairman.
Executive Secretary, O. Lyle Belsley.
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PRODUCTION DIVISION: W. H. Harrison, Director.
MATERIALS DIVISION: A. I. Henderson, Director.
DIVISION OF INDUSTRIAL OPERATIONS: J. S. Knowlton, Director.
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