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*U.S. Council of National Defense*

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# DEFENSE

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Friday, Aug. 30, 1940

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# A MESSAGE FROM THE PRESIDENT

10/25/41

ORGANIZING our Nation-wide resources for the common defense of our democratic way of life is a responsibility shared by every person within our borders. We are not at war, but in these times only a strong and united nation can be assured of the safety of its institutions and the preservation of its ideals.

We have undertaken a broad program of national defense designed to prepare ourselves for any eventuality. A few of the activities involved in this program can be administered entirely or almost entirely by the Federal Government. Most of them, however, require the cooperation of officials of the States and localities. All aspects of our national-defense work must have the understanding and the loyalty of every official and every citizen in the country.

In establishing a Division of State and Local Cooperation, the Advisory Commission to the Council of National Defense has recognized the vital part that the State and local governments must play in our joint defense efforts. Through this Division the Commission will maintain a two-way channel of information and service between the Federal authorities and the State and local defense councils. This will not only facilitate the development of those parts of the defense program in which the State and local governments will participate but it will also provide an orderly and effective method by which private organizations and individuals may aid in preparing for our mutual protection against any danger from within or without.

The challenge confronting democracy today is a test of its ability to organize its inherent strength. I am confident that through the cooperation of our Federal, State, and local governments we shall meet that challenge.

*Franklin D. Roosevelt*

## COVER ILLUSTRATION

The Flying Fortress Boeing B-17  
Bombardment Airplane.  
U. S. Army photograph

# DEFENSE

OFFICIAL BULLETIN of the ADVISORY COMMISSION TO THE  
COUNCIL OF NATIONAL DEFENSE • Division of State and Local  
Cooperation.

Issued weekly to keep the members of the State and local defense councils advised as to progress of the defense program in Washington and in the States.

# National Defense Advisory Commission

WAR-TIME legislation of 1916 gave authority for the reestablishment of the National Council of Defense in May of this year. The Council is composed of the Secretaries of War, Navy, Interior, Agriculture, Commerce, and Labor and is charged by the National Defense Act (sec. 2 of the act of August 29, 1916, 39 Stat. 649) with responsibility for "the coordination of industries and resources for the national security and welfare."

On May 29, 1940, the Council adopted rules and regulations which provide that the Advisory Commission authorized by the same act shall be composed of advisors on industrial production, on industrial materials, on employment, on farm produce, on price stabilization, on transportation, and on consumer protection. The regulations state that: "Each of such advisors shall be in charge of and responsible to the Council for investigation, research, and coordination in his designated field." The President acts as chairman of the Commission; his Administrative Assistant, Mr. William H. McReynolds, is designated as Secretary and provides the facilitating administrative organization.

Nominations to the Advisory Commission were presented to the President by the Council of National Defense in June. The persons appointed were:

RALPH BUDD, *Transportation Division.*  
CHESTER DAVIS, *Agricultural Division.*  
MISS HARRIET ELLIOTT, *Division of Consumer Protection.*

LEON HENDERSON, *Division of Price Stabilization.*

SIDNEY HILLMAN, *Division of Labor Supply.*

WILLIAM S. KNUDSEN, *Production Division.*

EDWARD S. STETTINIUS, JR., *Raw Materials Division.*

The task of the Advisory Commission is the coordination and concentration of the country's resources for defense. Ordinary routines of Government are being streamlined to accomplish this purpose in record time. Potential "bottle necks" which may hinder production of essential materials are being discovered and recommendations made to the appropriate officials for action.

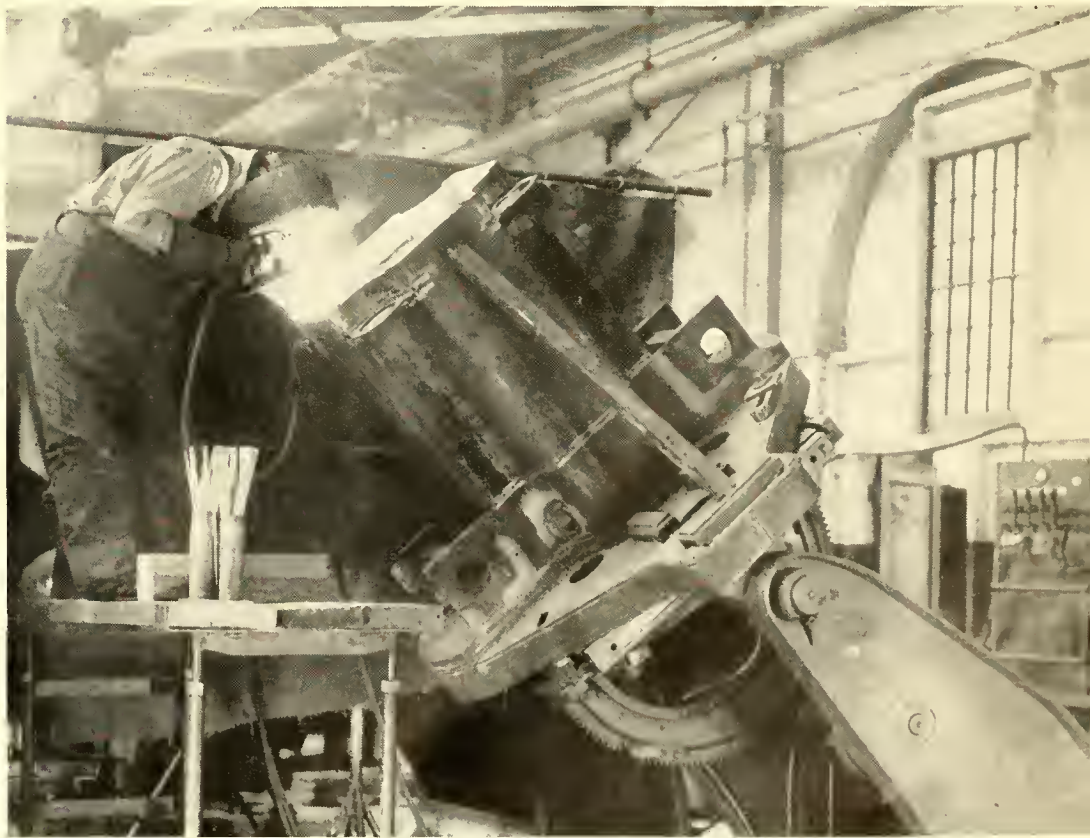
The functions of existing Government agencies are neither duplicated nor abridged. The Commission is not a large over-head administration but the Commissioners act as facilitators in specific fields relating to defense. Such fields may cut across several of the regular departments. Contracts are let by the accustomed department or agency but must first be cleared by Commissioner in Charge of Production to assure proper utilization of production machinery. Labor is employed by the departments or by con-

tractors, but Commissioner of Labor Supply brings together the agencies of Government and labor to insure an adequate supply and to plan ahead for training.

Areas between the seven Commissioners are not sharply demarked. Twice a week they meet to report to each other and to integrate defense policies. Once a week they meet with the President to make progress reports and discuss policies.

The Coordinator of Defense Purchasing Mr. Donald M. Nelson, is attached to the Commission and works very closely with the procurement agencies of the Government.

Special conferences between two or more Commissioners on common problems frequently result in pooling resources. When problems arise which cut across all divisions, special sections or bureaus are established to meet the need. To date, four have been set up.



Anti-Aircraft in the Making—Welding a Pedestal at the Watertown Arsenal.

*Bureau of Research and Statistics*—  
STACY MAY.

*Coordinator of Housing*—CHARLES F.  
PALMER.

*Division of State and Local Coopera-  
tion*—FRANK BANE.

*Division of Information*—ROBERT W.  
HORTON.

As a two-way interpretive group between Government and industry the Commissioners fill a unique role. Men who know the intimate operation of business and industry sit as officials of the Government in time of national emergency. Speaking the language of industry, they construe to Government the problems of industry in participating in the defense program and recommend policies to be adopted in dealing with situations which involve national defense.

The Commission has called to its services some of the best-known business, industrial, and labor leaders in the United States. These men serve as technical advisors and coordinators between the departments of Government and between

the departments and private industry. The functional fields now covered by their activities indicates the scope of their responsibilities.

#### AGRICULTURAL DIVISION

Production of farm products to meet the defense program; study the impact of the program on agriculture and use of the farm population in the program, seeking to maintain parity between agricultural and industrial prices; study the problem of surplus; negotiate exchange of agricultural supplies for strategic war materials.

#### CONSUMER PROTECTION

Study of program as it affects the consumer, and coordination of defense activities in field of health, welfare, and morale.

#### INDUSTRIAL MATERIALS

Insuring of adequate supplies of raw materials to meet requirements of defense program.

#### PRODUCTION

Facilitating the production of airplanes, engines, munitions, trucks, tractors, ships, and other material required in the defense program.

#### LABOR

Study of the various problems of labor in the defense program; attention to all industrial disputes which threaten defense production; study of the labor requirements of the program; planning and coordination of the several training programs.

#### PRICE STABILIZATION

Study of prices and recommendation of policies and procedures to prevent unwarranted rise.

#### TRANSPORTATION

Special studies of transportation problems, of existing facilities and anticipated needs in lake transportation, bus, trucks, short-line railroads, automobiles, pipe lines, barges, airways, and coordination of railroads to handle increased requirements.

## State and Local Cooperation

A Division of State and Local Cooperation with Frank Bane as Director was announced by the Advisory Commission on August 2, 1940.

The Division will serve as a channel of communication between the Advisory Commission and the State councils; will keep the State and local councils informed regarding the national-defense program; will keep the Advisory Commission advised of developments in the States; and will exchange information on defense problems between the several States.

The present emergency necessitates new national programs and changes in the scope and emphasis of existing programs. All of these activities flow from the Federal Government into State and local communities. In addition, activities are being initiated by State and local agencies which supplement the Federal program.

Constitutional and legal powers vital to total defense are distributed among Federal, State, and local governments. Each

has its own policies, programs, and administrative machinery. Full utilization of all of the powers of the several jurisdictions is essential for defense, and close integration is needed to secure maximum speed and efficiency.

Many defense activities will be executed cooperatively by Federal, State, and local governments. In some the Federal Government exercises substantial administrative control. In others Federal participation is limited to recommending minimum standards and furnishing administrative guidance. In still others, only cooperative working relationships will exist.

An important function of the Division will be that of assisting the Commissioners in obtaining the most effective participation of State and local governments in the execution of defense projects.

In addition to the agencies of Government, essential service to the Nation will be given by quasi-public organizations and private agencies representing labor, trade,

industry, the professions, and civic, religious, and fraternal bodies. Together with Government, these constitute the reservoir of knowledge, skill, power, and influence which should flow through organized machinery into group action. Evidence of their desire to participate is abundant.

Current information regarding objectives, policies, and programs will be sent to the State councils through the Division of State and Local Cooperation. State councils will forward to the Division information concerning progress in the States and offers of facilities, services, or ideas for defense which they think merit consideration in Washington and problems of adjustment or coordination requiring Federal attention.

Defense activities will flow through two main channels: An action channel connecting national, State, and local administrative agencies and a coordination and clearance channel connecting national, State, and local councils of defense.



# States on the Job

MOBILIZATION for the national defense by the States calls to service governmental organization which has its machinery in 48 States and in thousands of cities and counties. These are the points of contact between John Q. Citizen and his Government and the core of a democracy in time of emergency as well as in peaceful days. These maintain a channel through which a program for national security can bring the full strength of organized citizens into cooperation for a common objective.

Organization in a threatened emergency, such as the present one, is not only direct administration of a specified job. It involves putting our total governmental house in order so that it may absorb for us the shock of social and economic changes which world conditions make inevitable, regardless of the turn of military events. It necessitates analysis of all existing facilities and evaluation of them as potential resources for the defense program. It makes efficient operation of the ordinary processes of government doubly important that men and facilities may be released for special assignments without impairment of these services which insure the physical and social fitness of the people.

The departments of State government, first to feel the impact of the emergency problems, have initiated plans to put their organizations in shape for defense duties.

Department chiefs have been in Washington to confer with Federal departments for the purpose of securing a unified approach to problems and to streamline for maximum efficiency of operation.

Governors of most of the States have gone further and have taken steps to establish emergency organization for defense which will offer a channel through which all State officials will coordinate such of their activities as fall within the scope of a defense program and which will enable the Government to call to special service citizens who represent the great web of industrial labor, business, and civic organization.

A survey of facilities reveals that in the States, as in the National Government, the machinery of government is in better shape to assume the full load of its responsibilities than has ever been true in previous crises.

Even 25 years ago State governments were forced to rely almost entirely upon private organizations to carry out many of the services necessary to the prosecution of a war. Since then old-line departments have been reorganized and departments to meet new responsibilities have been organized, staffed, and put into operation. Leadership of these organized agencies of government will expedite defense planning and will furnish the essential framework for necessary new activities and for co-

ordination of the work, of all private organizations and individuals called to service.

Governors of 26 States have either established a State defense council or designated some State official to be responsible for the coordination of State and local defense activities.

When a great Federal Union mobilizes full strength of Nation, of State, of city, and of rural America—a national pattern of unity and common faith of millions of free citizens is assurance that democratic government has not meet its Armageddon.

## State Councils to Date

Arizona State Council of Defense.  
California State Council of Defense.  
Connecticut Council for National Defense.  
Delaware: State Administrator.  
Georgia Defense Committee.  
Indiana Governor's Emergency Defense Council.  
Kansas Council of Defense.  
Louisiana National Defense Committee.  
Maine: Military Defense Commission.  
Maryland Council of Defense and Resources.  
Massachusetts Committee on Public Safety.  
Michigan National Defense Council.  
Minnesota: State Defense Coordinator.  
Missouri: State Industrial Commission.  
Nevada State Defense Committee.  
N. H. State Defense Comm. on Ind. Coop.  
New Jersey Defense Council.  
New York State Council of National Defense.  
North Carolina: State Coordinator.  
Oklahoma Civilian Volunteer Defense Committee.  
South Carolina Defense Council.  
South Dakota: Adjutant General.  
Tenn. State Adv. Committee on Preparedness.  
Texas Governor's National Defense Committee.  
Virginia Defense Council.  
Washington State Defense Council.

# Civic Leaders Meet Consumer Adviser

RECOMMENDATIONS to Miss Harriet Elliott on the needs, activities, and problems of John and Mary Citizen were made by the leaders of 100 consumers' organizations.

They want to know price and quality of consumers' goods, they oppose lowering of standards, and they want a national program to prevent unwarranted increases in prices.

They want civic groups appointed for defense activities to represent *all*, without

discrimination because of class, color, or creed.

They want human needs of the civil population kept in the forefront in consideration by States, and Washington.

They want labor standards maintained.

They believe that health and welfare are an integral part of national defense.

They believe gaps in national defense include:

Low labor standards which threaten efficiency.

Low levels of health and nutrition which menace the vigor of the Nation.

Low housing standards which undermine family life.

Lack of understanding and participation in democracy, which menace democratic values.

Prejudices which menace national unity.

They will work for vigorous local ordinances for housing, health, and sanitation.

They will advise on nature and extent of civilian needs for medical service.

# A Friendly Act to the Friendly Alien

COOPERATION of State, local, and county officials in the huge task of registering 3½ million aliens was recommended by the Federal-State Conference on Law Enforcement.

The Alien Registration Act was passed by Congress as a part of the national defense program. In signing it, President Roosevelt said: "The Alien Registration Act of 1940 . . . should be interpreted and administered as a program designed not only for the protection of the country but also for the protection of the loyal aliens who are its guests. The registration . . . does not carry with it any stigma or implication of hostility toward those who, while they may not be citizens, are loyal to this country and its institutions. Most of the aliens in this country are people who came here because they believed and had faith in the principles of American democracy, and they are entitled to and must receive full protection of the law."

Solicitor General Francis Biddle adds: "We should remember that all Americans were at one time or another immigrants from other lands. The genius of many countries, the ancient aspirations of many races, have built what is America. . . ."

The Immigration and Naturalization Service asks for the cooperation of all citizens in carrying out the registration program in a friendly manner so that our large foreign population will not be antagonized.

The Director of Registration is Earl G. Harrison, under general supervision of Maj. L. B. Schofield, Special Assistant to the Attorney General.

Plans for the big job were discussed by Major Schofield, who said: "The actual registration will be handled by a trained staff of courteous, experienced postal employees who will be on duty during the full period of registration from August 27 to December 26, inclusive, in every first- and second-class post office and in the post office at every county seat. The alien will be required to go there and answer the questions. Adequate provisions will

be made for those who are infirm or bed-ridden or confined in institutions. The answers to the questions will be recorded by the postal employees on official forms. After they have been completed, the alien must sign his name and swear to the truth of his answers. His fingerprints will be made at that time. He will not be cross-examined by anyone at the post office, but he will be expected to answer all the questions accurately, completely, and truthfully.

"In due course everyone who registers will receive through the United States mail a registration receipt card. This card should be preserved carefully. Though the law does not require an alien to carry it with him, it does require every alien to register, and this card will be his evidence that he has done so.

"In order to make registration easier, specimen forms of the questionnaire with full instructions as to each question and how it should be answered will be available at the various post offices well before the first day of registration.

"A word about fingerprinting. Everyone should understand that there is no stigma of any kind attached to it. Hundreds of thousands of persons have had their fingerprints taken and recorded for identification purposes. It is simply a modern means of identification. It is the most accurate way to keep records straight and to identify them. Names may be changed; faces changed or even lifted;

signatures may be forged; but no two sets of fingerprints have ever matched. In the last war every man who served in the Army, the Navy, and the Marine Corps was fingerprinted. Thousands of people are voluntarily fingerprinted every year. All Federal civil-service workers, all postal-savings depositors, and many others are fingerprinted as a matter of course.

"The alien need not fear that the information he gives will be used by the Government to harass him, or will be available to others to annoy him or discriminate against him in any way. The law provides that the records shall be kept secret and confidential.

"May I direct a word especially to those of you who *are citizens* of the United States? You can be of great assistance in carrying out this phase of the defense program. Many of you have friends, relatives, or neighbors who are not citizens. You can be of particular assistance to those who are not familiar with our language, you can point out to your alien friends or acquaintances the necessity for them to register and can urge them to do so as soon as they can after the period of registration opens on August 27, so that there will not be a large last-minute rush when the period ends on December 26.

"Above all, you can make clear to your alien friends that registration is intended by the Government for the protection of aliens as well as for the protection of our country."



**ADDRESS REPORTS—Read Carefully**

The Alien Registration Act, 1940, requires all resident aliens to report each change of address within 5 days of such change. Other aliens, for example visitors, students, and others not admitted for permanent residence in the United States, must report their address every 3 months whether they change their address or not. Prepared forms for such address changes and reports may be obtained at any post office. A penalty of fine and imprisonment is provided by law for failure to make the required reports. Address letters and reports to the Alien Registration Division, Department of Justice, Washington, D. C.

When reporting: give both your number and name.

U. S. GOVERNMENT PRINTING OFFICE 16-15485

Alien Identification Card.

Form AR-5 Registration Number

**ALIEN REGISTRATION RECEIPT CARD**

UNITED STATES DEPARTMENT OF JUSTICE  
IMMIGRATION AND NATURALIZATION SERVICE  
ALIEN REGISTRATION DIVISION  
WASHINGTON, D. C.

To the Registrant

Your registration under the Alien Registration Act, 1940, has been received and given the number shown above your name. This card is your receipt, and is evidence only of such registration. In writing to the Department of Justice about yourself, always give the number on this card.

KEEP THIS CARD. Keep a record of the number.

Director of Registration.

# Federal-State Conference on Law Enforcement

LAW-ENFORCEMENT officials of the States and Nation discussed their problems in the field of national defense in a conference in Washington, August 5 and 6. Governors, attorneys general, representatives of the Department of Justice and of the Interstate Commission on Crime reached basic agreement as to their respective fields of operation and planned cooperation on major tasks:

*State officials.*—Review of State statutes to insure effective laws for defense and protection of civil rights; the Commission on Uniform Laws assisting in drafting acts; State and local primary responsibility for protection of civil liberties and prevention of mob violence.

*State law departments, Department of Justice, and the Joint Conference Committee.*—Continuing responsibility for research on law-enforcement problems relating to defense, and public education on national defense.

*The Federal Government.*—Analysis of foreign propaganda; preparation and distribution to States of preparedness information.

*The F. B. I.*—Investigation of sabotage, espionage, and sedition. Emphatic discouragement to counter-espionage activities by individuals or private groups.

*All agencies.*—Responsibility for prop-

erty protection. F. B. I. to aid by advice to plants with defense contracts; Army and Navy to safeguard military and naval plants; States to be mindful of light, water, power, and transportation facilities and to organize military units for home defense.

*Conference approval for*—Continuing and strengthening the Registration of Foreign Agents Act; registration of aliens; and emphasis on responsibility of local officials for contacting aliens to overcome their fears and spare them harassment and persecution.

*Conference recommendation for*—Nation-wide dissemination of American views and ideals through press, radio, and other channels; education on defense by civic groups; establishment of a State council of defense by Governor of each State; use of existing State agencies to extend appropriate State cooperation in law enforcement; and continuation of Joint Conference Committee on Law Enforcement Problems.

## Conference Quotes

*The President of the United States:*

“Such vital cooperation between the States and the Federal Government is highly gratifying, for national unity in our country is essential as well for the preser-

vation of democratic rights as for the defense of those rights. It is the heart of our problem, the test of our Americanism.”

*The Attorney General of the United States:*

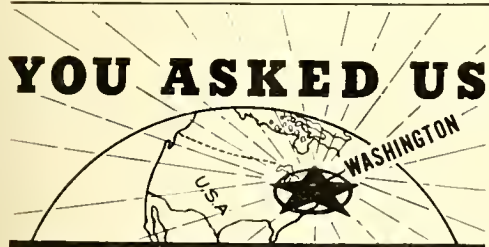
“Registration of aliens should be the basis for a broad program of Americanization, a program designed to win and keep their loyalty. Such a program would offer limitless opportunities for State and local participation to the end that the act of registration shall be the outward manifestation of a renewed faith in America.

“Law-enforcement officers of the Federal Government, the States, and the municipalities have a common interest, in keeping law enforcement out of the hands of ruffians and self-constituted groups who seek to take the law into their own hands.”

*J. Edgar Hoover, Director, Federal Bureau of Investigation:*

“Law enforcement in the United States is better prepared today than ever before to meet any challenges to our democratic standards. There will be no black-out of justice in this country.”

NOTE.—Conference proceedings may be obtained from The Joint Conference Committee, 522 Transportation Building, Washington, D. C.



Q. What about production of airplanes?

A. Present production is approximately 900 planes per month. By January 1 the number will have risen to 1,500 planes and will increase steadily thereafter. In January 56,800 people were employed in aircraft factories. Today the number is nearer 75,000.

Q. Are tanks being produced at this time?

A. Yes. One large company, for instance, has orders for 1,156 tanks and is

already producing at the rate of nearly 3 each day. Within 5 months this one plant will probably double this figure.

Q. Is small business getting any defense contracts?

A. Many of the smaller business firms are already getting orders. They are usually subcontractors under the main contract which is the one you see mentioned in the papers. When a big bomber is built, for example, the contract for the full cost is awarded to the general contractor. There are, however, 536 business firms participating in that single piece of construction. It is because they are seldom mentioned in connection with the general contract that people get the impression that no one but the big contractor gets any business.

Q. If a man thinks that his plant could make light tanks or, say, machine guns, how can he get a contract?

A. He should write to the Chief of Ordnance, War Department, Washington, who will give him the name of the Ordnance officer nearest to his plant.

Q. How does the Commission go about locating materials that are needed in large quantities?

A. The Army and Navy Munitions Board have had capable and outstanding specialists studying these strategic items for years. They are concentrating their energies on locating adequate supplies so that these will be ready when needed by industry. The staff of specialists and business men are working most harmoniously with the Army and Navy experts.

**Statement Adopted by the  
Governors' Conference  
June 3, 1940**

SINCE there exists in the world today a crisis brought on by ruthless and unprovoked aggression which respects neither the territorial integrity, the sovereign rights, nor the peaceful intentions of neutral States, and seems to threaten the very existence of democracy itself, and

Since it has been clearly and unmistakably demonstrated time after time within recent weeks that such aggression understands and respects only force, and that nations unprepared and consequently unable to defend themselves are speedily and without warning overrun, subjugated, and destroyed, and

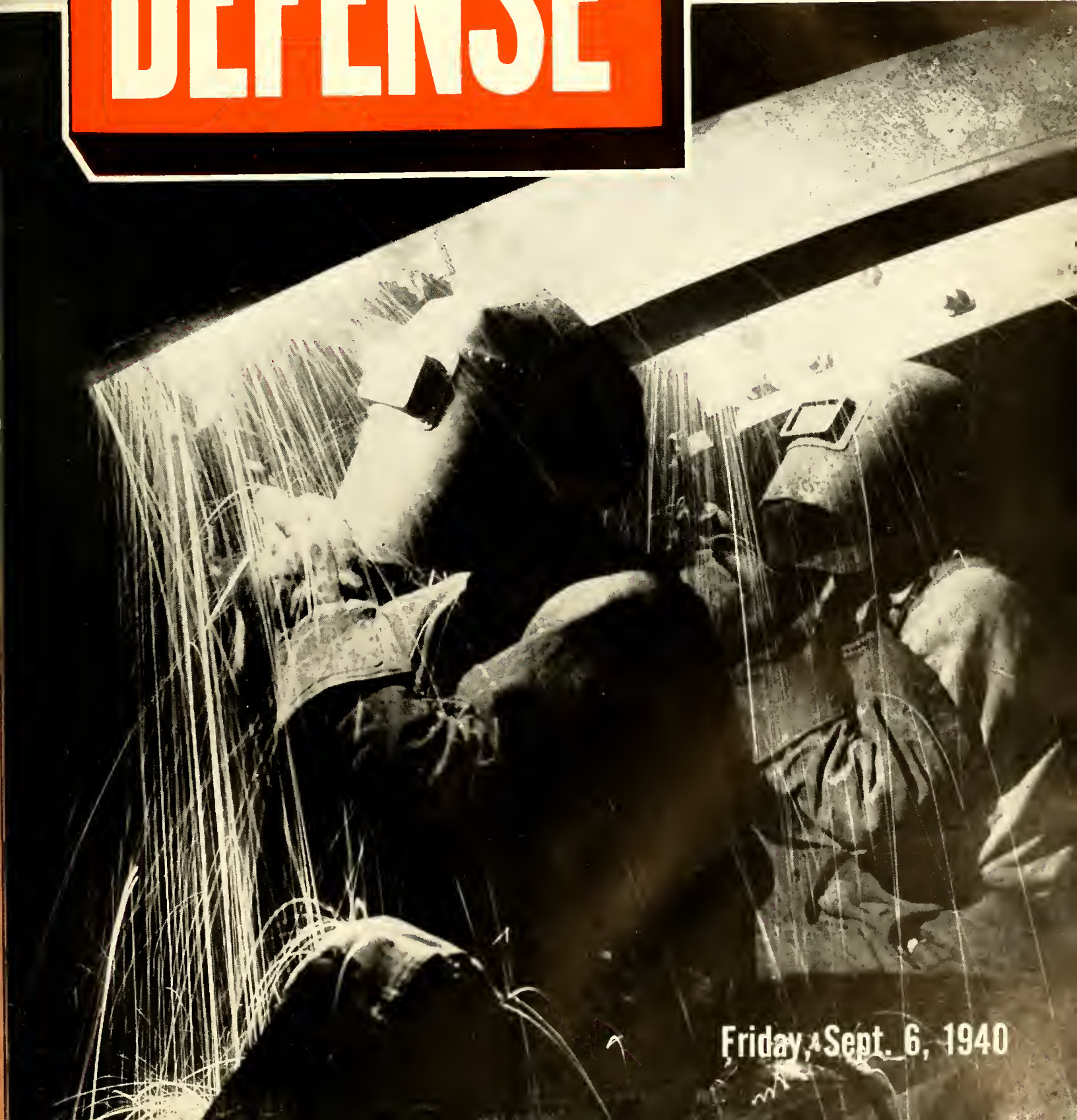
Since the Governors assembled in this conference are not only the civil administrators of the several States, but are commanders in chief of the national guards, and have a grave responsibility for the effectiveness of this and other important units of our national defense,

It is therefore the consensus of opinion of this conference, in view of the situation confronting our common country, that all necessary steps should be taken immediately to provide adequately and effectively for the defense of these United States, and each State pledges her resources—agricultural, industrial, and military—to that end.

PUBLISHED BY NATIONAL DEFENSE ADVISORY COMMISSION

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# DEFENSE



Friday, Sept. 6, 1940

U. S. GOVERNMENT PRINTING OFFICE  
SEP 26 1949

★ ★ ★ ★ ★ **AS I SEE IT** ★ ★ ★ ★ ★

WHEN WE TALK of National Defense we immediately think of tanks and battleships, of soldiers and skilled workers, of armor plate and precision tools. But total defense means much more than the manufacture of arms, the training of men, and the marshaling of our material resources. It means maintaining the health and physical fitness of our people, furthering their economic well-being and security, preserving and increasing the benefits of our democratic way of life. Those are the human defenses of the Nation, and they are as vital to the defense program as our military and economic defenses.

To maintain a high standard of living for a healthy and effective population as an integral part of defense we must be active on many fronts, both nationally and in the individual community. Unwarranted increases in the prices of food, clothing, and other consumer goods must be avoided; the quality of the things we buy must be sustained; the free and steady flow of goods must be assured. Every undernourished family, every person who is ill or who is without proper medical care, every person living under crowded, unhealthy, insanitary conditions is as truly a weak spot in the Nation's defenses as an unguarded point on the coastline. On the public health and welfare front we must work harder than ever to eliminate malnutrition, to provide adequate housing facilities, and to emphasize those aspects of social welfare which will insure the Nation a people physically and mentally fit to meet their defense responsibilities.

Existing Government agencies—Federal, State, and local—are intensifying and extending their efforts along all these lines. These activities can be reinforced by the efforts of private organizations and individuals in every community in America. Ours is not only a defense program—it is a *democratic* defense program for the democratic way of living. It therefore rests not only on the armed forces and on civilian health and security but on the active interest and participation of all of the American people.

HARRIET ELLIOTT,  
*Consumer Adviser.*

MEN AND MATERIALS, at the place needed, at the time needed, is the blueprint of defense transportation.

By rail and by road, by pipeline, by waterway, and by air we must organize to provide essential services to the Nation. Defense responsibilities can and will be met with a minimum disruption of normal transportation needs.

Increase in traffic will be welcomed at this time by all of the transportation agencies. For some time there has been a surplus of such facilities. Indeed, competition for the traffic that is moving has never before been so apparent.

The chief problem created by the defense program is not so much how to take care of an increase in general traffic as it is what provisions should be made to meet special demands for the unusual movement of Government goods and men.

Careful and systematic planning at this time should avoid need for priorities in transportation or embargoes on particular commodities. Cooperation between the various governmental departments and of them with industry make this possible.

The Transportation Division has as its purpose the provision by each form of transportation of all necessary services, both for national defense and for normal requirements of the general public. The willing assistance given by representatives of the various carriers is cause for assurance that we shall attain this goal.

RALPH BUDD,  
*Commissioner of Transportation.*

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**DEFENSE**

OFFICIAL BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE • Division of State and Local Cooperation.

Issued weekly to keep the members of the State and local defense councils advised as to progress of the defense program in Washington and in the States.

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COVER ILLUSTRATION

“WELDERS”

Federal Works Agency Photo

U . S . GOVERNMENT PRINTING OFFICE

# Production for Defense

PRODUCTION lines are rolling for defense, and Commissioner Knudsen returned this week from a 10 days' flying inspection tour, satisfied that industry is making progress on defense orders.

Plants with defense contracts are expanding or converting their facilities, new plants are under construction, and employment in industry is rising.

Being the greatest mass-production nation of all times does not mean that American industrial equipment could turn out defense products overnight. Revolutionary changes in equipment have to be effected, quantities of new machine tools made and put into use, hundreds of new plants built and put into operation, and trained or retrained labor employed and put to work.

This is true within the Government organizations as well as in private industry. The War Department faces the problem of a 1,000 percent increase in its facilities and of redesigning much of its equipment in the light of recent military developments. The Navy must double equipment and more than double its personnel.

Assistance from members of the Advisory Commission in planning, in negotiating, and in bringing the most effective cooperation of private industry to the job on hand has been welcomed. Full cooperation from executives in the regular departments of government with experts brought in for emergency service by the Advisory Commission is recognized as the only basis upon which the ultimate objectives of the defense program can be obtained in the shortest possible time. As the gravity of the present situation is appreciated, such cooperation has been the rule.

A complete list of contracts awarded is available to State councils. At the end of the first 12 weeks, contracts totaling \$2,250,000,000 have been let—more than half the funds thus far made available by Congress. Contracts at present are clearing at a rate of more than \$10,000,000 a day.

Figures alone do not tell the story of all that precedes the actual letting of a contract. For example, one contract for tanks

recently awarded involved \$33,000,000 for tanks, but more than \$20,000,000 for new facilities to make possible mass production in the greatest tank arsenal in the world.

Consummation of these plans came after intensive work by the War Department, the Commissioner, and his staff; and a month of day-and-night study and planning by 197 engineers, accountants, and production men assigned by the company receiving the award of the project. The arsenal will be owned by the Government and operated under the management of the Chrysler Corporation.

Commissioner Knudsen reports that plane production should increase 50 percent by the end of 1940. Agreement has been reached with United Aircraft Corporation for manufacturing 17,000 airplane engines under a \$160,000,000 contract. The Wright Aeronautical Corporation has agreed with the Army to manufacture 20,000 engines.

This latter contract will be under the new plan by which the Government and private manufacturers may cooperate in financing the construction of new plants and additions necessary to speed up defense production.

The plan will serve to expedite signing of defense contracts by assuring the contractor against loss on new-plant construction undertaken for military purposes, and it will also safeguard the Government's interest in such facilities on completion of the contract.

The Government will reimburse the manufacturer for costs of capital expansion in five equal, annual installments. This amortization will be separate from payments for supplies produced. Adoption of this plan assures that neither the manufacturer nor the Government will assume in advance all the risk, nor will they subsequently reap the residual value as a profit.

At the completion of the contract the Government's residual financial interest in the plant is to be appraised by an impartial board. If the manufacturer is unable to use the property at the final determined

valuation, the Government will take title to it, use it for Government needs, hold it for emergency reserve capacity, sell it, or dismantle and salvage it.

This arrangement should conserve Government funds and stimulate investment of private capital in the defense construction program. At the same time, private manufacturers would continue to provide management and operation and assume all the ordinary risks of business.

This week also saw the announcement of the labor policy adopted by the Defense Commission. All employment on the defense program will be required to comply with Federal laws protecting labor standards as well as State and local statutes affecting labor relations, hours of work, wages, workman's compensation, safety, and sanitation. The policy is against discrimination because of age, sex, race, or color and requires that adequate housing facilities shall be made available for employees.

Commissioner Knudsen has brought to the service of the Production Division, and of the Nation, a staff of businessmen who, together with him, are working overtime to start and keep defense production on the move.

With the assistance of this staff the Division effects coordination of those activities which cut across several Government departments and mobilizes special services not available or required in normal times by the Government, and conducts a continuous survey of existing facilities in terms of defense needs.

All divisions of the Commission, including Production, are in constant touch with Donald M. Nelson, Coordinator of National Defense Purchasing. Mr. Nelson maintains liaison between the Commission and all Government departments and agencies to insure coordination, efficiency, and economy in defense purchases. This office is in charge also of investigation of preference classifications of defense requirements over deliveries for private account or for export.

Changing a great industrial empire from

a peace-time economy to a nation armed and organized for defense is the biggest job a nation can be called upon to accomplish. Governmental organization to serve the needs of the United States in normal times is big business in terms of manpower, machinery, and infinite detail of organization. This present emergency calls for a plan which will maintain at adequate tempo all services to the civilian population and at the same time expand production to carry defense preparation.

After congressional action has granted money and power, the departments of gov-

ernment charged with the responsibility for the administration of defense activities must decide what they need, when and where they need it. The Advisory Commission does not draw specifications nor sign contracts. The Commissioners are experts in large-scale buying, producing, and moving, and they bring the experience gained in serving the vast peace-time needs of the Nation to the service of the Government.

Mobilization as thought of in the Army and Navy plans and as conceived by the public has been thought of as coming in

time of war. Defense plans today come when we are at peace and when private industry is manufacturing vast quantities of war material for other governments.

To achieve adequate defense with a minimum disturbance of our peace-time economy is the job that Government is tackling.

The Commissioners are centering the genius of our industrial organization upon the problem of coordinating America's full resources of men, materials, and productive capacity for the job of total defense.

## Business Inquiries

BUSINESS MEN who are interested in cooperating with the National Defense Program are asking questions of the Governors of States and Mayors of cities. The same queries are being sent by the hundred to members of the Advisory Commission.

"What can I do to have my factory ready to make defense materials?" "What can I do to get a construction contract?"

The Defense Commission itself signs no contracts, and draws no specifications—that is done by the War and Navy Departments. The Commission's job is to act as liaison between the needs of the military services and the nation's industrial capacity and in doing so it advises, facilitates production and aids in negotiations between industry and the two military departments.

The things that are needed for our enlarged Army and Navy fall into certain groups. First, there are the articles of standard manufacture which the Army and Navy buy from commercial dealers and manufacturers.

Orders for such articles are placed by the Quartermaster General in the Army, and by the Chief of the Bureau of Supplies and Accounts in the Navy. Letters addressed to them in Washington, D. C., will bring full information about their buying methods, and where to get information on bidding.

Next come articles of special manufacture, material that hardly anybody but the Army and Navy ever needs—tanks, machine guns, battleships, and parts for all these machines.

Many of these parts are made, however, by other manufacturers who are not now making arms. Anyone who believes his plant might manufacture articles of this nature should write to the Ordnance Department of the Army or to the Bureau of Ordnance in the Navy. Letters should give details of facilities and engineering staffs. The Army will be glad to send one of its field officers to a factory to find out what defense materials can be made by the manufacturer, if the manufacturer requests it.

Next comes construction. In general, the Army and Navy adhere to competitive bidding with award to the lowest, responsible, qualified bidder. These contracts are advertised in the engineering journals and the Government Advertiser.

Because of the present emergency and the necessity for speed and, sometimes secrecy, many construction contracts are being negotiated on a cost plus fixed fee basis.

Contractors wanting to take part on a fee basis for military construction should write to Washington, giving full information about their experience, staffs, and equipment. The Chief of the Bureau of Yards and Docks is in charge of Navy works, and the Construction Division of the Quartermaster General's Office is in charge of Army building.

Architects and engineers wishing to be considered for design contracts should also follow this procedure.

The Army has a special board, the Construction Advisory Section, to analyze qualifications, while the Navy's Bureau of Yards and Docks makes the analysis itself.

The Army is holding to its traditional policy of receiving bids through its field procurement officers. These officers know what is wanted by the Army and are also familiar with the problems of industry.

If manufacturers cannot find what they can do, a letter to Mr. Donald M. Nelson, Coordinator of National Defense Purchases, may solve the problem.

### America Builds Ships

**America Builds Ships is a 16-millimeter kodachrome sound film with a running time of 12 minutes. It shows ship construction in relation to the national defense program and the place of merchant ships in developing trade with South America.**

**Prints of this film will soon be available. Inquiries should be addressed to the Division of Information, National Defense Advisory Commission, Washington, D. C.**



# States Chart the Course

EXECUTIVES of two States appeared before the Senate Military Affairs Committee and urged legislation permitting the States to form "Home Guards" as replacements for the National Guard units ordered into Federal service.

Gov. Herbert H. Lehman states that the National Defense Act is a bar to the formation of such units although they may be—and are—authorized by many State codes. Appearing with Governor Lehman was Brig. Gen. Edgar C. Erickson, Adjutant General of Massachusetts, who represented Gov. Leverett Saltonstall.

The two State executives asked for "adequate Federal arms and equipment" for such units when established. Necessity for immediate provision for an organized, armed, and equipped official protective force for service solely within the State was repeatedly stressed during the hearing. The essential services rendered by the National Guard in floods, hurricanes, and nonmilitary emergencies or disasters were emphasized by Brigadier General Erickson.

The guard, as proposed, would be patterned after the National Guard organization, officered by experienced military men, and would constitute an arm of the law-enforcement machinery of the State.

Senator Morris Sheppard stated that a draft act on this subject has been prepared by the War Department.

An official Municipal Plan of Defense has been recommended by the New Jersey Council and approved by Gov. A. Harry Moore. It has been sent to 568 local governments.

Emphasis is given to the need for adaptation of the general plan to meet local conditions which require either additional activities or the deletion of suggested projects. Emphasized, also, is the policy that activities should be limited to those projects officially approved by the Federal, State, or local government or agency thereof.

The suggested plan is in line with the general organization outline discussed in the memorandum issued by the National Defense Advisory Commission. Briefly, it

states that initiation of local organization is the responsibility of the executive officer of the local municipality. Membership is to include representatives of industry and labor, heads of departments of local government, and public-spirited citizens.

Activities suggested for consideration include checking civilian service availability of citizens, cooperation with the training program, organization of police reserves, an emergency motor patrol and first-aid units, emergency hospital facilities, and the protection of water supply. Special attention is given to the importance to the entire community of satisfactory employer-employee relations.

A general warning given expression in many statements by governors and local officials is epitomized in these words:

"As a basic principle the council in all its efforts must guard against creating or encouraging any feeling of war hysteria."

The plan closes with this statement:

"Whether the activities here proposed will prove helpful in the event of an emergency will not be their only test in answering the question of whether or not they should be carried on. In the absence of any emergency—and this is the hope of everyone—these activities must produce a better and finer community spirit in each municipality."

Status and salary of local employees called to military or national-defense services are under consideration in many cities. Early reports of action cite New York City, Milwaukee, Portland, and Galesburg, Ill., a coast-to-coast cross section.

Enabling action has been taken through city ordinances and administrative rulings of the Civil Service Commissions. Provisions include job protection, ranging from a limited to an indefinite period; preservation of promotional rights, seniority, civil-service status, and pension rights.

This consideration by the Government as an employer parallels plans now under consideration in Washington for legislation to protect the social-security rights of men called from civil to military service.

Members of the National Guard called

to training under the act just passed by Congress are guaranteed their jobs upon their return. The bill gives the returning guardsman, in the event his employer refuses to take him back, the right to appeal to the district Federal court in which the employer's business is located. The district attorney is required to act as his counsel without fee and without court costs. The court then decides, after fair and proper trial, whether or not the employer was justified in his refusal to comply with the act.

Police mobilization is an immediate responsibility of all areas of government, Federal, State, and local; civil defense of local communities is one problem now on the doorstep of every governor and mayor in the Nation.

Adequacy of trained police forces for the accustomed every-day job is a familiar problem which defense needs only emphasize.

Police chiefs, in their Newsletter, issue warning against use of untrained and undisciplined volunteers, and state that it has been repeatedly demonstrated that volunteer police may become a greater domestic menace and a more serious threat to private rights and essential civil liberties than the danger for which they are called out.

Local police officials and sheriffs have conferred with Governor Lehman in New York and have agreed upon a plan for handling any major civil emergency which may arise.

The Governor has issued an order dividing the State into eight mobilization districts. New York City is designated as one district, and the other seven parallel the troop districts of the State police. The captains of the State police, as mobilization coordinators, are authorized to appraise and classify the police manpower, equipment, transportation, and communication facilities in their respective districts.

On order of the Governor of the State, the coordinator will make available to local authorities requesting assistance sufficient resources to meet an emergency.

# Retail Merchants Cooperate

MERCHANTS representing more than 50 national retail-trade groups met in Washington on August 29 with Miss Harriet Elliott, Consumer Adviser on the National Defense Advisory Commission. Discussion centered on the problem of preventing unwarranted price increases and the promotion of a free and steady flow of goods to consumers.

The conference unanimously adopted the following resolution:

The representatives of retail merchants here assembled announce that it is their intention to devote their efforts to prevent so far as possible any unjustifiable rise in retail prices by urging upon the general retail trade vigorous opposition to all price increases which appear to be unwarranted and which might cause difficulty to the Government and the consuming public.

We agree to cooperate wholeheartedly with the National Defense Advisory Commission in determining the justification of any price rise that might take place; in exchanging information; and in advising with the National Defense Advisory Commission as to the wisest plan to pursue.

We announce that, providing the cost to us

of the merchandise that we sell does not vary substantially, and providing also that our cost of doing business does not increase substantially, we will not alter past methods and practices in arriving at our selling prices.

The conference was representative of different types of business, large and small, chain and independent, and of the several associations in the field. A committee was elected by the conference to serve in an advisory capacity to Miss Elliott on retailer-consumer problems. Members of the committee are: Mr. Fred Lazarus, Jr., Columbus, Ohio, chairman; Mr. Horace P. Aikman, Casanova, N. Y.; Mr. Lewis W. Cole, Louisville, Ky.; Mr. John Goode, Asheville, N. C.; Mr. J. Hudson Huffard, Bluefield, W. Va.; Mr. Oswald W. Knauth, New York, N. Y.; Mr. Bruce MacLeish, Chicago, Ill.; Mr. Clark Mauchley, New York, N. Y.; Mr. Gerrit Vander Hooning, Grand Rapids, Mich.

Miss Elliott presided and opened the conference with a discussion of Civilian Interests in National Defense. Mr. H. Gor-

don Selfridge, Jr., formerly of Selfridge's Provincial Stores, Ltd., England, told the conference of the experience of British retailers during the first 6 months of the present war. Mr. Selfridge said that British retailers were making a sincere effort to avoid unjustifiable price rises and profiteering. Their efforts, combined with the strength of public opinion, were proving effective in preventing war profiteering in England, he declared. Problems of American consumers and retailers during the World War were reviewed by Mr. Lew Hahn, general manager of the National Retail Dry Goods Association.

A practical program for the participation of retailers in defense was outlined in the afternoon session by Mr. Fred Lazarus, vice-president of the F. & R. Lazarus & Co. Discussion centered about speculative buying, the quality of consumer goods, checking unwarranted price increases at the preretail level, the present economic outlook, and the activities of the Consumer Adviser's office.

# Progress on Law Enforcement Front

ACTION upon recommendations of the conference on Law-Enforcement Problem of National Defense is being vigorously pushed by the States. Review is in progress to determine adequacy of State statutes on sabotage, criminal conspiracy, firearms, explosives, deputizing of special guards, and the protection of civil rights.

The attorney general of Minnesota has forwarded to the committee material on these subjects prepared by his office for Gov. Harold E. Stassen.

Gov. Herbert R. O'Connor of Maryland assigned the review job to the attorney general and legislative committee of the State council of defense and resources and asked for an early report.

Gov. Richard C. McMullen of Delaware and Gov. M. Clifford Townsend of Indiana called and met with conferences

of law officials in their respective States who are pushing development of State programs.

Gov. Payne H. Ratner has requested the Kansas Legislative Council to serve as liaison between the committee and the legislature.

A national committee has been formed for the preparation of draft bills. Results of their work will be available for State consideration before legislatures convene this winter.

Representatives of the committee will confer in Philadelphia on September 3 with Mr. William A. Schnader, president of the National Conference of Commissioners on Uniform State Laws.

Conference proposals for broadening the Federal law covering sabotage of war material have been embodied in amend-

ments now pending; these amendments extend the act to cover premises and defense utilities as well as materials. Recommendations for broadening of the Registration of Foreign Agents Act of 1938 are under discussion by the Department of Justice and State Department.

The International Association of Chiefs of Police is preparing a digest of State firearms laws, which will be available upon completion.

A committee appointed by the Attorney General has compiled a summary of United States statutes relating to the national defense in the law-enforcement field and is preparing a report on measures, proposals, and experiences of other democratic countries in the civil-defense field.

The National Conference of Attorneys General will discuss methods of making

the conference recommendations effective when they meet in Philadelphia September 9 and 10. Attorney General Warren of California will speak on Federal-State Cooperation on Law Enforcement and Attor-

ney General Walsh of Maryland will present a report on The Law of Conscription and the Conscientious Objector.

The Federal Bureau of Investigation is holding a series of regional and State con-

ferences with State and local police officials for the purpose of planning joint and cooperative activities.

## The Week in Washington

DEFENSE moved forward this week on a variety of fronts.

The Commission adopted a broad labor policy calling for adherence to all labor legislation.

The following statement was issued:

"Primary among the objectives of the Advisory Commission to the Council of National Defense is the increase in production of materials required by our armed forces and the assurance of adequate future supply of such materials with the least possible disturbance to production of supplies for the civilian population. The scope of our present program entails bringing into production many of our unused resources of agriculture, manufacturing and man power.

"This program can be used in the public interest as a vehicle to reduce unemployment and otherwise strengthen the human fiber of our nation. In the selection of plant locations for new production, in the interest of national defense, great weight must be given to this factor.

"In order that surplus and unemployed labor may be absorbed in the defense program, all reasonable efforts should be made to avoid hours in excess of 40 per week. However, in emergencies or where the needs of the national defense cannot otherwise be met, exceptions to this standard should be permitted. When the requirements of the defense program make it necessary to work in excess of these hours, or where work is required on Saturdays, Sundays or holidays, overtime should be paid in accordance with the local recognized practices.

All work carried on as part of the defense program should comply with Federal statutory provisions affecting labor wherever such provisions are applicable. This applies to the Walsh-Healy Act, Fair Labor Standards Act, the National Labor

Relations Act, etc. There should also be compliance with state and local statutes affecting labor relations, hours of work, wages, workmen's compensation, safety, sanitation, etc.

Adequate provision should be made for the health and safety of employees;

As far as possible, the local employment or other agencies designated by the United States Employment Service should be utilized;

Workers should not be discriminated against because of age, sex, race or color;

Adequate housing facilities should be made available for employees.

The Commission reaffirms the principles enunciated by the Chief of Ordnance of the United States Army, during the World War, in his order of November 15, 1917, relative to the relation of labor standards to efficient production:

In view of the urgent necessity for a prompt increase in the volume of production \* \* \*, vigilance is demanded of all those in any way associated with industry lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down. It is a fair assumption that for the most part these safeguards are the mechanisms of efficiency. Industrial history proves that reasonable hours, fair working conditions, and a proper wage scale are essential to high production. \* \* \* every attempt should be made to conserve in every way possible all of our achievements in the way of social betterment. But the pressing argument for maintaining industrial safeguards in the present emergency is that they actually contribute to efficiency.

On another front, steps were taken to protect consumers from unwarranted price rises and to assure a free steady flow of goods. At a conference, with the Consumers Division, retail trade representatives pledged full cooperation in preventing price rises, and appointed a committee to represent them with the Commission.

The Industrial Materials Division, organized to insure a flow of raw materials, this week announced the supply of wood pulp in 1941 will be sufficient for domestic use and export, removing concern over a possible shortage due to reduced imports.

The Division announced also the results of a study just completed in conjunction with the Army and Navy. The study shows that potential supplies of toluene used in the highly important explosive TNT are adequate for all anticipated United States requirements.

It has been agreed that a stock pile of this essential raw material should be acquired to prevent a temporary shortage. Present commercial needs for paint, lacquer, and other materials can be met by recovery from byproduct coke ovens. Experiments with the production of toluene from petroleum indicate that this is an entirely practical source of supply.

In the World War shortage of this material created a serious bottleneck. The present domestic demand is fairly stable and the study indicates that needs for the Government and private industry can be met.

To direct the Commission's vitally important program of training workers in industrial plants, Channing R. Dooley, Manager, Industrial Relations, Socony Vacuum Oil Company, and J. W. Dietz, Personnel Relations Manager, Western Electric Company, this week took up the task of organizing this work.

Legislation enabling the States to establish "home guards" has been introduced in both Senate and House.

The Senate bill amends the National Defense Act of 1916 to permit "the organization by and maintenance within any State of military units, not a part of the National Guard; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law."

## YOU ASKED US



*Q. How can voluntary groups most effectively contribute their services?*

A. Through their State councils of defense. As programs develop, the State departments carrying on defense work will be able to advise as to the specific work on which volunteer service can effectively supplement Government activity.

*Q. By whom are the State councils of defense appointed?*

A. In the absence of specific State legislation, the plan of organization for the defense council and initiation of such an organization is the responsibility of the governor of the State.

*Q. What is the size of the defense program?*

A. The President has requested approximately \$10,000,000,000 to build up our Army and Navy. Congress was asked to permit increasing the strength of our Army to 1,200,000 and to provide means for obtaining equipment sufficient to outfit an additional 800,000 men who might be called to the colors.

At the present moment we have a force of 500,000 men made up of the Regular Army, the National Guard, and the Organized Reserves. Under the terms of the new defense program, we will have to provide men and materials to increase our armed forces fourfold.

The men have to be trained. They have to become familiar with the complex instruments of modern warfare. In order to do that they have to be equipped with those instruments and plenty of them.

To put a modern army in the field calls for clothes, food, and medical supplies. It also calls for a means of getting to the

battle, and means of supply when it gets there. Modern war is total war. We must be fully prepared.

*Q. Is progress being made to accomplish such a program?*

A. The outlines of the job under way are clear. On May 16 the President asked Congress to provide \$1,182,000,000 for defense. On May 31 he again sent a message declaring that the incredible events abroad, during the latter part of May, necessitated another \$1,277,741,170 to speed up preparation for our military and naval needs. On July 10, due to further drastic changes in the world situation, and because of the united will of the American people to defend themselves against all enemies, foreign and domestic, the President asked for further appropriation of \$4,848,171,957 for national defense. This would provide for:

Equipping a navy to meet any possible combination of hostile forces.

Total equipment for a land force of 1,200,000.

Reserve stocks of tanks, guns, and artillery ammunition for an additional 800,000 men.

Provide 15,000 additional planes for the Army and 4,000 for the Navy.

Manufacturing facilities, public and private, to produce essential equipment required for our forces.

*Q. When can deliveries be expected on the combat material in which the Defense Commission is interested?*

A. It is expected that the tooling-up process will take much of the autumn, but by January substantial deliveries of most of the material should commence, and by spring 1941 production should be going at a good rate.

*Q. Does the Defense Commission get jobs for people?*

A. No; it does not. That is the job of the United States Employment Service and their affiliated State employment offices.

*Q. How can people apply for training for skilled jobs?*

A. They should apply to their nearest State employment office or one of its local branches. These offices can put them in touch with the agencies which offer the kind of training they wish.

*Q. How does the Commissioner on Price Stabilization function if he finds some important prices spiraling up?*

A. Let's take paper and pulp prices, which were getting out of line recently mainly because Scandinavian imports were shut off. The Commissioner consulted with experts on Stettinius' staff, who try to keep accurate records necessary for insuring adequate supply. He looked into prices, exports, imports, found out how much capacity was still idle and concluded prices were rising mainly because of excitement and ignorance. A meeting was called with representatives of leading firms in the industry, and their opinion was that no price inflation ought to occur. Taking the excitement out of a potential price spiral is one method of effecting stability.

*Q. Why, with the billions of dollars available, can't raw materials be gotten together more quickly?*

A. People who ask that question must realize that American industry cannot be completely mobilized and coordinated within a week or a month or several months. It is a long job. It isn't easy. It calls for full cooperation and patience. It can be said, however, that no effort is being spared—the cooperative effort of industry, the Army, the Navy, and the various agencies of the Government.

*Q. Could you give an example of the numerous difficulties encountered?*

A. Yes. A very practical difficulty, for instance, involves one of our sources of high-grade manganese—an indispensable alloy for the manufacture of steel. It is in Brazil. Transportation to that source is inadequate, and to get the supplies we need a railroad in Brazil will have to be built. That is typical of the kind of problems we face.

# DEFENSE



Friday, Sept. 13, 1940

SEP 30 1940

★ ★ ★ ★ ★ **AS I SEE IT** ★ ★ ★ ★ ★

THE MOST SIGNIFICANT CONTRIBUTION which a price stabilizer can make at this stage of the Defense Program is to assist in the insurance of adequate future supplies of both military and civilian commodities as the tempo of the program carries us to higher and higher levels of industrial activity. Accordingly, our staff has been engaged in the solution of problems which may on the surface seem far removed from what is normally thought of as "price control." We have for instance assisted in formulating procedures for the financing of additional manufacturing facilities. We have assisted in the organization of a study of Army and Navy requirements in the Bureau of Research and Statistics. This study is at the core of the Defense Commission's activities. As sections of it are completed, it will reveal the bottlenecks of industry—where our manufacturing facilities must be expanded to meet the impact of the defense and civilian needs, or where we must be prepared to administer price controls if facil-

ities are not expanded and demand so greatly exceeds supply that a price spiral is imminent.

Members of our staff are of course scrupulously watching price movements, particularly among the basic commodities. Where price increases occur an investigation of mining or manufacturing capacity processes, costs, and markets is undertaken, drawing upon the files of the various governmental departments in Washington. Since the last war these files have been expanded materially; but equally important is the aid and cooperation of the experts in the other divisions of the Defense Commission. Where these investigations do not disclose a complete justification for the price movements we have sought explanations from the industry itself. To date such conferences have resulted in completely satisfactory adjustments.

If in any case cooperation should not be forthcoming there are ample powers already available to deal with the situation.

LEON HENDERSON.

## DAN HOAN JOINS STAFF

FRANK BANE, Director, Division of State and Local Cooperation, announced today appointment of Daniel W. Hoan as Associate Director of the Division.

Mr. Hoan was for almost a quarter of a century mayor of Milwaukee. "While there," Mr. Bane said, "he established a reputation as one of the leading authorities on municipal government in the United States, Milwaukee being generally regarded as one of the most efficiently administered cities in the country."

Mr. Hoan has been the vice president of the American Municipal Association, president of the United States Conference of Mayors, and for several years has

been the United States representative of the Pan American Conference of Municipalities.

The Division of State and Local Cooperation serves as a channel of communication between the Defense Commission and State and local councils of defense throughout the country.

"Mr. Hoan's long experience in municipal government, his association in State, national, and international fields," Mr. Bane said, "peculiarly fit him for this position in which he will endeavor to stimulate close cooperation among the various governmental bodies active in the defense effort."

COVER ILLUSTRATION

"FITTING TORPEDO TUBE DOOR"  
WASHINGTON NAVY YARD

**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL ON NATIONAL DEFENSE • Division of State and Local Cooperation

Issued weekly to keep the members of the State and local defense councils advised as to progress of the defense program in Washington and in the States.

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U. S. GOVERNMENT PRINTING OFFICE

# Selective Service

A SELECTIVE SERVICE and Training Bill passed the House September 7 and the Senate and House bills are in conference committee at the time this issue goes to press. Leaders in both Houses have assured the press and public that a compromise bill will be reported not later than Thursday and the exact terms of the final draft are probably now in your hands.

Among the chief points upon which decision must be reached by the conferees are the 60-day period of delay to permit voluntary enlistment, the difference in age limit, and differences in the provisions as to procedure should the Government condemn and take over manufacturing plants needed for production of defense materials.

Administration of the program will be under the direction of a Director of Selective Service, who will be appointed by the President, subject to confirmation by the Senate, upon recommendation of the Secretary of War.

Local administration will be in charge of civilian boards. All persons charged with administrative or functional responsibility for the selective service will be appointed by the President on nomination of the Governors of the several States. In the bill passed by the House these local Boards are assigned the responsibility of hearing cases involving conscientious objectors. The Senate bill placed this under the Department of Justice.

Essential provisions of the House bill as it now stands are:

The Act will remain in operation until May 1945.

Registration of men from 21 to 44, inclusive. The Senate bill is 21 to 31.

Selection of men to be called on a State and local quota based on the number of men in the area of selective age who are liable for training and who are not deferred after classification, and minus the number of residents of the area in the land and naval force on the date fixed for determining such quotas.

One year of training and then, unless an emergency is declared by Congress, transfer to a reserve component of the Army or Navy for 10 years, subject to call for service or further training.

Pay allowances, other benefits, pensions, compensation and disability allowances on a parity

with those of enlisted men in the Army or Navy.

Pending the enactment of protective legislation the provisions of the Soldiers and Sailors Civil Relief Act of 1918 will apply to men selected.

Reinstatement on jobs when reasonable, and services of the United States District Attorney free of charge and without court costs to men whose employers refuse to take them back.

The Director of Selective Service will maintain a Personnel Division with adequate facilities to render aid to men who have satisfactorily completed service in securing replacement in their former positions or employment elsewhere.

No men selected at any stage shall be inducted into the service until adequate provision is made for housing them. This is to include sanitary facilities, water supply, heating, light systems, medical care, and hospital accommodations such as are generally accepted by the United States Public Health Service as essential to public and personal health.

Selection of men to be made without discrimination because of race or color.

Exemption for duly ordained ministers of religion and divinity students and public officials whose services are essential to the Government.

Persons who by religious training and belief are conscientiously opposed to war in any form and induction for college or university students will be deferred until the end of the academic year, in no event later than July 1, 1941.

Men selected and called for training who are bound by contracts calling for purchases on the installment plan are given protection by a provision for a moratorium or for a cancelation of contract by agreement relating to possession or repossession.

Protection for the voting privileges of persons inducted into the service.

The President is authorized to prescribe the necessary regulations, to create and establish a Selective Service System, to establish civilian local boards, and such other civilian agencies including appeal boards and agencies of appeal as may be necessary to carry out the provisions of the Act.

One or more local boards in each county or political subdivision corresponding thereto, of each State, Territory, and the District of Columbia, shall consist of three or more members, appointed by the President, from recommendations made by the respective governors, or comparable executive officer.

Local boards have the power to hear and determine, subject to the right of ap-

peal, all questions of exemption, or deferment from training or service. The decision of such local boards is final except where appeal is authorized under regulations.

No person who is a member, officer, agent, or employee of the Selective Service System shall be exempt from registration.

Neglect of duty, the making, or being a party to the making, of any false, improper or incorrect registration, classification, physical examination, deferment, induction, enrollment, or muster—or false statement or certificate as to the fitness or unfitness or liability or nonliability of himself or any other person for service—or one who otherwise evades registration or service or who counsels, aids, or abets another to evade registration or service—or persons who shall hinder or interfere in any way by force or violence with the administration of the Act, shall upon conviction in the United States District Court having jurisdiction be punished by imprisonment for not more than 5 years or fine of not more than \$10,000, or by both, or if subject to military or naval law may be tried by court martial.

The number of men who may be called into service is set at 1,000,000 in the House bill which does not vary materially from the 900,000 in the Senate measure since the latter does not include men for the Navy and Marine Corps.

The 60-day volunteer test section which appears in the House bill, but not in the Senate, provides that the Act shall not go into effect until 60 days after enactment. The President may issue a call for volunteers, not to exceed 400,000, between the ages of 21 and 35. If 400,000 should respond within 60 days, there would be no draft. Meanwhile, however, the machinery for the selective service would be put into effect. Registration and classification would be carried through and men selected for possible call.

If the first call for volunteers should be successful, the President is authorized to make a similar call after January 1.

If at the expiration of the 60 days the

number of volunteers is less than the required 400,000, a sufficient number to fill the quota would be called immediately.

This provision is one in which it is anticipated major changes will be effected if it is not deleted.

A second major issue under debate, the so-called drafting of industry amendment,

provides that the President, through the Secretary of War or Navy, may take possession of the plant of a manufacturer who refuse to cooperate in the production of defense materials.

Procedure under such circumstances is the point at issue between the two Houses. Under the House bill the Government

would operate the plant on a rental basis paying "fair and just" price for materials and rental. The House applied this provision only to plants already equipped for producing materials for military or naval preparedness. The Senate provision is open to wider construction.

## New York Plans for Selective Service

OFFICIAL Federal regulations governing the administration of selective service will not, of course, be available until after the Act has been signed. However, a plan for the State of New York announced by Governor Lehman is probably in line with the thinking of Washington officials.

In brief, the New York plan provides that registration will be carried out through the regular State election machinery—election officials serving as registrars, without compensation. Registration will be by election districts and will be conducted in schools or other public buildings.

A State Executive Director of Selective Service, who will be the Adjutant General of the State, will be in charge of the State-wide registration.

The State will be divided into local areas to serve not more than 30,000 persons. In each area a board of three persons, designated by the Governor and ap-

pointed by the President, will be responsible for determining whether a registrant is qualified, and for granting deferment.

An Advisory Board of three members will be attached to each local board to give assistance and advice to registrants in preparing answers to questionnaires, claims, and other required papers.

Attached to each local board will be an examining physician designated by the Governor and appointed by the President who will serve without compensation. The State Medical Society will advise on such recommendations and will, in turn, seek the advice of local medical societies. Local medical advisory boards, appointed by the Governor, will render professional opinion on doubtful cases.

An appeal agent will be appointed by the President, on recommendation of the Governor, who will file appeals with appeal boards in cases in which local boards appear to have erred. Initial recommen-

dations for these officials will be made by the bar associations. As in the case of other officials they will serve without pay.

There will be 24 boards of appeal in New York State, with power to review appeals from rulings of local boards. Such boards will consist of five members and will be Presidential appointments. Two presiding officers of appeal boards, one for New York City and one for the State, will be appointed.

Initial nominations for local boards will be made to the Governor by the mayors of cities and by the county judges for rural areas.

The plan is necessarily tentative and subject to Federal regulations, which have not yet been prescribed. However, it is not expected that major changes will be necessary since it follows the recommendations of the Joint Army and Navy Selective Service Committee.

## Law Enforcement Conference

PRESIDENT William A. Schnader, of the National Conference of Commissioners on Uniform State Laws, with the unanimous approval of his Executive Committee, appointed a committee to assist the Joint Conference Committee in drafting and reviewing State defense legislation recommended by the Conference. Members of this committee are:

James C. Wilkes—Dist. of Columbia.

Robert T. Barton—Richmond, Va.

Mitchell Long—Knoxville, Tenn.

The Criminal Law Section of the American Bar Association, meeting in Philadelphia this week, will appoint a committee to assist the Joint Conference Committee in its work. The National Association of

Attorneys General, meeting at the same time, will devote a session to discussing Federal-State law enforcement problems.

The Joint Conference Committee has written to the Senate and House Committees on Military Affairs requesting early action on Senate Bill 4297 and H. R. 10404 which are identical measures. These bills comply with the recommendation of the Federal-State Conference which urged that the Federal statute relating to sabotage of war materials under contract be extended to cover not only the materials but the premises on which they are manufactured and the various utilities supplying such premises.

Governor Saltonstall, of Massachusetts,

has requested the Commission on Interstate Cooperation to review State defense legislation in line with recommendations of the Conference. Governor Vanderbilt, Chairman of the Conference, has sent complete texts and citations of Rhode Island statutes on the subjects considered by the Conference, including: Sabotage, criminal conspiracy, control of firearms, control of explosives, deputizing of special guards, protection of property, and the registration of bands and similar organizations.

Governor George A. Wilson, of Iowa, and Governor Raymond E. Baldwin, of Connecticut, also have requested officials in their States to collect material.



# Manpower for Defense

ADEQUATE manpower for the defense program is assured by the agencies cooperating under the leadership of Commissioner Hillman in the recruitment, training, and placement of labor.

The United States Employment Service through its 1,500 local offices is directing its efforts to insure an orderly reemployment of the existing labor supply and more effective shifting of workers already employed. Procedures for obtaining more current information needed for recruiting workers through the local employment offices have been put into effect. The change in the labor situation from one of a labor surplus to one demanding full utilization of labor supply necessitated major changes in reporting.

Beginning this month each local employment office will visit once every 30 days a list of employers in its area, selected on the basis of their participation in the defense program. The Employment Office secures an estimate of anticipated labor requirements for the next 60 days, the number of workers the employers expect to hire or fire, broken down by occupation, age, locality, and so forth.

The first of a new series of current inventories of employment office applicants was made on July 27. It covered 270 selected occupations of particular importance to the defense industries. Counts of workers in the various occupational groups were made on the basis of primary occupations in which the worker is best fitted, and also on the basis of secondary occupations in which the applicant is also fully qualified to work.

The survey revealed that approximately 197,000 unemployed workers were registered as primarily qualified for work in professional, skilled, and semiskilled occupations and 39,000 workers whose secondary occupations were among these groups. The largest groups comprised approximately 29,000 automobile mechanics, 25,000 machinists, millwrights, and maintenance mechanics, and 13,000 form builders who are ordinarily engaged in construction work. More than 12,000 welders,

10,500 molders, and 7,100 lathe operators were also actively seeking work. Among more important skilled occupational groups were significant numbers who possessed these skills as secondary rather than primary occupations. For example, 3,300 registrants were primarily skilled as milling machine and shaper operators, but more than 1,000 men seeking work were qualified for such work although they were not *now* engaged in this kind of work. Other important occupations showed significant numbers of men possessing such skill as secondary occupations.

The details of this inventory, broken down by Civil Service districts, show that in certain areas there were a number of instances in which practically no registrants were found with occupations in the selected groups. This was anticipated by the Director of the Bureau of Employment Security, Mr. Ewan Clague, who has emphasized in several statements that if we are to avoid unnecessary dislocation of industry while production is being redirected to meet defense needs in the order of their urgency, attention will have to be given to the problem of reemploying our vast reserve labor supply. Such a policy will result in some geographical shifting of workers and in training the unemployed persons who are not completely fitted to meet immediate demands for certain skills.

As the program advances, it is not impossible that some system of priorities may have to be developed for transferring workers already employed in less essential industries.

The needs of the defense program have focused attention not only on the occupations of available workers but on the age of such workers. During the past decade, when large numbers of workers with experience in many lines of industry and with diversified skills were available in the labor market, employers usually specified a preference for workers within certain age limits. Relaxation of these preferences may be expected. In this connection it may be noted that of the

4.1 million workers studied in the reports from 43 States, more than 1.1 million, or 27 percent of the total, were 45 years of age and over.

Statements in regard to age distribution for the entire group tend to obscure marked variations in the age groups of different classes of workers. For example, among workers with experience in professional, skilled, and semiskilled occupations—the group on which demands are now being made—more than 31 percent were 45 years of age and over, while among unskilled workers only 24 percent were of this age group.

An adequate clearance system must be based upon as nearly complete a registration of unemployed workers as possible so that employment offices will be in a position to fill needs beyond the local opportunities for jobs. It is also important that skilled workers who have been obliged to accept jobs requiring lesser skills be registered so that they may be referred to jobs that will best utilize their particular skills. To this end some national unions are cooperating with the Employment Service to obtain the registration of all unemployed members in each community, even though the local office may not always be utilized in placing union workers.

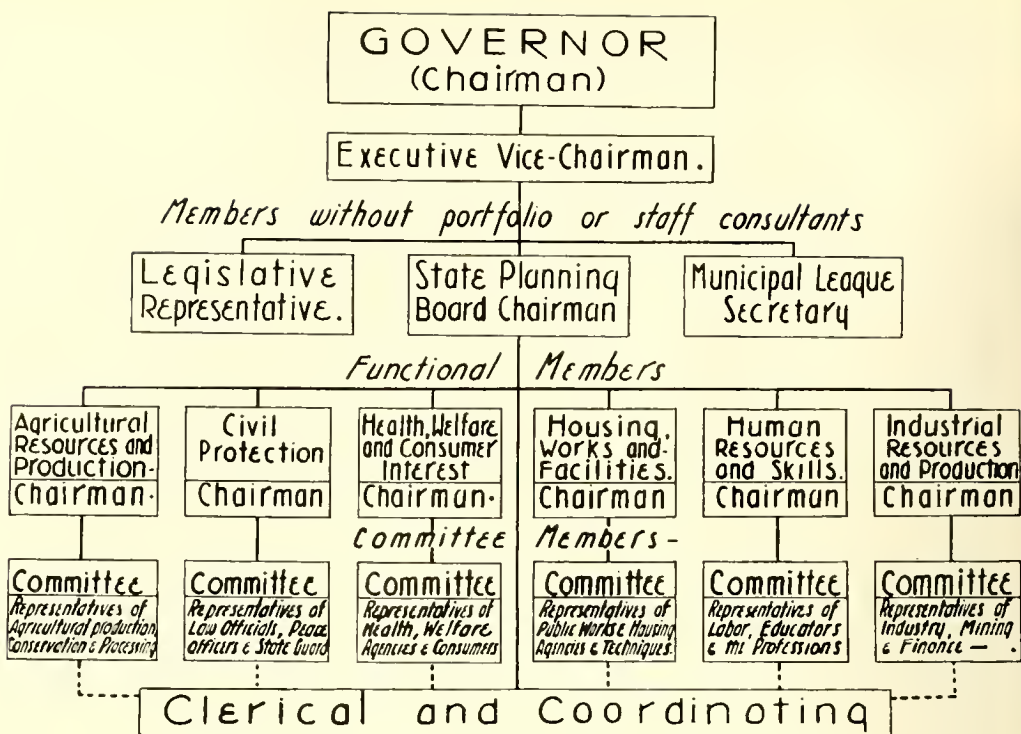
The reports now currently obtained by the Employment Service will furnish information on the availability and location of workers possessing the skills required by the defense industries and will reveal evidences of actual or potential labor shortages as they appear. The reports on the number of registrants with experience or training in the key defense occupations will make possible a current appraisal of special labor resources available at each local employment office, and will also furnish an indication of the rate of the absorption of these workers.

Complementary to this report is one on job openings canceled because the local offices have been unable to fill them either from their own lists or from registrants available in other offices. The report indicates the reason for cancellation, so that

the extent to which it results from administrative reasons or from lack of qualified workers in terms of employer specifications may be determined.

A third report shows job openings which have remained unfilled for one week or more and the number of placements made through clearance.

Upon the basis of this continuous inventory of the labor market and labor supply and the development of effective clearance the information will be available upon which the training program will be based. The offices of the Employment Service have registered 5,500,000 men. The second reserve is composed of men with the required skills who are now working in other occupations. The third reserve is of the men who may be trained in industry or in the special training programs.



Organization Plan of State Defense Council

## State Defense Councils

ORGANIZATION of State councils of defense in Arkansas and New Mexico has been reported to Washington. Only those councils designated by the Governors of the States as official agencies of the State are listed by the National Defense Advisory Commission.

Early in the development of the defense program emergency committees were set up in several States to serve as agencies for some specific problem. In still other States, volunteer agencies varying in purpose and pattern are serving as the medium for carrying out special projects. Obviously, as the extent of the present emergency becomes better understood the limitation of such committees or voluntary agencies is apparent.

In many of the States in which such preliminary organization has been effected, steps are being taken to complete the set-up to coordinate citizen activity and interest with the official channels of the State and local governments. Inquiries are being received in the Division of State and Local Cooperation for information as to plans adopted in other States and cities, the plan of committee organization, and the channels for participation

by lay groups and interested and patriotic citizens.

This Division has the responsibility for the interchange of information and experience between States. The number of inquiries as to organization plans indicates that many local chairmen would be interested in such charts as the one from the California State Council reproduced in this issue.

The Governor of California has designated an Executive Vice Chairman as the administrative head of the Council under the chairmanship of the Governor.

Official governmental channels for State and local participation are established, and functional divisions for the six major projects at present seem to cover the defense activities for which the State will be called upon to assume responsibility. The legislative department of the State government, the planning agency of the Executive branch, and the representative of the local municipal governments serve in an over-all consultant capacity and participate in the formulation of policies and planning of strategy.

The functional members of the Council who head the six divisions of program

coordinate projects which cut across the lines of the regular departments of State and local government and involve several departments as well as quasi official and volunteer organizations. Through this, responsible, professional leadership is supported by the wide public interest and volunteer service of the lay and organized professional groups.

A second chart, not reproduced, shows the line of administrative relationship running from the National Defense Advisory Commission to the State Defense Council and to the Local Defense Council. The same organization pattern or a more limited adaptation of it will be used in cities and counties. The heads of such councils will report to the chairman of the State Defense Council, and the local divisions carry out program objectives under the general leadership of the functional division chairmen of the State.

Cooperation of local units of State and national associations, citizen groups, and individual citizens is united through the leadership of the local council, and their activities flow back through the State Council into a unified national pattern of defense.

# This Week in Washington

## National Guard

THE WAR DEPARTMENT has directed commanding generals of corps areas concerned to issue orders to units of the First Priority National Guard to concentrate at unit training centers as soon as practicable after the date of induction, Monday, September 16, 1940. They will begin a year's intensive training at the unit training centers. In some instances "staging areas" have been listed where specified units will train temporarily, pending completion of facilities at unit training areas.

Movement of troops will be by rail and motor as soon as practicable after induction. Where overnight camping is necessary, it will be had, where practicable, at Army reservations. Advance detachments will be sent to unit training areas to arrange for sequence of arrival of remainder of unit so that there will be no unnecessary delay in quartering of troops. Travel by private automobile, at no expense to the Government, has been authorized for officers and enlisted men who are not required to accompany troops. Movements from place of induction (unit rendezvous) to staging area, where applicable, and to Unit Training Center will be at Government expense.

No ceremonies are involved in the transition from a State to a Federal status. Under Congressional authority, the President has ordered these units into Federal service for 1 year. The induction phase is simply the preliminary step to actual departure for the training areas.

The \$5,246,000,000 "total defense" bill provides for an army of 1,200,000 men and equipment and tanks, guns, artillery for another 800,000 men, for 18,000 airplanes, continuation of naval expansion directed toward a two-ocean Navy, manufacturing facilities, public and private, necessary to provide critical items of equipment, ordnance required for the Army and Navy aircraft program, guns, bombs, armor, bomb sights, and ammunition.

Secretary Hull has announced that United States naval and air bases leased

from Great Britain will be made available to all American Republics "on the fullest cooperative basis" for the common defense of the hemisphere.

Construction work on the bases will be expedited by use of part of the funds voted the President as an emergency defense appropriation. Construction will probably begin in Bermuda.

The Canadian-American Joint Defense Board will meet in Washington the week of September 9.

President Roosevelt named Under Secretary of State Sumner Welles as United States Representative on the Emergency Committee to be established for provisional administration of European colonies and possessions in this hemisphere in the event of a crisis.

Appearing before the Senate Military Affairs Committee, Mayor LaGuardia expressed the belief that the "home guard" should be set up by the Federal Government rather than by the States. The Committee will continue hearings on the bill to hear one more witness and report by the end of the week.

The House Building and Grounds Committee reported the bill authorizing \$150,000,000 for defense housing.

In the "total defense" appropriation is included \$100,000,000 for housing defense workers and \$128,000,000 for construction of cantonments.

Census data on industries of special importance to National Defense are being speeded by the Census Bureau.

## Training

Appropriation for training purposes for the fiscal year 1941, amounting to \$53,000,000, has been requested by the President. The funds are for the training and education of defense workers, for payment to States, subdivisions thereof, or other public authorities, and, where authorized, to engineering schools and universities for use for training purposes.

Thirty-six million dollars is recommended to provide for continuance for

the full fiscal year 1941 of the program of vocational training in courses essential to defense industries. The message states that the fifteen million dollars which was appropriated in the Act approved June 27, 1940, will be fully expended by November 1, 1940.

Specifically, the expenditure of the \$36,000,000 is to be for the cost of vocational courses of less than college grade, provided by agencies in vocational schools, which include courses supplementary to employment in occupations essential to the national defense and preemployment refresher courses for workers preparing for such occupations, these workers to be selected from the employment office registers.

Eight million is for the purchase, rental, or other acquisition of equipment needed by agencies in providing such courses. Plans for such purchases are to include provision governing the holding of title and use of the equipment.

Nine million is to be spent for the cost of short engineering courses of college grade, provided by engineering schools or universities of which the engineering school is a part. These courses are to provide expanded training facilities for meeting the shortage of specially trained workers, such as designers, material inspectors, production supervisors, stress analysts, engineering draftsmen, naval and marine engineers, and other specialized fields essential to national defense.

All of these projects are to be carried out under plans approved by the United States Commissioner of Education.

Regulations under which these appropriations will be administered will provide full coordination with all aspects of the defense program.

★ ★ ★

The Civil Service Commission and the National Resources Planning Board began an index of nearly 50,000 scientists and professional men in private industry who can be called by the Government for special work, when and if needed.

# The Week in States

THE IMPACT of the emergency and defense expenditures upon municipal finances is under careful study by the Municipal Finance Officers Association of the United States and Canada.

The Association has secured from the Canadian Minister of Municipal Affairs and from the Finance Officers of many Canadian cities data on the effect of the war upon municipal finances. Some of the developments which American cities may anticipate are as follows: Decrease in the number of employable persons on relief, increased need for protection of public and private properties from sabotage and destruction, increased police, fire, and utility costs. Expansion of airport facilities

is regarded as a certainty. The problem of "boom towns" and unwise expansion of public facilities into areas which should remain cow pastures, and all of the other familiar expansion hysterias have appeared in Canadian cities.

Sober consideration of all the elements involved in the pay to public employees absent on military leave is suggested and the personnel difficulties of city financial departments discussed. Increased business and industrial expansion will improve tax collection and suggest the wisdom of establishing a firm tax-collection policy.

Local governments are urged to cooperate by cutting out every cent of waste, fixing responsibility for every public act, and

sincerely planning for the task ahead.

This last note seems to run through a good deal of municipal thinking in regard to defense. The Oklahoma Municipal Review urges its associates to "make their routine functions as nearly automatic as possible; simplify, oil, and clean the machinery of government—so that if they are called upon to assume new responsibilities they will have time for them."

Studies of the municipal experience in England have been circulated among American city officials and extensively reviewed in several publications. The material from the Canadian experience is even more valuable in its significance for public officials in this country.

## Latin-American Liaison

ACTING under the authority of the Act of August 29, 1916, the Council of National Defense has established the office for Coordination of Commercial and Cultural Relations between the American Republics.

Mr. Nelson Rockefeller has been appointed Coordinator.

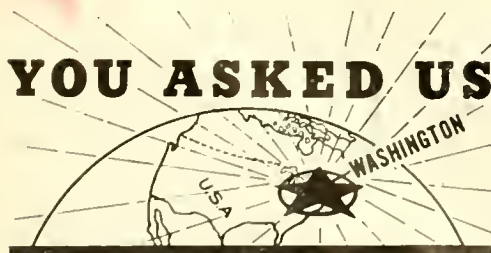
He is authorized to establish and maintain liaison between the Advisory Commission to the Council of National Defense, the several departments and establishments of the Government, and with such other agencies, public or private, as he may deem necessary to insure proper

coordination of, and economy and efficiency in, the activities of the Government with respect to hemisphere defense.

He serves as a member and chairman of the Inter-Departmental Committee on Inter-American Affairs, which includes the President of the Export-Import Bank, one representative each from State, Agriculture, Treasury, and Commerce, and such other representatives of agencies and departments as may from time to time be needed.

The Coordinator reports directly to the President. His Division is to review ex-

isting laws, coordinate research by the several Federal agencies, and recommend such new legislation as may be necessary to the effective realization of the basic objectives of the Government's program. He is charged with the formulation and execution of a program in cooperation with the State Department which, by effective use of governmental and private facilities in such fields as the arts and sciences, education and travel, the radio, the press, and the cinema, will further national defense and strengthen the bonds between the nations of the Western Hemisphere.



Q. Is it true that the machine-tool industry is considered the "bottleneck" of defense?

A. To some extent. The Production

Division has already gotten together with the machine-tool manufacturers. The machine-tool manufacturers have made their facilities available to the defense program on a voluntary basis as though priorities were actually in effect.

Q. How are the big guns produced that are used by the Field Artillery?

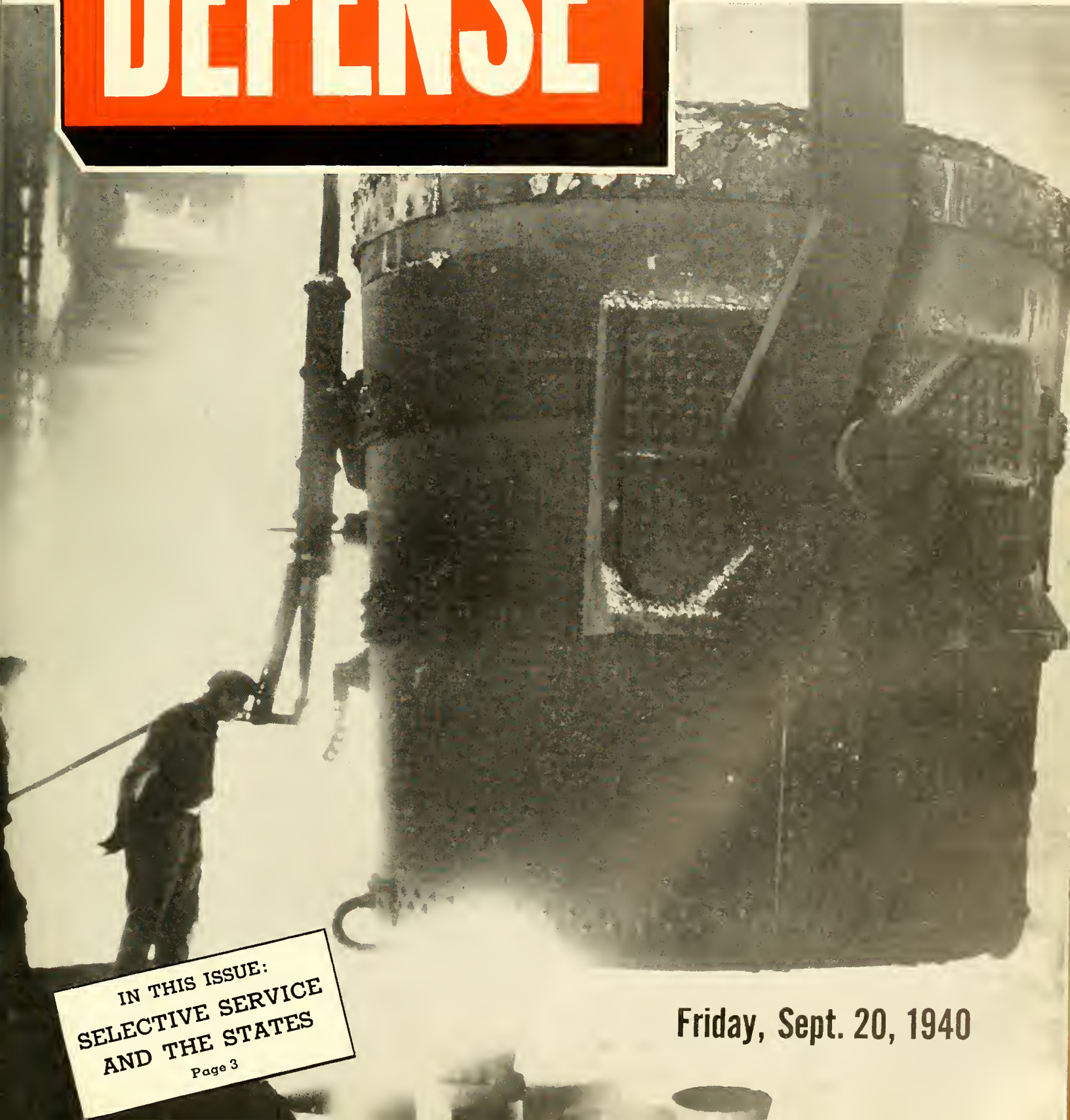
A. They are made of the finest steel available. To be accurate the gun barrels must be shaved down on lathes to within fractions of a thousandth of an

inch. These guns are built in Government arsenals by special equipment and trained personnel.

Q. Should an alien who expects to complete his citizenship papers before December 26 register now or wait until he has completed his naturalization?

A. He should wait until he has completed his naturalization. Registration Director Earl G. Harrison reports that this was the question most frequently asked during the first days of alien registration.

# DEFENSE



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AND THE STATES  
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Friday, Sept. 20, 1940

# Buying for Defense

ESTABLISHMENT of the Office of Coordinator of Defense Purchases, headed by Donald Nelson, resulted from recognition of complexities encountered in supplying adequately military needs of an effective military program. The allegation frequently has been made that processes of organizing peacetime industrial activities into competent defense agencies often are likely to be cumbersome and inefficient. In addition, it is alleged that democracies do not protect needs of consuming publics, of labor organizations, of agricultural interests, etc.

The function of the Advisory Commission on National Defense is to prevent such allegations from becoming realities, and the function of the Coordinator of Defense Purchases is to harmonize and synchronize the numerous, and sometimes opposed, objectives of the several members of the Advisory Commission and its related agencies in the purchases of the Army and Navy.

Several different types of coordination are called for. Perhaps the broadest problem in coordination is that of relating the military defense requirements of the Nation to our potential industrial productivity. This problem necessarily involves constant recognition of the welfare of the national political, social, and economic system in which we live. Military requirements are at many points limited by the capacity of industry to produce, and at the same time, capacity of industry to produce is in substantial part governed by the quantitative military requirements put upon it by the Defense Program.

These military defense requirements are the bulk of the demand side of the problem. Throughout the Army and Navy there are many major procurement divisions, such as the Ordnance and Quartermaster Corps of the Army, and the Bureau of Ships of the Navy. Altogether, there are many thousands of items to be procured, ranging all the way from clinical thermometers to tanks, airplanes, and battleships.

Almost all ordinary raw materials of industrial production go into making these products. In addition, there are many rather specialized materials which ordinarily are used little or none in peacetime industrial activity.

In addition to these questions, there are various other characteristics of demand for military items which complicate the procurement process. For instance, Congress appropriates money to be used for defense purchases, but other agencies of the Government, such as the Comptroller General, the Treasury Department, and the Department of Justice have special interests in the methods to be used by the procurement officers, in the disbursement of funds for Government contracts, and in the methods of accounting for gains and losses incurred in the production called for by these contracts.

It is, of course, a matter of common knowledge that many military items, such as combat airplanes, machine guns, and optical instruments, present production bottlenecks. For such items, either the necessary plant and equipment do not exist at all, or do not exist on a sufficient

scale to permit immediate expansion of output. The office of the Coordinator must see to it that these bottleneck problems are uncovered and steps are taken to overcome them.

The Advisory Commission must continually deal with factors not easily reconcilable. For instance, one objective of all defense procurement is to secure necessary supplies at lowest possible cost. At the same time, our national policy is to assure labor a fair and reasonable wage and hour standard, and to protect the welfare of the consuming public by guarding against acute shortages, high prices, or adulterations of the necessities of life. Within the Commission are divisions responsible for understanding and protecting interests of these several parties involved in the defense program. Each commissioner consequently represents a definite and clear-cut point of view regarding the method of procurement to be employed in a particular case.

To arrive at the best possible compromise requires a procedure which will make possible mutual understanding and agreement concerning sacrifices which must be made in any particular direction in order to keep the defense program moving as closely as possible to schedule.

It is one of the major tasks of the Coordinator's Office to provide such a procedure and to translate the conclusions thus reached into recommendations to be submitted to the military establishments which are responsible for the actual placing of contracts.

COVER ILLUSTRATION

“STEEL FOR AMERICA'S  
SINEWS”

Public Works Administration Photo

**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF  
NATIONAL DEFENSE • Division of State and Local Cooperation.

Issued weekly to keep the members of the State and local defense councils advised as to progress  
of the defense program in Washington and in the States.

260579

U . S . G O V E R N M E N T P R I N T I N G O F F I C E

# The Selective Service Act— The State and Local Job

WITH ADOPTION by House and Senate of a Selective Service and Training Bill, State and local authorities near completion of preparations to assume the greater share of the burden of administration.

While national headquarters will be set up in Washington, a policy of decentralization of operation makes it incumbent upon governors and subordinate agencies to handle the vast majority of operation details.

It is estimated that not more than 200 administrative officials and employees will be at work at national headquarters which will serve primarily as a coordinating agency.

The Selective Service Act has for its specific purpose bolstering of United States armed forces and training of young men for service with the least possible disturbance to the nation's economic and social structure. Consequently, governors are charged with execution of the law in their respective States, and local boards and agencies under their jurisdiction are responsible for effective operation.

## **Governors are required—**

**To set up State headquarters.**

**To maintain complete selective-service records.**

**To hire staff clerical personnel needed for administration of the Act.**

In this connection, the Act provides that clerical assistance may be employed without regard to the Classification Act of 1923, as amended, and without regard to Civil Service laws.

Under the proposed program, Governors must recommend for appointment by the President persons for membership on local boards, agencies which will be responsible for actual classification and induction of the men affected by the Act.

These local boards, some 6,500 of which are to be set up throughout the country, are invested with almost autonomous power. The members will be men who

are not enrolled in public armed forces and who, as far as possible, are residents of the area in which they serve.

The Selective Service Law provides that on October 16 all men between the ages of 21 and 36 must register. Registration, it is generally expected, will be conducted by regular election officials in the various communities.

Following registration, the various election agencies will submit all cards of registrants to their county clerks who in turn will distribute them to the proper local boards.

The local boards will shuffle all cards in their possession, mark them in numerical sequence, and forward a report of totals to their State headquarters for transmission to Washington.

Upon receipt of complete reports from all county clerks, national headquarters will fix State quotas. National headquarters will then arrange a lottery to determine the order local boards are to use in calling up their registrants for classification. No local board is to consider the cases of more than 3,500 registrants.

Following the lottery and a call from national headquarters for a specified number of men for training and service, the local boards will submit questionnaires to the number of registrants required to fill their individual quotas.

On the basis of questionnaires, registrants will be classified in one of four groups:

**Class I includes men available for general military service.**

**Class II includes men necessary in essential business and agriculture.**

**Class III, men with dependents.**

**Class IV includes those deferred by law, aliens, conscientious objectors, and those who are physically, mentally, or morally unfit for service.**

In the majority of cases the local boards will determine what men are to be placed in each classification.

There will be, however, appeal boards for each area of 600,000 population, medical advisory boards which will be consulted when there is doubt about the physical condition of individual registrants, and in some instances appeals may be carried to even higher authority including the President, although these latter cases must of necessity be kept at a minimum.

When classifying individual registrants, local boards will have wide latitude.

Men who are now needed in industry and agriculture can have little expectation of being called for training, and in all probability married men who live with their wives or their children will be deferred on the assumption that they have dependents.

Local boards will be made up of persons of established reputation in their communities. It will not be unusual for a registrant to have his case considered by some man with whom he has been acquainted for years. Each local board will have a physician assigned to it, and in many cases these physicians will pass upon physical qualifications of registrants they have known from birth. No local board member or physician, however, may consider the case of a registrant who is closer in relationship by blood or marriage than a first cousin, or who is his employee or employer.

In view of the fact that most men actually inducted into the armed forces for training will make some sacrifice for the public benefit, persons who serve on local boards and other State agencies are expected to contribute their services voluntarily. While some stenographic and clerical help may be employed on a salary basis, there will be no pay for the majority of workers. Administrative expenses required to carry out the provisions of the Act will be borne by the Federal Government.

At present, the principal concern of all persons connected with the operation of the Selective Service Law is the registration of every young man affected by its provisions.

# Research — Off the Production Line

To: MEMBERS OF THE NATIONAL DEFENSE COMMISSION.  
From: BUREAU OF RESEARCH STATISTICS.  
Subject: AIRCRAFT.  
SITKA SPRUCE. FILE C-1  
ECONOMIC STATUS.

This office has filed today for the use of you and members of your staff the confidential material described below.

THE DEFENSE PROGRAM is under way, and tanks, armored cars, airplanes, are sliding off the production lines. Defense research, too, has been geared to modern technology. The scholar in the cubicle has been replaced by a Bureau of Research and Statistics, a staff agency charged with collecting, tabulating, and analyzing the great masses of information needed by the several divisions of the Advisory Commission as a basis for the formulation of policies.

The Bureau is manned largely from the ranks of key men who themselves have been directing research programs of Government agencies having most relevance to the Defense Program. Thus, when the Commission asks for information, the Bureau makes use not only of its own resources, but of the great machinery of research which a democracy has built over the years, not only in Washington but in the field.

Consider the case of Sitka Spruce:

Sitka Spruce is sometimes called Airplane Spruce. It is found in this country along the coast of Oregon and Washington. The highest grades of this spruce are used in the manufacture of training planes, principally for spars, ribs, longerons, etc., the lower grades for general construction purposes and in the manufacture of boxes and crates. The stand of Sitka Spruce is a depleting national re-

source, and the available supply must be jealously guarded for our own national defense.

England is building airplanes—swiftly, desperately. Her purchasing agencies come to the American market for spruce. Through the coordinated machinery of procurement, the query is phrased: Have we enough spruce to fill British orders and still be certain of an adequate reserve for our own needs?

The question goes to the Stettinius Division—the Raw Materials Division—where responsibility for deciding upon the policy point rests. The Raw Materials Division asks the Bureau of Research and Statistics to collect the relevant facts, and the wheels commence to grind.

First, comes the analysis of the problem into statistically handleable terms:

What are the American requirements, military and civilian, immediate and potential?

What are the British requirements and other export demands?

What are the specifications for airplane spruce, and are the British and American specifications the same?

What percentage of spruce cut meets these specifications?

What are the stocks on hand? The mill capacities? The stands of living timber in Oregon, in Washington, in Alaska, in British Columbia?

The "Capacities Unit" of the Bureau

takes these questions and proceeds to marshal machinery for answering them.

Before answering the question, Dr. Piquet analyzes the problem. There were three factors involved: The available supply, our own military requirements, and the demand coming from abroad. The last was known, the other two factors must be explored.

Called into consultation are George Trayer of the Forest Service, Department of Agriculture; Phillips Hayward, Chief of the Forest Products Division, Department of Commerce; W. Leroy Newbrecht, lumber expert, Department of Commerce; and Franklin H. Smith, Chief of the Lumber-Paper Division, United States Tariff Commission. What is the annual domestic production of Sitka Spruce? What is the potential production and for how long might it be sustained?

The Department of Commerce contacts the west coast trade associations. The trade associations contact the individual lumbermen, the mill owners, and the information is secured. Memoranda are prepared for the Bureau, giving reliable estimates of production.

The next step is to ascertain what the military requirements of airplane spruce would be in meeting the demands of the Defense Program. Maj. James C. Browne, Chief of the Commodities Division, Office of the Assistant Secretary of War, and Maj. D. G. Lingle of the General Aeronautical Board supplied the information as to the number of training planes the military services contemplated buying to fulfill their demands.

Statistics on the amount of spruce required to construct this number of training planes was supplied by the manufacturers. The Bureau enlisted the aid of the Aeronautical Chamber of Commerce. Telegrams were dispatched to more than a dozen different manufacturers, and in 24 hours the replies were in, giving the *exact* information wanted.

With all of these facts in its possession, it was possible for the Bureau to estimate what part of the production of Sitka



Spruce could be considered available for export, and the report which was submitted to the Stettinius Division formed the basis for the final determination of policy.

The Bureau, in finding the answer for

this routine inquiry, availed itself of the services of Government, the military, and industry. There were direct consultations with representatives from three Government departments, two Army officers, the representatives of two trade associations,

and one airplane manufacturer, in addition to the indirect contacts with a host of others.

And the total elapsed time between inquiry and final report was just one week.

## Industrial Materials

AMERICA is looking to its reserves of raw material, reserves vital in time of war. A strong nation must be self-sufficient. America is not self-sufficient.

President Roosevelt emphasized this early in June when he said, "raw materials come first" in building for defense. Since the National Defense Advisory Commission was established the Industrial Materials Division has been building up stock piles of material reserves.

Edward R. Stettinius, Jr., former chairman of United States Steel, is Commissioner of this Division. When Mr. Stettinius accepted appointment he was given the right to choose as his assistants people he knew had ability to get things done. This did not mean necessarily that he had to choose industrial leaders but men who knew their respective lines thoroughly.

One of the Division's first acts was to determine needs of our largest peacetime military and naval forces. Aided by statisticians, the Commissioner compiled requirement charts of all vital materials. These charts serve as a guide for all defense purchasing.

### Two-Fold Job

There are three main sections within the Division—Mining and Mineral Production, Agricultural and Forest Production, and Chemical and Allied Production—directly responsible to the Commissioner.

The Industrial Materials Division devotes its major efforts to helping the Army and Navy. Its job is twofold: To build up stock piles of foreign and domestic materials, vital in time of war, and to bring industry and the military services together so that production schedules may be worked out to meet military demands.

No buying is actually done by the Defense Commission. The Industrial Ma-

terials Division recommends purchases to build stock piles. The Army and Navy purchasing boards initiate purchase proceedings for all foreign and domestic materials which the services need.

The actual buying of such things as rubber, tin, and other strategic raw materials is done by corporations like the Rubber Reserve Company, the Petroleum Reserve Company, and the Metal Reserve Corporation. These companies were started with money provided by the Reconstruction Finance Corporation, except that in the case of the Rubber Reserve Company the Government put up 50 percent of the capital stock and the rubber industry bought the other 50 percent.

Tungsten is a vital military material. It is used principally in making high-speed tool steel and lamp filaments. For military purposes it is used as an alloy in armor-piercing bullet cores. Chief sources of tungsten are China and Burma.

### How It Works

To illustrate how the material requirement chart is used in buying tungsten, the following steps take place:

The Mining and Mineral Production Section learns that 2,000 short tons of tungsten can be obtained in Burma. The chart is read to determine the quantity needed to meet requirements. The Commissioner, after consulting Army and Navy officials, recommends purchase of the tungsten if the price is fair.

This recommendation, approved by Army and Navy purchasing boards, goes to the Metal Reserve Corporation. The Corporation makes an offer to the owner of the Burmese tungsten, and, if accepted, arrangements are made by the Maritime Commission for freighters to pick up the tungsten. In the United States the tungsten will be stored by the Metal Reserve

Corporation and used as war requirements demand.

All foreign critical materials are purchased in this manner by corporations controlled by the Reconstruction Finance Corporation.

Although the Industrial Materials Division devotes most of its time to acquiring raw materials, it is concerned with production of all materials up to the cutting stage. For example, manufacture of aluminum is the problem of the Division until it is cut in making airplane wings. Then it becomes the responsibility of the Production Division, headed by William S. Knudsen.

### No Guesswork

In building stock piles of domestic materials, the biggest problem is increased production. Efforts of the Industrial Materials Division in solving this problem are revealed by a recent Washington conference on armor-plate production. Before the meeting Mr. Stettinius wrote several armor-plate manufacturers, asking them to bring exact figures of their plant capacity. At the same time the Army and Navy were asked to send officers to tell exactly how many tons of armor plate were necessary.

There was no guesswork involved. The conference resulted in a long-range production program.

Another example of a domestic stock pile is aviation gasoline. Recently the Defense Supplies Corporation agreed to purchase large stocks of this fuel for reserve purposes to be stored mainly in underground tanks at strategic points throughout the United States and its possessions. The Industrial Materials Division worked out this purchase plan in such a manner as to minimize additional plant expansion of the petroleum industry.

# The Week in Defense

## Streamlining

THE MACHINE TOOL and Heavy Ordnance Section of the Production Division has completed an engineering study of methods of manufacturing machine guns which will make possible the release of 2,000 machine tools for other critical needs and a saving of \$10,000,000.

## Negotiated Contracts

In line with one of its primary objectives, the National Defense Advisory Commission this week took action to facilitate obtaining an adequate supply of defense materials in the shortest possible time by recommending the Government take full advantage of its authority to negotiate defense contracts instead of relying entirely on competitive bidding.

This new policy means speed, better use of existing plans and existing labor, transportation and power resources, protection of labor standards, and better distribution of defense orders.

And all these, in turn, should result in reduction of expenditures for relief, increased local tax income, and revitalization of unemployed whose only opportunities for production have been through WPA.

In connection with President Roosevelt's message on negotiated contracts, Sidney Hillman, in charge of the Labor Division of the National Defense Advisory Commission, said that he is "confident that this action is most far-reaching in our defense effort and should deal adequately with the problems which are properly of deep concern to labor."

## Contracts Jump

During the week there was a spectacular jump in defense orders from \$2,400,000,000 in orders to \$6,000,000,000. Orders to go ahead went to 21 aircraft companies, calling for 14,394 airplanes and 28,282 engines. Work orders also went out for six new munitions plants, and contracts were signed for construction of 200 new Navy fighting ships.

The ships will include seven "super battleships," eight aircraft carriers, 27 cruisers, 115 destroyers, and 43 submarines, designed to give the United States a force superior to the present combined fleets of the totalitarian powers. The Navy's goal is 688 fighting ships and 15,000 aircraft. Keels of the first ships will be laid in 6 months, and most of the vessels will be completed by 1945. This construction will bring into use ship-building facilities which have not been used since the World War.

Collateral with letting of ship contracts is a statement of new naval policy approved by the Secretary of the Navy. Based on maintenance of a two-ocean Navy and development of naval aviation as an integral part of the naval forces, it aims "to uphold national policies and interests and guard the United States and its continental and overseas possessions."

To supply material for aircraft and ship orders the Commission announced formulation of plans for a \$40,000,000 plant-expansion program to provide heavy steel forgings needed for this huge program.

## Aircraft Booming

For the first time in a number of years the aircraft industry passed the automotive industry in orders for machine tools thus far in 1940. Aircraft-industry orders, according to the *Wall Street Journal*, during the first half of 1940 accounted for more

than one-quarter of the machine-tool industry's domestic bookings.

## No Lumber Price Rise Justified

The defense program does not justify any increase in lumber prices, and recent advances have been due to unfounded rumors of actual defense needs in the next year, according to Leon Henderson, in charge of the Price Stabilization Division of the National Defense Advisory Commission. Mr. Henderson said that, according to well-informed lumbermen, the fundamental lumber supply and production situation is favorable to ready procurement at reasonable prices of all lumber the defense agencies will need without jeopardizing expected civilian requirements.

## Alien Registration

First two check-ups on national alien registration show that if the present daily average is maintained all the estimated 3,500,000 aliens will complete registration well before the December 26 deadline, according to Earl G. Harrison, Director of Registration.

A daily average of 47,092 alien registration forms, together with fingerprints, is being received in Washington. It had been estimated that only 36,000 daily would be needed to complete the registration on time.

## LAW ENFORCEMENT

STATE and local law-enforcement officers are advised that the F. B. I. has made available to them and to responsible industrial-plant and public-utility executives its manual of protective measures to be taken against sabotage and espionage.

The book is confidential, each copy will be registered, must be kept intact, and remains Government property. The manual has hitherto been used only by Federal agents and military and naval intelligence officers in their surveys of more than 500 plants engaged in meeting defense contracts.

Requests for this manual should be addressed directly to J. Edgar Hoover, Director, Federal Bureau of Investigation, Washington, D. C.

# News from the States

## Vermont

VERMONT reports organization of a State Council of Defense by Governor George D. Aiken. The Executive Vice Chairman is Albert M. Cree, of Rutland. Committees were appointed on Agricultural Resources and Production; Civil Protection; Health, Welfare, and Consumer Interest; Housing, Works, and Facilities (Transportation); Human Resources and Skills; and Industrial Resources and Production.

## Virginia

Virginia's defense program moved forward on two fronts this week. On Tuesday the State Council, of which Douglas S. Freeman is chairman, met with representatives of the Housing Coordinator and with Frank Bane and discussed the problems of the Hampton Roads area. Hous-

ing needs and methods of securing immediate facilities and for building the units necessary to care for the defense workers were assigned to a committee. This committee will organize the local units to cooperate with the State and Federal officials. Health, welfare, and educational needs related to the expansion in the area were reviewed and will be analyzed by the State Committee and Miss Gay Shepperson, head of the Division of Health and Welfare of the Consumer Advisor's office.

## New England Council

The New England Council, holding its sixtieth quarterly meeting in Maine on September 13 and 14, heard discussion of the "State and Local Division," by Hugh Gallagher; "Morale, an Essential of National Defense," by Carl J. Friedrich; and "New England's Foreign Language

Groups and National Defense," by Anton Trulson.

At another session the Honorable Gordon Scott, Financial Advisor of the Canadian Department of Munitions and Supplies, discussed the impact of the war on Canada's economy.

## Connecticut

A committee from the Connecticut Council conferred in Washington this week with Mr. Palmer, Housing Coordinator.

## Police Cooperation

Col. Leroy Hodges was appointed chairman of the State Committee on Civil Police Protection. The Committee will prepare a plan for cooperation of all police units in the State for mobilization of police facilities in the event of an emergency.

# Planning Boards in Defense

GOVERNORS and State defense councils are using planning boards in assembling information and for long-range defense studies of basic State resources for best peacetime use and are now interpreting this information on land and agricultural resources, transportation and power facilities, water and fuel supply, housing, industrial plants and equipment, labor skills, raw materials, and other resources.

## New York and Kansas

The National Defense Council has suggested to the Governors that the State planning board be designated as the fact-finding agency of the State defense council. This job involves compilation, correlation, and interpretation of data already available in national, State, or local agencies, as well as conducting studies and investigations.

In New York and Kansas, the planning boards are making surveys of idle plant facilities and production capacity, as well

as a directory of manufacturing establishments which will aid those States' industrial defense efforts. The California, Tennessee, and Virginia planning agencies are carrying forward special research and fact-finding work for the State defense councils. The Arkansas State Planning Board has set up special defense committees to examine manpower, agricultural, forest, and mineral resources, manufacturing plants and equipment and transportation facilities.

## The Job Ahead

Determining the State's national defense resources is only part of the job. Putting them to work also requires careful planning. In this task the experience of the State planning boards will prove very useful in selecting possible sites for new defense establishments and planning housing, transportation, power, water, and other facilities in the area to place these establishments in operation as quickly as possible.

In announcing plans for State studies the councils of defense have issued statements which emphasize the importance of marshaling States' resources during an emergency with an eye to long-range effects on State and local economy. Will the booming industrial defense areas become "ghost towns" after the emergency passes? Can new developments be made to contribute to the future welfare of the area? These are questions which studies of the most effective use of resources will help to answer.

## Future Gains

After the emergency has passed the States will want to carry forward gains and remedy losses made during that period. As permanent planning agencies, the State planning boards will be in a better position to profit from the experiences of the emergency period if their services have been effectively utilized. They can help smooth the transition back to normalcy.

EXPEDITIOUS attainment of necessary equipment for our armed forces involves the most efficient use of our human and physical resources. Fortunately, we have begun our program at a time when a significant portion of our industrial equipment is not being fully used. Also available is a large number of unemployed workers whose greatest ambition is to secure employment.

Our large unused resources, if wisely used, should make it possible to meet all of our needs for national defense and at the same time maintain our labor standards.

There is no reason why all of the labor requirements for the defense program should not be effectively met under conditions of employment which conform to recognized high standards. Our industrial history has proven that such standards are conducive to efficient production. Our experience during the past war and the experience of Great Britain during the present war are ample proof of the fact that excessive hours of employment are detrimental to efficiency.

Experience has further shown that a fundamental requirement of efficient production is wage rates which enable workers to maintain a high standard of living. Similarly, safe working conditions have been universally accepted as productive of maximum output. Finally,

the existence of equitable labor relations between employers and workers has been proven necessary to high efficiency in industry.

There is no reason why all of these essentials to high productivity cannot be maintained in defense industries.

In meeting labor needs we have two large reservoirs. The first is the army of unemployed. The second is the hundreds of thousands of skilled workers who are now employed at semiskilled and unskilled jobs. Inventories covering this group are being made by various trade unions.

Provision is also being made for training workers so that we can be assured that our future needs also will be met. Resources of the United States Bureau of Education, the National Youth Administration, the Civilian Conservation Corps, and the National Committee on Apprenticeship Training are being utilized.

American labor is fully aware that it can be free only under democratic institutions. Unstinted cooperation of various labor groups in the defense program is evidence of its readiness to do everything in its power to see to it that our freedom and rights are not impaired by enemies from within or outside the Nation.

SIDNEY HILLMAN,  
*Labor Commissioner.*



*Q. In World War I, the slogan was "Food will win the war." Should the farmers of the Nation plan to raise more crops again as part of the defense program?*

*A.* According to Chester C. Davis, in charge of the Agricultural Division of the National Defense Advisory Commission, "We have an abundance of food and fiber to meet normal civilian requirements and any military demand that may arise. On

top of this abundance the surpluses are piling up which would have moved into export if there had been no war in Europe. The big job is to maintain farm income and prices at a level which will keep the farm plant healthy in the defense front. American agriculture is one branch of our economy that doesn't have to expand its plant or step up its production."

*Q. What action, if any, has been taken to house workers on defense projects where existing living accommodations are inadequate?*

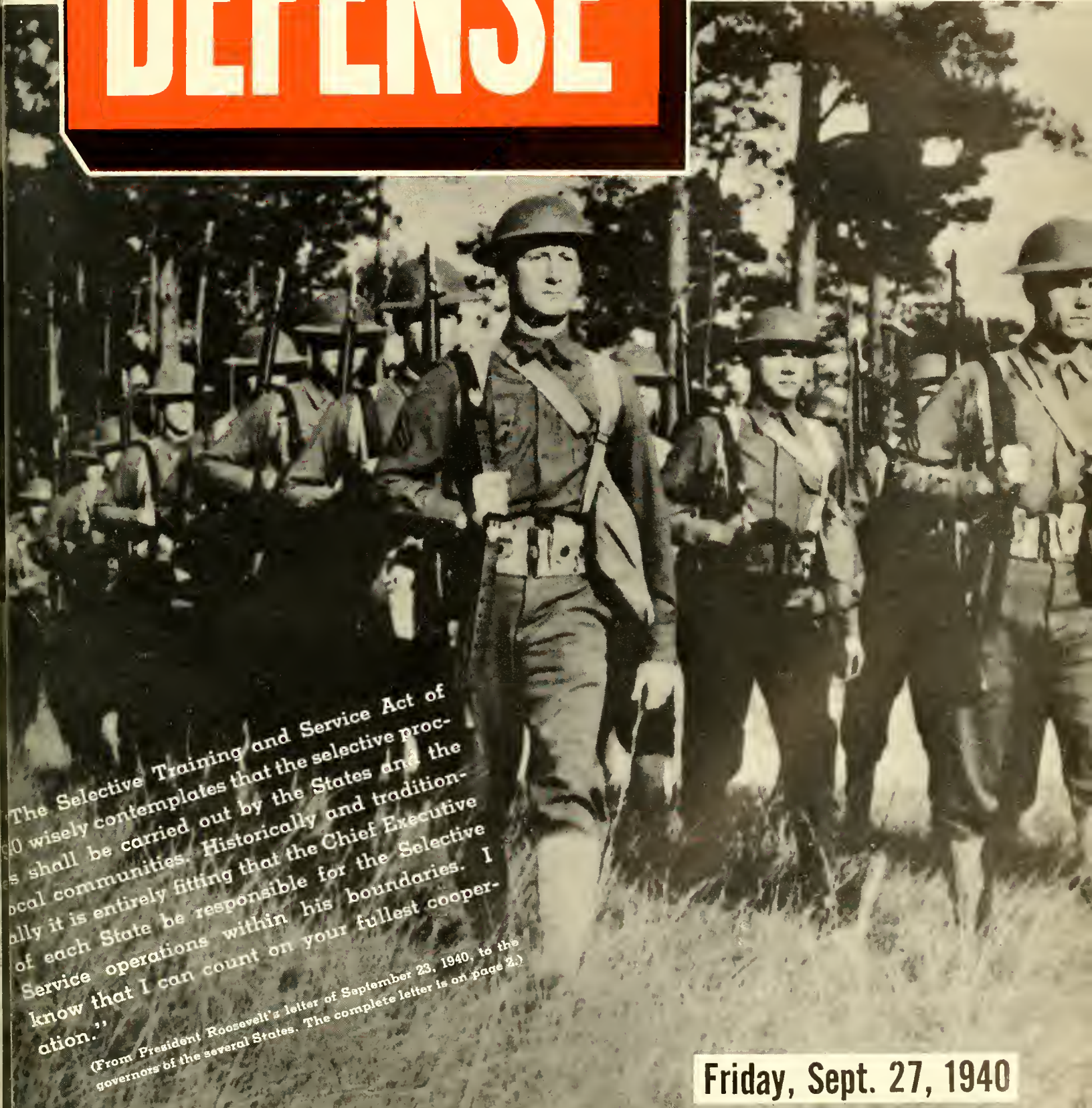
*A.* On September 9, H. R. 10263, providing \$100,000,000 for defense housing projects, was signed by the President. These funds will be allocated by the President to the War and Navy Departments, which "may utilize such other agencies of

the United States as they may determine upon." The Army and Navy already have plans for construction of homes in certain areas. Additional construction is anticipated in a number of cities in continental United States, in the Panama Canal Zone, and elsewhere.

*Q. We note that over one-half the States have already set up some sort of defense council. Would it speed up the national defense program if our State should do likewise?*

*A.* Not necessarily. Each State should decide whether, and when, a council is needed. Like the national council, a State council should advise and not execute. So far as practicable, all action on defense programs should be taken through existing agencies, public or private.

# DEFENSE



The Selective Training and Service Act of 1940 wisely contemplates that the selective process shall be carried out by the States and the local communities. Historically and traditionally it is entirely fitting that the Chief Executive of each State be responsible for the Selective Service operations within his boundaries. I know that I can count on your fullest cooperation.

(From President Roosevelt's letter of September 23, 1940, to the governors of the several States. The complete letter is on page 2.)

Friday, Sept. 27, 1940

Oct 14 1940

# The President's Letter on Selective Service

THE SELECTIVE TRAINING and Service Act of 1940 wisely contemplates that the selective process shall be carried out by the States and the local communities. Historically and traditionally it is entirely fitting that the Chief Executive of each State be responsible for the Selective Service operations within his boundaries. I know that I can count on your fullest cooperation.

A favorable and intelligent public opinion, based on a just and impartial administration of this most important defense measure, can be more effective in securing proper and effective administration of the law than the penalties written into the statute.

I am asking each Governor to set up and supervise the Selective Service System within his State. As promptly as may be practicable, therefore, I should like to have the name of the individual you designate for appointment as State Executive for Selective Service. It is my thought that the State Executive would administer the operations within your State under your direction, but with the necessary assistance and supervision of the National Selective Service Administration. I appreciate also that your State has gone far in its planning for manpower procurement, and that your Adjutant General and State Staff are well organized to assist in carrying out the present requirements.

I request you to carry out the registration within your State and to call upon your local election officials and other patriotic citizens to serve on the Registration Boards and in all other ways to assist in making the registration full and complete.

Enclosed is a copy of the Proclamation fixing Wednesday, October 16th, as the day for registration within the continental United States, and setting forth in a general way instructions for registration. I hope you will find it desirable to issue a similar proclamation urging the fullest cooperation within your State. It should be made abundantly clear to the public that the act of

registration consists in effect of merely listing the names and addresses of registrants.

After registration, the classification and selection of men will be handled by the Local Boards. It is all important that the Local Boards be composed of men in whom the community has the greatest confidence. Membership on a Local Board should be considered a position of honor and trust. I feel certain that many thousands of our most able and patriotic citizens will offer their services for this duty.

I ask that you recommend to me with the greatest expedition the names of citizens whose loyalty, integrity and fairmindedness are beyond question, for members of the Local Boards and Boards of Appeal, and for the offices of Government Appeal Agents and Examining Physicians. I ask that you yourself appoint the Advisory Boards for Registrants and the Medical Advisory Boards.

Since so many of our young men will be asked to devote a year of their lives to the service of their country. I feel certain that others of our citizens will wish to make their contribution to the national defense by devoting a part of their time to these various duties. It is not contemplated that compensation be paid, except for the necessary clerical assistance.

I suggest you make the fullest use of all State and local officers and employees. I believe you will find your State employment service and the public welfare agencies particularly helpful to the Local Boards.

The Congress has made its historic decision after careful consideration and full debate. The procurement and training of our manpower under proper administration, fairly and without fear or favor, is undoubtedly the most important single factor in our entire program of national defense. I ask your every help.

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**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE  
Division of State and Local Cooperation

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the State

Volume I Friday, Sept. 27, 1940 Number

# Training for Defense

MORE THAN 1,000 communities have taken the first major step toward obtaining Federal funds to train workers for defense industries. This step involves setting up the type of advisory committee specified by the Federal Advisory Board for Vocational Education.

These committees must be composed of representatives of labor and management and often also include educators and persons identified with local civic groups. They advise local trade school authorities on needed training courses.

John W. Studebaker, United States Commissioner of Education, is working with Sidney Hillman, member of the National Defense Advisory Commission, on problems relating to recruiting and training of labor. This is one phase of a three-part program.

## Fifty Different Subjects

By August 31, after 2 months of operation, 107,757 persons actually had been enrolled in 2,836 training courses conducted in 472 cities in 43 States and the District of Columbia. These courses cover about 50 different subjects and are of two types:

Courses supplementary to employment, and

Preemployment "refresher" courses.

The supplementary courses are aimed to improve skills of persons now employed in jobs essential to, or closely related to, defense industries and usually are conducted in the evening.

The preemployment refresher courses are given on a full-time basis for unemployed persons whose previous training or experience, coupled with the refresher course, would make them employable in defense industries.

Supplementary course trainees often are selected on endorsement of employers or trade unions. Trainees for preemployment courses are selected from registers of public employment offices. Where possible, approximately 50 percent of the refresher course trainees are selected from local WPA rolls by agreement with the

Work Projects Administration. The students remain on WPA while studying.

By August 31, 8,006 persons, all in pre-employment refresher courses, had completed training and more than one-half of these had obtained jobs.

Largest numbers enrolled were in New York and Illinois.

Most popular courses by far were those in machine shop work, with 21,422 enrollees.

For emergency needs, vocational schools have designed short courses of 6 to 12 weeks, i. e., 200 to 500 hours. Preemployment refresher courses run 6 or 8 hours a day; supplementary courses 2 to 4 hours a night 2 or 3 times a week. These are not expected to turn out experts, but to train men who can do a job under the eye of an experienced foreman.

## The Story Moves

These programs have been set up under the \$15,000,000 appropriation for summer defense training, signed by the President June 27. On July 1, registration of trainees began in many centers, and the National Advisory Committee on Trade and Industrial Education met. By mid-July 30,000 workers were enrolled. By July 31, 80,614 were enrolled, and placements had begun. By August 15, 92,471 were enrolled and placements were above 3,000.

The contrast between the situation in 1917 and 1940:

	<i>World War I, 17 months</i>	<i>Present emergency, first 2 months</i>
<b>Training centers</b>	<b>125</b>	<b>462</b>
<b>Number trained</b>	<b>61,151</b>	<b>92,471</b>

In 1917 there were but a handful of trade schools; today there are 1,053 federally aided schools with a capital investment of more than a billion dollars.

Shortages of engineers with specialized knowledge have appeared in a number of classifications, including naval architects, ship draftsmen, marine engineers, engi-

neers skilled in airplane structures, airplane power plants and airplane instruments, and machine tool designers.

Since June these problems have been under consideration by leaders of engineering colleges called together by the United States Office of Education to confer with Army, Navy, and Defense Commission officials.

An Advisory Committee on Engineering Education has been appointed by the United States Commissioner of Education, with Dean A. A. Potter, College of Engineering, Purdue University, as chairman.

## 24 Hours a Day

Schools in many cities are offering 24-hour-a-day use of machine-shop facilities for preemployment refresher courses.

In a recent report to the budget director, Commissioner Studebaker summarized the trade-school resources that could be used for defense training. There are in operation 1,053 public trade schools whose courses have been approved for Federal aid. They engage regularly 5,000 men as full-time instructors in defense trades. In States and local departments of education are about 1,000 trained supervisors. Program devices have been developed that will permit intensive use of these facilities, without interference with the regular school programs.

## \$10 Per Week

Estimated over-all costs for trade school defense training of all types is \$10 per trainee per week.

Plans for defense training have been received by the Office of Education from all 48 States, Puerto Rico, Hawaii, and the District of Columbia. Defense training has been launched in all except a few States. Plans envision courses offered in practically all of the 1,053 public trade schools.

By October 1 regional conferences will have been held in Memphis, Washington, D. C., Chicago, and Salt Lake City, covering needs of every State in the union.

# Defense and the States

## Virginia

REPRESENTATIVES of the Division of State and Local Cooperation and the office of the National Defense Housing Coordinator met in Richmond with the Virginia Defense Council to discuss problems arising from the progress of the defense program in the Hampton Roads area. In this locality special housing problems have developed because of the expansion of shipbuilding and naval activities. The State Council established a special committee to develop plans for the coordination of State and local housing efforts in the Newport News-Norfolk-Portsmouth region. Hugh Pomeroy, Director of the Virginia State Planning Board, was designated as the executive secretary of this committee.

## No Unnecessary Replacements

New York State jobs vacated by men inducted into the Federal service under the Selective Service Act should not be filled unless absolutely necessary, Governor Lehman has ordered. Further, he said he would seek full compensation for State employees called out for training, through a bill authorizing payment of the difference between Army pay and State salaries.

Similar protection already covers State employees mobilized with the National Guard, Naval militia, and Reserve corps.

If replacements are to be made during an employee's absence, the State department head must refer the matter to the budget director, without whose approval no vacancies can be filled, the Governor said, adding: "In view of the additional financial burdens which are inevitable in our defense program, any services not vital to the public welfare should be suspended for the duration of the emergency."

## New England Council

During the past summer 6,000 new skilled workers have been trained in New England to be absorbed by the defense program, it was brought out by Walter F. Downey, Chairman of the New England

Conference of Education Commissioners, at the final panel session of the New England Council at its quarterly meeting at Rangeley Lake, Maine.

In connection with his report of the summer training program, Mr. Downey said that considerable expansion to meet the growing need is planned for autumn.

A total of 4,200,000 additional skilled workers will be required throughout the Nation in the defense program, Professor Donald H. Davenport of the United States Labor Department told the Council, adding that one-sixth of these will be furnished by New England, with the full impact of the program to be felt in that section within 6 months.

Col. John J. McDonough, regional WPA director, predicted absorption of large numbers of WPA workers by private industry. Already 2,000 WPA workers are being trained for jobs in industry, with large increases planned within the next few months.

Harry A. Russell, Director of the Workers Education Bureau, Massachusetts Federation of Labor, urged New England manufacturers to take on additional apprentices as soon as possible. The Council passed a resolution calling attention to New England's manufacturing facilities as "fully equipped to meet all demands."

## Southern Governors

Theme of the Southern Governors' Conference held at Dauphin Island, Ala., was expression of the need and importance for bringing the great natural and human resources of the South to attention of the National Defense Advisory Commission. Present at the Conference, in addition to the governors, were members of the South-wide Defense Council, established for the purpose of "assisting the Nation in providing ready and accurate statistical and factual information to all branches of the Federal Government charged with execution of the national defense program."

Governor Dixon of Alabama was named chairman of the Conference to succeed Governor Rivers of Georgia.

## Health Conference

Surgeon General Thomas Parran urged State and local health agencies to do all they can to encourage young men in their communities who are subject to registration for selective service to take blood tests in the next few weeks before registration begins.

This was one phase of discussions at the 3-day emergency session of the Association of State and Territorial health officers in Washington at which the membership recommended adoption of a broad medical preparedness program.

Among other measures approved by the conference were:

Cooperation with National Youth Administration in a program of physical examinations and rehabilitation of young men engaged in vocational training.

Greatly increased authority and funds for the Public Health Service to attack sanitation and public health needs in defense mobilization areas in the States for protection of the military and industrial population against possible epidemics.

Treatment at Federal expense of men called up under the Selective Service Act but deferred because of correctable physical defects. Dr. Parran planned to explain this recommendation to the American Medical Association.

The Public Health Service estimates that this phase of the program would cost, if adopted, \$25,000,000. George St. J. Perrott, Public Health Service statistician, argued that the plan would make more men physically able to fight and, further, would render them fit to work in essential defense industries.

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## COMMUNICATION BOARD

President Roosevelt has set up a Defense Communication Board, charged with coordinating all branches of communication—radio, wire, and cable—with the national defense and preparing plans for operation during any national emergency. He specifically ruled out censorship as part of the Board's activities.



## . . . and the Cities

DEFENSE was the theme of the 1940 annual meeting of the United States Conference of Mayors in New York City, September 19, 20, and 21.

New York's Mayor F. H. LaGuardia, president of the conference, spoke on the job of mayors in the defense emergency: "We have to keep cool, and we have to keep the people of our cities protected and calm and ready for any emergency."

President Roosevelt, in a message to the conference, stressed the importance of integration of the defense measures undertaken by the Federal Government and municipalities.

Canadian mayors were represented at the conference by Mayor Stanley Lewis of Ottawa, president of the Canadian Fed-

eration of Mayors and Municipalities, and seven other Canadian mayors.

The following resolution was adopted: "Now, THEREFORE, We, the United States Conference of Mayors in Annual Conference assembled, do at this time solemnly pledge the renewal of our bond of friendship with our Pan American colleagues, and we extend to the peoples whom they serve in their various communities sincere felicitations of good will from our people in the United States, and do hereby urge and recommend the establishment of an organization of cities of the Western Hemisphere, to promote and to defend the economic security, the political liberty, and the general welfare of all our peoples."

It was reported that 13 of 21 countries have formed commissions to encourage the organization of national leagues of municipalities. The second congress of municipalities will be held in Santiago, Chile, in 1941 to discuss how the cities of the Americas can promote international good will.

Resolutions passed unanimously included one in which the conference members pledged "loyal allegiance and devoted cooperation of the citizens of all our communities to the Government of the United States in the great undertaking of preparation for our national defense." Another commended the Council of National Defense for establishing the Division of State and Local Cooperation.

## Answers to Questions

*Q. What will be done if there is a jump in the price of food or clothing, or other consumer goods?*

A. First of all, the Commission would make a thorough investigation to find out why the prices have risen. If it was found that the increase was not justified by conditions in the market, the Commission would call members of the industry in for a conference. In almost all cases it is likely that the industry itself would remedy the situation, but in case it shouldn't the Commission would use publicity, public opinion, and the machinery of the appropriate Government agencies to do the job.

*Q. Why are machine tools so important?*

A. Before a machine can be made, a machine tool has to be made to make it. Without machine tools there would be no automobiles, sewing machines, typewriters, airplanes, guns, or tanks. A machine-tool manufacturer measures things down to two millionths of an inch. Today, a

motor manufacturer can take any one of a million pistons and slip it into any one of a million cylinders, knowing that the fit will be perfect.

*Q. What is being done to control foreign vessels in United States territorial waters?*

A. Regulations have been issued by the Secretary of the Treasury to carry out a proclamation of the President of June 27, 1940. For the control of foreign and also domestic vessels in the territorial waters of the United States, an Office of Merchant Ship Movements, staffed by Coast Guard officers and Customs officials, has been set up in the Bureau of Customs. This office will provide "increased control over the anchorage and movement of vessels in United States harbors and over the handling and loading of explosives and other dangerous cargoes. Licensing of small craft operating in the harbors or waters in ports of entry may be required by the Secretary of the Treasury, such licenses to be granted or revoked by the Collector of Customs."

*Q. What was done in the United States about "conscientious objectors" during the World War of 1914-18?*

A. The Draft Act exempted from combatant service conscientious objectors who were members of certain religious sects that oppose participation in war, and in the Selective Draft Law cases before the United States Supreme Court it was held that this exemption was not unconstitutional. But the granting of exemptions depends upon Congress.

*Q. What is the "double shuffle" mentioned in connection with the draft?*

A. According to plans of the Joint Army-Navy Committee, men are to be selected for service in the following manner: (1) Local draft boards will shuffle registration cards, which will then be numbered according to their accidental sequence; (2) in Washington there will be a lottery in which the numbers drawn will determine selection (e. g., if number 501 is drawn, number 501 in each local district will be called).

# The How of Distributive Buying

THE DEFENSE COMMISSION has announced a policy of distributive buying in obtaining defense material. What does that mean?

For a long, long time it's been the policy of Government to buy through competitive bidding. In the past when the Army needed blankets, specifications were written with stipulations as to length, width, and quality. Then bid invitations were mailed to manufacturers who had shown interest in making Government blankets.

Along with the specifications was information for bidders, stating they would have to submit a sealed bid to be opened at a definite hour at a definite place, and that the bid would have to be accompanied by cash or a certified check to show that they were serious about the order.

Usually bids were opened several weeks after information had been mailed to bidders. Then the low bidder got the contract. Under competitive bidding there was nothing the Government could do about it if the low bidder already was working at almost capacity while other plants idled.

## Know the Field

In order to get fullest use of facilities under the speeded-up defense program, a better system was needed. One of the first jobs the Commission tackled when it went to work was how to improve this purchasing policy.

Commission experts represent a cross section of American industry. They know what existing plants can do. They know the location of plants not now operating on a full basis. They know where there are plants that have closed down but still have machinery, skilled labor, and facilities available. They know how plants can be converted for defense purposes. The result is a system of awarding contracts—still through bidding—to companies that can best handle them, distributed over the United States.

For instance, the Army wants guns, a fairly new problem for industry. Several companies with experience that would en-

able them to do this type of work are consulted. Suggestions are made back and forth. Those with the best location and transportation facilities, and an available supply of skilled labor, are selected.

The companies are given specifications and asked to come back in a couple of days prepared to tell how much it will cost to produce the guns. Then the experts representing the War Department and the Defense Commission work out a price, fair to the Government and the companies. Provision for wages is included.

## Benefits All Three

Parts of the order may be awarded to three of the companies. Production begins.

By this pick-and-choose method it is possible to avoid concentrating all orders in one locality. It benefits capital, labor, and the Government.

Operation of plants at full capacity forces down overhead costs and gives some profits to employers who have had to operate on a low production basis at a possible loss. For instance, in the case of blankets, it is possible so to arrange the orders to fit in with off-season production and keep the plant busy year around. Also, protection is guaranteed employers with good labor standards against unfair competition of employers with inferior standards.

Labor is benefited because in localities where factories were shut down during the depression, industry is being revitalized. Skilled and semiskilled workers are getting a chance to go back to their former occupations. Older skilled workers are not forced to travel great distances to find work.

## Overhead Cut

The reduced overhead costs for Government contractors mean a reduction of contract costs to the Government. That means less cost to taxpayers. Another benefit to Uncle Sam is the saving of time that would be required if existing facilities were expanded in specific areas.

Negotiated contracts should reduce the cost of relief, make it tougher for speculators in Government contracts, and put

unemployed whose only opportunities for employment were with the National Youth Administration and the Work Projects Administration back to work at their original skills.

Competitive bids are the best procedure in normal times. But this is an emergency, and when negotiated contracts are a better way to buy they are now put to use.

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## MOTOR DEPOTS

The War Department is establishing seven new motor-supply depots to expedite distribution of motor transport parts for the Army. A key depot will be located at Fort Wayne, Ind. Other depots will be at Schenectady, N. Y.; Baltimore, Md.; Atlanta, Ga.; Fort Leavenworth, Kans.; Normoyle Quartermaster Depot, Tex.; and San Francisco.

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## RESEARCH CENTER

Forty-five research projects of value to the defense program will be undertaken by State universities participating in the Commerce Department's cooperative business-research plan. Study will be made of a wide range of subjects, including analyses of basic commodities and resources, strategic industries, wages and hours, production standards, trade barriers, industrial potentials of various States and regions, transportation, Latin American and European trade and Far Eastern economic and financial problems.

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## AVIATION GAS PROBLEM

W. A. Harriman, of the National Defense Advisory Commission, told the National Petroleum Association convention at Atlantic City that "due to conservation there are ample sources of petroleum products available except for certain specialized items." Among these is 100-octane aviation gas, war requirements of which would be substantially greater than present production capacity.

# The Week in Defense

AMERICA'S stock piles of strategic raw materials are mounting.

Arrangements have been made by the National Defense Advisory Commission for purchase of a majority of the vital strategic materials needed for America's defense program. With this announcement the vistas of our defense activity open up almost to the horizon.

Stock piles of such vital raw materials as antimony, tin, rubber, manganese, tungsten, and chrome are rising throughout the country. Thousands of tons of these materials are on the high seas bound for American ports.

## Tin

As an example, reserve stocks of tin already in this country or en route here are adequate to meet requirements for the next nine to twelve months. A record total of 12,400 long tons of tin, or almost twice the amount ordinarily consumed in a month, arrived in this country during August, and at the end of the month, it was announced by Edward R. Stettinius, Jr., in charge of the Industrial Materials Division of the National Defense Advisory Commission, 22,364 long tons were afloat on the way to the United States.

Mr. Stettinius pointed out that this country normally consumes from 70 to 80 thousand tons of tin a year, but that these requirements will be increased substantially when full production is reached on tin plate, solder, bearings, and other tin products required for the defense program.

By last week the Navy, the Procurement Division of the Treasury Department, and the Reconstruction Finance Company, through the Metals Reserve Company, had purchased 13,694 long tons of tin under the Government's stock-pile program. More than 8,000 tons already had been delivered.

In order to expedite accumulation of reserve stocks of tin, Mr. Stettinius said the Defense Commission made arrangements with principal producers to increase mining operations.

As a second step in the program of insuring the Nation against a possible tin

shortage, conferences have been held by the Industrial Materials Division and the Metals Reserve Company with various private groups which have expressed interest in constructing a tin smelter in this country for processing Bolivian ore. Save for experimental plants, there are at present no smelting facilities either in Bolivia or in this country.

In addition, the Commission is surveying possible use of substitutes in some lines and an increase in scrap recovery. Normal reclamation of seven to eight thousand tons of "clean scrap" could be expanded somewhat, the Commission said. (In this connection read "As I See It," by E. R. Stettinius, Jr., Industrial Materials Commissioner, on page 8 of this issue.)

## Contracts—Six Billions

Donald M. Nelson, Coordinator of National Defense Purchases, revealed that the value of contracts awarded by the Army and Navy is in excess of \$6,000,000,000, which is more than three times the total expended in any previous peacetime full year for the Nation's armed force.

Included in this fund are construction of the first mass-production tank factory in the world, in Detroit, smokeless-powder plants, shell-loading plants, new machine-gun plants, new larger-gun factories, expanded shipyards, and new airplane factories.

## Employment

Indicative of how employment is going since the National Defense Advisory Commission started work, the War Department's figures show that more than 43,000 have been added to its rolls, the Navy Department's 35,000, in arsenals and shipyards. These figures, it is said, will continue to rise. (In this connection, see the article "Training for Defense" on page 3 of this issue.)

## Housing

To provide for these workers, a defense housing program already is under way with 19 projects under construction in 17 cities, and 134 additional projects providing 44,308 dwellings are on the way.

## TVA Fund

A fund of \$25,000,000 authorized by Congress is at work to increase the electric-power output of the Tennessee Valley Authority to insure adequate supplies of aluminum for airplanes.

## Plane Contracts

In the field of airplanes, the Commission announced that contracts are now in effect for 10,013 new ships, and informal orders to proceed have enabled manufacturers to start work on 15,276 more.

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## 6,000 DRAFT BOARDS

Success of the Selective Service Act depends in large measure on efficiency of local boards throughout the country, Col. Lewis B. Hershey, executive officer in charge of the Joint Army and Navy Service Committee, told the convention of 200 mayors in New York City.

More than 6,000 local boards will take registrations in 120,000 schools, halls, and polling places. Colonel Hershey added that about 1,000,000 persons would volunteer their services to make the October 16 registration complete and accurate. He expressed belief that every American mayor would assume leadership in making the Selective Service Act successful.

Gen. James E. Chaney, speaking in the absence of Chief of Staff George C. Marshall, promised that no trainees called for service would actually be called until facilities for training and housing were ready. (See also President Roosevelt's letter on page 2 of this issue.)

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## PRODUCTION INCREASES

Stimulated by the defense program, United States production levels continued to rise last month, reaching an index of 123 compared with 121 in July, the Federal Reserve Board announces. Steel production advanced from 90 to 93 percent of capacity. Other increases affected machinery, shipbuilding, aircraft, and textiles.

PREPARING AMERICA for defense is primarily a "production job." It is a question of turning the full force of our national initiative and energy to the task of changing raw materials into vast numbers of airplanes, tanks, ships, guns, and other instruments of war, promptly and with a minimum disturbance to our normal peacetime life.

The strength of America lies in her great stores of natural resources, her manpower for work as well as battle, and her unparalleled industrial machine. It is the job of the Advisory Commission to see that these advantages are exploited to the full—to see that insofar as possible preparedness in this Nation is achieved by making more rather than consuming less.

We want, and we should have, guns and butter too.

But, while we do have vast resources, we do not have enough of some materials required for an impregnable defense. For some of the most important things that go into modern weapons we normally depend upon foreign sources which already have been cut off or which are threatened. This is one principal reason why we are faced with possible shortages of materials.

The other is that our industrial plant has been geared to the production of motor cars, refrigerators, radios, and a multitude of other products required in a wealthy, peaceful Nation, and now it is being called upon to produce the almost limitless array of entirely new and complicated defense machinery, requiring tremendous amounts of new supplies.

It is the responsibility of the Industrial Materials Division to see to it that none of these threatened shortages develop into actual shortages and thus block our whole defense effort.

When, after thorough investigation, it appears likely that we may have difficulty in getting the supplies required by the Army and Navy, there are several steps we can take. Our first move, of course, is to search for new sources of supply. This is what we have done in

the case of tin, which we usually get almost entirely from the Far East. We are arranging with Bolivia to get tin ore down there. It may be found desirable to arrange for smelting facilities in this country.

Sometimes it becomes necessary to expand our own production. This is being done in the case of heavy forgings, armor plate, and toluene for TNT.

For those materials which we may not be able to get and cannot produce in the United States, our only alternative is to find a substitute. This is what we are doing about rubber. We get virtually all of our rubber from the Dutch East Indies, and it is impossible at the present time to supplant this supply with rubber from South America. Accordingly, we are encouraging the development of plans to produce synthetic rubber.


Sometimes it is not possible to get enough materials for our defense program by any of these means. Then the obvious answer is that we must get more out of what we have, so extensive conservation and reclamation programs have been developed to be used when and if the emergency warrants.

Since additional facilities take time to build, new sources take time to develop, and reclamation programs take time to become effective, we are accumulating reserves of all strategic materials in which there is a threat of shortage. This is being done both by various Government agencies and by private industry.

In order to keep open our lines of supply, we must have the full cooperation of industry. That is what we have been getting. Every time a "red flag" situation arises we discuss the problems with the leaders in that field and get invaluable assistance from them.

It is by this method that this Nation will be able effectively to meet the emergency that has been thrust upon us.

E. R. STETTINIUS, Jr.,  
*Industrial Materials Commissioner.*

 **RADIO TRANSCRIPTIONS ON DEFENSE**

Attention is directed to the second series of 5-minute radio transcriptions of explanatory talks, "Building for Defense," which are now being mailed to radio stations throughout the country.

Four talks, all pressed on one record, are in the second series and they are available on request. A total of 275 radio stations received the first set of four.

Stations desiring to obtain the first se-

ries as well as the second should write to Robert W. Horton, Director of Information, the Advisory Commission to the Council of National Defense, Washington, D. C.

The transcriptions are mailed postpaid.

# DEFENSE



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Friday, Oct. 4, 1940

# Making Americans Stronger

U. S. SUPERINTENDENT OF DOCUMENTS

OCT 14 1940

"FORTY-FIVE MILLION of us are living below the safety line of health right now," asserts Miss Harriet Elliott, consumer commissioner on the National Defense Advisory Commission.

Concerted action to make America strong by wiping out undernourishment and malnutrition is urged in the "Food and National Defense" issue of *Consumers' Guide*, published by the Consumers' Council Division of the United States Department of Agriculture.

Miss Elliott suggests eight ways in which groups and individuals can work to insure better diets for everyone:

1. Get a municipal radio market-news service to let household buyers know what foods are good buys each day;
2. Start a school-lunch program to assure every school child at least one well-balanced meal daily;
3. Work for low-cost ways of selling milk, fruits, and vegetables so low-income families can buy more of these protective foods;
4. Set up diet clinics where family food problems can be discussed with experts in nutrition and consumer buying;
5. Support the food-stamp plan now operating in 150 cities;
6. Learn, if you have the land, how to grow foods you cannot buy, preserve what you cannot use at once, and plan for balanced meals throughout the year;
7. Urge merchants to sell and consumers to buy Government-graded foods, which assure the best quality for the price;
8. Know what your local, State, and national governments are doing to help get safe meals to more people.

National, civic, and consumer organizations have assured the Consumer Division of the National Defense Advisory

Commission of their desire to cooperate in raising nutritional levels, and thus promote physical fitness throughout the country. In Washington, Dr. M. L. Wilson, Director of the Extension Service of the Department of Agriculture, is chairman of a group of advisers to Miss Elliott on this program.

In a Nation-wide radio address recently, Miss Elliott said:

"Substandard housing, physical unfitness, economic insecurity—all these can be weak links in our defense as truly as a poorly fortified naval base.

"Total defense means building and strengthening our human and social defense."

The Consumer Division tries to prevent unwarranted increase in what the consumer pays for ham and eggs, milk and coffee, shoes and overcoats, and every other kind of consumer goods on the market.

## Buy Now . . .

In recent weeks advertising campaigns in a few communities have urged: "Buy now before the price goes up." Such a phrase could have caused a buyers' stampede as baseless as the one a year ago when housewives heard the false rumor of sugar shortage. But the Commission acted promptly; with cooperation of various retail associations, many broadcasting stations, newspapers, and better business bureaus, this recent scare advertising was curtailed.

What is done when complaint of a price rise comes to the Consumer Division?

First, the complaint is investigated to see if there is any sound economic reason for the increase. If it seems unjustified, the division confers with the trade or industry involved. In most cases, the situation can

be adjusted then and there. If not, full publicity is given to enlist the force of public opinion to bring the price back to normal. In serious cases the Division calls on appropriate Government agencies for further action.

"The Defense Commission is aware that price increases may be threatened in certain cases because of large governmental purchases for defense needs," states Miss Elliott.

In such cases, the Consumer Division works closely with other divisions concerned with aspects of the problem—the Price Stabilization Division, and the Coordinator of National Defense Purchases, who advises on Government purchasing policies.

## Monthly Installments

Take, for example, Army clothing orders. Substantial orders at this season might have created a temporary shortage and a price increase. When it became clear that defense interests would not be harmed if orders were placed in monthly installments, however, the Coordinator of Purchases so recommended, and this was done instead.

Human-welfare aspects of the defense program place particular responsibility upon the Consumer Division. In expanding defense manufacturing centers, problems of milk supply, food distribution sanitation, housing, and health services may develop that will require cooperation between public and private agencies.

"Everything that makes for better living and for a truer understanding of democracy is a vital part of defense. Spontaneous participation of free citizens everywhere in the defense program is a living illustration of the American way of life."

Cover picture from CAA—"Fledgling."

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE  
Division of State and Local Cooperation

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States

Volume I

Friday, Oct. 4, 1940

Number 1

U. S. GOVERNMENT PRINTING OFFICE

# Young America Learns to Fly

A TOTAL of 15,000 young men between the ages of 19 and 26 is expected to be enrolled in this fall's civilian pilot-training program, according to the Civil Aeronautics Authority.

The fall session runs from September 15 to January 31, 1941, during which courses will be conducted in 500 colleges and universities throughout the country.

Since training is linked to national defense, new candidates must pledge themselves to enter the military air services if qualified, according to an announcement by Col. Donald H. Connolly, Administrator of Civil Aeronautics. All applicants must pass the regular military physical examination.

Changes based on experience with the civilian pilot-training program in operation since December 27, 1938, simplify both ground and flight instruction. More emphasis is placed on navigation and meteorology. A course in "aircraft operation" covers instruction in flight maneuvers, including an integrated treatment of applied theory of flight and aerodynamics, light and engine instruments, engine servicing, aircraft inspection, routine maintenance, and parachutes.

## Insurance Rates Down

There will be one instructor to each unit of 10 students. Each student is to be charged for medical examination and flight insurance, as well as a payment not to exceed \$10 which will be made to the college as a registration fee. During the past summer no charge was made to the student, but in 1939-40 the colleges charged fees up to \$40 to cover insurance, ground instruction, physical examination, and other items.

Life and accident insurance premiums to cover students in these courses, Colonel Connolly stated, have been reduced again this fall. The rate for \$3,000 coverage is now \$9. This is the third voluntary reduction by insurance companies in about a year and a half. Previous to the program, the premium for \$3,000 coverage of a student pilot during training was \$35.

The first rate for this controlled program was \$20. Well over 100,000 hours have been flown for each fatality, in contrast to the 12,000 hours per fatality, the best record in light-plane flight instruction for the country as a whole, up to the beginning of this program.

"In short, the entire civilian pilot-training program to date has been about eight times safer than any other previous average for the country," Colonel Connolly said.

The present enlarged and accelerated program was launched when Congress provided funds and gave instructions to build quickly a huge backlog of young pilots with a limited amount of training, to serve as a reservoir from which the military services can draw cadets. Last year one group of students took the entire school year to complete the preliminary course. Three successive courses will be completed this year, one this summer, a second this fall, and a third the second half of the school year.

The civilian pilot-training program was initiated December 27, 1938, as an experiment in training civilian pilots through educational institutions. The original authorization of \$100,000 was on an experimental basis. On August 5, 1939, Congress appropriated \$4,000,000 for extension of training during the school year 1939-40. By December 31, 1939, 9,280 students had enrolled in 437 colleges, and 720 noncollege flight scholarships were being offered in approximately 70 communities.

## Noncollege Training

Under the present expanded program, college students between the ages of 19 and 26 may participate, provided they are citizens of the United States, have passed a physical examination of Commercial CPT grade, and have not held certificates of private grade or higher.

The proportion of noncollege students selected for training has been increased from 5 to 15 percent of the total. Each noncollege unit is sponsored by a civic

organization in the city where the training is conducted. Maximum number of flight scholarships awarded to any noncollege unit is 10, except that for each flight scholarship secured by the sponsor and paid for by others than the Federal Government, the Civil Aeronautics Authority awards an additional scholarship over the original quota, provided the total of additional scholarships awarded by the C. A. A. does not exceed 10.

In addition to the preliminary course, the C. A. A. is conducting a secondary course. The same requirements as to age apply as for the preliminary course. Applicants must meet the Army and Navy flight physical standards and must be selected by the institutions giving the ground training. The combination of the preliminary and secondary courses is equivalent to the primary stage in the military services.

## Refresher Courses

Two instructor refresher courses are being conducted at various points in the United States, one preliminary and one secondary. The first course qualifies successful applicants as primary instructors and deals primarily with teaching the pilot to analyze flight maneuvers and impart his knowledge to students. Applicants must be pilots between 21 and 40 holding active commercial certificates.

The secondary instructor course is open to all commercial pilots between 21 and 40 holding a preliminary rerated instructor's certificate upon approval by the C. A. A. The course trains the pilot to instruct secondary students.

An apprentice instructor course is also planned. It will be open to students who have successfully completed the secondary civilian pilot-training course and will include further flight instruction and training in methods of flight instruction and also further ground instruction devoted to analyzing and explaining flight maneuvers. Persons completing this course successfully will be eligible to serve as apprentice instructors, to train quotas of students under the supervision of a rerated instructor.

# What the New Soldiers Will Find

AMERICA'S young men are going to be a lot prouder of their biceps a year from now. That is, those called under the Selective Service Act will be.

In fact, the Army thinks they probably will get to be almost a nuisance around the house insisting that their families "feel my muscle."

Young men now under average weight may gain from 10 to 15 pounds during their year of training. And it will be all brawn. Their young colleagues-in-arms whose weight now agrees with the insurance tables may not change more than an ounce or two on the scales, but the difference to the eye should be startling. What flabby flesh they now carry will be transmuted into muscle. Shoulders will be broader, wastlines slimmer.

Part of this great improvement in the physique of American youth will be caused by plenty of outdoor exercise and regular hours. The rest of it, though, particularly among the underweight group, will come from the new Army diet.

## A to Z

The trainees of 1940 will sit behind meals of greater bulk and variety than did their fathers in 1917. In fact, probably only a small percentage of trainees regularly will have eaten better and more wholesome food as civilians.

Army meals practically run the gamut from Applesauce to Zweiback. In addition, the canning industry has expanded greatly since 1917 and plenty of canned fruit and vegetables will be served in seasons and areas where fresh produce isn't available.

But food isn't the only phase of camp life in which the 1940 soldiers will have it over those of 1917. For one thing they won't face the great breeches and collar gamble of 1917.

In 1917 the regulation Army uniform called for riding breeches, which, unless they fit to perfection, could destroy a trainee's sunny outlook. They had to fit correctly at three points—the waist, the knee, the calf. Few of them did. The odds were too great.

Then there was the high, hooked collar. All too often a size 14 collar was attached to a coat with shoulders designed for a wrestler. Or a coat with a collar big enough for a 225-pounder had shoulders fit for Mr. Milquetoast.

## Beau Brummels All

But all that's past. Today's uniform, with the regular straight trouser and lapel coat, makes perfect fit a simple matter.

As long as the trousers fit in the waist and hips (they're sized that way) and in trouser length, which reacts to a quick pair of shears, a trainee can be as comfortable as in his simplest civilian slacks. And the open-style coat does away with the swollen-neck problem. It does away also, of course, with the disappearing act of the slender-necked recruit whose head used to keep slipping down inside a size 22 collar.

In 1917 it was a standing joke among recruits that when they appeared before the quartermaster sergeant in charge of fitting shoes the question always was "Do you want your shoes too big or too little?" Actually, this was a baseless joke. In any

case, today the Army outfitting stations will be equipped with scientific shoe-fitting devices, and, further, the art of accurate shoe-sizing has progressed far in 23 years. Recruits, however, won't be given shoes to fit when they enter service. They'll be a little large, to take up the slack when unaccustomed feet expand a bit from hiking under pack.

No recruit will be without a uniform, even at the beginning of training. Expecting an increase in volunteer recruiting early in the summer, the Army ordered extra supplies of uniform cloth in June. This is already in process of tailoring into new-style uniforms, which, in addition to all their other attributes, whip up from the bolt more quickly than the old ones.

Incidentally, the Army expects a certain number of reorders for uniforms for individuals. What with gaining weight, some will simply grow out of their jackets.

# The States and Cities

## Pennsylvania

GOVERNOR JAMES has established a Pennsylvania Advisory Agriculture Defense Committee under chairmanship of State Secretary of Agriculture John H. Light to "assist our farmers to appraise their resources and needs in preparation for an emergency." More than 1,200 Pennsylvania farmers meeting at State College named a general committee to aid in gearing all phases of agriculture to national defense.

## Iowa

The tall-corn State has organized the Iowa Resources and Defense Council, which held its first meeting in Governor Wilson's office. The 11 members of the new unit represent various interests, including agriculture, labor, and the Grange.

## New Jersey

An advisory committee on consumers' interests has been appointed to assist the New Jersey defense council. Objectives have been formulated and plans worked out for clearance through the State committee of consumer information from the national and any local defense advisory councils.

## City Managers

Effect of the national defense program on cities was one of the topics discussed at the twenty-seventh annual conference of the International City Managers' Association in Colorado Springs.

The managers, representing all parts of the country and cities of various sizes, expressed their earnest desire to cooperate with the national defense program. They offered assistance to the Division of State and Local Cooperation of the National Defense Advisory Commission, which was represented at the conference. Fraternal greetings were extended to the cities of the republics of South and Central America.

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## CANADA'S EXPERIENCE

Major fiscal effect of war on cities is a sharp reduction in relief rolls, according to reports received from financial officers of Canadian cities by Carl H. Chatters, executive director of the Municipal Finance Officers Association.

All cities reporting noted this reaction, and most of them also have found a corresponding increase in tax collections, resulting from increased employment in war industries. Most relief rolls have been freed of all employables.



# The Week In Defense

## Contracts

THE NATION'S defense effort moved ahead rapidly this week. Contracts cleared by the National Defense Advisory Commission and awarded by the War and Navy Departments totaled \$367,860,000, bringing the total contracts cleared by the Commission to \$7,660,000,000.

Outstanding contract of the week calls for construction and operation of an ammunition-loading plant near Wilmington, Ill. Others call for planes, tanks, and scores of allied defense items.

## Bank Survey

The Defense Commission announced a survey of the Nation's commercial banks which stand ready to lend at least \$3,000,000,000 for emergency plant construction under a new form of contract worked out by the Commission. Under this contract manufacturers can borrow directly from private banks rather than from the Government.

## Price of Metals

The Commission found that ample supplies of zinc, copper, and lead are available, and Commissioner Leon Henderson, in charge of the Price Stabilization Division, announced there is no justification for recent unstable prices in these materials.

## Embargo

President Roosevelt established an embargo on American iron and steel scrap, preventing shipment of these materials to all countries except Great Britain and those in the Western Hemisphere.

## Latin-America

The President signed the bill permitting the Export-Import Bank to lend \$500,000,000 to assist in development of trade with Latin-America. The act extends the borrowing power of the Reconstruction Finance Corporation by \$1,500,000,000, of which \$1,000,000,000 will be available for defense loans in the United States.

Federal Loan Administrator Jesse Jones announced a loan of \$20,000,000 to Brazil for development of that country's steel industry. Brazil will put \$25,000,000 of its own funds into the steel expansion program.

## Tungsten Trade

Federal Loan Administrator Jesse Jones announced that China will be granted an additional \$25,000,000 Export-Import Bank loan to assist her in meeting present foreign-exchange needs. The loan will be made to the Chinese Government with the guarantee of the Central Bank of China and liquidated through sale to the Reconstruction Finance Corporation of \$30,000,000 worth of tungsten to meet United States defense needs.

Tungsten is a strategic material, which means that it is essential to national defense, and "dependence must be placed in whole or in substantial part on sources outside the continental limits of the United States." Strategic materials require strict conservation and distribution control measures.

Tungsten is the heaviest of base metals with a density the same as gold. It has the highest melting point and greatest elasticity of all metals. It is needed to give alloy steels high-tension characteristics and is used in industry for high-speed tool steel, lamp filaments, electric contacts, and electrodes. Its military use is in armor-piercing bullet cores.

The United States in 1938 was the world's second largest tungsten producer. Molybdenum serves as a substitute in some uses, including tool steel. China and Burma normally produce most of the world's tungsten.

## Selective Service

President Roosevelt signed an Executive order giving Lieut. Col. Lewis B. Hershey power to carry on administration of the selective service system pending designation of a draft director.

## F. B. I.

The Federal Bureau of Investigation's annual retraining period for graduates of the National Police Academy opened in Washington with emphasis planned on courses involving spying, sabotage, and other forms of "fifth column" activities. All 478 graduates of the academy from local enforcement agencies all over the country were invited to attend.

## Health Committee

The Council of National Defense, acting with the approval of President Roose-

velt, has established a subordinate body to be known as the Health and Medical Committee.

This Committee will consist of Dr. Irvin Abell, chairman, and the Surgeon General of the Army, the Surgeon General of the Navy, the Surgeon General of the United States Public Health Service, and the chairman of the Division of Medical Sciences of the National Research Council. The members serve without additional pay.

The Committee's duties will be to advise the Council of National Defense regarding the health and medical aspects of national defense and to coordinate health and medical activities affecting it.

The Council of National Defense is composed of the secretaries of War, Navy, Interior, Agriculture, Commerce, and Labor.

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A Nation-wide program allied to defense to promote the health and improve the physical fitness of out-of-school young people employed by the National Youth Administration is being put into immediate operation in cooperation with the Public Health Service and local health officers and physicians.

Every youth assigned to the NYA out-of-school work program will be given a complete physical examination. Facilities provided by NYA will be used to rehabilitate young people employed on NYA resident projects. Local health facilities, in cooperation with medical officers, will be available to youth in need of care who are employed on nonresident projects.

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## LUMBER FOR HCUSING

The National Defense Advisory Commission estimates that in the next 12 months troop housing and other defense installations will consume between 4,000,000 and 5,000,000 feet of lumber. In this connection, the Government has sold 425,000,000 feet of rough lumber salvaged from the 1938 New England hurricane to be sawed and finished with the expectation of buying it back for defense construction. Value of the lumber is between \$8,000,000 and \$10,000,000—the largest deal in rough lumber in United States history.

# Advancement for the Defense Worker

A NEW PLAN whereby American workers in defense industries probably will be enabled to advance more rapidly than ever before has been agreed upon by the Training-Within-Industry Advisory Committee recently established by Sidney Hillman, head of the Labor Division of the National Defense Advisory Commission.

This new approach, as approved by the Advisory Committee, is known as the "up-grading plan" and is expected to meet skilled-labor requirements for the expanding defense program as they arise. The new policy will be carried out in accord with the Labor Division's emphasis on "employing the unemployed" as the primary step in meeting defense labor needs.

The "up-grading plan" itself grew out of many discussions among representatives of progressive industries and labor unions under the auspices of C. R. Dooley, Director of the Defense Commission's Training-Within-Industry Department of the Labor Division, and his Assistant Director, J. W. Dietz. Mr. Dooley was loaned to Commissioner Hillman by Socony-Vacuum Co., and Mr. Dietz was borrowed from the Western Electric Corporation.

Sponsors of this new "up-grading plan" assert that it will probably make employee

advancement more rapid than ever before. They point out that the top-notch mechanic who often devotes 25 percent of his time to the most skilled part of his work and 75 percent to its less precise and exacting phases will benefit by being able to give his attention exclusively to the more skilled aspects of his job.

Likewise, the new employee will be taught not only a single basic operation but also its relationship to others in the total process, and will thus prepare himself to "move up rung by rung on the ladder of promotion and progress," according to Mr. Dooley. By the same token, the worker in the intermediate grades, under the guidance and stimulus of this "training for the best you can do" technique, can be transferred upward from light machine operation to more complicated tasks.

Similarly, apprentices who comprise a small, carefully selected group, will acquire all-round skills qualifying them for assignments demanding more versatility. This, in turn, becomes a "feeder" source for further "training-up."

The decision to apply this "up-grading plan" widely throughout defense industries was made only after close study of methods used by leading optical, tool-

making, and other establishments had convinced observers from the Training-Within-Industry Advisory Committee that these techniques could be readily adapted to meet the training needs of defense.

To quicken the adoption of the plan on a Nation-wide basis, about 20 district representatives, who will be assisted by 4 advisers, 2 from management and 2 from labor, together with a panel of personnel experts and training specialists, are now being appointed to supervise this undertaking in some 20 industrial centers.

Each district representative and his aides will cooperate with industry and labor on a 4-point program:

1. To assist management in analyzing training needs both for workers and supervisors.

2. To help create training procedures "custom built" to each individual plant's requirements.

3. To foster and make promptly available to management all information relating to upgrading plans.

4. To aid management in utilizing to the fullest extent such Government agencies as public employment offices, various engineering colleges, vocational schools, and the NYA and CCC.

## Answers to Questions

*Q. What about recent increases in the United States Army?*

A. The War Department has announced that during July, August, and September the Army organized 32 new regiments, 115 new battalions, and 729 new companies. To meet needs of the expanding service, 3,600 first and second lieutenants of the Regular Army will receive temporary promotion.

*Q. What will be the comparative strength of the United States fleets under the two-ocean Navy program?*

A. The United States will have an Atlantic and Pacific fleet with a total of 642 vessels—almost twice the strength of any two navies now afloat. The Navy Department lists 328 vessels under construction—more than the combined building programs of Great Britain, Germany, Italy, and Japan.

*Q. Approximately how much work will defense appropriations create?*

A. Secretary of Labor Perkins says that defense work will mean more than 4,400,000 man-years of employment.

*Q. What physical tests will be given the men conscripted under the Selective Service Act?*

A. The War Department states that these men will receive physical examinations of the same standard, with minor allowances, as are given to regular Army enlistments. Physical disabilities not a cause for deferment in the World War draft may be cause for deferment in the peacetime draft, according to Lt. Col. Charles Pruitt, Medical Adviser to the Selective Service Committee. One of the minor allowances made for the present draft is that men 5 feet tall will be accepted, though 5 feet 4 inches is required for regular Army service.

*Q. Will Federal employees called under the Selective Service Act continue to receive pay from their civilian positions?*

A. No. Except in the case of naval reservists, civilian pay of Federal workers will stop the day they are inducted into the armed forces, according to a ruling by Acting Comptroller General Elliott. Naval reservists will be paid for their accumulative Government leave under an act of Congress passed several years ago.

*Q. What State defense councils have women members?*

A. Eight of the 30 State advisory defense councils reported to the Division of State and Local Cooperation up to September 30 had women members. These 32 members were distributed as follows: California 3, Connecticut 2, Indiana 1, Iowa 1, Maryland 1, Massachusetts 21, Michigan 1, New Mexico 1, Vermont 1.

# AS I SEE IT

AGRICULTURE'S RESPONSIBILITY in this crisis is the same as that of all other American interests—to make resources and manpower available for defense purposes. Farmers are probably better prepared than any other group to meet that responsibility. Agricultural production is now at higher levels than during the decade of the twenties. With minor exceptions, it has no bottlenecks. Through the AAA, an outstanding development in applied economic democracy, American farmers have had valuable experience in unified action to meet changing demands. The "ever normal granary" program has built up reserve stocks of essential farm materials for military and civilian requirements.

Notwithstanding agriculture's preparedness, it faces some vital problems which concern this division of the Defense Commission. Because farmers have always produced abundantly, their economic future is complicated by loss of export markets shut off by war. Additional steps are necessary to prevent the loss of these

markets from jeopardizing their ability to continue to produce.

We are striving for maximum possible decentralization of the new industries and new orders required for defense not only because it is sound practice for the Nation as a whole, but because of its importance to agriculture. Decentralized industry brought close to rural areas means jobs for low income farm families and a diversified new market for farm products.

No defense program can succeed if farm income and prices are not maintained at a level which will keep the farm plant healthy in the defense front. Our job is to help keep it that way. I repeat that American agriculture is one branch of our economy that really doesn't have to expand its plant or step up its production to meet whatever demand may be thrown upon it.

CHESTER DAVIS,  
*Agriculture Commissioner.*

## Contracts and Labor—A Statement of Policy

FOLLOWING is a statement of general principles adopted by the National Defense Advisory Commission governing letting of defense contracts. President Roosevelt considered it of such importance as to justify sending it to members of Congress as a matter of information:

The essence of the preparedness program is the getting of an adequate supply of materials of the proper quality in the shortest space of time possible. Considerations of price alone are highly important, but in the emergency are not governing.

### Speed

1. Speed of delivery of all items on the defense program is essential. This means:

(a) That orders should be placed in such a manner as to insure the most efficient use of each particular facility from the point of view of the program as a whole;

(b) That proper consideration should be given to contributory industries, such as the machine-tool industry, to avoid creating underlying bottlenecks;

(c) That, once delivery dates are fixed, assurance should be given that they will be met by the supplier.

### Quality

2. Proper quality is also of prime importance. It is therefore necessary to determine first of all whether or not the supplier can meet the quality requirements, as specified. There should be a willingness on the part of both the Army and Navy, on the one hand, and of the supplier, on the other, to adjust specifications on a cooperative basis in order that such specifications may come as near as possible to meeting commercial standards while at the same time fulfilling the military requirements.

3. Price, while not the sole consideration, is of outstanding significance, and every effort must be made to secure a fair price. This must take recognition, among other things, of determination of proper cost factors.

4. The impact of the defense program upon the consumers must be recognized. This relates to such factors as—

(a) Due regard to the necessity of protecting civilian needs and morale;

(b) Proper health and housing conditions among employees;

(c) Consideration to possible off-season production in order to dovetail the military program into production for civilian requirements. Off-season production should also lead to lower overhead and consequently to lower prices for both the consumers and the Government.

### Financial Responsibility

5. Adequate consideration must be given to labor.

6. Undue geographic concentration of orders should be avoided, both as to procurement districts and as to industrial sections within any such procurement districts. Reasons for such decentralization relate to factors of military strategy, as well as avoiding congestion that will slow down production.

7. Financial responsibility of the supplier should be examined. Ability to post a bond does not necessarily dispose of this

(Continued on next page)

# Contracts and Labor—A Statement of Policy

(Continued from preceding page)

problem. The probability should exist that the supplier will be able to continue in business, at least long enough to complete his contract satisfactorily. Further, an ability to finance himself through private sources should take preference over necessity for securing Government aid.

8. The avoidance of congestion of transportation facilities should be sought. The same applies to warehousing facilities.

9. Due consideration should be given to the adequacy of power facilities, particularly where furnished by public utilities.

10. A general preference should be given to firms having experience with so-called educational (or practice) orders.

11. The moral responsibility of the supplier is important, and in some respects fundamental. There should be evidence of his honest and sincere desire to cooperate with the Army and Navy in producing what is called for, and on time, without profiteering; to assume some risks himself rather than attempt to shift all such risks to the Government; and to furnish a correct statement as to his capacity and experience. The supplier's general standing and reputation among reputable businessmen (as distinct from his financial rating) are one index of such qualifications.

12. The Commission recognizes that competitive bidding is the better procedure in certain types of industry and circumstances. However, it is often impossible to make sure that the principles outlined above are followed when contracts are placed on the basis of price alone and are let to the lowest bidder. Therefore, in cases where competitive bidding will not fulfill the above-stated needs of national defense, the Commission recommends that the use of the negotiated contract be authorized in order that these objectives may be achieved in making defense purchases.

## Labor

Following is a statement of labor policy adopted by the National Defense Advisory Commission, which President Roosevelt also transmitted to Members of both houses of Congress:

Primary among the objectives of the Advisory Commission to the Council of National Defense is the increase in production of materials required by our armed forces and the assurance of adequate future supply of such materials with

the least possible disturbance to production of supplies for the civilian population. The scope of our present program entails bringing into production many of our unused resources of agriculture, manufacturing, and manpower.

This program can be used in the public interest as a vehicle to reduce unemployment and otherwise strengthen the human fiber of our Nation. In the selection of plant locations for new production, in the interest of national defense, great weight must be given to this factor.

## Avoid Excess Hours

In order that surplus and unemployed labor may be absorbed in the defense program, all reasonable efforts should be made to avoid hours in excess of 40 per week. However, in emergencies or where the needs of the national defense cannot otherwise be met, exceptions to this standard should be permitted. When the requirements of the defense program make it necessary to work in excess of these hours, or where work is required on Saturdays, Sundays, or holidays, overtime should be paid in accordance with the local recognized practices.

All work carried on as part of the defense program should comply with Federal statutory provisions affecting labor wherever such provisions are applicable. This applies to the Walsh-Healey Act, the National Labor Relations Act, etc. There should also be compliance with State and local statutes affecting labor relations, hours of work, wages, workmen's compensation, safety, sanitation, etc.

Adequate provision should be made for the health and safety of employees;

As far as possible, the local employment or other agencies designated by the United States Employment Service should be utilized;

Workers should not be discriminated against because of age, sex, race, or color.

## Housing

Adequate housing facilities should be made available for employees.

The Commission reaffirms the principles enunciated by the Chief of Ordnance of the United States Army, during the World War, in his order of November 15, 1917, relative to the relation of labor standards to efficient production:

"In view of the urgent necessity for a prompt increase in the volume of produc-

tion \* \* \*, vigilance is demanded of all those in any way associated with industry lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down. It is a fair assumption that for the most part these safeguards are the mechanisms of efficiency. Industrial history proves that reasonable hours, fair working conditions, and a proper wage scale are essential to high production. \* \* \* every attempt should be made to conserve in every way possible all of our achievements in the way of social betterment. But the pressing argument for maintaining industrial safeguards in the present emergency is that they actually contribute to efficiency."

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NO C. M. T. C.

The War Department has announced that the Citizens Military Training Camps will not be operated in the summer of 1941 and that their sites, supplies, and equipment will be used in the Army's expansion program. Graduates of the 1940 "white course"—the third year of training—who have been recommended for the final course will be allowed to establish their eligibility for reserve commissions by enrolling in Army extension courses.

## RESERVE OFFICERS

Maj. Gen. Gullion, Army Judge Advocate General, has ruled that the Army has authority to order Reserve officers now on active duty to remain on duty an additional year, without their consent, even if they volunteered for the first period.

## CARIBBEAN SURVEY

The War Department this week announced plans for strengthening the defense of the Gulf of Mexico and the South Atlantic seaboard with four new bases in Georgia, Florida, and Louisiana, and the Navy Department disclosed that a joint Army-Navy board will survey the Caribbean sites recently acquired from Great Britain.

## LATIN-AMERICAN TOUR

The first of 20 high military officers from 11 Latin-American countries arrived in Washington for a 16-day inspection tour of the Nation's defenses, general conferences on hemisphere defense, and a meeting with President Roosevelt.

# DEFENSE



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AND THEN WHAT?**  
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Friday, Oct. 11, 1940

# Defense—In a Test Tube

DEFENSE means warplanes and battleships and tanks. It means armies and navies and munitions workers.

But that isn't all.

Defense also means men with test tubes, fighting disease—typhoid fever, malaria, venereal disease.

In World War I, venereal disease cost the United States Army nearly seven million man-days. The equivalent of 23 divisions—338,746 officers and men—were treated for gonorrhea and syphilis, twin evil geniuses against which the United States Public Health Service has been waging relentless war.

Now, as October 16, registration day under the Selective Service Act, nears, Federal and State agencies are prepared to carry the fight to the 16,500,000 young men covered by the act.

In most localities leaflets will be distributed at registration places, urging the young men to take blood tests. They will be urged to go to a private doctor or, if they have no money, to a public clinic. In many cities and towns citizens' groups, voluntary health agencies, and American Legion posts will cooperate in getting the facts to all the people.

The Public Health Service estimates that if all 16,500,000 registrants were to be tested, a total of between 350,000 and 400,000 would be found to have syphilis in communicable form. Consequently, it urges that State and local authorities do all they can to impress the importance of blood tests on the men who may soon put on the soldier's uniform.

A blood test for syphilis is a simple procedure so far as the individual is concerned. A tourniquet on the arm, a flex of the muscle, the tiny prick of a needle—less than a minute, and it's all done. Public health laboratories which actually perform the technical analysis are checked

annually for accuracy by the Public Health Service. Today the blood test is far more accurate than it was in 1917, when it was still new in the world of medicine.

All men who are called for service will be given blood tests as a part of their physical examinations by the Army, with the assistance of the Public Health Service and State departments of health. But every man who registers, whether he is called or not, should consider his registration incomplete until he has had a blood test, the Public Health Service says.

This is the way Surg. Gen. Thomas Parran puts it:

Registrants for America's first peacetime draft make up the age group in which is concentrated most cases of infectious syphilis. Blood tests of this group will lead to the discovery of a large number of cases of syphilis in the stage of the disease during which treatment is most effective. Stopping the spread of syphilis among this group would bring the control of syphilis among the whole population nearer by many years.

Discovery and treatment of syphilis among registrants now will increase for the future the reservoir of healthy men available for active and efficient duty in the armed forces and in industry. An educational campaign coordinated with an extensive blood-testing program will not only discover many hidden cases but, with the facts about syphilis in the hands of all young men between 21 and 36, we may expect a reduction in the number of new infections.

Recently the Federal Security Agency, of which the Public Health Service is a part, entered into an agreement with the War and Navy Departments and State health departments on measures for "control of venereal diseases in areas where armed forces or national defense workers are concentrated."

First points of the agreement call for early diagnosis and adequate treatment by the Army and Navy of enlisted personnel, and by the local health department of the

civilian population. Recalcitrant infected persons with communicable syphilis or gonorrhea will be isolated during the danger period and, further, says the agreement, it is the duty of the local health authorities to obtain assistance from the local police in enforcing such measures.

The agreement goes on to point out that local police departments are responsible for the repression of commercialized prostitution.

Final points deal with education of the civilian population and of enlisted personnel regarding dangers of venereal disease, methods of prevention, and steps that should be taken if a person suspects that he is infected.

Infections among armed and industrial defense forces occur in the civilian communities, the Public Health Service emphasizes. The problem of venereal disease is national in scope, but its effective solution lies in the towns and cities.

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## ALIEN REGISTRATION

First large batch of receipt cards was mailed to aliens last week as evidence of compliance with the Alien Registration Act of 1940, according to Earl G. Harrison, Director of Registration. By mid-October, at least 50,000 receipt cards are expected to be mailed daily.

Registration is ahead of schedule, but many more aliens are still to be registered. Since an alien is subject to severe penalties if he does not register by December 26, Mr. Harrison has urged employers with a direct interest to help their noncitizen workers comply with the law. Business leaders and firms throughout the country have already been very helpful, Mr. Harrison states.

Cover picture from U. S. Army Signal Corps.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE Division of State and Local Cooperation.

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U. S. GOVERNMENT PRINTING OFFICE

# Highways for Defense

NEEDED: 75,000 miles of sturdy roads and connecting bridges, adequate in every way for defense purposes.

This is the strategic network now under consideration by the Public Roads Administration. In a few weeks, a report on condition of this highway system will be submitted to the President by Federal Works Administrator John M. Carmody. It will be based largely upon surveys already furnished by State highway departments.

The problem confronting Federal, State, and local officials will be rapid construction or improvement of such highways and bridges forming parts of the strategic network as are not in proper condition.

Commissioner of Public Roads Thomas H. MacDonald is authorized to give priority to defense construction.

## Military Requirements

Primary interest of the War and Navy Departments is a system of high standard roads connecting principal centers of production with vital areas. These are more important and of greater strategic value than transcontinental roads.

The 75,000-mile strategic network should have dustless road surfaces and should be capable of supporting 9,000-pound wheel loads under any weather conditions. Roads less than 18 feet wide should be widened to at least 20 feet, and 22 or 24 feet if a large volume of traffic is expected.

Bridges should be strong enough to carry the standard loading for normal commercial traffic. They should have horizontal clearance of at least 18 feet, and vertical clearance of 12½ feet.

Only one kind of improvement desired by military authorities goes beyond present standards for a modern road: Shoulders at least 8 feet wide, and preferably 10. Where such widening would be difficult, military authorities want parking places for a distance of 2,000 feet every 4 miles, so staggered that parking space will be found on one side of the road or the other every 2 miles.

## Present Conditions

Most of the strategic network of highways now serving peace time commerce and travel is admirably suited to defense purposes. These roads are already handling heavy traffic from areas producing raw materials to areas where ships, guns, and equipment are manufactured. And this without interruption of normal use of

the highways. Moreover, most roads in the network could now serve grand troop movements and their services of supply.

But there are weak spots.

Most conspicuous perhaps are some 1,800 bridges not strong enough to carry the standard H-15 loading (a truck having a gross weight of 15 tons); if they were, they could carry all classes of military equipment other than tanks. Even the heaviest tanks could safely move over such standard bridges if spaced at least 50 feet apart and reduced to a speed of 4 miles per hour.

Although most roads in the strategic system are all right, some sections built several years ago have sharp curves, steep grades, and other features that endanger traffic movement. These must be modernized.

## Twenty Years' Work

Soon after passage of the Federal Highway Act of 1921, the War Department and Public Roads Administration (the Bureau of Public Roads) conferred on a system of defense highways. The "Pershing Map of 1922" resulted. Changing methods of warfare have necessitated continued study of highway needs. Recently a new map has been issued indicating location of the 75,000 or so miles of strategic highways selected by military and naval authorities.

Roads recommended by the military authorities have, in greater part, been included in the system of Federal aid. Thus for nearly 20 years Federal and State funds have developed the strategic network. It is estimated that about 14 billion dollars of State money went into primary road construction and maintenance between 1917 and 1939.

In addition, \$2,975,381,779 has been contributed in Federal aid to States to maintain these roads. This sum includes Federal expenditures on secondary roads and elimination of grade crossings (excluding expenditures on forest, national park, and public lands roads).

State governments are in a position to begin much of the needed improvement at once, and are urged to do so by the Federal Government. The Federal Highway Act of 1940, approved by the President September 5, provides:

In approving Federal-aid highway projects to be carried out with any unobligated funds apportioned to any State, the Commissioner of Public Roads may give priority of approval to, and expedite the construction of, projects that are recommended by the appropriate Federal defense agency as important to the national defense.

The Public Roads Administration reports that on August 31 there remained unobligated the following amounts:

Regular Federal-aid highway funds.....	\$109,484,000
Secondary road funds.....	\$21,892,000
Funds for elimination of hazards at railroad grade crossings.....	\$49,945,000

The legislation enacted in September provides for each of the fiscal years 1942 and 1943 the following amounts: \$100,000,000 regular Federal aid, \$17,500,000 for secondary roads, and \$20,000,000 for elimination of hazards at railroad grade crossings.

Funds now available and those to be apportioned in December make possible immediate increase in planning and construction of the strategic system.

## Special Military Use

In addition to roads serving civil as well as military purposes, a limited mileage of highways of special military significance needs attention. Adequate access roads are required to connect main highways with military and naval reservations, newly located and expanded defense industries, and military and naval landing fields. A small mileage of new highways near borders of the country is needed for tactical reasons. Total of these classes of roads probably does not exceed 4000 miles.

Consideration is now being given to coordinating efforts of the Work Projects Administration and the Public Roads Administration in some of the work to be done on the strategic system. Their assistance may be used, for example, in improving military access roads and roads paralleling strategic highways to provide alternate routes. They may be used in construction of roads in areas likely to be used for military maneuvers, and in widening shoulders on strategic highways.

If this national defense system of roads is to be sufficiently uniform for traffic to flow unimpeded, uniform laws and interstate agreements may be needed to remove highway barriers. Otherwise, bottlenecks may choke traffic.

The American Association of State Highway Officials, which met in Seattle, Washington, September 15-19, stressed in its resolutions the need for improving defense highways as soon as possible. Thomas H. MacDonald, Commissioner of Public Roads, participated in the conference.

# Registration—and Then What?

JOHN JONES goes to register Wednesday under the Selective Service Act—John Jones to the number of more than sixteen million.

In polling places and school rooms throughout the length and breadth of the land, in big cities and tiny towns, every John who has passed his 21st birthday and not yet reached his 36th must sign up for the great drawing of lots which may put him in the Army for a year.

How does it work?

Wednesday's first step is simple.

When he shows up at the registration place he will find tables, behind which sit volunteer workers from his own community. With the help of one of them his registration card will be filled in above his signature.

## Questions and Answers

Questions? Name, address, phone number, age, place of birth, country of citizenship, "name of person who will always know your address," relationship to that person, address of that person, employer's name, place of employment. These questions will be asked by the registrar and answered orally by John. The registrar will note John Jones' description on his Registration Card and on his Registration Certificate. This certificate is given Jones to prove that he is the Jones who registered.

No reference is made to marital status or dependents—basis for some deferment claims.

At the end of the day, when the estimated 16,500,000 John Joneses have registered, the first step is done. Then the local Selective Service Boards will shuffle all of the registration blanks in their areas. The accidental sequence in which the cards come out will determine the order number of the registrants. Local boards will post these lists.

As soon as this shuffle is accomplished, a report of the total number of registration cards will be rushed to the National Headquarters of Selective Service in Washington.

Then, sometime between October 21 and 26, the great lottery will begin.

Out of a goldfish bowl filled with capsules each containing a number, President Roosevelt, blindfolded, will pull the first number. If, for instance, it is 627, then in every local list the John whose number is 627 becomes the first man on the list

liable to go off to camp—if he is not deferred later for some reason.

## More Questions and Answers

When the drawing is complete, the local boards add the order numbers to the lists and John can learn where he stands in order of call.

Now come the questionnaires. These are voluminous, calling for detailed and specific information about marital status, dependents, special skills, and even favorite sports or hobbies. They must be returned to the local boards within 5 days of mailing and from them the local boards determine into what class the Johns in their neighborhood belong.

It is at this time that John can make his plea for deferment, often before men who have known him since childhood, and possibly, have a real knowledge of the basis of his plea. No local board member, however, can consider the case of a registrant who is closer in relationship by blood or marriage than a first cousin, or who is his employer or employer.

When the board has decided into which class each man belongs, its verdict is posted at local headquarters, where everyone can see for himself into what class Neighbor John was placed. In this way, possibly unfair deferments will be rooted out by the pressure of local opinion.

In the order of their calling, when all physical examinations are finished, John 1, John 2, John 3, and Johns on down the line will stand ready to go to the induction stations where they will cease to be civilians. The process of induction will take place with as much speed as possible. In areas where cantonments are ready, the men will leave home within a few days of their notification.

They will go by train, bus, or private car, expenses paid by the Government, under guide of someone from their community. The Government then takes them to a camp or post where they are issued their uniforms and begin to learn the intricacies of the new life they will lead for a year, vanguard of those who will carry out the purpose of selective service which is "to secure an orderly, just, and democratic method whereby the military manpower of the United States may be made available for training and service in the land and naval forces of the United States, as provided by the Congress, with the least possible disruption of the social and economic life of the Nation."

A part of the 400,000 of America's John Joneses will be included in the first call. After that, month by month, more will go until a total of 900,000 is reached.

## MOST POWERFUL MOTOR AND FASTEST PLANE

THE MOST powerful airplane motor in the world, which will power the new Douglas superbomber nearing completion on the West Coast, was inspected recently at the newly expanded plant of the Wright Aeronautical Corporation in Paterson, N. J., by William S. Knudsen, head of the Production Division of the National Defense Advisory Commission.

The motor is the Wright Duplex-Cyclone, an 18-cylinder, air-cooled radial type engine that develops 2,200 horsepower. Four of these engines will provide the power plant of the Douglas KP19, a 70-ton bomber with a cruising radius of 6,000 miles. The KP19 will carry 18 tons of bombs and a crew of 12. The motor develops about 400

horsepower more than any heretofore designed.

Meanwhile, at East Hartford, Conn., Rear Admiral John H. Towers, Chief of Naval Aviation, said that a pursuit plane being built for the Navy by the United Aircraft Corporation will be the fastest in the world. Admiral Towers toured the United plant with Mr. Knudsen.

The plane, powered with a 2,000-horsepower Pratt & Whitney engine, is reported capable of speeds above 400 miles an hour. Fastest European fighter planes are reported to do no better than 360. The new Navy plane is also reported to have a 1,700-mile cruising range, compared with the 800-mile range of the best pursuit planes now in service.



# The Week In Defense

THE NATIONAL DEFENSE Advisory Commission this week cleared Army and Navy contracts for defense materials totaling over half a billion dollars.

The Army awarded two large airplane contracts, one to North American Aviation, Inc., Inglewood, Calif., for approximately \$38,000,000, and the other to Douglas Aircraft Company, Inc., Santa Monica, Calif., for \$141,000,000. Secretary of War Stimson said that these contracts "just about" complete the Department's program of procurement of 18,641 planes. Contracts cleared by the Defense Commission exceed \$8,250,000,000.

## Housing

The Defense Housing Coordinator announced a five-point housing program. In general, the program is based on the premise that sufficient housing—private preferably, but if not, public—is made available to meet emergency needs. Private housing is assigned the major job of meeting the established need, aided by the Federal Housing Administration. When defense housing is needed for low-income families, it is proposed to use local housing authorities and the United States Housing Authority.

For temporary need, \$150,000,000 has been provided for the Federal Works Agency.

Approximately \$100,000,000 has been allocated for 110 defense housing projects. At the request of the War and Navy Departments and the Maritime Commission, President Roosevelt approved this sum which will benefit families of 27,240 enlisted men and defense workers.

## Aircraft

Moves got underway by United States military officials and British experts to eliminate differences in plane design in order to speed up production. Secretary of the Navy Knox said that Undersecretary Forrestal, accompanied by Army, Navy, and British experts, would confer with officials of the Consolidated Aircraft Co. in San Diego. Mr. Knox said this would also be done with other companies as the need arises.

## Transportation

Ralph Budd, Transportation Commissioner of the National Defense Advisory Commission, said that American railroads will have 80,000 additional freight cars by September 1941. He said he was confident that the defense program will have adequate transportation.

## Atlantic Fleet

The Navy Department announced that all ships and planes in the Atlantic will be merged into a new unit to be known as the "Patrol Force of the U. S. Fleet." The merger will place the Atlantic squadron, ships of the Neutrality Patrol, the various air units and other naval forces in the Atlantic under command of Rear Admiral Hayne Ellis, present commander of the Atlantic Squadron. Officials said unification will involve more than 125 warships and an undisclosed number of planes, and "increased efficiency in operation and training of the vessels."

## Army and Navy

Congress approved legislation carrying funds to finance a Selectee-National Guard army of 1,024,441 men during the next fiscal year. The measure provides \$1,248,792,636 cash and \$150,000,000 in contract authorizations for the Army, and \$75,401,000 cash and \$8,500,000 in contract authorizations for the Navy.

## Reserves

Navy Secretary Knox called into active service the entire personnel of the Organized Reserves of the Navy and Marine Corps and the Fleet Reserves of both services, totaling 27,591 men, including 1,610 officers. Approximately 7,500 of the Fleet Reserve already are on active duty.

## Coast Guard

The Coast Guard announced it is increasing the Merchant Ship Patrol Force by 1,500 men to prevent possible sabotage and neutrality violations in American ports.

## Selective Service

Selective Service Headquarters announced that machinery shifted into high gear with appointment of 25,000 local Selective Service Board members, promulgation of rules governing classification of registrants, and establishment of conscription quotas. (See also article on p. 4.)

# Munitions Plant Sites

IN HIS ARTICLE "As I See It" on page 8 of this issue, Mr. William S. Knudsen, head of the production division of the National Defense Advisory Commission says that "the Commission is not wedded to any particular location in the United States. The Army General Staff has furnished a map marked up with boundaries inside which Government plants should be located for strategic reasons . . ."

What are these reasons, then, and how is such a site selected? As part of the answer, the War Department Planning Branch has issued a statement of factors which must be given consideration in selecting sites for new munitions plants.

The report lists seven general factors applying to all, first of which is that the location should be such as will assure the earliest possible production of powder or shells.

Then comes the factor of militarily strategic location. The report says the area selected should be reasonably secure from long-range bombing operations, preferably located between the Allegheny and Rocky Mountains and strategically placed with reference to the North and South borders. Also, it insists on distribution of new plants geographically so as to avoid

adding any more than necessary to the existing concentration of defense industry in limited areas. In the matter of munitions plants it is particularly important, for safety reasons, that congested areas be avoided.

Munitions plant areas should be free of gas, oil, and water lines, as well as mineral deposits and assigned mineral rights. They should have ample rail transportation facilities connecting with at least two independent lines and good roads for heavy trucks.

Skilled, semiskilled, and unskilled labor should be available within a fair radius, and assurance of ample electric power. Plenty of pure water for manufacturing is needed, as well as for fire-fighting purposes. Many plants also require facilities for disposal of large amounts of waste materials, such as spent acids and wash liquors.

Proximity of raw materials is a vital factor.

For smokeless powder, they are: Cotton linters or wood pulp; nitric acid, alcohol, ether, and other solvents; and coal.

For shell loading, they are: Toluol, diphenylamine, phenol or other hydrocarbons; nitric acid; sulfuric acid and fuel.

# The States and Cities

## New York

MAJOR DEFENSE steps in New York State have been summarized by Lt. Gov. Charles Poletti, whom Governor Lehman named State Coordinator of Defense. These include—(1) a Statewide police coordination plan; (2) survey of health resources by the State Health Commission, assisted by public and voluntary health organizations; (3) appointment of an Emergency Agricultural Defense Committee with representation from leading agricultural organizations; (4) surveys of industrial and labor facilities, utilizing the services of the State Planning Council and the State Employment Service; (5) an extensive program of vocational training under the State Education Department in cooperation with the WPA; the Governor and legislative leaders have authorized, through a certificate of intent, an appropriation of \$110,000 to purchase equipment to train men for aviation industries; during the coming year such training centers will provide preliminary preemployment training for 11,000 men.

The State Council of Defense has recommended organization of local councils. A memorandum setting forth the program and duties of local defense councils has been sent to every mayor and chairman of a local board of supervisors.

Other steps: The Governor has ordered armories closed to the public. The Division of State Police has been enlarged. Reservoirs and other water supply sources of New York City have been protected by declaration of an emergency by the Governor.

Selective service plans are well advanced. Conferences have already been held with election boards to prepare them for their duties under the Selective Service Act.

## California

Legislation relating to defense was passed at the fourth extraordinary session of the California legislature in late September. Certain schools may now remain open on Saturdays, Sundays, and holidays for more intensive training of artisans and mechanics. State employees entering military service may be given leaves of absence, and may retain their State retirement system benefits.

## Connecticut

Connecticut's Joint Executive Defense Committee, under the chairmanship of Gen. S. H. Wadhams, reports intensive study of the housing problem, particularly in industrial cities. It is preparing an estimate of the number of units required and their locations.

## New Jersey

State Housing Commissioner William T. Vanderlipp has been elected chairman of the New Jersey Defense Council on Housing, Works and Facilities, which is an advisory body of the New Jersey Defense Council.

## Oklahoma

The part Oklahoma utilities can play in a coordinated national defense program is being determined in a survey conducted by the State Corporation Commission. Facilities covered in the survey are: Rail, bus, and truck transportation, electric power, telephone, water supply, gas, and oil.

## Governors

Governors Payne H. Ratner of Kansas, Robert L. Cochran of Nebraska, and Leon C. Phillips of Oklahoma were in Washington the first week of October to discuss with the President and the National Defense Advisory Commission defense problems in their States.

## Emergency Personnel Problems

Personnel problems in the national emergency were discussed the first day of the annual meeting of the Civil Service Assembly of the United States and Canada in Cleveland September 30–October 4. Federal, State, and local civil service commissioners, personnel officers, and many others participated.

Talking on this general subject, Commissioner Arthur S. Flemming of the United States Civil Service Commission, analyzed the Federal program. Burton L. Hunter, general manager of the Los Angeles City Civil Service Commission, emphasized that merit "must prevail in all personnel practices if our Nation is to achieve maximum defense strength." Selection of State and local personnel on merit is "vital to strong, efficient government," in the opinion of former Mayor Daniel W. Hoan, who represented the

Division of State and Local Cooperation of the National Defense Advisory Commission.

President Emery E. Olson of Los Angeles was reelected for the coming year.

Impact of the defense program on State and local personnel agencies was recognized in a resolution which stressed the importance of keeping civil government functioning steadily and sanely. It was pointed out that two emergency problems face public personnel agencies: Those arising where public employees are called to military service, and the need for rendering service to private industry.

## Law Enforcement

Tentative drafts of State legislation on antisabotage and registration of foreign organizations have been completed for the joint committee of the Federal-State Conference on Law Enforcement Problems of National Defense. Drafts on deputizing of special guards, reciprocal protection of defense properties near State lines, and on regulation of firearms and explosives are in preparation.

The Sumners bill, H. R. 10404, broadening the Federal sabotage act, which has been endorsed by the Law Enforcement Conference, was passed by the House of Representatives on September 24 in amended form as H. R. 10465.

★ ★ ★

## NEW AIR BASES

Substantial increases in the Army Air Force, in personnel and in air bases, have been announced by the War Department.

Sites have been selected for 19 new air bases. At these will be stationed 12 new squadrons of bomber, fighter, or reconnaissance planes, or units already in existence. Most of these new fields will be near the Atlantic or Pacific coasts.

Construction of the bases is part of the Army's program to have a fully equipped air force of 25,000 planes by 1942.

Locations of the 19 new bases:

Bangor, Maine; Manchester, N. H.; Charlotte, N. C.; Atlanta, Ga.; Jackson, Miss.; Boise, Idaho; Bowman Field, Ky.; Albuquerque, N. Mex.; Portland, Ore.; Everett, Wash.; Yakima, Wash.; Spokane, Wash.; Salinas, Calif.; Tucson, Ariz.; New Orleans, La.; West Palm Beach, Fla.; Augusta, Ga.; Tallahassee, Fla.; and Oklahoma City, Okla.

# Civil Service Meets Defense Needs

FOUR DAYS AGO an unemployed machinist heard a radio announcement of job openings in the War and Navy Departments. The next morning, following radio instructions, he went to his local post office to fill out a civil service application. This morning he is working in a shipyard a few miles from home.

Since last June, the United States Civil Service Commission in Washington and its 13 district offices have often given 24-hour service in supplying qualified American citizens for defense positions, particularly in arsenals and shipyards of the War and Navy Departments.

Over 100,000 placements have been made by the Commission during this period. More vacancies are constantly opening.

## Streamlined Recruiting

Doubts were expressed last spring that the Civil Service Commission could recruit civilians fast enough for defense activities. But the Commission convinced the War and Navy Departments, and then Congress, that it could do the job. With minor exceptions, defense legislation contains no exemptions from the merit system. Moreover, the President has shown his intention to have the Civil Service Commission function as the central recruiting agency for the defense program. Through the President's liaison officer for personnel management, William H. McReynolds, long a civil servant, important assignments have been given the Commission.

Defense agencies have stated they want the Civil Service Commission to do the whole job for them. This the Commission can do because it now has the funds needed to improve and expand its services.

How has recruiting been speeded up without sacrificing merit standards?

Plans were made months ago. Red tape has been cut. Requests from defense agencies have priority. Examiners are sent into industrial areas to bring current defense needs to the attention of skilled workers. Commission representatives have been sent to navy yards and arsenals to confer with employment officers in order to coordinate the Commission's recruiting program with defense needs in the most practical manner.

Through cooperation of the National Association of Broadcasters, reports of job openings are broadcast daily to an estimated 50 million persons. "Men wanted" posters picturing need for skilled workers

are displayed in every first- and second-class post office in the United States. Police chiefs throughout the country have told their forces to spread the word. The Commission has worked closely with the local employment offices of the Bureau of Employment Security.

## Vacancies

Opportunities are best in such occupations as machinist, coppersmith, shipfitter, lens grinder, toolmaker, and other skilled crafts. Also needed are aeronautical engineers, inspectors of ship construction, engineering draftsmen, and inspectors of explosives.

Clerical workers and laborers are not needed by Federal civil service agencies at this time. In August, some 120,000 applications were filed from every State in the Union, for a stenographer-typist examination. Those who pass will fill any such vacancies for some time to come.

Other opportunities for which examinations are held fairly regularly open the Federal service to recent graduates of high school or college. Many types of work require only a high school education, particularly if the applicant has a skilled trade. College training is usually necessary for professional and technical positions. A general entrance position is that of junior professional assistant.

Qualifications for jobs at Navy yards and arsenals are commonly a 4-year apprenticeship or equivalent experience. No formal written examination is given. The test consists of proof of ability to read English, and to do the work, as shown by a sworn statement of experience and references. High school education is required for higher positions of these types.

Applicants must be citizens of the United States, and must not be members of "any political party or organization which advocates the overthrow of our constitutional form of government in the United States." Hence members of the Communist Party, German Bund, or any other Communist or Nazi organization cannot be appointed.

## Speedy Service

First major national emergency problem presented by the War Department to the Civil Service Commission was to secure some 450 new employees at Anchorage, Alaska, including professional, clerical, mechanical, and labor personnel. By local recruiting and with assistance of

Seattle and San Francisco offices, well over the required number of applications was received exactly when the War Department wanted them.

Early in the summer, Congress authorized additional personnel for the United States Immigration Border Patrol. The Commission had no suitable register of eligibles at the time, but it stepped up its examining process. At about 70 points throughout the country, examining boards interviewed applicants who had passed an examination requiring similar qualifications. Within one week after Congress had authorized the increase, 300 qualified eligibles were certified by the Commission.

Since seven-eighths of all Federal governmental positions filled by merit system examinations are outside Washington, D. C., the Civil Service Commission maintains 5,000 field representatives, organized under a Nation-wide district system. Headquarters of the 13 districts are in Boston, New York, Philadelphia, Washington, D. C., Atlanta, Cincinnati, Chicago, St. Paul, St. Louis, New Orleans, Seattle, San Francisco, and Denver. If an applicant lives elsewhere, he may visit a local civil service secretary in any first- or second-class post office throughout the United States.

District offices keep in touch with field office needs of all Federal departments and agencies, and furnish information to the public. These offices have greater responsibility than in the past. They have jurisdiction over more kinds of positions. They now handle medical examinations for all appointees, fingerprinting of appointees, character investigations, oral examinations, announcement of examinations, and other matters.

Full cooperation to meet personnel needs of defense agencies has been pledged by Harry B. Mitchell, President of the Civil Service Commission, and by its other two members, Mrs. Lucille Foster McMillin, and Arthur S. Flemming.

"In recruiting for defense positions," Commissioner Flemming stated at the recent meeting of the Civil Service Assembly, "the Commission is trying its best *not* to take workers away from private industries engaged in defense work."

So far as possible, workers are placed near home. The Commission estimates that it will have to fill more than 200,000 defense positions throughout the country by next June.

# AS I SEE IT

AMERICA CAN PRODUCE—if we all help and retain our faith in our country.

Appropriations bills have been passed. The way is cleared for our great program of national defense, the biggest program, considering the time in which it is to be consummated, attempted by any country since the World War.

It is undertaken with the idea that by cooperation of every branch of American life with the Government it can be done in the right way, not through discipline by force but through cooperation and patriotism willingly given by finance, by industry, by labor, by every man in the street or on the farm who wants to preserve our democracy.

Our greatest problems today in working out the defense program are tools and men. Here lies our greatest difficulty—the fact that it is generally expected that if 6 or 7 million dollars are appropriated, planes, guns, and ammunition will be rolling out in quantity within a month or two. This is a deplorable impossibility.

Months may have to pass before the pieces will come out. An airplane or motor plant takes from 9 to 14 months to get into operation—a machine-gun factory from 8 to 11 months—a powder mill from 10 to 12 months.

Every factory takes machine tools, and much care must be exercised so that proper preference is given to important items. An enormous amount of construction will have to be undertaken. Here, also, proper preference must be given so that the longest items will have to be handled first.

The National Defense Advisory Commission's whole problem in the matter of arming for defense sums itself up to some very simple policies. First, it is essential that the whole country become interested and engaged in the problem of defense. Second, it seemed prudent, and still seems so, to superimpose the defense load on the regular business of the country where this does not result in loss of speed; and third, where existing facilities could be used they would naturally be employed first, and where new plants were to be built the location would be carefully selected to insure transportation, power, and water, along with the proper labor supply.

Incidentally, the Commission is not wedded to any particular location in the United States. The Army General Staff has furnished a map marked up with boundaries inside which Government plants should be located for strategic reasons, and we are trying to follow this map and get locations where the natural resources, plus labor supply, are available.

I have seen airplane factories on the Pacific Coast and in the Middle West. I have seen men working, planes flying, bombs dropping on a practice target. We are making progress, even if we still have a long way to go before we have enough of anything.

We must have patience while tools are being made, so we can get pieces later on. But don't let us get an inferiority complex and beat our chest or tear our hair.

*America can produce.*

WILLIAM S. KNUDSEN,  
*Production Commissioner.*

## Answers to Questions

*Q. What is the National Coordinating Committee on Education and Defense?*

A. This Committee, formed in August 1940, is sponsored by the American Council on Education and the National Education Association. It has 55 member organizations in the field of education. It has offered its services to governmental agencies and hopes that it "will serve as the medium through which practical policies of relationship between education and defense agencies may be applied, and through which the varied activities of educational organizations may be coordinated. Further information can be secured from either of the cochairmen: Dr. George F. Zook of the American Council

on Education and Dr. Willard E. Givens of the National Education Association; or from L. H. Dennis of the American Vocational Association, who is recording secretary.

*Q. How can employers in my city get information on the skilled workmen now unemployed in our vicinity?*

A. The number of men available to any particular trade or skill has been compiled for each locality by the United States Employment Service. This list will be open at all times to private employers. The Nation-wide inventory of 5,500,000 unemployed has recently been completed.

### PARACHUTE TROOPS FOR U. S.

The 501st Parachute Battalion—

It's a name that may one day loom large in America's military history, the nucleus of a new branch of the Army.

Secretary of War Stimson has announced plans for formation of our first especially trained parachute unit, to go into training soon at Fort Benning, Ga., with a complement of 500 picked men. Basis for the development of the battalion will be the 58 enlisted men and 2 officers who have been taking experimental training at Fort Dix, N. J.

# DEFENSE



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Friday, Oct. 18, 1940

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# AS I SEE IT

THE UNITED STATES GOVERNMENT is the biggest single buyer in the world. Under normal circumstances the Government's purchasing problems require the best efforts of many specially trained public servants, and under an emergency defense program they are substantially magnified. It is easy to see, then, that the office of Coordinator of Defense Purchases is one necessarily involving many complicated problems.

The Coordinator has as one of his greatest responsibilities that of synchronizing the numerous and varied objectives of the seven members of the National Defense Advisory Commission and related agencies in procurement of defense materials. For these agencies the Federal Government buys several hundred thousand separate items, varying from paper clips and rubber bands to tanks, planes, and battleships. In all these purchases the interests of the Government must be protected, and there must be strict compliance with Government specifications and proper regard for economy.

My staff and I might, perhaps, be regarded as a consulting purchasing agent in this gigantic procurement program. Our office does no buying; we are advisers. Almost every important Government agency has its own buying machinery, and at times this has led to conflict and confusion, to failure to use production machinery efficiently, and to a raising of prices. This has been true in normal times. Under impact of the great defense program it could be more so. That is where coordination comes in.

Confusion must be eliminated. Procurement and delivery must be expedited. Success of the defense program will depend upon having the required material at the place where it is needed at the proper time.

It has been said that the process of organizing peacetime industrial activities into a competent defense pattern cannot be done efficiently under our democratic

system. It is said that routine and red tape foreclose possibility of direct action; that the democratic process fails in an emergency to protect the consuming public, labor, and agriculture. All of this, I say, we are proving untrue.

In simplest terms, the broadest problem involved in coordinating Government purchasing activities relates to the fitting of our military defense requirements to our productive capacity with minimum interference with normal business. To assure a more orderly procurement procedure, the Defense Commission has adopted a series of general principles to control approval of defense contracts, which takes into consideration, in addition to price, the problems of assuring maximum utilization of the human and material resources of the Nation.

First consideration is speed. Also of prime importance is quality, under specifications that coincide as nearly as possible with commercial standards so that existing productive machinery can be used wherever possible. Paramount, too, is the matter of utilizing off-season production, causing the military program to dovetail into civilian requirements.

Geographical distribution must be considered, and here it must be emphasized that the Commission does not determine location of plants. This is the responsibility of the armed services, which decide where, in view of material resources, labor, and transportation facilities, plants should be located in relation to a strategic national pattern.

It is our purpose to guard against needless sacrifices of peacetime privileges. Given a Nation sincerely united behind the defense effort, I have little doubt of ultimate success.

DONALD M. NELSON,  
*Coordinator of Defense Purchases.*

COVER: Woman worker at Philadelphia's Frankford Arsenal tapers .50-caliber antitank gun cartridge cases.—National Defense Advisory Commission photo by Palmer.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION  
TO THE COUNCIL OF NATIONAL DEFENSE  
Division of State and Local Cooperation.

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Volume I

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Number 8

U. S. GOVERNMENT PRINTING OFFICE

# Women Workers for Defense Industries

NOT FAR FROM 2,000,000 women are immediately available for defense work, according to Miss Mary Anderson, Director of the Women's Bureau, United States Department of Labor.

"This is a conservative estimate, covering women actively seeking jobs through the Employment Security Bureau and those on Work Projects Administration rolls," states Miss Anderson. Almost one-sixth of the total are skilled or have work experience that would enable them to adapt themselves easily.

In addition, probably another half million women, only partially employed, would be available for further work.

Many of these women workers live in or near communities where defense industries are located or planned. Distribution of a group of a quarter of a million unemployed women, according to a preliminary report on 33 States, shows the Middle West has the largest percentage of skilled or semiskilled women—34 percent. Next in order come Middle Atlantic States, 22 percent; New England, 20; Southeast, 14; Far West and Southwest, 8 percent. These figures exclude New York and California, only major industrial States not included in this report.

## Special Skills

Occupations in defense industries for which women are particularly fitted are those requiring:

1. Care and constant alertness, good eyesight, use of light instruments—work calling for little physical exertion. Needed for inspection of castings, machinings, and finished parts; for routine powder analysis; for testing electrical equipment.

2. Dexterity and speed in work permitting the individual to set her own tempo and to sit at the job. Possible in operation of machines to finish small and irregular parts; in assembling delicate instruments and machines; loading shells, filling powder bags.

3. Skill but little strength. Required in operation of drilling and milling machines, lathes, machines grinding and polishing small parts.

4. Heavy work facilitated by use of lifting devices and pneumatic chucks.

To take one example: Women do much of the skilled work in manufacture of certain textiles and clothing needed in the defense program. As these industries expand, large numbers of women can be used. According to the U. S. Bureau of Labor Statistics, women comprise the following proportions of skilled workers:

	Percent
Knitted outerwear . . . . .	76
Hosiery (full-fashioned) . . . . .	52
Knitted underwear . . . . .	30
Boots and shoes (not rubber) . . . . .	22
Cotton goods . . . . .	21

Women should be trained for those jobs in defense industries for which experience shows them to be fitted, the Women's Bureau recommends. Intensive training may be required in some cases, since vocational school courses have not always given girls the same opportunity as boys to secure general mechanical training.

Plant training should be in a special section, according to the Bureau. This permits weeding out of unsuitable workers and prevents slowing up of production.

## Role of Woman Worker

First of a series of reports has been issued by the Women's Bureau, in cooperation with its Labor Advisory Committee on Standards for the Employment of Women in the Defense Program. To date, this committee has representatives from: Amalgamated Clothing Workers of America, International Association of Machinists, International Brotherhood of Electrical Workers of America, National Women's Trade Union League, Steel Workers Organizing Committee, Textile Workers Union of America, United Automobile Workers of America, and United Rubber Workers of America.

"Efficient production, where women are involved, calls for their employment at jobs they can do well, under safe working conditions, and with sound labor policies," states the first report.

"Employment policies must be carefully

worked out from the viewpoint both of the defense program and of normal manufacture of goods," Miss Anderson says. Effort should be made to prevent drawing workers from regular jobs into expanding defense industries. Unemployed men and women are available for the new jobs.

Health and safety measures conducive to best work include: (1) Carefully guarded machines, (2) protection against industrial poisons, (3) special lighting equipment for fine work, (4) right kind of seats adjustable to worker and job, (5) good plant sanitation, (6) practical work clothing, (7) an 8-hour day with two 10-minute rest periods, and a 40-hour week to prevent excessive fatigue, (8) maintenance of minimum-wage standards for women and fair wage policies commensurate with services rendered, and (9) no industrial home work.

"Industrial history during the last World War and since, including recent experience in Great Britain, proves that moderate working hours lead to increased production and better quality of goods, conserve workers' energies, and enable them to produce steadily under pressure over a long period," says the Women's Bureau Director.

This Bureau was organized in July 1918 as a war service and made permanent in 1920. Its scope now covers 11 million women gainfully occupied in the United States.

## State Standards

Compliance with State safety, sanitary, and factory inspection laws should be required of defense industries, according to the Women's Bureau. In the 30 States with divisions of industrial hygiene, these can be consulted on particular problems.

Where labor standards have not been established by a State, the Federal Public Contracts Act governs working conditions, wage rates, and related matters on work for the Government.

For industries engaged in interstate business, a floor for wages and a ceiling for hours are required on a Nation-wide scale by the Fair Labor Standards Act.

# The States and Cities

## Maine Defense Act

MAINE appears to be the first State during the present emergency to adopt an act providing for creation of a State defense council. Rather, it has amended an old law. Maine's act stresses military responsibilities of its council. This emphasis differs somewhat from the present role of the 1940 national and most State defense advisory councils, which advise on industrial, agricultural, and other functional activities conducted by established government departments.

The Maine Military Defense Commission replaces the Armory Commission, which was composed of the Adjutant General and four line officers of the National Guard. The new Commission consists of the Adjutant General as chairman and six other members appointed by the Governor for staggered terms.

This Commission continues to exercise general supervision and control over all armories, drill rooms, headquarters offices, stables, and State-owned or controlled realty used for military purposes.

Phrasing in the amended act stresses cooperative relationships with Federal and local governments and grants new powers, as follows: "The Commission is further authorized and directed to cooperate with the Federal Government and, or municipalities, under direction of the Governor, in establishing and coordinating national defense in the State of Maine, especially in the providing of equipment, training facilities, suitable quarters for troops and supplies, and buildings and lands for military purposes. The Commission may acquire real property by right of eminent domain in the manner prescribed by law for the taking of land for highway purposes, and both real and personal property by purchase, gift, or otherwise, for the purpose of construction and/or maintenance of armories, airports, and other military facilities for military purposes and the procuring of equipment and supplies for military purposes."

The Municipal Airport Law of 1931 was also amended to permit the acquisition of land, whether within or without the limit of the city, town, or county in question, and such land may be acquired by eminent domain proceedings after consent of the municipal offices of the town or city in which such land is located is obtained.

The new act is designated as "An act providing for improvement in military preparedness" (Maine Legislative Docu-

ment No. 1246, S. P. 756; approved by the Governor, June 27, 1940).

## Kentucky

Home defense, particularly to protect city utilities and other plants of strategic importance, was stressed at the recent convention of the Kentucky Municipal League in Frankfort.

## Indiana

Establishment of a Planning and Defense Council for Charlestown and a similar council for Clark County was recommended to the Governor by the Indiana Joint Defense Committee on October 11. Purpose of these bodies would be to solve, through local and State cooperation, various problems arising in Charlestown area as result of national defense activities.

Other recommendations were:

1. Appointment of an executive secretary or coordinator to be paid out of State funds, to serve as liaison between local, State, and national defense councils.

2. Designation by the Governor, as chairman of the State Defense Council, of the Planning Board as planning agency for the Council with assignment of necessary technicians.

3. Designation by the Governor of the State Housing Board as the housing arm of the Defense Council, its secretary to be named as coordinator.

## Wisconsin

On October 1 Governor Julius P. Heil appointed the Wisconsin Council of National Defense, under chairmanship of Mr. R. S. Kingsley, Kenosha publisher. A representative of the Division of State and Local Cooperation met with the 12-member council on October 11 in Milwaukee.

"The municipality's responsibility under the national defense program" was discussed at the annual convention of the League of Wisconsin Municipalities in Milwaukee October 9-11.

## Michigan

National defense, registration for conscription, city employment problems, and Federal aid for municipal airports were discussed at the Michigan Municipal League's annual meeting in Jackson October 9-11.

## California

Through its committee on human resources and skills, the California Council of Defense sponsored two conferences on personnel problems created by the Selec-

tive Training and Service Act and the National Guard Act. Meetings were held October 10 in San Francisco and October 12 in Los Angeles.

Personnel officers of both public and private agencies, and others, considered problems which will arise from loss of employees to emergency service, concessions that might be made to persons on civil service eligible lists, and problems of recruiting, selection, placement, and training closely associated with the emergency.

## Arkansas

Committees on preparedness are being set up in Arkansas home demonstration clubs, it is reported to the Consumer Division. A State committee of five home demonstration clubwomen was set up in September. County committees were to follow in each of the 77 county home demonstration councils, with plans for committees of 3 to 5 members in each of the 2,100 clubs in the State. Nonhome demonstration communities will also have committees.

Committee members are to be chosen from local leaders in foods, nutrition, and production phases of the Extension program. Training meetings will have been held by late November. First duty of these women will be to make an inventory of the Live-at-Home and food-production activities of families in their communities.

## Nutrition Program

With the slogan, "A balanced diet is necessary for a balanced democracy," Mount Vernon, N. Y., has launched a "good nutrition" program. Municipal officials, State health officers, and 125 civic, fraternal, church, school, and social organizations are now participating. Physicians, dentists, and dietitians have volunteered to speak on health and nutrition. Copies of the "Food and Defense" issue of the *Consumers' Guide* have been furnished by the Consumer Division of the National Defense Advisory Commission.

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## HOME GUARDS

Congressional action was completed on the home guard bill when the House concurred in Senate amendments. The bill would amend section 61 of the National Defense Act of 1916 by adding a proviso permitting States to organize military units not a part of the National Guard when the National Guard is on Federal duty. Under the bill, the Secretary of War is authorized to issue arms and equipment for use by these groups.



# The Week in Defense

TOTAL CONTRACTS cleared by the National Defense Advisory Commission for Army and Navy orders rose during the week to more than \$8,480,000,000. Contracts or letters of intent call for 36,000 planes by 1942.

The following production statistics were made available:

The United States will receive more than 900 military type planes this month and 2,400 aircraft engines. Plane production rate is expected to reach 1,250 by January 1, and 1,500 by July 1. Light tank production is up to better than 100 a month. More than 2,000 of the new semi-automatic rifles are being produced a week.

Arsenals and 17 airplane factories are working on a 24-hour-a-day schedule.

This week several important steps were taken to assure the Nation of adequate supplies of raw materials.

## Wool Storage

The National Defense Advisory Commission has announced that arrangements are being made to bring an emergency reserve supply of 250 million grease pounds of British-owned Australian wool to this country for storage in bond.

Ownership of the wool will remain with the British. No depletion of the reserve will be possible except under conditions where deficiencies appear in the supply of American wool or normal imports are interrupted. The plan under which the reserve enters the country provides maximum protection at minimum cost without jeopardizing the position of domestic wool growers.

Wool is defined as a critical material by the Army and Navy Munitions Board. As such it became necessary for the Commission to arrange for an adequate reserve as it has done in cases involving other critical materials.

To avoid dislocation in the domestic-wool situation a plan was worked out on the basis of securing a strategic reserve without buying it. The wool, to be stored in bond, may not enter the market without approval of the appropriate American officials. The present requirements for domestic wool in Government purchases as provided in existing regulations are not affected by this transaction.

At the termination of the emergency the United States and British Governments will determine the ultimate disposal of the reserve.

## Steel, Aluminum, Bauxite

Steel industry representatives assured the Commission that there is no justification for any run-away price development in steel or steel scrap or any occasion for concern over securing adequate supplies of scrap for defense.

Plans were announced for further increase in production of aluminum in sufficient volume to meet military requirements of the defense program, as well as for civilian needs. It was also announced that an adequate supply of bauxite, principal raw material used in manufacture of aluminum ingots, is available in this country.

## Tin Smelter

Eight proposals submitted to the Metals Reserve Company for the building of a tin smelter in this country are being studied by a committee appointed by E. R. Stettinius, Jr., Industrial Materials Commissioner of the National Defense Advisory Commission. The committee personnel was recommended by the National Academy of Science and is composed of Clyde Williams, director of the Battelle Memorial Institute, Columbus, Ohio, chairman; Walter C. Smith, metallurgist, Cerro de Pascoe Copper Corp., New York City; John F. Thompson, executive vice president, International Nickel Co., Inc., New York City; and F. W. Willard, president, Nassau Smelting & Refining Co., New York City.

Mr. Stettinius reported that the Nation now has on hand or easily accessible more than a 2-year supply of manganese and more than a 1-year supply of tin, both indispensable in the manufacture of munitions.

## Report on Zinc

Although zinc stocks in hands of producers have decreased by slightly more than 50 percent between the end of April and the latter part of September, consumers' stocks have diminished only about 12,000 tons, or 13 percent, during the same period, it is announced by Leon Henderson, head of the Price Stabilization Division of the National Defense Advisory Commission.

## Selective Service

President Roosevelt named Clarence Dykstra, President of the University of Wisconsin, as Director of Selective Service.

## Navy

Secretary Knox announced the Navy has authorized 19 concerns to build with

Federal funds additional ordnance and shipbuilding facilities to cost \$96,146,000. The facilities will be privately operated, with the Government retaining title. Locations are: Newport News, Va.; San Francisco. Los Angeles, San Pedro, Calif.; Quincy, Mass.; Staten Island, N. Y.; Chickasaw, Ala.; Bath, Maine; Camden and Kearney, N. J.; Seattle, Wash.; Groton, Conn.; Orange, Tex.; and Manitowoc, Wis.

The President signed a bill authorizing appointment of naval R. O. T. C. graduates to the line of the regular Navy.

The new \$15,000,000 Jacksonville, Fla., air station was commissioned October 15 and will begin to train about 50 pilots a month who have passed a 1-month preliminary course at Naval Reserve aviation bases.

## Army

The War Department announced reorganization of the expanding land forces into four field armies, each to be made up of three corps of 60,000 men each.

## Health

President Roosevelt will call a national conference of health and educational leaders to work out a physical education program, aimed at developing a "tougher America."

## Housing

Allocation of \$45,762,500 for a minimum of 13,000 defense housing units for the Army was made to the Public Buildings Administration by Federal Works Administrator John M. Carnody.

The allocation was made after the Secretary of War requested the Federal Works Agency to carry out the program under the Army's share of the \$100,000,000 provided for defense housing in the second supplemental National Defense Appropriation Act.

A total of 70 projects is designated to date—8, consisting of 1,950 units, for civilian workers, the rest for married Army personnel. Projects are located in 28 States, Hawaii, and Puerto Rico and will be constructed under direction of Public Buildings Commissioner W. E. Reynolds.

Sites for 19 of the projects already are owned by the Army. Construction contracts will be negotiated under the cost-plus-limited-fixed-fee provisions set up in the act.

The average unit will consist of living room, combination dining room-kitchenette, two bedrooms, and bath.

# Inventors Council

THINK YOU'VE INVENTED a contraption that positively will make enemy airplanes explode in midair?

Tell it to the National Inventors Council, Department of Commerce.

Or rather, don't tell it, write it.

The National Inventors Council was set up under chairmanship of Dr. Charles F. Kettering, chief of research, General Motors Corporation, to serve as a clearing house for suggestions or inventions from civilians relating to the national defense. Further, it acts in an advisory capacity to the War and Navy Departments with respect to such suggestions or inventions.

Don't send just any invention to the Council. All it will look at are ideas relating to national defense. Patent mouse traps are out.

## Nothing Oral

The suggestions must be in writing and in such detail that the objectives and proposed methods of carrying them into effect are clearly and definitely stated. Each suggestion should be made in a separate document, clearly written, preferably typewritten and, when necessary, accompanied by suitable drawings.

Here is the information that must accompany suggestions or inventions:

- (1) Full name and address of sender;
- (2) Is the suggestion worked out in detail, or an idea or device requiring further development? (3) Is the invention patented? If so, forward copy of patent;
- (4) Is an application for the invention pending in the United States Patent Office? If so, state serial number and filing date;
- (5) Has the inventor assigned to any person or corporation any rights to the invention? (6) Is the sender the sole inventor? (7) Is the sender acting as agent for the owner? (8) Has the sender submitted the disclosure to any other Government department? If so, identify it, and name the officer(s) with whom correspondence has been conducted; (9) Has the invention been divulged to the government of a foreign country? If so, name it.

## No Chemicals

All correspondence must be conducted in English and models must not be forwarded unless they are specifically requested by the Council. Chemical samples will be destroyed without examination. No patent rights or other protection are secured by submitting suggestions to the Council.

About compensation—the Council has no authority to consider the question of compensation for the use of a suggestion or invention by any Government department nor is it in a position to make recommendation in that connection. Each department has its own method of dealing with the subject.

However, the Council says, "In many instances, suggestions and inventions made by civilians are tendered by them to the Government for free use by and for it, in a spirit of patriotism, and such tender is accepted with grateful appreciation."

The Council is without funds for actual working out of inventions or for conducting experimental work.

All inquiries should be addressed to the Secretary, National Inventors Council, Room 7420, Department of Commerce Building, Washington, D. C.

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## PRODUCTION MOUNTS

Industrial production during September, stimulated by the defense program, was up 11 points over the corresponding period in 1939 and 14 points above the average for 1929, the Federal Reserve Board reports. The Board fixed the total industrial production index for the month at 124, which is approximately the same "inventory high" level of last December.

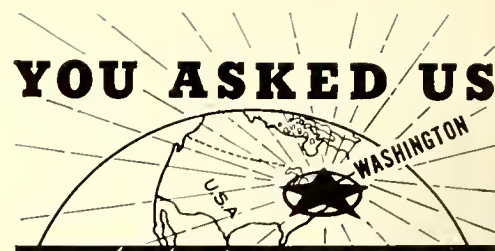
Leading the rise and climbing above last winter's high were the airplane, shipbuilding, engine, and machine-tool industries.

Metal mining during August rose 32 percent over the same period last year, while the output of durable manufactures increased 28 percent.

## THE TIME ELEMENT

Speaking of the tempo of the defense procurement programs, Maj. Gen. J. H. Burns, executive aide to the Assistant Secretary of War, states that "America must not expect these to be delivered within a few months. Corresponding programs for the creation of capacity and the production of reserves cost both England and Germany some 4 years of time and if America can cut this factor in two, she will have done a remarkable job."

Production Commissioner William S. Knudson has said that progress thus far "has been mostly in getting orders into the field and manufacturers to work on them," but that "sometime late next spring or early summer we will have something to show."



Q. *What is the legal basis for the Defense Commission?*

A. The act of Congress of August 29, 1916, created a Council of National Defense and provided for appointment of an advisory commission. On May 29, 1940, the President issued an Executive order calling the act into effect. This order was printed in full in the *Federal Register* of June 4, 1940. Copies of the National Defense Act, as amended, may be obtained for 20 cents, and of the *Federal Register* for 10 cents, from the Government Printing Office, Washington, D. C.

Q. *Our community offers unusual advantages for plants producing defense goods. What can we do to get plants located here?*

A. Recommendations concerning location of new plants are made by the Site Board of the War Department. To make necessary information available in most usable form to the Site Board, the Division of State and Local Cooperation has been working with other divisions of the National Defense Advisory Commission to organize and tabulate necessary data. Since the ultimate destination of all such data is the Site Board, requests for immediate information should be directed to it.

Q. *What can I do as a patriotic citizen to help in the defense program?*

A. If you live in one of the few communities with an official advisory defense council, let its chairman know of your interest. Otherwise communicate with your State advisory defense council, or with the Governor if no official State council has been created.

Q. *If an American woman married an alien during the World War, is she subject to the Alien Registration Act of 1940?*

A. She may be. An American woman who married an alien between April 6, 1917, and July 2, 1921, lost her citizenship as of the latter date if on that date the husband was still an alien and the marriage was still in force, according to a ruling of the Attorney General on August 22, 1940. Unless she has regained her citizenship, she must register. Since the situation may be complicated in individual cases, it is best to secure official regulations and instructions, available at any post office or from the Division of Alien Registration, Department of Justice.

# WPA Aids in Defense

A COORDINATED PROGRAM for national defense requires planning in many fields of public endeavor.

In addition to specialized military activities and problems of production and supply, there are the equally important secondary factors of transportation, public health, education, housing and utilities, conservation, public safety and allied activities, all of which are matters of particular concern to State and local governmental bodies.

Problems arising in these fields must be solved with the full cooperation of State and local communities. To cope with the increased demand for services in these fields will require, in many instances, extraordinary local effort. It is with the thought of providing some assistance in meeting these problems that this statement has been prepared, since the Work Projects Administration, through ability to work in partnership with State and local communities, is able to assist in performing work of value to defense.

Recognizing need for coordinating State defense activity, the Division of State and Local Cooperation of the National Defense Advisory Commission has asked the WPA to outline the various activities and services which the agency is equipped to render and to suggest types of projects which may be incorporated into an adequate State defense program.

A WPA defense project may be sponsored by a Federal agency or by a State or local governmental body. Although in some instances State or local authorities may sponsor a project with a cooperating Federal agency as co-sponsor, this article is concerned primarily with WPA projects of non-Federal sponsorship. Defense projects are in two categories:

## A. "Certified" Defense Projects

Projects in this category are reviewed by the War and Navy Departments in course of approval and are certified to have direct value in the defense program. "Certified" WPA projects have priority over any other type and may receive special exemptions from usual requirements. Under these conditions work on any essential defense activity undertaken by the WPA can be expedited.

## B. "Noncertified" Defense Projects

These projects are considered of value for defense but are not deemed so essential as certified projects. Such projects

may be given priority over nondefense projects, but these do not have the exemption status of certified projects.

In State planning of WPA defense projects, the existing labor supply in the skilled and technical category must be considered carefully in order to make best possible use of available skills. For example, even a certified project cannot be undertaken if the project cannot be adequately staffed either in the number of persons required or in available skills. It is possible in the case of certain certified projects to operate on a work-camp basis if workers cannot be obtained in the immediate vicinity, but normally this is to be avoided unless the defense need is urgent.

## Conditions Vary

Because conditions vary, projects which may be certified in one community will receive only nonpriority rating in another. Projects must be of some immediate defense or military value to receive certified rating. A few possible examples are noted.

1. Projects providing for construction, reconstruction, improvement, renovations, and making habitable of new or old facilities owned or for use by War or Navy Departments, Coast Guard, Marines, National Guard, etc.

2. Airport and airway projects.

3. Clerical, survey, or research projects serving or directly affecting agencies of the Army, Navy, Marines, Coast Guard, National Guard, or defense activities of the Department of Justice, National Defense Advisory Commission, and State Defense Councils.

WPA State-program projects may be undertaken in each of these and similar fields of activity with the cooperation or co-sponsorship of a local responsible authority when a military or other Federal agency is involved. In addition, there are many other projects that may be incorporated in a well-planned State defense program. The more typical of these are discussed in detail below. The projects listed may be certified or noncertified, depending upon the local situation, but in each instance are considered of possible national defense value.

## 1. Transportation

*A. Airport Facilities.*—Of primary importance to the defense program is the development of adequate airports. Practically all WPA projects concerned with the enlargement or improvement of airports may be "considered" defense projects. Since military planes land and take

off at a far higher rate of speed than private or commercial planes, many airports which otherwise would be satisfactory are of limited military value. WPA projects are of definite value in improving and enlarging such airports and increasing length of runways.

Airports in certain sections of the country are deemed to have important strategic value for defense purposes. Local WPA authorities will usually have full identifying information on this point. In addition, a check with the regional offices of the Civil Aeronautics Authority will give the latest information on this score.

*B. Highways.*—These offer a large field of WPA activity. Many highways considered of definite strategic value by the War Department need considerable improvement for military purposes. Bridges may be too narrow or not strong enough to carry military loads which the strategic location of the highway might require. Underpasses may need to be built. Curves and other conditions which would hinder rapid transit or use for military purpose may need to be eliminated. Shoulders may need to be added to highways to facilitate military usage.

With expanding industrial activity, particularly in view of the War Department's desire to locate new defense industries at least 200 miles within our borders and away from crowded areas, another problem arises in building suitable roads to new plants. Troop training centers are also being established; barracks and cantonments are being enlarged. Each of these activities means increased use of existing highway facilities. WPA can play a strong part in making, improving, or repairing such highways.

The Bureau of Public Roads for the past year has been working closely with the War Department in identifying the Nation's strategic highways and has also given considerable attention to locating possible traffic bottlenecks. The Bureau of Public Roads is keeping State highway departments informed and in many communities there may be indicated a very definite need for WPA work in this category.

*C. Naval facilities.*—This work includes repairing, remodeling, or rebuilding dock facilities in many coastal cities. The WPA may assist also in many harbor and stream improvement activities.

(Continued on next page)

# WPA Aids in Defense

(Continued)

## 2. Public Health

Expanding industrial activities, enlarging of Army and Navy bases, and establishing of training centers usually have brought about need for improved sanitation facilities. Migration of any considerable portion of the population from one section of the country to another may result in increase of disease or susceptibility to local conditions, toward which local residents have long built up an immunity.

Swamps may need to be drained. Sewerage facilities may need enlarging or rebuilding in these new locations. Clerical service in the medical and dental fields may need to be rendered and hospitals built or modernized where owned and operated by local governmental authorities. Perhaps new sources of water supply should be obtained or the existing supply augmented or renewed. Also possible is production of goods useful to defense, such as surgical dressings, first-aid kits, bedding, and hospital clothing.

## 3. Education

WPA has already undertaken a Nationwide program for training defense workers. In addition, local WPA projects in vocational or industrial training fields may assist considerably in meeting local defense needs. WPA facilities also may be utilized in connection with Americanization instruction. Persons may be trained for such defense activities as first-aid, nursing, and ambulance service. Also included may be study and preparation of camouflage designs and constructions, pamphlets and posters relating to military matters and instruction of civilian population.

## 4. Public Utilities and Housing

While WPA does not participate directly in housing developments, it may be of definite aid in supplying supplementary needs, such as the grading of property, laying out of recreational areas, and building of roads that permit ready access to such areas.

Many of the projects mentioned above under public health may also be included in this field, including the extension of any publicly owned utilities.

WPA may also be of assistance in expanding industrial areas, in building, remodeling, or enlarging school buildings and other public property. A very definite need for such activity is indicated by the fact that communities located near Army and Navy bases and strategic industrial points have reported increases in school enrollments of from 50 to 100 percent.

## 5. Conservation

In addition to types of conservation carried on by the WPA in the public health field, additional activities may be initiated in conservation of forests and natural resources. WPA may build fire trails in national and State forests, observation stations, dams, and other facilities or means for conserving resources of value for national defense purposes. Erosion-control measures may be instituted with the assistance of WPA projects, supplementing existing Federal effort.

## 6. Public Safety

Of the many activities that may be carried on by the WPA in this general field, a few sample activities having a direct relation to national defense may serve as illustrations of the more important:

A. There are few communities, particularly those areas whose growth has been stimulated by defense activities, that have adequate fire-fighting facilities. The WPA may assist in rebuilding or augmenting fire houses and training centers, rebuilding or repairing equipment, building practice structures, and other allied fire-training facilities.

B. Another example of service in this field is building recreational areas, supplying recreational aids, reducing child accident rate in growing communities.

C. Building, enlarging, or repairing all types of military structures including drill quarters and areas, rifle ranges, equipment sheds, etc., for defense training of home defense guards, as well as for use by the service organizations constitute useful public safety projects.

D. Another type of assistance that WPA can render in public safety results from the flexibility of WPA method of operation. Large forces of workers are available for instant assistance in times of emergency or disaster, such as floods, windstorms, and similar unpredictable occurrences that need immediate attention to avoid serious loss of or danger to life.

## 7. Research and Survey Projects

Research, survey, and clerical projects relating to any of the above fields may be of considerable defense value. At the request of responsible public officials, State agencies, such as the State universities, planning boards, or defense councils, may secure WPA assistance in meeting the increased demand made for their services by defense activities. Following are some activities in this miscellaneous field:

A. Research relating to mining, assaying, dressing, and processing of metallic ores.

B. Metallurgical research and experiments.

C. Research relating to oil and gasoline and to their performance in engines.

D. Meteorological investigations and processing of related records.

E. Research and records activities concerned with or relating to aviation, aeronautical or marine navigation, including the building of test apparatus for experimental and demonstration purposes in universities, colleges, and trade schools.

F. Translation of technical works covering subjects directly relating to defense that are not available in English.

G. Mapping and charting work related to defense subjects. Included are, for example, transportation facilities (railroads, highways, rivers, and air lanes), natural resources, occupational distribution of population, and automobile registrations.

H. Surveys relating to highway bottlenecks, highway and navigable river structures below minimum military standards, dredging of river channels, improvements to roads servicing cantonments, emergency air fields, and natural resources areas.

I. Occupational studies directly related to national defense industries and activities.

J. Surveys of hospital facilities and classification and availability of physicians, nurses, blood donors, etc.

K. Preparing, processing, reconditioning, and indexing records relating to persons who have been in foreign countries. Includes immigration and naturalization records, ship passenger lists, etc., and activities relating to determining, tracing, and locating aliens.

L. Preparing, processing, reconditioning, and indexing records relating to military service, and as to instructors available for training courses significant to national defense.

M. Assisting vital statistics registrars for a limited period in searching records for evidence of birth and preparing certificates of birth for defense industries requiring evidence of American citizenship.

N. The WPA may carry on research for improvement of domestic production or development of satisfactory substitutes for materials declared by the U. S. Army and Navy Munitions Board to be strategic or critical.

These are some of the activities that can be carried on with WPA assistance. Not all types of possible assistance can be outlined, but the above may serve as examples of types of activities communities may find of definite value in assisting the full development of the Defense Program.

# DEFENSE



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Friday, Oct. 25, 1946

# ★ ★ ★ ★ ★ AS I SEE IT ★ ★ ★ ★ ★

THE GEOGRAPHIC SITUATION of Latin-America, apart from any other considerations, brings the lands of our southern neighbors within the scope of our national defense program. For if effective forces hostile to us were able to secure even a toehold there, the military defense of the United States and its interests would obviously become a more formidable undertaking.

These lands, moreover, contain resources of strategic and critical materials, the supply of which must remain assured to us and withheld from potential enemies.

Besides such materials, Latin-America possesses physical and human resources which can constitute an important element in the defense of the American consumer from unnecessary constriction in living standards. The medium through which defense-orientated activities of this kind can take place is inter-American trade. To the United States, as well as to the twenty sister republics, the maintenance and improvement of this trade are of vital concern.

Equally pertinent to the broad underlying aims of our defense program is the socio-political situation of Latin-America. The Latin-American peoples, together with those of the United States, make up the republican New World in which democratic political institutions must be maintained against destruction or impairment.

We share—not without divergences in degree but with agreement on essential principles—an outlook favorable to the free development of progress in the New World. By strengthening one another in the maintenance of the democratic process and by collaborating more wholeheartedly in mutual developments of American ways of life, the extremely significant “cultural objective” of American defense can be realized.

The Office of the Coordinator of Commercial and Cultural Relations between the American Republics was set up to facilitate achievement of defense aims involving ourselves and our neighbors. The order establishing the office, dated August 16, 1940, outlined its duties. The Coordinator is charged with these responsibilities, in the discharge of which he is made accountable directly to the President:

1. To effect liaison between the Advisory Commission, the several departments and establishments of the Government, and such other agencies, public or private, as he may deem necessary for the purpose of insuring proper coordination of and economy and efficiency in the activities of the Government with respect to hemisphere defense, with particular reference to the commercial and cultural aspects of the problem.

2. To be a member and chairman of the Interdepartmental Committee on Inter-American Affairs (a body including the president of the Export-Import Bank and designates from the Departments of State, Agriculture, the Treasury, Commerce, and such other agencies and departments as may be needed from time to time). This Committee is to consider and correlate proposals of the Government with respect to hemisphere defense, commercial and cultural relations, and make recommendations to appropriate Government departments and agencies.

3. To review existing laws, to coordinate research by the several Federal agencies, and to recommend to the Interdepartmental Committee such new legislation as may be deemed essential to the effective realization of the basic objectives of the Government's program.

4. To formulate and execute, in cooperation with the State Department, a program utilizing governmental and private facilities in the fields of the arts and sciences, education and travel, the radio, the press, the cinema, and other cultural areas so as to further national defense and strengthen the bonds between the nations of the Western Hemisphere.

While main emphasis has been placed on “coordination” through helping to integrate efforts of a number of Government departments and agencies and of numerous private groups, the organization of the office is sufficiently flexible in method to adapt itself to conditions in which emphasis might be placed on swift accomplishment of desired projects.

NELSON A. ROCKEFELLER,  
*Coordinator of Commercial and Cultural  
Relations between the American Republics.*

COVER: “The Bit in Her Teeth.”—Navy Department photo.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE, Division of State and Local Cooperation.

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States. Published with the approval of the Bureau of the Budget. (Rule 42 J. C. P.)

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NOV 23 1940

# EXECUTIVE ORDER ON PRIORITIES

## Authorizing the Priorities Board and the Administrator of Priorities to Perform Certain Functions Under Section 2 (a) of the Act of June 28, 1940

Whereas section 2 (a) of the act of June 28, 1940, Public No. 671, 76th Congress, provides that all naval contracts and orders and all Army contracts and orders shall in the discretion of the President take priority over all deliveries for private account or for export; and

Whereas the public interest requires that provision be made to insure the prompt delivery of materials, articles, equipment, and supplies essential to the national defense; and

Whereas the Council of National Defense has established a Priorities Board composed of the following members of the Advisory Commission to the Council of National Defense: The Advisor on Industrial Production, as Chairman, the Advisor on Industrial Materials, and the Advisor on Price Stabilization; and

Whereas the Priorities Board has designated Mr. Donald M. Nelson as Administrator of Priorities:

Now, therefore, by virtue of the authority vested in me by section 2 (a) of the said act of June 28, 1940,

and as President of the United States, I hereby approve the establishment of the aforesaid Board and the designation of the said Administrator and authorize the said Board and the said Administrator, acting in the public interest and in the interest of the national defense, under rules and regulations prescribed by the Board with the approval of the President, to require, in accordance with the provisions of the said section 2 (a), persons with whom naval and Army contracts and orders have been or are placed, to grant priority for deliveries pursuant thereto over all deliveries for private account or for export.

(Signed)



THE WHITE HOUSE,  
October 21, 1940.

## Selective Service Drawing Oct. 29

Tuesday, October 29, Secretary of War Stimson will enter the auditorium of the Labor Department in Washington, and, from a huge goldfish bowl placed on the stage, will begin the draw to determine in what order the 17,000,000 men who have registered for Selective Service will be called up.

The goldfish bowl itself will be historic—the one used in the drawing for selective service in World War I. It has been resting in Independence Hall, Philadelphia, ever since. So has the ladle used to stir the numbered capsules in the bowl and the cloth with which Secretary Stimson will be blindfolded before the draw.

After Mr. Stimson has drawn the first number, other high Government officials will take their turns until all the capsules are drawn. Capsules are expected to number more than 7,000, and the draw-

ing probably will require more than 12 hours.

A total of 600,000 men in Class I are scheduled to be inducted into the Army by March 1.

By the time the drawing begins next Tuesday all men who registered will have been given numbers by their local Selective Service boards. These numbers will have been posted at local headquarters, and they are the keys to the drawing in Washington. Thus, if the first number drawn is 742, every man whose number is 742—there are thousands of them—will be the first in his area to receive a questionnaire and to be classified.

If the man whose number was drawn first in any particular district is deferred by the local board, the man whose number was drawn second will be the next to be considered for induction.

## ARMY AND NAVY TO MAKE SCHOOL FACILITIES SURVEY

The War and Navy Departments have been requested by a Senate resolution to survey school facilities at Army and Navy reservations at which housing programs for defense workers are being carried out or are now contemplated. The resolution reads:

*Resolved*, That the Secretary of the Navy and the Secretary of War are requested to make a full and complete study and investigation of all school facilities at or near naval yards, Army and Navy reservations, and bases at which housing programs for defense workers are being carried out or contemplated, with a view to determining (1) whether such housing programs will necessitate additional school facilities, (2) whether the communities adjacent to or near such yards, reservations, and bases are financially able to provide such additional facilities, if needed, and (3) whether the Federal Government should provide such additional facilities irrespective of the financial ability of the community. The Secretaries are further requested to report to the Senate as soon as practicable the results of their study and investigation, together with their recommendations, if any, for necessary legislation.

# State Plans for Civil Protection

PLANS are well advanced in several States to strengthen local protective forces in emergencies by making units of neighboring forces available, and by close cooperation between State and local police forces. Plans of Connecticut, New York, New Jersey, and Virginia are examples. Intensive work is under way in other States. County and municipal police officers are being consulted on proposed plans.

Common characteristics of these plans are:

- (1) Appointment of district mobilization officers by the Governor;
- (2) Inventory of civil protective forces, including men and equipment;
- (3) Identification of primary defense projects in major defense areas in the State;
- (4) Development of detailed mobilization plans.

Systematic investigation of crimes against national safety is already assured through cooperation of Federal, State, and local law-enforcement authorities. By authority of an Executive order of the President, the Federal Bureau of Investigation has already organized a special unit concerned with counterespionage and anti-sabotage precautions. Next step is development of coordinated State-local plans for civil protection.

## 160,000 Policemen

Total police resources of the United States number about 160,000 men—a considerable force, but not so large when split up among some 40,000 police jurisdictions. Contrast New York City's 20,000 or so policemen with the lone constable in thousands of villages.

This wide dispersion of police strength points to imperative need for uniform State-wide civil protection plans in case of emergency. The alternative would be local volunteer forces, untrained and undisciplined, that might menace private rights and civil liberties, as has been pointed out by Bruce Smith, who is largely responsible for New York State's efficient police coordination plan. Regular police

establishments are safest for civil defense.

Three factors are involved in mobilization: (1) Trained and disciplined manpower, (2) miles and minutes, (3) plant and equipment.

Since the plans are for emergency civil defense, it has been recognized that the Governor's office should exercise leadership. In each State the better organized police forces can serve as a nucleus. Experienced police executives can be entrusted by the Governor with the job of appraising police resources of each mobilization area.

The number of mobilization districts should be kept as small as is consistent with effective operation. Virginia, for example, plans four such districts.

## Accurate Lists

In appraising resources of districts, mobilization officers should distinguish between full-time police personnel and non-professional or casual police, such as township constables or special deputy sheriffs. Accurate lists should be made of major items of police plant and equipment: Radio, State-wide teletype, patrol cars, trucks, searchlights, gas guns, and detention facilities, with details on all these points. Such data should be prepared on uniform schedules so that interdistrict transfer of men and materials by the Governor will be expedited.

Although local police authorities may expect to command police at the scene of an emergency, this may be impracticable. In New York Governor Lehman has ruled that if disturbances requiring mobilized police aid occur within corporate limits of any city, the city's chief police officer shall command additional police resources made available by the district mobilization officer, who in turn acts under orders of the Governor. Outside cities, the Governor himself will designate the active police commander for each emergency as it arises.

Geography of the State, distribution of its police effectives, and other considerations are factors in determining lines of

mobilization areas. Bruce Smith points out that these lines might: (1) Follow district lines employed by State police for administrative purposes, with the State police commander of each area serving as mobilization officer, or (2) describe wide arcs around nuclear cities and metropolitan areas, with mobilization officers designated from among police executives within the area, or (3) represent a combination of the two methods.

## ★ ★ ★ GEORGIA

Industrial and economic conditions were discussed at a meeting of the Georgia Committee for National Defense, October 18, in Augusta. A representative of the Division of State and Local Cooperation was present. Up to now, two aspects of defense have been stressed in Georgia, military and industrial. The State committee is considering plans of organization along functional lines so that other fields of the defense program may receive appropriate representation.

## NORTH CAROLINA

"One of the best contributions we local officials can make to national defense is to make our municipalities so efficient, economical, and progressive that citizens will be convinced the only worth while form of government is democracy," stated Mayor J. B. Flora of Elizabeth City, president of the North Carolina League of municipalities, in opening the annual convention October 13-16.

## DELAWARE

Gov. Richard C. McMullen recently announced appointment of the Delaware Council for National Defense, composed of 15 members. The Governor is chairman *ex officio*; one of the four vice chairmen is designated as executive vice chairman. Other members direct activities of 10 committees in the fields of agriculture; civil protection; health, welfare, and consumer interests; housing; human resources and skills; industrial resources; public relations; finance; labor and transportation.



# The Week in Defense

HIGHLIGHT in national defense news for the week was announcement that the American automobile industry will subordinate work on new models to bring its vast production facilities to bear to expediate the military aircraft program.

The point has now been reached where the Army and Navy have standardized airplane design to the extent that automobile factories can be used in making parts. Manufacturers' resources will be pooled for production of tools, jigs, and dies needed. Automobile industry executives were to meet in Detroit with representatives of the National Defense Advisory Commission to study specifications for fighter planes.

William S. Knudsen, NDAC production chief, said that he considers the automobile industry's pledge "a splendid patriotic contribution to the security of our shores."

## Right to Requisition

The NDAC sent letters to all machine-tool manufacturers asking for information on the number, kinds, and location of machine tools ordered by foreign purchasers. A new law gives President Roosevelt power to requisition those tools and materials. There will be few, if any, occasions when it will be necessary to requisition, but since the law exists many owners or agents for foreign purchasers feel that a transfer of title to this Government will be to their advantage.

## Housing Act

The President signed the Lanham bill authorizing and appropriating funds for a \$150,000,000 program for housing defense workers, enlisted men of the Army and Navy, and others whose work is related to defense. The program will be directed by the Federal Works Agency, cooperating with Federal, State, and local agencies. Under the measure, average cost of construction per family cannot exceed \$3,000 within the United States and \$4,000 outside the United States.

The measure brings to approximately \$300,000,000 the total funds available for defense housing. It has been estimated

that a minimum of 160,000 dwelling units would be required and the funds available would allow construction of about 81,000.

## St. Lawrence Power

The United States Corps of Engineers has been ordered to begin necessary investigations at once on the St. Lawrence River power projects. The President has allocated \$1,000,000 for this work, and he has appointed a special committee to cooperate with the Canadian Government and to advise in planning the work. Members are: Leland Olds, Federal Power Commission, chairman; A. A. Berle, Assistant Secretary of State; Gen. T. M. Robins, Corps of Engineers, U. S. Army; and Gerald V. Cruise, representative of the Trustees of the Power Authority of the State of New York.

## Employment

At least 2,000,000 more persons will be employed next year than in 1940, it is predicted by the Bureau of Agricultural Economics. This will be due to increased business and industrial activity resulting largely from national defense spending.

## Warehouse Program

A coordinated warehousing program is being undertaken by the National Defense Advisory Commission, according to announcement by Ralph Budd, Transportation Division Commissioner.

Under the program, existing warehouse space will be used first. Next, existing buildings suitable for warehouses will be utilized, and in emergencies, when private facilities cannot be provided, the Government may undertake construction.

The Transportation Division will coordinate the program, working with the Army and Navy and other Government agencies. Harry D. Crooks, president of the Crooks Terminal Warehouses, Inc., of Chicago, New York, Kansas City, and Los Angeles, has been named by Mr. Budd to be in direct charge of the work.

A survey of existing warehouse facilities is being made.

## Agreement on Tin

An agreement has been reached with the Bolivian Government and Bolivian producers to supply this Government with ore equivalent to 18,000 tons of refined tin a year.

The Metals Reserve Company, an RFC subsidiary, will purchase the tin at a price averaging about 43 cents a pound. Under this arrangement the ore will be derived from a source within the hemisphere and be smelted in plants about to be established in the United States.

Government officials regarded this move as highly significant and reassuring, taken together with the earlier action of the NDAC in buying 75,000 tons of refined tin as a reserve supply. Previously the United States had depended largely upon ore mined in the East Indies and smelted in England, thus crossing two oceans before being delivered to this market.

## Navy Purchases

The Navy has announced that it has purchased 35 merchant ships, costing more than \$15,000,000 since September 25, ranging from 7,000 tons down to small yachts and tugs, and has converted them into such auxiliary vessels as submarine tenders, ammunition ships, and mine sweepers.

## Relief Act Signed

The President has approved the "Soldiers and Sailors Civil Relief Act of 1940," intended to protect property, contracts, and insurance of men called into military service. This legislation suspends mortgage foreclosures, rent evictions, and court judgments while men are serving with the Army, Navy, Marines, Coast Guard, and Public Health Service. It will apply to all Selective Service men.

## Shoes for the Army

Thus far this year the Army has purchased well over 4,000,000 pairs of shoes, compared with an annual average of 1,600,000 pairs for the Army, Navy, and CCC for the years 1937 through 1939.

# The Problem of Agriculture

FOLLOWING are pertinent paragraphs from a recent radio address by Chester C. Davis, Commissioner in charge of the Agricultural Division of the National Defense Advisory Commission:

Fortunately, this crisis found farmers prepared with abundant supplies. We all remember that in 1917 agriculture was called upon to increase its production to feed our Army and those of our allies. "Food Will Win the War" was the slogan of that day.

Now we find domestic food supplies adequate to take care of our own military and civilian requirements with plenty left over. After providing for our own needs, the United States could export 150 million bushels of wheat, 400 million bushels of corn, 100 million bushels of barley, 350 million pounds of pork, 500 million pounds of lard, 250 million pounds of other edible fats, and large quantities of fresh, dried, and canned fruits and vegetables.

## Near Record Crop

Its cotton storehouse is full and running over. These surpluses are largely carried over from previous crops. Present crop prospects indicate that aggregate farm production for 1940 promises to be the second largest on record.

It is apparent, therefore, that the supplies of American farm products are sufficient to meet any demands that may be anticipated. The essential task is to maintain the farm plant in such a productive condition that supplies of foods and other farm essentials will continue to be sufficient.

It is obvious that no nation can adequately defend itself without abundant supplies of food and fiber. It is equally obvious that those supplies cannot be maintained unless the producers are kept in a position to continue efficient production. The objective of increased farm income and stable prices has long been recognized national policy. We must not retreat from the peacetime objective of balanced farm production, prices, and income now that war clouds cover the sky.

The Agricultural Division and the Department of Agriculture are giving constant attention to agricultural prices and price relationships. At the present time farm prices, in general, are low. It is my opinion that a substantial increase in most of them is desirable. Such an increase, where it is simply a recovery from abnormally low levels, must not be considered as either a justification or a cause of spiral price advances in other areas.

The Agricultural Division of the Defense Commission has been concerned with a number of immediate problems, foremost among which is the location of new plants which are being built to provide the Army and Navy with munitions and other supplies. Sound policy requires that, insofar as possible, the new defense plants be built away from regions of present industrial concentration and in locations where there is not only an adequate labor supply for the defense emergency but where the people will not be entirely separated from their former livelihood. These individuals can use some of the income received from employment in new powder plants or munitions factories to improve their homes and farms. It will compensate in part for adjustments they are forced to make because of curtailed export outlets for farm products.

## Exports Cut

War, and the rising effort for national self-sufficiency that preceded it, have greatly diminished export outlets for many important crops—cotton, tobacco, and wheat particularly. Many markets have been entirely eliminated. Any steps which can be taken, consistent with the objectives of national defense, to pave the way for industrial employment in areas where those crops are grown, are clearly in the public interest.

To illustrate this point, let me tell you the story of one of the first plants located in accordance with this general pattern. This plant at Radford, Va., will manufacture smokeless powder and will employ some five thousand workers. Radford is

well inland and outside the boundaries of any established industrial area. The counties surrounding Radford are densely populated. Many of the farms are small, and the average income is low.

Every reasonable effort is being made to facilitate employment of people who live on these farms. This is desirable because the local farm people need the extra income; the immediate housing problem will be alleviated, and there will be fewer stranded people if and when the new plant shuts down.

Wherever possible, the Defense Commission recommends that the policy of decentralization be followed. Plans are under way, for example, for the location of a group of plants west of the Mississippi River, and it is my hope that an increasing proportion will be established there and in the South and Southwest. It is probable that before this country secures all the capacity it needs for making airplanes, additional plants will be established in the interior.

We are also concerned with the probable peacetime value of some munitions plants. For example, one of the major raw materials is nitrogen—nitrogen in the form of ammonia. Nitrogen is also the most important plant food. As a part of the defense program it is necessary to construct some new plants for the manufacture of ammonia. I am hopeful that one of these, in line with the policy declared by Congress, will be authorized for the TVA, where, after the war need has passed, it will be dedicated to the permanent peacetime service of agriculture.

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## AVIATION EMPLOYMENT

Government statistics cited by the White House show that employment in the aviation industry has increased approximately 400 percent in 2 years. Treasury Secretary Morgenthau has reported to the President that aviation employment in September of this year was 118,800 as compared with 28,700 in September 1938 and 50,600 in September 1939.

# The Effect of Defense

THE BUREAU of Research and Statistics is conducting studies of requirements and capacity for a wide range of products and materials to determine the probable appearance of bottlenecks in production.

Accurate anticipation of such bottlenecks is essential to the proper conduct of the defense program. The primary efforts of the National Defense Advisory Commission and the military departments are directed, of course, toward maximum production of arms and equipment for the fighting forces. Behind this immediate problem, however, lies the broader economic problem of marshaling all our resources into the most effective pattern for a total defense effort.

The studies now under way in the Bureau are intended to throw light on the essential economic aspects of these problems.

To serve a useful function, such analysis must begin with a realistic appraisal of current conditions. Consider the situation as of May 1940: Defense expenditures were running at the rate of perhaps 2 billion dollars per year. National income was at the rate of 70 billion dollars per year. Total employment was in the neighborhood of 45 million workers, and, with the total labor force at approximately 56 million, something like 11 million workers were unemployed.

Then consider current and prospective developments: Defense expenditures for this fiscal year (i. e., 1941) may reach a total of 5 billion dollars. In fiscal year 1942, they may amount to 10 billion dollars. No one knows how high they ultimately may go. That depends, first, upon our defense needs and, second, upon our capacity to produce.

The essential question is: What will be the effect of the defense program upon the community as a whole? What will happen to national income? To employment? To utilization of our material resources?

These are not academic questions. The success of practical policy depends upon how well it is adapted to the needs of the community under present conditions. Nothing teaches this fact more clearly than the experience of the other countries during the recent past.

## War Efforts Abroad

In Germany, a state of full utilization of resources had already been reached at the outbreak of war. Employment was

practically at a peak. Hours had already been stepped up somewhat. A preliminary system of rationing was in effect. Every possible effort was being made to obtain foreign exchange and supplies from abroad. When war broke out further restriction of civilian demand was necessary, and the people were called upon to make the requisite sacrifice.

In England there was still a moderate amount of unemployment and unused capacity. It was apparent, however, that the war effort would require more than this small unused margin. Restrictive policies were therefore put into effect at the very outset, at the same time that expansion for the war effort was begun. The result may be summarized in the words of Professor Pigou (*London Times*, March 7, 1940, page 9):

“. . . in spite of the large number of men absorbed into the armed forces and the expansion of employment in the munition work, unemployment in the aggregate has not fallen. This can only mean that a very large number of persons have been thrown out of work in civilian occupations and have not yet been absorbed into the national war effort. In these conditions may it not be that resources released from private service by further economy would simply pass into idleness? If that happens, the country's war effort will gain nothing; we shall be 'martyrs by mistake.'”

## Expansion in U. S.

In this country we are faced with a vastly different situation. No one can gauge accurately the expansion which is still possible. Government analysts estimate that the defense program may result in a national income of 80 billion dollars for the fiscal year 1941; thus, while employment will rise and many will enter the military service, there may still be some millions unemployed. A 10-billion-dollar defense program in the fiscal year 1942 might result in a national income of 90 billion dollars; again, employment would rise, but even at this level there still might be substantial unemployment.

It seems safe to say that if labor were the only restricting factor we could more than match the entire German war effort in additional production and at the same time allow some expansion of civilian consumption. Obviously, however, there are restricting factors other than the general labor supply. Special types of labor skills

may be listed among such factors, together with many types of material facilities and natural resources. How can the maximum expansion be obtained in the interests of the total defense program?

That a simple expansion of Government orders could achieve the desired result appears doubtful. An unlimited armament program would indeed produce an expansion of money incomes and production. But, without special measures to control and direct the expansion, it might simply bring an inflationary situation in which the expansion was largely confined to money flow and only to a minor extent was reflected in real goods and services. Government orders would be filled, because the urgency of defense makes it essential to pay whatever is necessary to get the goods. But the civilians who cannot bid against the defense program might find their needs unsatisfied.

With prices rising in the face of a bottleneck, the producers in any particular industry may be able to make the greatest gains without any expansion of real output. If others do not enter the industry, the incentive to expand is stifled. A failure of expansion in any one industry affects the possibility of expansion in all related industries. From one focal point an almost endless chain of restrictions can develop, hampering the defense effort in all its phases.

There is no reason, therefore, to believe that expansion will take care of itself in the interests of total defense. Uncertainty over the magnitude and duration of the defense effort appears to be the prime retarding factor in expansion by private enterprise.

The Defense Commission is making every effort to take care of bottlenecks as they arise, and even to anticipate their appearance. For this purpose it is essential to know the probable requirements of the community for all commodities and to compare these expected requirements with the corresponding capacities. The studies of the Bureau of Research and Statistics are directed at obtaining the data which will make such a comparison possible.

## Military Requirements

The assembly and analysis of data from the War and Navy Departments and the British Purchasing Commission, on military requirements, are being conducted under Mr. Robert R. Nathan. This unit is

(Continued on next page)

# The Effect of Defense

(Continued from preceding page)

engaged in bringing together all related evidence on the precise needs of our military branches and the translation of these needs into their components and raw materials.

Also, efforts are being made to determine when the demands of the military departments must be met, in order that there may be a well-balanced military program. It is essential that the equipment and material be produced and assembled on a coordinated time basis so that all related needs are satisfied at the proper time and place. It is as undesirable to press for the production of equipment far in advance of use as it is to encounter delay in providing equipment essential for the completion of a program.

A considerable portion of the military requirements represents items which have no counterpart in the civilian economy, and presents special problems in terms of specifications, components, types of raw materials, and industrial capacity. Problems arise from frequent changes in military needs as a result of lessons being learned from warfare abroad. It is important that the requirements pictured be elastic so that changes can be followed currently. To date the military requirements data are dependent upon existing appropriations and authorizations. Attempts are to be made to determine requirements for military programs of varying magnitude and character.

## Civilian Needs

Just as military requirements change with each shift in the prospective defense effort required, so civilian requirements change with each shift in the level of activity. Consumers' demands expand with each increase in the level of incomes. The needs of industry for materials and productive facilities change with these demands, as with the demands of the fighting forces for arms and equipment.

What are the total civilian requirements which at any moment correspond to the military requirements? Studies under the direction of Mr. V. Lewis Bassie are designed to answer this question. These studies cover both finished products and raw materials. The former are estimated in terms of consumer expenditures at the expected level of national income. The latter are estimated from their past relation to the level of general activity. It is hoped eventually to trace the flow of materials from source to finished product and thus to complete the picture. At the moment the central problem turns upon

the extent of the probable expansion under the defense program in this and the next fiscal years.

## Productive Capacity

Knowledge of combined military and civilian requirements, however, has little value for some purposes unless productive capacities also are known. This aspect of the problem is being studied by a group under the direction of Mr. Howard Piquet.

In these early stages it is primarily a question of supplying data on what the capacity is for producing any article which happens to be under study at the moment. Sooner or later, however, it must also be a matter of determining whether capacity for specific commodities can be kept in full operation by adequate capacity at the secondary and lower levels. Information on what is being done to expand capacity in any line, and whether the expansion will take place quickly enough to prevent a bottleneck, is also essential. It is hoped to organize this work so that in time the answers to all questions in this field, which has long been recognized as one of the most serious gaps in our knowledge, will be at the disposal of the Commission.

Under direction of Mr. Stacy May, all these studies are being pushed rapidly, so that a preliminary picture in broad strokes can be drawn in the near future. Then, when a bottleneck in any industry is indicated by an analysis of the magnitude and timing of requirements and of the comparison of combined requirements and capacity, special intensive studies of those industries may be undertaken at the request of the Commission. The information thus collected will be at the disposal of the Commission and may serve to facilitate decisions when questions of policy are under consideration.

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## POWDER-PLANT EXPANSION

The War Department has announced award of a contract to the E. I. du Pont de Nemours & Co. for additional facilities at Charlestown, Ind., for the manufacture of smokeless powder.

The original project was announced July 17, 1940, at an approximate cost of \$25,000,000.

The cost of the additional facilities is estimated at approximately \$26,000,000 which brings the total cost of this plant to about \$51,000,000.

# Home Guard Act

President Roosevelt on October 17 signed H. R. 10495, which amends section 61 of the National Defense Act of June 3, 1916, by adding a proviso permitting States to organize military units not a part of the National Guard. It follows:

No State shall maintain troops in time of peace other than as authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary: *Provided further*, That under such regulations as the Secretary of War may prescribe for discipline in training, the organization by and maintenance within any State of such military forces other than National Guard as may be provided by the laws of such State is hereby authorized while any part of the National Guard of the State concerned is in active Federal service: *Provided further*, That such forces shall not be called, ordered, or in any manner drafted, as such, into the military services of the United States; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law: *And provided further*, That the Secretary of War, in his discretion and under regulations determined by him, is authorized to issue, from time to time, for the use of such military units, to any State, upon requisition of the Governor thereof, such arms and equipment as may be in possession of and can be spared by the War Department.

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## PASSPORT RULING

The State Department placed into immediate effect a ruling that "in view of the exigencies of international travel . . . and the fact that all male citizens between the ages of 21 and 35 years will be required to obtain a permit before departing from this country . . . no passport heretofore issued shall be valid for travel from the United States . . . except in countries of the Western Hemisphere, unless it is first submitted to the State Department for validation." In submitting a passport for such validation it must be stated to which country travel is intended and for what reason. If the reason is "susceptible of documentary corroboration," this should also be submitted.

# DEFENSE

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Friday, Nov. 9, 1940

EXPORT CONTROL is assisting the national defense program.

Since November 1935 the President has required the licensing of arms, ammunition, and implements of war prior to their exportation. In order to expedite the strengthening of the national defense, the President, on July 2, 1940, placed certain critical materials, chemical products, and machine tools under the licensing requirements. It was later found necessary to add to the list certain petroleum products and iron and steel scrap.

It was necessary in order to assure complete control of aviation gasoline and lubricating oil and tetraethyl lead, including all equipment and plans and specifications for the manufacture of these products, to place such items under the licensing system. Fire-control instruments, military searchlights, aerial cameras, and other types of military equipments containing optical elements also have been added to the list.

A large number of articles or materials, including machine tools, which were vitally needed for the national defense, have been refused export licenses. In some cases the owners of these articles or materials did not desire to sell or, because they were acting in a representative capacity, they were not legally in a position to dispose of the equipment. In order for the Government to obtain these articles or materials, it was necessary for the Congress to enact legislation authorizing the President to requisition articles or materials when required for the national defense. With the passage of this act, the President now has the power to preclude critical articles or materials from exportation, and to procure these articles or materials for the national defense.

It can be seen that the control of critical articles or materials has been gradual. Each addition has been made only as a result of a careful study based on the requirements to meet the needs of the present national defense program. The National Defense Advisory Commission, the Army and Navy Munitions Board, and all other interested Government agencies have furnished information upon which appropriate action can be taken with reference to export shipments.

The control of export shipments through the licensing system was found necessary in order to conserve certain critical articles or materials for our own use. Stock piles are now being established for many of these vital items. Many items are now being freely licensed for exportation to countries within the Western Hemisphere.

Only articles or materials that are needed for national defense now require license for export. It may later be desirable to remove some items from this list or it may be necessary to add items to meet any change in the defense program.

The licensing of export shipments has resulted in retention of a large number of articles that would have left the United States. It also has made such articles or materials immediately available for use by Government agencies or to Government contractors.

The entire licensing procedure has been based on both the requirements of the national defense and the desire to restrict only so far as necessary the export business of our producers and manufacturers.

R. L. MAXWELL, Lt. Col., U. S. A.,  
*Administrator of Export Control.*

COVER: "Food for America."—Farm Security Administration photo.

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**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSES  
Division of State and Local Cooperation

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# Revitalizing Ghost Towns

SIDNEY HILLMAN, Labor Commissioner of the National Defense Advisory Commission, has announced start of an intensive drive to revitalize the Nation's "ghost towns," using latent labor and plant capacities of these areas to meet national defense needs. This program will start in Ohio, Pennsylvania, and Illinois.

Technological advances and development of new industries caused plants in some single industry areas to close down, leaving acute unemployment. In most of these "ghost towns," buildings, machines, and power plants are in excellent condition. Skilled workers are available.

Morris Llewellyn Cook, former REA administrator, is supervising this program under Mr. Hillman's direction. To carry out the revitalizing work, several field representatives already have been appointed to obtain full information regarding available facilities and personnel for national defense orders. They will go to Carbon-

dale, Ill.; Newcastle, Farrell, and Franklin, Pa.; and Cambridge and Mansfield, Ohio. Others will be appointed within the next few days to meet expansion of the program.

Mr. Hillman states: "The primary program will use the 'farming out' method, an efficient means of dividing work. During the World War the Hog Island Shipyard was able to turn out a record-breaking two ships a week only because 2,300 different plants participated. Some plants produced only a single part, but did so on a mass-production basis. Work under this program will be broken up among the plants, diversifying industries in each area. Production and employment will be fairly distributed, thus emphasizing cooperation between these towns in an integrated program."

The particular towns have been chosen because of their special adaptability to defense needs. The group as a whole lies in a concentrated area. It is hoped that

training techniques developed in these towns will serve as models for future more widely separated locations.

Several manufacturers have already offered to reopen plant facilities in shutdown areas, to turn out products for present defense contracts.

The way in which representatives of labor and of management are cooperating in utilizing the defense program to bring "ghost towns" back to life is one of the most significant phases of the plan. Following the Labor Division's announcement that special emphasis would be placed on awarding defense contracts to plant areas of latent capacity in machinery and manpower, organizations of all kinds offered their services to make the program a reality.

Mr. Hillman points out necessity of utilizing all men, machines, and plants in the defense program. Under this policy "ghost towns" may rise again to do their part for national defense.

## Small Business Activities Office

THE National Defense Advisory Commission has announced designation of Donald F. Nelson, Coordinator of National Defense Purchases, as Director of Small Business Activities to deal with problems and interests of smaller business establishments in relation to the defense program.

This office has been created in conformity with the established policy of the Defense Commission which holds that smaller business occupies a vital place in defense.

The office of the Director of Small Business Activities will serve, among other things, as an information clearing house for smaller enterprises, keeping them advised of War and Navy Department requirements they may be qualified to fill. The Director will aid in facilitating financing required by smaller business on defense contracts. His office will cooperate with local commercial banks and will assist in establishing contacts with Federal Reserve banks and the RFC when local banks may be unable to extend required credits.

The Defense Commission believes that

the Director of Small Business Activities will be in position to serve as an effective liaison between War and Navy procurement officers, potential contractors, subcontractors, and local bankers so that defense contracts may be executed simultaneously with provision for adequate financing.

The Director expects to provide a focal point for primary contractors and potential subcontractors in various parts of the country. It is believed that this will become increasingly important as subcontracting becomes extended. The Director thus will be enabled to aid the Commission in bringing into fullest possible use all available plant facilities and unused manpower in the small and medium-size business sector without disrupting normal civilian requirements.

In order to decentralize work of the Director of Small Business Activities, the Defense Commission has obtained cooperation of the Federal Reserve System, whose Board of Governors will serve as

operating agent for the Commission. A senior officer will be designated in each Federal Reserve bank and branch to handle all problems relating to field and technical activities.

It will be the responsibility of these officers to report on small business enterprises in their districts available to participate in the defense program; to familiarize local banks with procedure to be followed in accepting assignment of Government claims as security for loans; to encourage local banks to make loan commitments on condition that borrowers obtain Government contracts; to furnish business enterprises in their districts with information on procedure for securing defense contracts; and to assist small business enterprises to obtain necessary financing from their local banks.

By utilizing Federal Reserve bank services in their own territories, smaller business men throughout the country will be in a position to obtain promptly and accurately information they require to play their part in the defense program.

# The States and Cities

## Maryland

AMONG RECENT activities of Maryland's Council of Defense and Resources are the following:

Information gathered on industrial resources and production in Baltimore area, with data on rest of the State in process of preparation;

Surveys initiated by larger cities and public service corporations for protection of essential services;

Discussion with State Roads Commission of problem of "access" roads to arsenals, proving grounds, etc;

Work begun on plans for civil protection, including role of a home guard, police, and fire-fighting agencies;

Advised on make-up of Selective Service medical boards;

Data prepared on production, consumption, and surplus or deficit of all Maryland farm products, including livestock.

The Council committee on legislation is studying proposed laws to be submitted to the 1941 session.

An organization chart of the State Council and its relationships emphasizes the "advisory and coordinating" role of the chairman, the executive director, and, through them, of the seven functional committees. The executive director maintains contact with public administrative agencies and with quasi-public and private administrative agencies to coordinate council activities with agencies of "direct action." A mimeographed summary, "Highlights of the Month," is furnished to the Governor, chairman, and all members of the council.

## Building in Hartford

"Private building for rental and sale in Hartford, Conn., is exceeding all records. This construction, with the defense housing project being developed by the local housing authority aided by the United States Housing Authority, will meet present need and demand," Defense Housing Coordinator C. F. Palmer has reported to the National Defense Advisory Commission.

The number of dwellings contemplated by the local housing authority will not exceed 1,000 units. When completed, these will be reserved for defense workers in the lower income groups. Normal percentage of income will be charged for rent.

## Joplin, Missouri

Recently, an explosion in a Joplin powder plant created an emergency that has shown what local initiative can do.

To remodel the powder plant and carry out work in it, workers being trained by the schools in a pre-employment refresher course were employed. Need for a well-trained labor reserve then became apparent. When demand for both pre-employment and supplementary training increased, school-training facilities proved inadequate.

Local school authorities took the lead in developing a project in which schools, labor, and employers (represented through an advisory committee) are cooperating. Union-labor groups in Joplin contribute their services to remodel a building to be used for training defense workers. Bricklayers, carpenters, plumbers, machinists, and others are giving to the project the kind of service in which they are skilled.

## [New York City

Three of New York City's fire department officers have been sent to London to study municipal methods of fire control in bombing warfare. Mayor LaGuardia, in his capacity as president of the U. S. Conference of Mayors, advises that information gathered will be available to all cities represented in the Conference.

## Louisiana

The State defense council of Louisiana reports assistance to both military and civil agencies.

It cooperated with Selective Service officials in publicizing registration day as a revival of "muster day." It secured cooperation of other State agencies to aid the State's Adjutant General in developing training facilities at one of the camps and has worked with Army and Navy officials on a program for establishment of bombardment squadrons. It shared in arranging for location of a 1,200-bed hospital at New Orleans airport to serve Army, Navy, and camp personnel.

Activities in progress include cooperation in plans for civil protection, for training of skilled mechanics in State schools, and for granting by industry of military leave to members of the National Guard and Reserve components. The council works closely with the State WPA administrator on all defense projects. It has cooperated with the State police on arrange-

ments being carried out by the police for fingerprinting employees of firms handling explosives.

## What You Can Do

Following are pertinent paragraphs from an address on October 22 before the *Herald-Tribune* Forum, New York City, by Miss Harriet Elliott, Commissioner in charge of the Consumer Protection Division of the National Defense Advisory Commission:

"Your first patriotic duty is very personal—it is your responsibility to know the facts concerning this world crisis and to be prepared to assist others in understanding it. This is no time for haphazard conversation and guesswork on the vital problems of the day.

"I cannot stress too strongly the need for all of us to keep informed regarding our local, national, and international situations. A well-informed citizen—and in a democracy there is no reason to be uninformed or misinformed—is a national asset. Knowing why and where and how is an effective brake on hysteria and general confusion arising from ignorance of facts.

"During a period of crisis rumors are rampant. The well-informed person can differentiate between rumor and fact and can be instrumental in correcting false impressions before they create wide-spread suspicion and panic. Knowing and understanding the vital factors in national affairs creates a psychological defense which is a real contribution to total defense.

"Civic organizations and social groups and club women particularly can be very effective in combating misinformation designed to instigate unrest and distrust. They can develop educational programs and study courses for their memberships. They can encourage constructive discussion groups and open forums, inviting the participation of the public and thus promoting and encouraging an informed citizenry, which is the intellectual strength of a democracy.

"This, then, is my primary suggestion to those who want to do something for national defense. Know what is happening in the world today. No one can be too well informed or know too much about national and international affairs. Key your winter-study programs to national and international conditions. To inform yourself and others is an important contribution to total national defense."



# The Week In Defense

TOTAL CONTRACTS cleared by the National Defense Advisory Commission and awarded by the Army and Navy rose to more than \$9,100,000,000 during the week.

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## Air Corps

The War Department announced reorganization of the Army Air Corps to double the present number of combat units from 25 to 54 and "create a highly mobile fighting force" capable of operations anywhere in the Western Hemisphere. Four Air Districts were established and the 4 Air Corps wings now in continental United States will be expanded to 17 wings as quickly as trained personnel and equipment are available.

Purpose of the creation of the Air Districts, the Department said, is to bring about decentralization of training and inspection duties and to provide for development of commanders and staffs for such special tasks as may be required for wartime operations.

By 1942 the Army Air Corps expects to have a personnel of 163,000 enlisted men as compared with the former total of 45,000.

Meanwhile, the first of 80 new 22-ton Flying Fortresses ordered for the Air Corps was delivered at the Wright Field experimental station at Dayton, Ohio. It is expected that the other 79 bombers will have been delivered for active service by mid-December.

The War Department also announced delivery at Wright Field of the Stinson O-49, an improved two-place, unarmed observation plane which is radically different from the usual Ryan type.

Two pursuit squadrons have been ordered to the Philippines, one from Selfridge Field, Mich., and the other from Hamilton Field, Calif.

## Navy Department

The Navy Department is working on a long range program to build up a far-flung patrol force, largest in United States' peacetime history, to supplement the present neutrality patrol with minesweepers, blimps, motor torpedo boats, seaplanes, submarine nets, and minefields. Integral links in this defense chain will be the string of bases stretching from Newfoundland to British Guiana, acquired from Britain, and

new bases in Alaska, Hawaii, and Panama. Since September 25, 35 merchant ships have been purchased at a cost of \$815,000,000 for use in this program.

Active work has begun on the base near St. Johns on the south side of Newfoundland, one of those made available to the United States by England in exchange for over-age destroyers.

Secretary of the Navy Knox said that the United States needs more Pacific naval bases and "we will have them." At a press conference he said that the United States Navy is prepared to defend any territory under the American flag.

## More on Priorities

ISSUANCE of the Executive Order, text of which was printed in last week's issue of *Defense*, naming a Priorities Board and an Administrator of Priorities does not mean that a system of mandatory priorities on all national defense contracts will be instituted immediately, Donald M. Nelson, National Defense Purchases Coordinator, has announced.

"It is the intention of the Administrator of Priorities that the system of voluntary preference ratings now applied to certain defense contracts shall be continued," said Mr. Nelson.

"In recommending establishment of a Priorities Board and an Administrator of Priorities, the National Defense Advisory Commission anticipated an increasing demand for governmental assistance to assure the prompt delivery of items required for the defense program.

"The setting up, at present, of adequate machinery for handling the priority question will be an important aid in preventing industrial confusion, particularly as the program broadens. It will thus be a useful contribution to the national defense effort.

"The immediate tasks of the Priorities Board and the Administrator of Priorities will be:

1. To establish policies governing operation of the priorities system.
2. To adjust differences that cannot be settled by contractors themselves dealing through procurement officers of the War and Navy Departments and the Priorities Committee of the Army and Navy Munitions Board.
3. To handle such priority problems as may arise outside the jurisdiction of the Priorities Committee of the Army and Navy Munitions Board."

## Labor

A million men and women have gone back to work in the last 2 months, and 5 million will obtain jobs within the next 12 months, Sidney Hillman, Commissioner in charge of the Defense Commission's Labor Division, announced. Mr. Hillman added: "In any defense establishment—today, tomorrow, 6 months from now, or a year from now"—there will be no shortage of labor, and "there has not been a serious work stoppage in a single defense industry" since the appointment of the Commission.

At its first meeting the Priorities Board adopted the following policies:

1. Delivery dates requested by the Army and Navy on preference-rated contracts should be geared, through proper scheduling, to deliveries of related defense items. Thus, all components of tanks, such as radios and machine guns, will bear the same priority rating as the completed tank, the delivery dates being so arranged that all components will flow to the assembly point at the proper time.
2. Preference ratings covering all the supply requirements of a specific industry or company within an industry should not be extended at the present time. The Board felt that extension of such blanket ratings is not required and decided to continue for the present the practice of applying preference ratings to individual contracts.
3. The preference rating AA, which has not been used so far and which would require immediate precedence over all other contracts, private or Government, should be reserved for cases of exceptional emergency and before its use reference should be made to the Priorities Board for policy decision.
4. With the advice of the machine-tool section of the Defense Commission, the Priorities Committee of the Army and Navy Munitions Board should continue to extend preference ratings to orders for machine tools placed by other machine-tool builders. It was explained that machine-tool builders frequently must purchase their own machine tools from other producers. Unless such extension of preference ratings were permitted, it would be impossible for primary machine-tool builders to increase their production in order to meet the demands of the defense program.

Establishment of a Commercial Aircraft Priority Committee to coordinate production and maintenance of commercial air-transport equipment with the requirements of the national defense program has been announced by the Priorities Board.

# The Effect and Inter-Relation of:

1. Assignment of Claims Act of 1940.
2. Emergency plant facilities contract form.
3. Amortization deduction by 2d Revenue Act of 1940.

CONGRESS has enacted legislation permitting the assignment of money claims arising out of contracts with the United States Government.\* Such assignments were prohibited by pre-existing statutes.

The Defense Commission and the War and Navy Departments have developed a form of contract to be used where Government reimbursement of the cost of emergency plant facilities is desired.\*\*

Congress further has authorized a so-called amortization deduction for Federal income-tax purposes (which is really permissive acceleration of depreciation over a 5-year period) of the cost of emergency facilities. This new provision is added as section 124 of the Internal Revenue Code by sections 301 and 302 of the Second Revenue Act of 1940.

All three of these are inter-related.

The joint effect of the Assignment Act and the Emergency Plant Facilities Contract form is to facilitate private financing of emergency facilities. The amortization deduction provision permits Government reimbursement without penalizing the contractor by requiring him to pay taxes on his Government reimbursement payments.

## 1. Assignment of Claims Act of 1940

The Assignment of Claims Act of 1940 permits the assignment of any moneys due under any Government contract (providing for payments aggregating \$1,000 or more) to any bank, trust company, or other financing institution, including any Federal lending agency, subject to the following conditions:

- A. If (but only if) the contract was entered into prior to October 9, 1940 (the date of approval of the Act), the consent of the head of the Government department or agency concerned must be obtained.
- B. If a contract, entered into on or after October 9, 1940, forbids such assignments, no assignments can be made.
- C. Unless otherwise expressly permitted by the contract, an assignment shall cover all amounts payable but not yet paid under the contract, and may be made to one party only or to an agent or trustee for more than one party.

\* Assignment of Claims Act of 1940, Public, No. 811, approved October 9, 1940.

\*\* Copies of this contract form may be secured from Federal Reserve banks.

Further, any contract may provide that payments to an assignee shall not be subject to reduction or set-off for any indebtedness of the contractor to the United States arising independently of the contract.

The legislation will allow contractors to assign claims for money due under their contracts as security for financing needed for the construction of plant or the acquisition of equipment or for working capital.

## 2. Emergency Plant Facilities Contract Form

The contract form which has been developed by the Defense Commission and the War and Navy Departments, provides for Government reimbursement to the contractor in 60 equal monthly installments of the amount of the contractor's capital expansion cost.

This cost will then be excluded as a factor in fixing the price of the supplies furnished under his supplies contract. Thus, the cost of the supplies and the cost of capital expansion are separated and the contractor or his bank is relieved of the risk involved in adding fixed assets useful only for the emergency, but the contractor still absorbs, through his contract for supplies, the ordinary risk involved in production.

The contract contains provisions whereby the contractor may continue to use the facilities after they have served emergency defense needs, by repaying to the Government an amount equal to cost less depreciation at predetermined rates. If this amount is too high, then the contractor may negotiate for a lower price or for a lease. The contract contains protection to the Government, such as (A) a requirement for adequate insurance, maintenance and repairs, and the payment of taxes thereon, by the contractor; (B) the right in the Government to receive title to such facilities if the contractor does not make the repayment to the Government referred to above.

It specifically permits the assignment of moneys due to the contractor as security for loans.

This contract form has three purposes:

(a) to expedite the signing of supply contracts by the Army and Navy in cases

where the contractor must have additional facilities in order to fulfill the supplies contract and wishes to be assured against heavy loss of capital through the construction or acquisition of such facilities which may have little, if any, peacetime use to him;

(b) to safeguard the Government's interest in such facilities on termination or completion of the contract by avoiding a gift thereof to the contractor;

(c) to facilitate the financing of such construction or acquisition by a contractor through credit from private sources.

The combination of the Plant Facilities Contract and of the Assignment Act, which permits the assignment provision, furnishes a bankable contract which should encourage and enable contractors who cannot themselves finance their expansion for defense purposes to obtain financial aid from other sources.

## 3. Amortization (Accelerated Depreciation) Tax Deduction

The amortization (accelerated depreciation) tax deduction which is permitted by the Second Revenue Act of 1940, provides for acceleration of depreciation by a contractor of the cost of emergency facilities constructed or acquired for defense purposes by permitting the deduction of such cost for tax purposes over a 5-year period, provided he obtains a certificate from the Advisory Commission and from the Secretary of War or the Secretary of the Navy that the facilities are "necessary in the interest of national defense during the emergency period."

To come within the provision, construction or acquisition of its facilities must have been completed after June 10, 1940, and there can be included, for amortization, only the amount of cost which is certified as "necessary."

The Act further provides that the amortization deduction will not be allowed if the contractor has been or will be reimbursed pursuant to a contract with the Government for the cost of such facilities (either (a) directly by a provision in a contract dealing expressly with reimbursement, or (b) indirectly because the price to be paid for supplies is recognized by the contract as including a return of cost greater than normal rate of depreciation of facilities) unless the contractor obtains a certification from the Advisory Commission and the Secretary of War or the Secretary of the Navy that the contract adequately protects the Government with reference to future use and disposition of emergency facilities.

However, a contractor whose contract provides for no reimbursement, either directly or indirectly, can obtain, under a

further provision of the Act, a certificate from the Advisory Commission and the Secretary of War or the Secretary of the Navy that his contract does not contain any such reimbursement, which certificate is conclusive.

The procedure and machinery for the issuance of these three certificates by the Advisory Commission and by the Secretary of War or the Secretary of the Navy have been worked out, and a notice covering the procedure, and forms for applica-

tions for certificates and the necessary certificate forms, will be available shortly.

The certificates, three in number, will be known as a Facilities Necessity Certificate, a Facilities Certificate of Government Protection, and a Facilities Certificate for Non-reimbursement.

All manufacturers adding new facilities to carry out Government defense supplies contracts, in order to obtain the benefit of the amortization deduction, will require a Necessity Certificate and will also require

either a Certificate of Government Protection or a Certificate of Nonreimbursement in order to take advantage of the amortization deduction.

Where the contractor is to receive reimbursement he will need, in addition to the Necessity Certificate, a Certificate of Government Protection. Where he is not to receive a reimbursement he will need, in addition to the Necessity Certificate, a Certificate of Nonreimbursement.

## National Clearance of Labor Supply

THE UNITED STATES Employment Service of the Social Security Board this week put into operation a national system for clearance of employers' labor needs and interstate transfer of workers in some 500 occupations that are essential to defense industries.

This system supplements the existing interstate clearance machinery maintained cooperatively by the various State Employment Services.

The national labor-clearance machinery is designed to minimize unplanned and unnecessary movement of workers from one area to another following rumors of jobs. It will also serve to speed up the interstate transfer of workers to vital defense jobs, where it is required, without depleting any locality of workers who will be needed there in the near future.

### Control Points

Hereafter, employer needs for defense workers that cannot be filled by the local employment offices within any State will be referred by the State agencies to one of a network of 13 regional clearance offices covering the entire country.

These offices will serve as control points for interstate clearance of orders for key workers in aircraft, tank construction, arms and munitions manufacture, and a number of other defense industries, as well as the Government-operated shipyards and arsenals which come under Civil Service regulations.

Provision has also been made for inter-regional and Nation-wide clearance of workers when necessary, with the United States Employment Service at Washington as the focal point.

Regional offices will not accept applications from job seekers or carry out placements. These activities will be carried on as usual by local State-operated employment offices.

### How It Works

Chief functions of regional clearance

offices will be to route orders for defense workers that cannot be filled within a State to the localities where such labor may be available, basing their action in each case on current information as to available labor supply and employers' labor requirements.

Regular reports on the number and types of available workers in key occupations and current and potential labor requirements of employers in defense industries are now being obtained from the State agencies by the United States Employment Service.

In announcing the new procedure to the affiliated State Employment Services, the Board stated that this machinery was established in order that the United States Employment Service and the State agencies might promote an orderly and planned interstate clearance of labor in accordance with the responsibility placed upon them by the National Defense Advisory Commission. The Commission's labor-supply program aims to prevent unnecessary migration of workers with resultant dislocation of the labor market and of productive activity. Special emphasis has been placed on filling jobs with available labor from the local community wherever possible.

To this end, the policy of the Commission in connection with the award of contracts for production of defense material is to urge employers not to recruit labor outside their locality until the local State employment office has had an opportunity to meet their requirements within the community or through clearance with other employment offices.

To carry out this program, the Bureau of Employment Security of the Social Security Board, of which the United States Employment Service is a part, has for the past few months been securing from the State Employment Services comprehensive and detailed labor market reports.

These reports show the number and type

of key workers in each area who are registered with State Employment Services as available for employment in defense industries. Other information, obtained by direct canvass of about 20,000 employers in defense industries, covers each employer's current labor needs and his requirements for the next 60 days. This material indicates the type and number of workers needed and the period of time for which they are expected to be employed.

In addition, the United States Employment Service will have advance information as to potential labor shortages in any area or occupation through reports on the kind of jobs that State agencies have had difficulty in filling locally.

Each regional clearance office will have this information at its disposal. It will be in position to speed up recruiting of defense workers and at the same time to make certain that workers who are, or will soon be, needed locally for defense work in a given area are not transferred outside the locality.

The 13 regional clearance offices established by the United States Employment Service are located in Boston, New York City, Philadelphia, District of Columbia, Cleveland, Chicago, Birmingham, Minneapolis, Kansas City, Austin (Tex.), San Francisco, Seattle, and Denver.

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### PIG IRON SURVEYS

In response to a number of inquiries, Leon Henderson, Commissioner in charge of the Price Stabilization Division, has announced that surveys of costs and prices of pig iron have been made in conjunction with the recent review of the scrap iron situation. Informal conferences between executives of commercial furnaces producing pig iron and representatives of the Price Stabilization Division were to be instituted this week.



*Q. We hear that new defense industries will not be located within a certain distance of the coast or international boundaries of the United States. Is this true, and, if so, is our State outside the pale for all defense industries?*

A. For strategic reasons, the War Department is trying to locate any new munitions plants well inside the country. While this principle also obtains in cases of expanding industrial activity to fill defense contracts, its application is somewhat flexible, since existing plants outside preferred locations might be put to immediate use without plant construction. The Site Board of the War Department is charged with considering these and other factors in recommending appropriate action in connection with defense contracts.

*Q. What supplementary appropriations were made recently for education and training of defense workers?*

A. On October 9 the President signed a bill providing \$26,000,000 for vocational courses of less than college grade in cooperating vocational schools throughout the country; \$9,000,000 for short engineering courses of college grade in engineering schools; \$10,000,000 for vocational courses for out-of-school rural youth; and \$7,500,000 for instruction by these agencies of young people employed on work projects of the National Youth Administration. Funds are provided for necessary training equipment. The entire program, an expansion of training started during the summer, is to be under the general direction of the Commissioner of Education. Additional funds are also provided for the National Youth Administration.

*Q. Is there any cooperation between the United States and South American countries to check on spies and saboteurs?*

A. Yes. Increased cooperation among law enforcement agencies of Central and South America and the United States was reported to the recent congress of the International Association of Chiefs of Police, held in Milwaukee. For example, during the past year greater use has been made of the international exchange facilities of the Federal Bureau of Investigation, through which fingerprint cards of international criminals are exchanged.

*Q. Will you please put me on the mailing list for your magazine "Defense"? As a citizen, I want to keep informed of developments.*

A. This official bulletin is intended for the administrative information of State and local defense councils and other major public officials. For this reason, it is not available for general circulation. If published sources of information available to you do not answer your questions, write your State council of defense, if there is one, or the Division of Information of the National Defense Advisory Commission, which is glad to answer inquiries from the general public about the defense program.

*Q. Do American Indians have any special skills useful in defense?*

A. Yes, states the Office of Indian Affairs, which recently studied mobilization of the Indian Service and Indian resources for national defense. It reports that Indians take naturally to driving and servicing machines of power and transportation, that many are proficient radio operators, electricians, and instrument men.

*Q. To strengthen harbor defenses, our organization is considering a carnival to raise money to buy a coast defense or anti-aircraft gun. Can we make such a gift to the Government?*

A. The War Department states that legally it could accept such a gift or buy it for one dollar, but your citizens' group would find it practically impossible to buy a piece of ordnance of latest type. Such equipment is either manufactured in Government arsenals or assembled from private concerns whose production, for many months to come, is tied by signed Government contract.

As an alternative patriotic service, the War Department calls attention to your community's opportunity to lead in sponsoring welfare and recreational facilities for young men in military service while away from camp in off-duty hours. Facilities are provided on military reservations, but the Department believes that patriotic citizens and civic organizations in communities near camps will assist by providing wholesome entertainment and welfare facilities to maintain the morale of soldiers while they are seeking relaxation.

*Q. What percentages of the world's production of basic raw materials does the United States normally use?*

A. The United States normally uses about 60 percent of all the rubber produced in the world, 40 percent of the tin, 45 percent of the chromium, 56 percent of the silk, 40 percent of the nickel, 40 percent of the vanadium, 36 percent of the manganese, and 35 percent of the antimony.

*Q. What type of health protection will be given men called under the Selective Service Act?*

A. According to the War Department, these men will receive physical examinations, triple typhoid and smallpox immunization, and will be permitted to subscribe to Government insurance policies.

*Q. What assistance, if any, will be given the States in organizing home-militia brigades to replace mobilized National Guardsmen?*

A. Commanders of the Army's nine corps areas will assist State authorities. The War Department has ordered these commanders to cooperate in developing State units similar to the "shotgun" brigades organized during the World War. Men outside the 21 to 35 selective service age limits and those physically unfit for active Army duty would be used.

*Q. Is anything being done to expand existing arrangements for exchange of students between the United States and South America to promote international understanding?*

A. Inter-American scholarships would be authorized under H. R. 10524, recently introduced in the House of Representatives. A fund of \$1,000,000 would be administered by a board of seven trustees who were outstanding United States citizens. The board would award scholarships to qualified students in other American republics to study in the United States and to United States students to study in such republics.

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#### ARMY HOSTESSES

The War Department has announced the following qualifications required of hostesses of Army service clubs:

Both senior and junior grade hostesses must be graduates of high schools, or equivalent; senior hostesses must have at least three years' experience as hostesses, or equivalent experience in a similar occupation; junior hostesses must have at least one year's experience as hostess, or equivalent experience in a similar occupation; senior hostesses must be at least 30 and not more than 50; junior hostesses must be at least 25 and not more than 45.

Appointment of all hostesses will be made only with the approval of the corps area commanders, but selection of personnel may be made by local commanding officers. Selection may be made at once, but appointment will be contingent upon availability of funds and completion of the construction of service clubs.

*U.S. Journal of National Defense*

# DEFENSE



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Friday, Nov. 8, 1940

# Civil Protection for Trainees

FOUR IMPORTANT PROVISIONS for protection of civil rights of men in Selective Service training, or in the armed forces of the Nation, that are given by the Soldiers' and Sailors' Civil Relief Act of 1940, are emphasized by National Headquarters, Selective Service System, in a summary of the act.

Major provision is the wide discretionary power given all courts in the country with regard to enforcement of judgments as well as for protection of defendants when suits are entered and heard. Important specific general provisions of the act are:

1. No default judgment can be obtained against any man of military age unless the court first is informed by affidavit of his military status. The penalty prescribed for making a false affidavit is imprisonment for 1 year or fine of not more than \$1,000, or both.

2. Generally, no judgment can be collected against any man in military service unless a bond is posted to indemnify him should the judgment be reversed after he has finished military service.

3. The court may extend the time for payment of a judgment not exceeding 3 months after completion of military service, or may arrange for its payment in installments over a longer period.

4. No man in military service may be sued unless he is represented in court. If he is not represented by his own attorney, the court will appoint an attorney to act for him—but he is not bound by the action of an attorney so appointed.

Summary of the act reads:

## General Relief

Persons in military service are granted an extension of time to apply to any court which has entered certain judgments against them while they were in service. Other relief in connection with legal proceedings is also provided.

## Rent, Installment Contracts, and Mortgages

The courts are allowed to be more lenient in certain cases of nonpayment of rent for the dwelling place occupied by the wife, children, or other dependents of a person in military service.

Where an automobile tractor, clothing, furniture, or other personal property has been purchased under an installment or deferred-payment contract prior to October 18, 1940, and the purchaser has entered military service and thereby becomes unable to make payments, the property cannot be repossessed by the seller without a court order.

The court may stay the proceedings as provided in the act, or may make such other disposition of the case as may be equitable to conserve the interests of all parties to the contract.

The court may order all or any part of the deposit or installment payments to be refunded to the purchaser before the seller can resume possession of the property, or the court may adjust the payments to the financial ability of the person in military service, or it may arrange for the payments to be completed after the period of military service.

The act provides that the purchaser and seller can change or cancel the contract on such terms as they mutually agree upon in writing, or they can make a new contract if they so desire. Similar relief is provided for real estate contracts and mortgages.

## Life Insurance

Persons in or entering military service may secure through military and naval authorities information as to how they may apply to the Veterans' Administration for benefits of the act to safeguard their life insurance. Premiums for not more than \$5,000 worth of life insurance in one or more policies on the legal reserve plan, under certain conditions, will be advanced

in full or in part by the Government. Amount of premiums paid by the Government remains as a lien against the policies unless the individual pays the company within 1 year after he has left the military service.

## Taxes

Payment of any taxes or assessments, general or special, falling due during the period of military service in respect to real property owned and occupied for dwelling, agricultural, or business purposes by a person in military service or his dependents may be postponed until 6 months after the termination of the period of military service by filing the prescribed affidavit with the collector of taxes.

If the property has been sold or forfeited for taxes, it may be redeemed within 6 months after the termination of military service by the payment of the amount of back taxes together with 6 percent interest. Other penalties are to be waived.

## Public Lands

The act provides for protection of rights and allows certain credits to persons in the military service who have made application for homestead entry, desert-land entry, or are claimants of mining locations under permit or lease.

Purpose of the law is to protect civil rights of persons in the military or naval service and is clearly stated in the law as follows: " \* \* \* to enable the United States the more successfully to fulfill the requirements of the national defense, provision is hereby made to suspend enforcement of civil liabilities, in certain cases, of persons in the military service of the United States \* \* \*, and to this end \* \* \* provisions are made for the temporary suspension of legal proceedings and transactions which may prejudice the civil rights of persons in such service during the period herein specified \* \* \*."

COVER: Riverside Heights, Montgomery, Ala., defense housing near Maxwell Field. Photo by Army Air Corps, Maxwell Field.

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**DEFENSE**

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# Housing for 63 Defense Areas

IMMEDIATE CONSTRUCTION of housing projects in 63 vital defense areas in the United States and its possessions has been approved by President Roosevelt, acting on recommendation received from Charles F. Palmer, Housing Coordinator of the National Defense Advisory Commission.

Plans for this construction were developed by the Commission during the past 90 days.

In a letter authorizing Federal Works Administrator John M. Carmody to begin construction, the President stated that Federal funds are being used for these projects only because private capital cannot be expected to meet temporary needs.

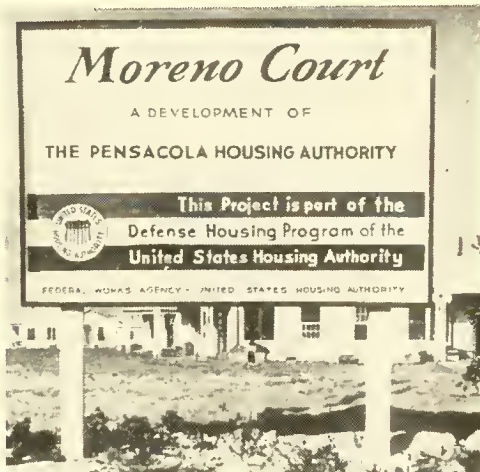
Mr. Palmer's report to the President emphasized that wherever the defense housing need is permanent private capital is encouraged to carry out the program.

## No Delay

Acting under provisions of recently enacted legislation, the President declared that a housing shortage exists or impends in the 63 areas. This Presidential declaration, required under the legislation, is the final step necessary to throw the program into action.

Detailed plans had already been formulated with the various Federal agencies and with the cooperation of private industry, so that no delay will be experienced in meeting the need.

Funds for construction in the 63 areas



Pensacola, Fla., defense housing project opened November 1—26 days ahead of schedule.

are in addition to the allocation of \$44,240,000 by the President to the Navy as of September 26. To date 5,092 dwelling units are under contract at 12 important naval bases.

Largest of the 63 projects is San Diego, Calif., center of intense west coast defense activities. Plans for meeting San Diego's impending housing shortage were made by Federal officials who flew to the coast to confer with local officials and business representatives.

The reported housing emergency arose because of the contemplated rapid expansion of the largest naval operating base in the West, together with an Army base and

two aircraft manufacturing plants. The Navy is already constructing 1,200 family dwelling units. The new proposal calls for construction of 2,000 additional dwelling units and 750 dormitory rooms for single men to be constructed immediately. In addition, 1,000 portable-type houses are planned to meet the most urgent need.

The total amount of housing under the plan will create dwellings equivalent to those in a town of 30,000 people. This housing will be absorbed in the San Diego community pattern so that normal life will not be disrupted. Schools, stores, and recreational facilities, together with new employment, will result from the San Diego project.

## Funds Available

Impending housing shortages in the other 62 areas are due to increases in Army, Navy, and industrial personnel. Immediate funds are available for meeting the emergency in these places.

Developments on all fronts of the first 90 days of the defense housing program include:

The Public Buildings Administration is preparing the contract for construction of 600 dwelling units for enlisted men and 100 for civilian workers at Fort Knox, Ky.

With capital of \$10,000,000 available for equity financing, supplemented by \$40,000,000 of Federal Housing Administration insured mortgages providing \$50-

(Continued on page 6)

## List of the 63 vital defense areas for which immediate construction of housing projects has been approved

San Diego, Calif.	Boise, Idaho	Denver, Colo.	Battle Creek, Mich.	Arlington, Va.
Tucson, Ariz.	Savanna, Ill.	Lowry Field, Colo.	Mount Clemens, Mich.	Virginia Beach, Va.
Benicia, Calif.	Bangor, Maine	Tampa, Fla.	Fort Dix, N. J.	Langley Field, Va.
Fresno, Calif.	Aberdeen, Md.	Columbus, Ga.	Fishers Is. Village, N. Y.	Phoebus, Va.
San Rafael, Calif.	Edgewood, Md.	Rossville, Ga.	Hempstead, L. I., N. Y.	South Tacoma, Wash.
Stockton, Calif.	Jackson, Miss.	Savannah, Ga.	Fayetteville, N. C.	Spokane, Wash.
Sunnyvale, Calif.	Long Branch, N. J.	Rantoul, Ill.	Fort Sill, Okla.	Oahu, T. H.
Delaware City, Del.	Albuquerque, N. Mex.	Leon, Iowa	Columbia, S. C.	Puerto Rico
Orlando, Fla.	Houston, Tex.	Corydon, Iowa	Fort Meade, S. Dak.	Fort Ord, Calif.
Tallahassee, Fla.	San Angelo, Tex.	Fort Riley, Kans.	El Paso, Tex.	Fort Knox, Ky.
West Palm Beach, Fla.	Lee Hall, Va.	Baltimore, Md.	Fort Clark, Tex.	Fort Lewis, Wash.
Augusta, Ga.	Fort Huachuca, Ariz.	Fort Devens, Mass.	San Antonio, Tex.	Odenton, Md.
Belleville, Ill.	Riverside, Calif.	Chicopee, Mass.		

# The States and Cities

## New Defense Councils

APPOINTMENT of defense councils for Rhode Island and the District of Columbia, both announced November 1, brings the total number of State councils or coordinators to 33, including the District of Columbia.

Gov. William H. Vanderbilt is chairman of Rhode Island's State Council of Defense. Executive vice chairman is Burleigh Cheney. The other four members are directors of the following divisions: Defense and civil protection, consumer interest, public health, and industrial resources and production. Provision is made for research and planning by certain of these divisions and also for public relations and publicity.

The District of Columbia's Council of Defense has nine members. The three members of the board of commissioners who administer the District government are cochairmen of the defense council: Melvin C. Hazen, John Russell Young, and Col. David McCoach, Jr. Executive vice chairman is Capt. H. C. Whitehurst, director of highways in the District of Columbia. Other five members of the council will serve as chairmen of committees on civil protection; health, welfare, and consumer interest; housing, works, and facilities; human resources and skills; and industrial resources and production.

Complete list of the States that had reported official defense councils or coordinators up to November 4 follows:

Arizona	Nevada
Arkansas	New Hampshire
California	New Jersey
Connecticut	New Mexico
Delaware	New York
District of Columbia	North Carolina
Georgia	Oklahoma
Indiana	Rhode Island
Iowa	South Carolina
Kansas	South Dakota
Louisiana	Tennessee
Maine	Texas
Maryland	Vermont
Massachusetts	Virginia
Michigan	Washington
Minnesota	Wisconsin
Missouri	

### Missouri

Missouri's Industrial Commission, designated by the Governor to serve as the advisory State defense council, reports completion of surveys of idle plants and

branch plants throughout the State. The commission has consulted with the regional planning board and has gathered data on the State's raw materials and natural resources. It has checked with the State Employment Service on available skilled and unskilled labor and with the superintendent of schools on progress of training of defense workers.

## Minnesota

Army and Navy purchasing information has recently been summarized by Minnesota's defense coordinator and released to the press throughout the State. It has been sent also to the civic organization in each community "best fitted to disseminate this information." The coordinator adds, "We regard dissemination of information as one of the most important services we can render to citizens of the State and to the Government."

## Maine Municipalities

"Municipalities in the national defense program" was discussed by the Maine Municipal Association at its fourth annual convention, October 29-30, in Augusta. Municipal officials offered their assistance to the Division of State and Local Cooperation in carrying out the defense program.

## Emergency Personnel Problems

Public personnel problems arising out of the present emergency, particularly those confronting local and State governments, were discussed on November 1 by representatives of organizations of local, State, and national public officials and by Federal officials concerned with these problems. The group was called together by the Division of State and Local Cooperation at suggestion of the Civil Service Assembly.

Organizations represented were the American Municipal Association, U. S. Conference of Mayors, International City Managers' Association, Council of State Governments, Public Administration Clearing House, and Civil Service Assembly of the United States and Canada. Participants were present also from the U. S. Civil Service Commission, Federal Council of Personnel Administration, U. S. Office of Education, Selective Service Headquarters, and divisions of the National Defense Advisory Commission.

## Buffalo, New York

To supplement Federal appropriations for vocational training of defense workers, the Buffalo board of education recently asked the mayor and common council for an emergency appropriation of \$100,000. Similar needs for funds are reported by other cities.

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## SCRAP SUPPLIERS MEET WITH MEMBERS OF NDAC

Leading suppliers of iron and steel scrap have informed the National Defense Advisory Commission that, as steel purchasers, they have no interest in seeing scrap prices rise to the extent of making it necessary to increase the price of steel.

Representatives of the railroads and manufacturers of agricultural implements, automotive, electrical, and machine tools met with E. R. Stettinius, Jr., Materials Commissioner of the National Defense Advisory Commission, and Leon Henderson, head of the Price Stabilization Division, following an earlier discussion between Commission members and representatives of the steel industry and scrap-iron and steel dealers.

The suppliers' group agreed that the tendency should be toward a normal increase in supply of scrap for 1941 over 1940.

At suggestion of the scrap makers, the Defense Advisory Commission is augmenting its studies of the supply situation with a view to the possibility of increasing supplies of heavy melting scrap by the wider use of large hydraulic presses for compressing lighter-gage materials, such as automobile bodies, into heavy melting scrap form. Such presses represent substantial capital investment but permit preparation of scrap in a form more acceptable to steelmakers.

Those present concurred in the opinion expressed at the session held a week earlier that indications are that necessary supplies will be available at prices not out of line with those prevailing in recent years, during which large quantities of scrap were in demand.

Following the meeting, Mr. Henderson said that all the conferees were most cooperative in their desire to prevent a rising-price spiral for iron and steel.



# The Week in Defense

THE TOTAL AMOUNT of contracts cleared for defense materials reached \$9,500,000,000 at the end of the week.

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## Full Speed Ahead

The President stated that the American defense program is "going ahead at full speed" and announced that the British have asked for permission to negotiate again with American manufacturers for 12,000 additional warplanes. "I have asked that the request be given most sympathetic consideration by the Priorities Board," the President said.

"When these additional orders are approved," he said, "they will bring Britain's present orders for military planes from the United States to more than 26,000. They will require still more new plant facilities so that the present program of building planes for military purposes both for the United States and Great Britain will not be interrupted."

The President also announced that large additional orders are being negotiated by the British for artillery, machine guns, rifles, and tanks, with equipment and ammunition. The plant capacity necessary to produce all this military equipment is and will be available to serve the needs of the United States in any emergency, the President emphasized.

## Navy

Secretary of the Navy Knox authorized recruiting stations to enlist naval recruits without regard to conscription quotas. He said the Navy expected to enlist a total of 18,000 men in the October-November period. Mr. Knox also announced that the Goodyear Aircraft Corporation will construct six blimps for the Navy at a cost of \$1,324,000. Most of these blimps will be used for patrol work and as mine and submarine spotters.

## War Department

Maj. Lucius D. Clay of the Army Engineer Corps has been appointed Secretary of the Airport Approval Board, which will determine what airports are to be constructed or improved under the recently approved \$40,000,000 civil airport program. This program is under the joint jurisdiction of the Civil Aeronautics Airport Section and the Airport Approval Board.

The Department announced that be-

cause of the rapid expansion of the Army Air Corps, Maj. Gen. Henry H. Arnold, Chief of Air Corps, has been detailed to the Army's General Staff as Deputy Chief of Staff in charge of all matters pertaining to aviation. Maj. Gen. George A. Brett will serve as Acting Chief of Air Corps.

## Credit to Brazil

Federal Loan Administrator Jesse Jones announced that the Export-Import Bank has approved a credit of \$25,000,000 to the Bank of Brazil to cover purchases in the United States. The credit, on a revolving basis, is available in amounts not exceeding \$5,000,000 a month. Each installment is repayable in 6 months.

## Schools' Responsibility

Floyd W. Reeves, Executive Assistant to NDAC Commissioner Hillman, stated: "It is the responsibility of the school sys-

tem to be aware of the employment opportunities that are in fact available." He emphasized that "education must be willing to cooperate with the Federal, State, and local agencies working with industry and labor in order to learn of the adjustments essential for national defense."

Describing the challenge of the defense program to the schools, Mr. Reeves cited a statement of the American Youth Commission that "The occupational implications of the regular courses of instruction should be fully developed. There is no valid financial reason why material dealing with occupations of great practical interest to students should not be offered even in small schools. Wherever possible, the curriculum should make definite provision for further training connected with the adjustment of students to the employment opportunities that are in fact available."

# City Living Costs Survey

HAVE EXPANDING defense industries affected living costs? What about rents in communities where factories are hiring workers daily to handle defense orders? Does a family of moderate income notice a difference in cost of clothes, medicine, and other commodities and services?

The National Defense Advisory Commission has asked the United States Bureau of Labor Statistics to find out the answers.

For years this Bureau has gathered data on changes in cost of living of wage earners and low-salaried workers. Its regular program, dating back to World War I, covers a number of large cities every 3 months.

Cities included in the present survey are: Gadsden, Ala.; San Diego, Calif.; Bridgeport, Conn.; South Bend, Ind.; and Corpus Christi, Tex.

In each city a survey is to be made of changes in living costs during October and November. Collection of price data is expected to be completed soon; findings are scheduled for publication in December. Plans also provide for periodic surveys of these selected cities in the future.

Survey methods are based on standard

procedures of the Bureau of Labor Statistics, with modification where prices have not been collected in the city before. In October representatives of the Bureau of Labor Statistics consulted with local business and other organizations as to representative local business firms and then asked these firms to cooperate.

Prices are being collected from representative retail stores and business firms on all articles important in budgets of moderate-income families, such as clothing, shoes, furniture, household equipment, and drugs, as well as rents, transportation, medical care, and other commodities and services. Arrangements have been made to collect current prices and those prevailing in October 1939 and June 1940. A summary of these data will make it possible to give a well-rounded picture of changes in cost of living to the average consumer.

Prices secured will be combined into index numbers, showing percentage change in costs since October 1939. Relative importance of each item in the index will be based on distribution of consumer purchases as shown by the Bureau's recent studies of family buying.

# Selective Service and Health

SELECTIVE SERVICE OFFICIALS envision development of a potent weapon in the war against disease and disability.

While building the Nation's armed forces to record peacetime strength, medical advisers of the Selective Service Headquarters, working with the Surgeon General of the Army, will obtain a complete analysis of the occurrence of diseases and disability, major and secondary, found during physical examinations of prospective trainees.

Physical examination records were maintained in World War I, but they were analyzed only as to the major defect. The present plan is to establish a cross-index of secondary ailments as well. This record will permit medical authorities to obtain a complete picture of the extent of any disease or defect among men of any race in any county or State in the Nation.

This study will serve to guide future programs of preventive medicine and of

hospitalization all over the country.

Lt. Col. Charles B. Spruit, medical adviser at National Headquarters, Selective Service System, says he believes it will be of great benefit to future public health.

Men trained in World War I often received their first instruction in personal sanitation after they were inducted into service. These men, he asserted, soon learned that clean bodies, quarters, and camps served to prevent development and spread of many diseases.

Much of this information was carried back to their homes by the men when they returned to private life, with resulting benefit to their communities and the general campaign against disease. Colonel Spruit is convinced the present training program will have even more beneficial results.

Pointing out that every registrant's physical examination will include blood tests for syphilis, Colonel Spruit feels that

this work will be of great help in the war against venereal disease.

Similarly, the record to be maintained would be of material aid in the combating of other diseases.

The two major defects found in the case of each registrant during his physical examination will be listed on a card whether he is accepted for service or rejected. These cards form the basis of the statistical analysis. As the Selective Service Act provides that 900,000 men may be called for training each year for 5 years, the record of their physical examinations is expected to cover a cross-section of the young manhood of the United States.

The actual training and service of hundreds of thousands of young men, in addition to benefiting the general public, will bring about a general improvement in the physical condition of trainees as a result of good food, regular hours, supervised physical endeavor, and healthful environment.

## Housing for 63 Defense Areas

(Continued from page 3)

000,000 worth of housing, the Defense Homes Corporation has sent representatives to seven vital cities to acquire land in these areas for immediate construction of dwellings.

### Ahead of Schedule

The United States Housing Authority has announced opening of its first two defense housing projects at Montgomery, Ala., and Pensacola, Fla., Friday, November 1, 26 days ahead of schedule. Additional defense projects also are under way.

Federal Housing Administration and Federal Home Loan Bank Board representatives in the field are cooperating closely with all local defense housing groups and their respective executive offices in Washington to secure participation of private capital.

Farm Security Administration is working in conjunction with the Defense Housing Coordinator to fulfill housing needs at the Radford, Va., powder plant and other locations where rural areas are involved.

Arrangements are being made for central purchase of supplies and materials for the construction involved in the defense housing program. Such central purchasing will be beneficial to the Government in

reduction of costs and will assist producers in facilitating the manufacture, and timing the delivery, of supplies and materials.

### Local Housing Division

Arrangements have also been completed for central clearance of purchase of land by the Federal agencies involved, with the help of local leadership, in order to correlate site selection.

In these vital defense areas the Defense Housing Coordinator will recommend a housing division to be set up as a part of the local defense council in order to establish registration of vacancies in houses, apartments, and rooms. An additional function of this group will be to observe rental charges in order to prevent an unwarranted rise in the general rent levels in a defense locality.

In connection with the program, the National Defense Advisory Commission is utilizing every available Federal and private service to insure that problems of health, sanitation, recreation, education, transportation, and consumer protection are met properly and efficiently.

Commenting on the coordinated defense program, Mr. Palmer stated:

"Every effort is being made to enable

the defense housing program to keep pace with industrial production. It is our job to meet the housing requirements of the Army and the Navy and civilian defense workers. It is through and with the cooperation of the splendid facilities of the Federal Housing Administration, the Federal Home Loan Bank Board, the Defense Homes Corporation, the Public Buildings Administration, the United States Housing Authority, the Farm Security Administration, and the Work Projects Administration that we are able to meet the immediate needs of the Army and the Navy. Private enterprise is carrying a tremendous share of the burden. All groups, Federal and private, are united in the drive to house America's defense workers as promptly as the need arises.

"Through the cooperation of the Congress and all the agencies, coordinated action in the field is taking place less than 30 days after passage of the enabling legislation."

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### MIRROR FACTORY

The War Department has announced award of a contract to the Ferro Concrete Construction Co., Cincinnati, Ohio, for approximately \$500,000 to build near Cincinnati a metal-mirror factory for manufacture of searchlight mirrors to be owned by the Government and operated under direction of the Corps of Engineers.

# Agriculture's Road Ahead

AGRICULTURE'S JOB in the face of national defense and war abroad is mainly one of maintenance and adjustment, Chester C. Davis, Agriculture Commissioner of the National Defense Advisory Commission, told the Southern States Cooperative at its annual meeting in Baltimore, Md., recently.

"Agriculture must maintain the farm plant in such a healthy, productive condition that supplies of food and fiber will continue to be sufficient, regardless of what happens, and it must adjust itself to the loss of a large proportion of our export markets for many of our major commodities," Mr. Davis said.

"It must be prepared to adjust itself to increased consumer demand, made possible largely by the increased defense activity, for many products which are consumed at home. Agriculture must meet all of the new problems and at the same time hold the gains it has made in the peacetime objectives of balanced farm production, improved prices and a fairer share of the national income.

## Prices Too Low

"In this time of international stress it is well that our storehouses are overflowing, even though these large surpluses make it more difficult for farmers to get the prices they should receive. Farmers know their prices are too low, but they also know that in spite of the ultra-modern weapons of war an army still must have food and fiber. To feed and clothe that army and the Nation behind it is the farmers' job. On that score, the farmers and the Nation are well prepared.

"Those who have been predicting a powerful war export demand for our farm products reason from the experiences of the first World War. But there is a vast difference between conditions then and now. It would be a tragic mistake for farmers not to recognize it; they haven't yet completed the adjustments made necessary by the effects of the last war.

"There can be no lasting benefit to American agriculture from any war anywhere. The headaches farmers suffered as a result of the first World War are too well remembered, and too close to us, for any thinking person to believe otherwise. We all know that, regardless of who wins the war or how well we arm, American farmers are going to be in a tight squeeze.

"If the Axis powers win, American farmers will be forced to trade in a world

market dominated by and dictated to by the totalitarian governments. They could market only at the consent of these governments, and no one doubts that the terms will be harsh.

## Exhausted Market

"If the British Empire wins, American farmers will be forced to trade in a world market exhausted by war. They might produce and sell at a high rate for a season or two but the gradual rehabilitation of the war countries would force them out of the market for which they had over-expanded their productive plant.

"If a stalemate should occur, with each side maintaining some form of armed peace, the expenditures necessary to support huge military establishments would so lower the standards of living in the countries involved that we could expect to sell very little of our exportable farm crops to those nations.

"It can readily be seen that farmers, without whom wars could not be fought, have nothing to gain from war.

"In brief, and in general, the prospects for the next year show that the demand for commodities produced chiefly for domestic consumption—vegetables, some classes of fruit, dairy and poultry products, and meat animals—should be materially improved as a result of defense activities. The demand for commodities that are produced in considerable part for export—cotton, wheat, flue-cured tobacco, lard, and certain classes of fruit—is hurt rather than helped by the war abroad.

"Demand, of course, is directly related to price, and I don't believe anyone would argue with the statement that at the present time farm prices, in general, are low. It is my opinion that a substantial increase in most of them is desirable.

"As a matter of fact, agriculture has been producing in recent years at prices which are low not only in relation to past periods but also in relation to the levels of other prices. This has been due partly to certain deep-seated maladjustments in the agricultural industry itself and partly to the unique behavior of agriculture during the depression period. Agricultural *output* during the depression remained relatively constant, while adjustment to diminished purchasing power has been taken by *agricultural prices*. In industry generally, the depression impact has been shared between *output and prices*.

"With agricultural prices so extremely

low in relation to other prices, reasonable increases would be welcomed—and such increases can hardly portend or justify a general advance in other prices.

"An important fact to remember is that the prices farmers pay for many raw materials, for manufactured products, and for farm labor are almost certain to advance. This means that along with increased income will come increased operating and living expenses.

## What Will Happen?

"The question, of course, is what can be done to ease the economic blows that inevitably lie ahead for American farmers in this business of preparing for total national defense. Farmers have helped develop, and through the Department of Agriculture are administering, programs which may be used to lessen some of these blows. In every project which the Agricultural Division of the Defense Commission has undertaken there has been close and active collaboration with the Department of Agriculture.

"In addition, the Commission wants to work and cooperate with many other agencies, particularly the national farm organizations and organizations doing educational work among farmers, in an effort to utilize every possible avenue to help adjust farmers to the defense program and to the impact of war abroad.

"As I see it, one of the big jobs ahead of all of us in organized agriculture is to inform farmers correctly on just what is likely to happen to them.

"If our agricultural production, dammed up from normal foreign markets, is not to swamp American farmers, there will be need for courageous action—action that can change as needs change and is not fettered by formulae that were created to meet conditions that are past. In uncertain times like these surplus stores of food and fiber are real wealth; any other industrial nation on the globe would be glad to possess them.

"Moves may have to be made where all the succeeding steps cannot be clearly seen. The Government and the farmers, faced with the choice between sharply curtailing acreage in crops for which export markets are lost, or increasing the store of the commodities, may choose the latter course. I only insist, however, that their burden, their impact on price, be shared by society as a whole and not left for the farmers alone to bear."

# Answers to Questions

WHOLESALEERS' CONFERENCE WITH  
MISS ELLIOTT

Q. *What is the status of the military aircraft construction program?*

A. Secretary of the Treasury Morgenthau has cited memoranda from the War and Navy Departments showing that the military airplane program is ahead of schedule. He quoted Acting Chief Air Corps General Brett as saying: "The 25 combat groups scheduled in the 5,500 airplane program . . . will be substantially organized and equipped by April 1, 1941, or 3 months in advance of original scheduled date." The Secretary quoted Chief of Naval Aeronautics Admiral Towers as saying the 3,000 naval-plane program "will be completed well ahead of schedule."

Q. *What is the National Consumer-Retailer Council, before which Miss Elliott, Consumer Commissioner of the NDAC, spoke on October 24?*

A. The National Consumer-Retailer Council was established in 1937 to provide a forum for discussing problems affecting both consumers and retailers and methods of solving them to the interests of both. It grew out of cooperation by representatives of the two groups on standards for consumer goods. The Council works through committees responsible for reports on special consumer problems. A voting majority is always vested in consumer groups.

Present representation on the Council is: *For the consumer*—American Home Economics Association, American Association of University Women, General Federation of Women's Clubs; *for the retailer*—National Retail Dry Goods Association, American Retail Federation, National Association of Food Chains, National Shoe Retailers Association.

Active (voting) membership provides for national associations of consumers and of retailers; associate (nonvoting) members may be Federal agencies; national associations of advertisers, manufacturers, better business bureaus, and like groups; or individuals. The Council is financed by voluntary subscriptions. For further information, address the Council at 8 West Fortieth Street, New York City.

Q. *Can you refer me to material on wartime administration?*

A. Bibliographical notes on administrative problems of civilian mobilization, covering over 450 selected Government documents, books, and articles, are given in *Civil-Military Relations*, prepared under the direction of Pendleton Herring for the

Committee on Public Administration, Social Science Research Council. This publication lists material relating to the United States, Great Britain, Canada, Germany, and France from 1914 to 1940. If your library does not have a copy, one can be purchased from the Public Administration Service, Chicago.

Q. *Do I have to come to Washington to try to get orders from the Army and Navy for goods we manufacture?*

A. By no means. Quickest procedure is first to secure from the War and Navy Departments 1940 editions of booklets entitled *Army Purchase Information Bulletin* and *Selling to the Navy*. Since War Department procurement activities are decentralized, you should then get in touch with the proper purchasing office or procurement district headquarters. The Navy, in general, adheres to a centralized purchasing system but maintains field procurement agencies for articles usually supplied by local firms. Lists of field offices, typical commodities purchased, and other information are given in the two bulletins.

Q. *Has the War Department issued regulations as to organizations of home-guard units under the act approved October 21?*

A. Such regulations and instructions are expected to be issued by mid-November, or earlier. The War Department will distribute them through corps area commanders to the adjutant generals of the various States.

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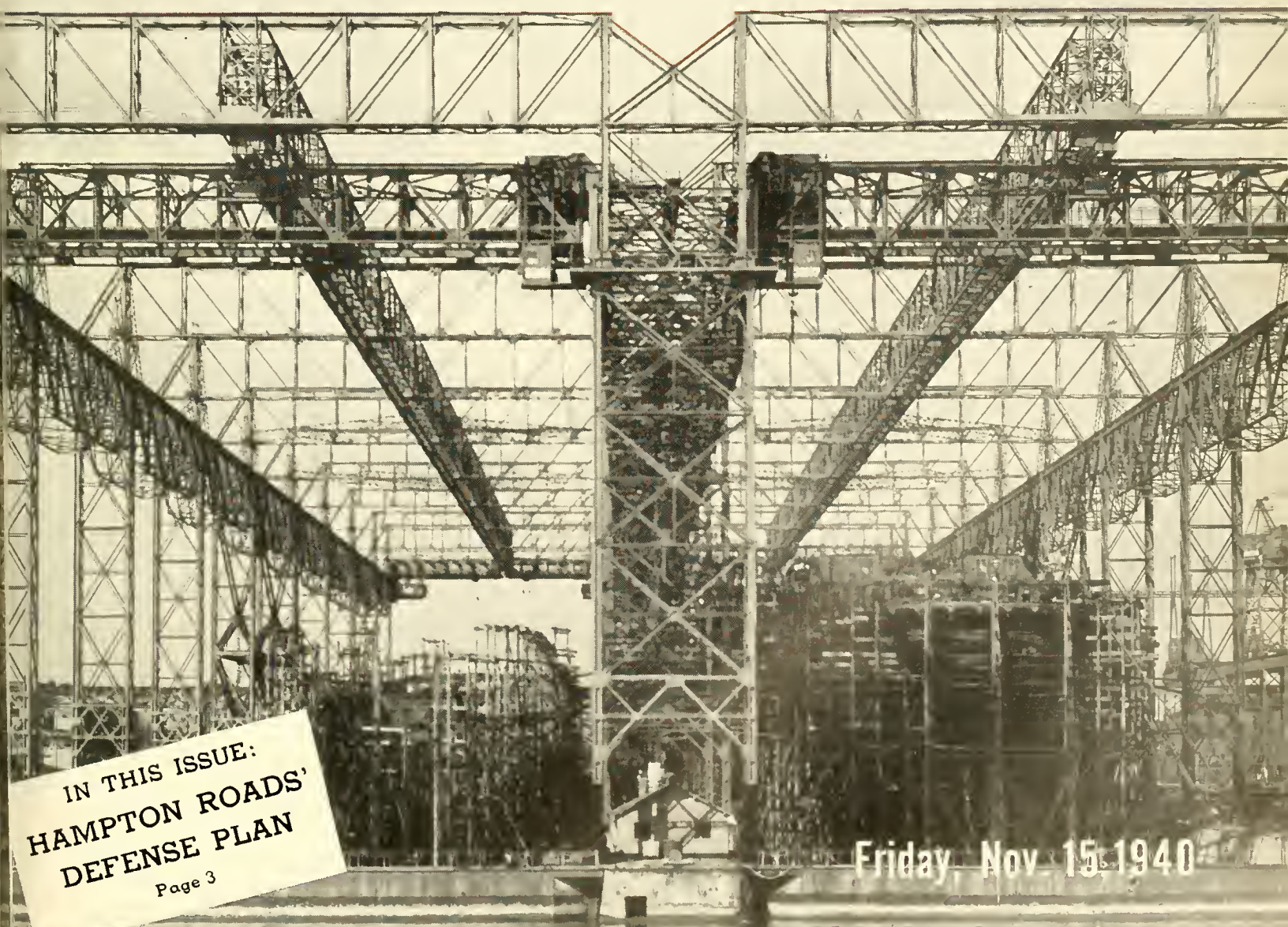
## MAIL LINE SHIPS BOUGHT

Navy Secretary Knox has announced purchase of five 8,378-ton transport ships from the Baltimore Mail Line at a total cost of \$7,100,000. The purchases are part of the Navy's \$75,000,000 program to acquire auxiliary vessels for the fleet. With contracts for 11 other ships in negotiation, the Navy is seeking 31 additional vessels.

## DIRECTORY FOR CONSUMERS

*A Directory of Government Consumer Services and Agencies*, prepared by Professor Leland J. Gordon of Denison University, has been issued by the Consumer Division, National Defense Advisory Commission. Its purpose is to show existing municipal, State, and Federal consumer-buyer services and agencies. For each government level, services are subdivided into (1) positive informational services helpful to consumers, and (2) regulatory consumer services.

# DEFENSE



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Friday, Nov. 15, 1940

# ★ SELECTIVE SERVICE AND PUBLIC SERVICE ★

PUBLIC EMPLOYEES, including Federal, State, county, and municipal workers will be given the same consideration with regard to occupational deferment from Selective Service training as private employees, C. A. Dykstra, Director of Selective Service, has declared, giving general assurance that the entire program will be carried out with "the least possible disruption of the normal economy."

Mr. Dykstra said:

"Many questions have arisen as to the status of public employees, Federal, State, and local, under the Selective Service Act. Most of these questions indicate that there still seems to be a great deal of misunderstanding of the principle of occupational deferment. Some local government officials have raised the question of group exemptions for local public employees. Such exemptions are, of course, prohibited by law.

"For example, take the case of firemen—fear has been expressed that the Act might operate so as to deprive a city of the services of an experienced fire chief, thus impairing the safety of the community. This is clearly covered by provisions of the Act and the Regulations, which provide that the local board may defer any man who is found to be a necessary man in his job where the job is in an activity which is productive or useful, and contributes to the well-being of the community or the Nation."

Pointing out that local boards of the Selective Service System must pass on individual cases of occupational deferment of registrants, Mr. Dykstra said:

"Both private and public employers have the obligation to assist the registrants in presenting information in

all such cases to the local boards. Certainly this is broad enough to allow a local board to defer a fireman if it finds him to fall within this category.

"In other words, the same standards apply to a person in public service as to those in private employment. It is clearly the intention of the Congress and of the President that Selective Service be administered in such a way as to cause the least possible disruption of the normal economy. However, each case must be determined as an individual matter and on its own merits.

"Further, much of the fear which has been indicated has been exaggerated by the failure to realize the relative improbability of so many individuals being selected at any one time from any one enterprise as to cripple that enterprise."

The Director suggested the following procedure to employers who wish to make a "preliminary check" of employees likely to be inducted into the armed forces:

"Any employer, private or public, who is concerned will do well to make a list of all key men who are necessary in his activity, between the ages of 21-36, then strike off all of those who are married and those who are physically unfit. The remainder will be those who may be subject to call for training. Then take 5 percent of the total number. This figure should give an approximation of the number of employees who might be selected from those eligible for training during any given year under the present Act, if there were no provision made for occupational deferment.

"In light of these facts, no city, State, or other government department need suffer any loss of efficiency through the operation of Selective Service."

COVER: Newport News, Va., drydock. Maritime Commission Photo, from National Defense Advisory Commission.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE  
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# Hampton Roads' Defense Problem

TWO GREAT NAVY YARDS and a large private shipbuilding firm are turning out vessels under the defense program in the Hampton Roads, Va., region. Comprising the cities of Norfolk, Newport News, Portsmouth, Hampton, and South Norfolk, Hampton Roads is a vital defense area.

Financed through funds made available through the State Port Authority, supplemented by funds provided by the cities of Norfolk, Newport News, and Portsmouth, a permanent regional defense council, appointed by Governor Price, has begun work on the problem presented by increased demands for public facilities and services.

It met November 6 with naval municipal officials and authorized opening of offices. The National Resources Planning Board has offered the Council half-time services of a qualified consultant and the State Planning Board is providing advisory aid.

The outline of procedure that follows was prepared by the Virginia State Planning Board, in collaboration with the State Division of the Budget, for a Temporary Committee on Housing and Defense for the Hampton Roads Area, which was named by the Governor for the purpose of developing recommendations for organization of the present permanent Council:

1. It is proposed that a regional defense council be established for the Hampton Roads area. This proposal recognizes the joint responsibility of the State and the local communities of the area in undertaking to find a solution for the housing and other problems of the area which are related to defense. It also recognizes the regional nature of these problems, thus calling for coordination of the activities of the local governmental agencies with respect to them.

An impossible administrative situation would be created by the establishment of numerous committees in the Hampton Roads area and in other areas of the State which are of particular importance to defense, each committee dealing with some specific subject and being responsible to the State Defense Council.

To avoid such a situation and to express joint State and local responsibility, it is proposed that regional defense councils be established in critical areas in the State, these councils to operate through such functional committees as may be advisable, effecting coordination at the regional level, and dealing as a council with the State Defense Council.

It is expected that the State Defense Council will make available to the regional councils the advisory assistance of the State Planning Board, the State Board of Housing, and other State departments and agencies. For the present it is not proposed to divide the entire State into geographic regions, but to establish regional defense councils only in areas, or nuclei, of especial importance in defense activities. It is expected that there may be ultimately councils for a maximum of ten such areas in the State.

There will be no sharp boundaries defined for these areas at this time, but each council will operate over such territory as is affected by the various problems under consideration, and will deal with the governmental agencies having jurisdiction in such territory. It is recognized that a regional defense council in the Hampton Roads area will be concerned particularly with problems occurring in the five cities and the four counties (with their included towns) which are adjacent to Hampton Roads, namely, the cities of Newport News, Hampton, Norfolk, Portsmouth, and South Norfolk, and the counties of Warwick, Elizabeth City, Norfolk, and Princess Anne.

2. A regional defense council will be essentially a coordinating agency. It will operate, in general, as follows:

(a) Its dealings with the State Defense Council, the Council of National Defense, and other State and Federal agencies will be in accordance with the pattern of relationships and procedures worked out by the State Defense Council, and, in so far as relationships with Federal agencies are concerned, by the Division of State and Local Cooperation of the Advisory Commission to the Council of National Defense.

(b) Its operation in the fields of local governmental action will be through committees representing the local governmental agencies.

(c) It will undertake such studies as may be necessary to assemble, analyze, and utilize information and data necessary in its work.

(d) It will be prepared to accept, or recommend the use of, such services of quasi-public, civic, professional, commercial, and similar organizations as may be of assistance to its program.

3. The following general principles should guide a regional defense council in developing and carrying forward its program:

(a) There may be immediate and critical problems which will have to be solved by such expedient means as are available.

(b) Both in the solution of such immediate problems and in the continuing work of the council, there should be effective coordination of the activities of the responsible governmental agencies and other interested agencies.

(c) In so far as possible, decisions on immediate problems should be related to considerations of long-range regional planning for the area covered; and, as rapidly as possible, comprehensive, long-range regional plans should be prepared, in order to replace considerations of expediency by plans capable of serving as guides to current decisions and to establish a foundation for socially and economically sound community development.

4. The effective operation of a regional defense council for the Hampton Roads area will require the services of a full-time, technically competent executive officer, with suitable secretarial and other assistance.

5. The following outline indicates the activities which should probably be undertaken by a regional defense council for the Hampton Roads area:

## (a) Planning:

I. Adequate base maps of area—

Planimetric.

Topographic.

Aerial photographic mosaic.

II. Collection and mapping of data as to—

Land use.

Population distribution and density.

Categories of land ownership.

Land and building valuations.

Recent building activity.

Housing conditions.

Thoroughfares.

Traffic flow.

Physical facilities—

Sanitary facilities.

Utilities.

Schools.

Recreation areas and facilities.

Hospitals.

III. Development of guiding plans for area—

(Continued on page 4)

# Law Enforcement Conference

STATE AND LOCAL law enforcement aspects of the national defense program were to be reviewed by a meeting of governors, State attorneys general, police commissioners, and other State officials at the Department of Justice, Washington, D. C., on November 14 and 15.

These State officials, who comprise the Drafting Committee of the Federal-State Conference on Law Enforcement Problems of National Defense, will be principally concerned at this meeting with perfecting model drafts of State legislation dealing with such subjects as:

Sabotage prevention, registration of secret organizations and uniform-wearing groups, control of firearms and explosives, interstate protection of public property, the deputizing of special police, and mobilization of State Home Guard when the National Guard is called into Federal service.

The acts when finally prepared will be

submitted to governors, attorneys general, and members of the State legislatures for introduction at the time of the State legislative sessions in 1941.

The appointment of the Drafting Committee grew out of the Federal-State Conference on Law Enforcement Problems of National Defense which met in Washington August 5 and 6. In attendance at this Conference were the Governors of 14 States, the majority of State attorneys general, and over 200 other State and Federal officials. The Conference was called by the Council of State Governments, the Governors' Conference, the National Association of Attorneys General, and the Interstate Commission on Crime, in cooperation with the U. S. Department of Justice.

The work of following through the recommendations of the August meeting is being handled by a Joint Conference Committee established by the above organizations. Those serving on the Joint Con-

ference Committee include its chairman, Gov. William H. Vanderbilt, of Rhode Island, also chairman of the Governors' Conference; Gov. Herbert R. O'Connor, of Maryland, of the executive committee of the Governors' Conference; Ellwood J. Turner, speaker of the Pennsylvania House of Representative and chairman of the board of the Council of State Governments; Frank Bane, executive director of the Council of State Governments; Judge Richard Hartshorne, president of the Interstate Commission on Crime; Congressman Hatton W. Summers, chairman of the House Judiciary Committee and a Federal representative on the Interstate Commission on Crime; Attorney General Earl Warren, of California, president of the National Association of Attorneys General; and Attorney General Abram P. Staples, of Virginia, from its executive committee.

## Hampton Roads

(Continued from page 3)

### (b) Housing:

- I. Obtain and furnish to interested agencies information as to summer resort housing accommodations which may be available during the next few months at Virginia Beach, Ocean View, and Willoughby.
- II. Establish registration bureau for the listing of available housing accommodations.
- III. Conduct periodic and frequent surveys or checks of vacancies throughout entire area.
- IV. Assemble data on which reliable estimates of the need for additional housing may be made, covering (1) volume, (2) types (especially rent levels to be met), (3) whether temporary or permanent, (4) general locations, and (5) time schedule.
- V. Define place of each agency in satisfying the housing need, in the light of its authority, financial ability, methods of operation, and

relation to any uncertainties as to the future:

- (1) Private enterprise, either unaided or with assistance of FHA mortgage insurance.
  - (2) Private enterprise with aid of RFC equity financing and FHA mortgage insurance.
  - (3) Local housing authorities, with assistance of USHA, or otherwise.
  - (4) Public Buildings Administration (under Lanham bill).
  - (5) Army and Navy.
- VI. Controls to prevent undesirable practices, especially—
- (1) Overcrowding.
  - (2) Unwarranted rent increases.
- VII. Controls to prevent undesirable development, especially—
- (1) Wildcat subdivisions.
  - (2) Jerry building and shack development.
- (c) *Physical Facilities:*
- I. Sanitation facilities.
  - II. Transportation facilities—
    - (1) For armed forces and equipment.

- (2) For adequate community service, particularly in view of increased activity.
- (3) For evacuation.

### III. Utilities.

### IV. Hospitals.

### V. Other public buildings.

### VI. Recreation areas.

### (d) *Public Services:*

#### I. Health (inoculation, prophylaxis, quarantine, etc.)

#### II. Sanitation.

#### III. Welfare.

#### IV. Education (including vocational training).

#### V. Recreation.

#### VI. Entertainment and welcome.

### (e) *Financial Provision for:*

#### I. Additional housing and other physical facilities.

#### II. For provision of additional or increased public services.

### (f) *Civil Defense* (local assistance to Federal and State plans):

#### I. Police mobilization.

#### II. Coordination for fire protection.

#### III. Plans for disaster relief, blackouts, air-raid protection, etc.

The foregoing outline is now being supplemented by a list of activities related to industrial production and industrial location.



# The Week in Defense

TOTAL CONTRACTS AWARDED by the end of the week was \$8,236,300,000, the National Defense Advisory Commission announced.

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## Planes for Britain

The Priorities Board announced that the British Purchasing Commission will be permitted to negotiate orders for 12,000 airplanes with the American aviation industry.

These planes will be built in existing plants and in other facilities now developing.

Under plans being devised by the Priorities Board, it is intended to gear construction of the British planes to American production in such a way as to prevent interference with our own requirements.

The question of delivery priorities is being studied. They will be fixed at appropriate times as production progresses.

## Ford Contract

The War Department awarded a contract to the Ford Motor Company for \$122,323,020 worth of aircraft engines and a similar contract to the Wright Aeronautical Corporation for engines costing \$11,436,042. Part of the latter order is allocated to the Navy.

## Wool Purchase Policy

The War Department, on the recommendation of the National Defense Advisory Commission, authorized the Quartermaster General to call for bids on material manufactured from domestic wool, wool of foreign origin, or a combination of the two.

The War Department has for a number of years considered wool a "critical" material, thus placing it in the category of those materials essential to the national defense which may not be available from domestic sources in the qualities and quantities desired.

The present domestic wool supply is unable to meet the abnormally large requirements in all grades needed for military equipment.

The NDAC has been increasingly concerned about the dwindling supplies and rising prices of domestic wool which have resulted from heavy military purchases, and feels that at the present time the public interest makes necessary suspension of the requirement that only domestic wool

should be used in filling military orders for clothing and blankets.

The War Department's order, it is expected, will check undue speculative activity in domestic wool, thereby protecting both the Government and civilian consumers, and, in the long run, interests of domestic wool growers themselves.

Even in normal times a considerable part of America's wool supply is imported from South America, Australia, South Africa, and Canada. Practically all of the South African and Canadian supply is being devoted to British needs, and so is a part of the Australian. It is therefore expected that, under the action taken by the War Department today, imports from South America and Australia will be increased.

Imports of apparel wool into the United States in 1939 were 98,193,000 pounds, in addition to a domestic production of 441,897,000 pounds.

## Iron Price Stable

Price Stabilization Commissioner Leon Henderson of the National Defense Advisory Commission has had separate conferences with several leading pig iron producers.

In canvassing the pig iron supply and price situation with these representatives of the trade, it became apparent that the change in price posted recently by one producer was occasioned by special local conditions. In general, indications are that a continuing supply of pig iron will be available at about the price which has prevailed in recent months.

Coke is an important factor in the cost of producing pig iron. For this reason Commissioner Henderson has been in touch with coke producers and has been assured that substantially larger quantities of coke will be available for sale within the next few months without any price increase.

The pig iron situation is closely related to that of iron and steel scrap. Commissioner Henderson is continuing studies of supplies and prices of these two basic commodities. He will continue to confer with representatives of the trades most directly affected—iron and steel scrap dealers, pig iron producers, producers of iron and steel scrap, and the industries which are the principal consumers of these products.

## Mechanized Administration

The Army announced it is mechanizing its system of personnel administration in order to keep its paper work abreast of the progress of the mechanized and motorized forces in the field.

Modern business machines are being installed at principal Army posts throughout the Nation for consolidation of personnel records as a fountainhead of information for the President, the Army, interested Government agencies, Congress, families, and others.

With the use of the machines, from the moment a soldier reaches a reception center after enlistment, his history, assignment, station, and other facts relative to his service are recorded on tabulating cards under a system which permits the records to be changed on extremely short notice so that they may be kept current.

Under this system, the Army can determine automatically how many automobile mechanics, for instance, are available at any time, where they are, and all other personnel details concerning them.

## Missing Persons

Flooded with requests to trace missing husbands, sons, brothers, and other male relatives, National Headquarters, Selective Service System, has announced that it has no facilities for such service and that it is not constituted by law to act in such capacity.

Pointing out that the names and addresses of registrants remain in the hands of local boards, C. A. Dykstra, Director of Selective Service, said:

"There are more than 16,000,000 of these individual registration cards in approximately 6500 localities throughout continental United States. Obviously, it is not feasible for National Headquarters to try to locate any individual registrant whose registration address is not known to an inquirer. And it is not the disposition of the Selective Service System, or the purpose of the Selective Service Act, to provide means or media to reveal the location of registrants to persons from whom they wish to remain aloof for personal reasons."

Most of the inquiries being received at National Headquarters of the Selective Service System are from wives who seek to find errant spouses. Many are from debtors hoping to nab delinquents.

# Labor for Defense Moves Ahead

THREE NEW BULLETINS—covering training of apprentices, and strengthening and expanding of the managerial organization—have been issued by the Training Within Industry Section of the National Defense Advisory Commission's Labor Division as part of its program to keep the Nation supplied with efficient manpower for the defense program.

First two bulletins in this series were "Training Within Industry" and "Upgrading Within Industry" (DEFENSE, October 4).

## Apprenticeship Program

Objective of the apprenticeship program, according to Bulletin No. 3, is development of all-around skilled craftsmen through a scheduled program of progressive work assignments and supplementary instruction.

The program also contemplates allowing sufficient time for the apprentice to mature as a responsible worker while permitting each apprentice to progress according to his own learning ability.

Most firms, according to the bulletin, find that apprenticeship plans are most productive when responsibility is placed on a single supervisor, full-time in large plants, part-time in smaller ones. Other factors to be considered in setting up the apprenticeship program are: Occupations to which apprenticeships will be assigned on becoming journeymen, number of apprentices in relation to employed journeymen, length of apprenticeship (The Federal Committee on Apprenticeship recommends a minimum total time of 4,000 hours), provision for instruction on the job and in classrooms, and a wage scale related to the going rate for journeymen.

Ultimate success of an apprenticeship plan is conceded to depend primarily on the native ability and character of the young men selected for training. Supervisors are urged to request foremen to recommend likely prospects. It is suggested that school authorities be consulted and that a probationary period be established to act as a double check on candidates.

The bulletin calls particular attention to the importance of giving carefully organized instruction to each apprentice when he starts each new job and as he encounters difficulties along the way. In large plants, a section of the regular shop is equipped especially for apprentices, while in smaller plants instruction is given to each apprentice when placed on a regular

job. The supervisor should have authority, says the bulletin, to move apprentices from job to job and to upgrade them in nature of work and pay when their skill warrants.

Ten percent of the apprentices' working hours should be devoted to study in related technical subjects, either in vocational schools or in classes established within the plants.

## Strengthening the Managerial Organization

Helping managerial personnel meet operating responsibilities and maintain high morale throughout the work force, says Bulletin No. 4, is the key to success of any organization. Planned development is the major point in building a strong supervisory group. A number of sound practices that work toward this end are listed.

Supervisors and executives should be selected on a basis of leadership qualities, not alone on job knowledge, and it is important to give a written position description, setting out clearly the duties and results desired. The entire organization should be discussed. Sufficient authority to carry out his responsibility should be given each executive and he should have appropriate help.

Further, according to the bulletin, transfers and promotions should be planned to round out each individual so that men can exchange jobs if necessary without impairing the plant operation. Professional development should be encouraged.

In the matter of status and pay, the bulletin recommends that supervisors have all privileges of salaried employees, plus additional privileges such as parking space, desk equipment, etc., a pay scale appropriately higher than the going rate, and the feeling of being part of the responsible organization by being "in the know" on departmental profit and loss figures.

## Expanding Managerial Organizations

Bulletin No. 4a discusses methods of enlarging the supervisory force under pressure of expanding plant operations. Giving present executives greater responsibility is, obviously, the first step, but the major problem is presented in training new supervisors to move up.

Many executives, says the bulletin, find it practical to draw up organization charts,

placing under each strategic position the names of several men who could fill it. On successive charts, plans are drawn showing how the organization would be expanded by shifting men, thus permitting superintendents to plan understudies and avoid getting in a pinch. Under this plan, understudies can be given a maximum amount of training before shifts are necessary.

Several steps are recommended in training beginning supervisors.

First is the elementary period of 2 or 3 weeks, during which the appointee is given a taste of routine supervisory work, without being thrown into controversial problems such as wage disputes and dismissals. Then comes a week or two of intensive instruction when he is taught job planning, theory of instructing workers, personnel responsibilities and wage policies. Third is the period of 4 to 6 weeks when the appointee receives more difficult supervisory work involving responsibility for a normal working group including some inexperienced men. Finally, the new supervisor is put on his own.

The bulletin urges development of a pool of potential supervisors in anticipation of future needs. It is suggested that an outside agency—State university or State vocational school—be used for establishment of a course in "foremanship," in which interested men can enroll. These men, it is added, do not expect immediate recognition by the firm, whereas, when pre-supervisory training is set up within the plant and offered for voluntary enrollment, men who take the course expect immediate recognition, even though no job offers are implied. Their disappointment, the bulletin concludes, is a serious morale factor.

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## GUN PRODUCTION

The productive capacity of our gun industry will be stepped up under two contracts awarded by the National Defense Advisory Commission. The Colt's Patent Fire Arms Manufacturing Co., Hartford, Conn., was awarded a contract of more than \$8,000,000 for installation of new equipment for the manufacture of infantry weapons. The Mesta Machine Co., of Pittsburgh, was awarded a contract of \$1,680,000 for equipping a gun-tube factory at West Homestead, Pa.

# Five Months of the NDAC

REVIEWING the general achievements of the National Defense Advisory Commission, Leon Henderson, in charge of the Price Stabilization Division, said in a recent radio address that in his opinion, "This country has made more progress in the last 5 months in setting up an organization for handling the emergency, and toward rearmament, than any country ever did in the same number of months either in war or in peace."

"Within these 5 months," said Mr. Henderson, "the Commission has demonstrated its ability to profit by the clear experience of 1917."

"It advised Congress as to the need for legislation to insure rapid depreciation allowances for emergency facilities.

"It recommended and obtained legislation to make Government contracts assignable, and thereby bankable.

"It helped draft a contracting procedure worthy of the immense purchasing program which the Congress authorized.

"With the experience of England and Canada to draw on, the Commission devised at least five flexible methods of financing new plant expansion. These are in use today.

"The Defense Commission secured the loan of men experienced in big industrial purchasing to help in procurement, and went forward in a difficult program of securing strategic and critical materials.

"When the first faint sign of the necessity for priorities appeared, the Defense Commission moved boldly toward the challenge.

## Labor Asked . . .

"Labor asked, and it had a right to know, whether the defense program would require abandonment of labor's recent gains. The Defense Commission prepared a statement on labor policy which the President regarded as important enough to send to the Congress as a special message. Today, the Army and Navy are giving effect to this policy.

"Mindful of the bitter experiences of 1917 and 1918, when workers suffered from housing shortages, the Commission acted promptly to coordinate all defense housing activities, and to help secure from Congress the appropriations necessary to keep defense housing abreast of defense industry expansion.

"Small business asked about its place in the program, and the Commission responded. A policy of aid to small business was announced.

"Subcontractors came to Washington looking for help in the decentralization of industry and in the revival of their business. They got that help—and with it came new life for idle men and idle plants in 'ghost towns' long considered beyond aid or recovery.

"When price dislocation threatened—either at the consumer or producer level, calm counsel helped to keep things in balance so well that the greatest peacetime purchasing program was absorbed without economic indigestion.

## America Is Ready

"No nation ever stood so strong as America stands today.

"America is ready to create a strong defense and maintain a strong people.

"The taxing power of the Federal Government has been restored—and great reservoirs of hitherto privileged wealth can now be tapped to pay for national defense.

"The right to develop and conserve American defense resources in peacetime, such as TVA and Boulder Dam, has been sustained.

"More than that—a workable doctrine of legal cooperation between the States and Federal Government has taken shape. The new doctrine which enables unemployment to be relieved, and debt-ridden municipalities to reorganize, is available for national defense purposes of health, welfare, and taxation.

"We are strong in material wealth, in those things which defense machinery requires. We have two-thirds of the world's coal. We have two-thirds of the world's oil. We have two-thirds of the world's waterpower. Our steel-making capacity is the envy of the world; it is more than all of Europe's combined. Just last week, the greatest steel producer of all time was running at 93½ percent capacity, and promising greater production!

## No Ersatz Economy

"Unit costs for American products now show clearly the results of pressure to reduce expenses, to expand production, and to utilize our magnificent advancing technologies. Ours is no *ersatz* economy. America's factory system grew great on mass production and low prices. It grew weak when it abandoned faith in these simple principles. In my work on price stabilization, I accept as axiomatic the need for low prices—and what is more, I am fortified in this position by the deter-

mination of many businessmen, looking to the future, to use their influence to keep prices down.

"Without this determination, the contracting for eight billion dollars of defense items could not have been made without a substantial rise in the price level.

"American business is breaking records these days—and I don't mean making new highs on the stock exchanges. There's a spirit discernible again of wanting to reach out, to expand, and to find satisfaction in the movement of goods. Unless I miss my guess—this spirit will overcome the reluctance to expand which crippled France, and which hampered England until recent months. Our studies of England show that she was shooting at a moving target. Many American industries are asking of this Government 'how much do you need, and when do you need it?'—so that adequate capacity will be ready on time."

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## MERCHANT MARINE

The Maritime Commission stated that acquisition of merchant vessels by the Army and the Navy will not seriously affect merchant marine employment. The Commission pointed out that civilian crews are retained aboard ships acquired by the Army and civilian crews of ships acquired by the Navy, have an opportunity of joining the Merchant Marine Naval Reserve which mans naval auxiliaries.

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## GASOLINE PROTECTION

At the request of the Industrial Materials Division of the National Defense Commission, the American Petroleum Institute has appointed a number of committees to cooperate with the Army and Navy in studying adequate protection of gasoline storage facilities against possible military attack and sabotage.

These committees will conduct regional studies and confer with Army and Navy representatives in the various areas on the problem of protecting gasoline supplies, particularly in congested areas or harbors.

In order to facilitate these studies, the American Petroleum Institute has appointed a Policy and Coordination Committee to handle questions of policy and to receive reports from five regional committees composed of technical experts who will conduct surveys in the Northeastern, Southeastern, Great Lakes, Central, and Western regions.

# Army Physical Examinations

THE WAR DEPARTMENT has announced, effective immediately, that the same procedure in physical examination and the same standards of physical requirements prescribed for *Class 1-A* registrants will be used for the physical examination of:

1. Men enlisted or reenlisted in the Regular Army;
2. Men enlisted or reenlisted in the National Guard;
3. Enlisted men of the National Guard inducted into Federal service;
4. Men enlisted in the Army of the United States;
5. Men inducted into the Army under provisions of the Selective Training and Service Act of 1940.

Purpose of the new regulations is to establish essential standards necessary to procure men who are physically fit, or who can be made so, for the rigors of general active military service (*Class 1-A*), or for special and limited military service (*Class 1-B*). The new regulations also specify what defects will disqualify an applicant for military service (*Class 4*).

Examinations will be conducted with the utmost care in order that no individual who is unfit for military service will be accepted. Examining physicians will consider the standards set forth in the regu-

lations as a guide to their discretion rather than construe them too strictly.

Standards in the new regulations apply *only to applicants for enlistment or induction* into the Army. Physical requirements for all other personnel (candidates for commission in the Army or the Air Corps, candidates for appointment as Army nurses, warrant officers, and candidates for the United States Military Academy) are defined in the provisions of other Army Regulations.

Examinees will be classified into three categories in accordance with the findings of the examining medical officers:

*Class 1-A*: Those physically qualified for general active military service. (Registrants will be placed in *Class 1-A* if they meet the *Class 1-A* requirements throughout the entire physical examination.)

*Class 1-B*: Those who are physically unfit for general active military service, but are fit for special and limited military service. (Registrants who fail to qualify for *Class 1-A* and who do not fall below *Class 1-B* in any phase of the examination will be placed in *Class 1-B* unless because of multiple defects the medical examiners recommend unqualified rejection and placement in *Class 4*. Men placed in *Class 1-B* will not be accepted unless spe-

cific directions to that effect are issued by the War Department.)

*Class 4*: Those physically unfit for any military service. (All registrants who do not meet the physical requirements of *Class 1-A* or *Class 1-B* will be placed in *Class 4*.)

No applicant will be accepted for enlistment or induction who does not meet the standards prescribed for vision and hearing, or who suffers from toxic conditions associated with abnormal conditions of the ductless glands; from valvular disease of the heart; from tuberculosis; from communicable diseases; from mental disease or deficiency; from insufficient teeth; or from irremediable defects of the feet.

Medical examiners will reject all men in need of hospitalization and all those who by reason of physical defects are considered unfit for early participation in training activities.

Whenever it appears to an examining physician that a registrant is endeavoring to escape military service by simulating need for medical or surgical attention, defects of vision or hearing, or otherwise affecting disqualifying characteristics, if he is otherwise mentally and physically fit, the registrant will be accepted for military service.

## Certification Under the Tax Law

THE NATIONAL DEFENSE ADVISORY COMMISSION has announced a procedure, worked out jointly by the Commission and the War, Navy, and Treasury Departments, to handle applications from manufacturers for certification required by the amortization section of the new tax law.

This law provides that manufacturers, in certain cases, may use an accelerated rate of depreciation for income and excess-profits-tax purposes on plants or equipment certified as necessary in the interest of national defense during the emergency period.

Specifically, a manufacturer who constructed or acquired new facilities after June 10, 1940, may, in determining taxes, amortize cost of such facilities over a 5-year period instead of the normal period of depreciation of such property if he receives a "Necessity Certificate."

When a manufacturer is being reimbursed by the Government for cost of new facilities at a rate exceeding normal depreciation either directly or indirectly, the manufacturer will be required to obtain a "Certificate of Government Protection," stating that the contract adequately protects the government with reference to future use and disposition of the facilities.

If the manufacturer is not being thus reimbursed he may obtain a "Certificate of Non-Reimbursement" which will conclusively establish for the purposes of the tax law that a "Certificate of Government Protection" is not required.

All three certificates required approval of the Defense Commission and either the Secretary of War or Secretary of Navy. Certification is to be made to the Commissioner of Internal Revenue. Instruc-

tions covering the information required on applications for these certificates may be obtained from the office of the Assistant Secretary of War or the office of the Navy Judge Advocate General. Instructions also are being forwarded to War Department district procurement officers and will be available at these offices.

In announcing joint approval of this procedure, Donald M. Nelson, Defense Purchases Coordinator, said:

"Completion of the procedure for obtaining rapid depreciation of facilities constructed to meet the requirements of the defense program should materially benefit and expedite the armament effort. The solution of this difficult problem has been accomplished through the cooperation of all agencies connected with the defense program and the National Defense Commission."

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# DEFENSE



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Friday, Nov. 22, 1940

★ ★ ★ **Proclamation to Latin America** ★ ★ ★

THE FOLLOWING PROCLAMATION, adopted by the Annual Conference of the United States Conference of Mayors on September 21, 1940, was sent on November 8 to 3,500 Pan-American municipal executives. The document presents the greeting in English and in Spanish or Portuguese.

A PROCLAMATION

To Our Distinguished Colleagues, the Mayors and Executives of Cities in our Sister Republics of Mexico, South and Central America:

*Greetings:*

Assembled here in the City of New York in the Annual Conference of the United States Conference of Mayors for the purpose of discussing problems of mutual interest and concern to the citizens of large and small communities in all sections of our country, we are not unmindful of the facts:

(1) That the solemn duties and responsibilities which confront us are presently no different in character and consequence than those facing our municipal colleagues in Mexico, South and Central America; and that what we do here, and say here, will have little perspective unless it embraces in serious sincerity within its scope all the peoples in all communities of the Western Hemisphere;

(2) And since municipal government by its very nature lies closest to the people, it must inevitably follow that in our city government rests the strongest bulwark of Democracy, the final invulnerable citadel of the hopes and aspirations of the people themselves;

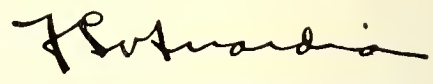
(3) And that there is a real natural unity between all of the cities of this hemisphere, both because of the mutuality of the local problems affecting the health, welfare, safety, and happiness of their respective populations and because of the actual necessity of united thinking and united action to protect and preserve Democracy itself; and that as cities we must not be content merely to fulfill our local responsibilities for the

comfort and security of our citizens, but must assume a position of leadership in that larger task of protecting and preserving those democratic institutions which constitute the very head and source of that comfort and security;

(4) And that, in view of world events beyond our control, the time has now come to translate into action the frequently reiterated expressions of mutual interest, good will, and friendship between the municipalities of the Western Hemisphere, into a more effective, practical and constructive cooperation through closer contact by the interchange of municipal information and the holding of meetings of the chief executives of cities in Mexico, South, Central, and North America.

NOW, THEREFORE, We, the United States Conference of Mayors in Annual Conference assembled, do at this time solemnly pledge the renewal of our bond of friendship with our Pan-American Colleagues, and we extend to the peoples whom they serve in their various communities sincere felicitations of good will from our people in the United States, and do hereby most heartily approve the formation of the permanent Pan-American Congress of Municipalities. We believe it will not only serve its primary purpose of promoting more efficiently and economically municipal administration and that it will find ways and means of cities taking a much greater interest in promoting international good will but that it will tend to defend the economic security, the political liberty, and the general welfare of all our people.

IN WITNESS WHEREOF I have hereunto set my hand this 21st day of September, One Thousand Nine Hundred and Forty.



*President,  
United States Conference of Mayors.*

PAUL V. BETTERS,  
Witness.

COVER: National Guard machine gunners practice sighting on range at Fort Dix, N. J.—constructed by WPA.

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**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSES  
Division of State and Local Cooperation  
Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the State.  
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# Defense and Employment—A Survey

SIGNIFICANT CHANGES in employment conditions under the rapidly expanding National Defense Program are highlighted in the first of a series of monthly reports on employment trends throughout the country, issued by Federal Security Administrator Paul V. McNutt.

The report is based upon detailed analyses of labor recruiting activities by State Employment Services, affiliated with the Bureau of Employment Security of the Social Security Board.

Some of the outstanding trends noted were a striking increase in demand for highly skilled workers with some shortages in a few specific occupations; relaxation of industry's customary age and skill requirements; and increasing use of the 1,500 State-operated employment offices by employers as the search for qualified workers becomes more difficult. All State agencies emphasized importance of workers checking possible job openings with their local employment offices before leaving home in search of rumored jobs.

## Machinists Needed

Immediate need for highly skilled machinists and tool and die makers throughout the country and for loftsmen and ship fitters in shipbuilding areas was reported. There were local shortages in other types of skilled workers in scattered areas, but no general labor shortage was indicated.

Mr. McNutt said that in anticipation of future needs, however, employers appear eager to obtain qualified machinists and metal workers whenever they become available, and many have placed standing orders with State employment offices. Furthermore, in many States, students in vocational training programs, which have been established under the defense program, are being drawn into industry as rapidly as they are able to complete training.

Employers are seeking bona fide skilled workmen regardless of age; an extreme example reported by one State agency is the hiring of an 89-year-old man by an engineering concern. In addition, some modification of skill requirements was reported. Many instances were noted of employers hiring less-skilled workers than they would formerly have considered. In such cases the employer adjusts his operations so that skilled jobs are broken down into several less-skilled parts with a system of promotions for employees as they improve. Citizenship, although not gener-

ally a legal requirement, was reported to be practically a prerequisite for defense employment.

## Migrants Absent

Indications of the more favorable position of workers is indicated by the fact that qualified workers in some areas were reported as unwilling to accept the wages offered or as reluctant to leave home and family to accept available jobs in other communities where they do not consider the financial inducement sufficient. Even in the case of unskilled labor, where there is no shortage, many workers were reported to be accepting jobs only if the work offers sufficiently attractive opportunities.

Some agricultural areas reported that the usual number of migratory workers failed to appear this season, and that increased difficulties were encountered in obtaining such workers under customary wage and working conditions.

All State Employment Services emphasized increased use of their facilities. Employers who have never before recruited labor through the State employment offices are turning to them now; other employers, who have used these offices only occasionally, are now requesting their help regularly. Most of the State Employment Services report generous cooperation from labor unions, chambers of commerce, public schools, and civic bodies.

A summary of developments in each major geographic area in the country follows:

## New England

*(Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)*

Improved business conditions are general throughout the area. Government contracts have been received for machinery, machine tools, aircraft, textiles, hosiery, and shoes. The construction industry is stimulated by necessary plant expansion and by military-camp construction. Connecticut reports the Federal low-cost housing program and housing for defense workers, as well as various plant expansions, will maintain a high level of construction activity.

Only isolated labor stringencies in highly skilled occupations, chiefly machine shop workers and skilled construction workers, were reported. Local shortages are apparent in other skilled lines, particularly

certain sewing machine operators and workers in woolen and worsted manufacturing; but frequently this was because low wages were offered or the employer was reluctant to go outside the locality for suitable help.

Expansion of New England industry will require increased labor training. Some large employers are conducting apprenticeship schools and absorbing all graduates into their own plants.

There has been some State to State migration of labor to accept jobs at better wages.

## Middle Atlantic

*(District of Columbia, Kentucky, Maryland, New Jersey, New York, Pennsylvania, Virginia, and West Virginia. No report received from Delaware)*

Stimulus of defense activity is evident throughout this region. In Virginia, where large naval contracts have been awarded, it is especially pronounced. Large Government contracts have been placed throughout the region for planes, ships, artillery equipment, searchlights, tanks, munitions, textiles, leather goods, and chemicals. Result is not only heightened activity in manufacturing and shipbuilding but also in vastly increased construction operations. Manufacturers are expanding their physical plant; forts, arsenals, naval bases, hospitals, and army camps are being constructed; and in the vicinity of Newport News a large housing development is under way to accommodate some of the workers drawn into the district by the vast shipbuilding program.

As yet there is no general shortage of labor, although definite stringencies in some highly skilled metal working, shipbuilding, and construction trades are reported, and New York reports a lack of power machine operators.

The supply of semiskilled and unskilled labor is still plentiful in all sections except New York, where a few areas foresee local shortages. Many workers in all parts of the region have been recruited through clearance—that is, by referral of the call from the local employment office to offices in other communities. But because of the limited number available, this procedure has proved relatively ineffective in securing machinists, tool and die makers, loftsmen, ship fitters, lens grinders, and a few other kinds of highly skilled workers. At Newport News, however, 75 percent of the new workers needed for the shipbuilding

(Continued on page 8)

# The States and Cities

## California

EXPERTS are being selected for membership in a section of the State Council of Defense to deal with personnel problems occasioned by the national defense program. An immediate problem proposed for this section is to develop procedures whereby personnel officials, public and private, can most readily analyze positions within their organizations occupied by persons likely to be affected by Selective Service for the purpose of determining conditions of employment and occupational situation surrounding each. The State Adviser on Occupational Deferments states he will be able to use these analyses for determination of deferment policies and as a basis for appropriate advice to local Selective Service Boards.

## Florida

The Florida State Council of Defense was named October 29 by Gov. Fred P. Cone, who will serve as chairman. The Council includes subdivisions in the following fields: Civil protection, industrial and material resources, transportation and communication, power and fuel, labor and personnel, water supply and fire protection, food and agriculture, health and housing, information, education and morale, and finance and budget.

Including the governor, who will serve as chairman, the council has 15 members.

Ex-officio members are the State attorney general and adjutant general.

## Hampton Roads

Chairman of the Hampton Roads Regional Defense Council (*Defense*, Nov. 15) is Maj. Raymond B. Bottom, Newport News. Others of the 15-member council, appointed by Governor Price of Virginia, represent the four cities and four counties in the area; with exception of one member-at-large, who serves as liaison with the State defense council. Provision is also made for liaison with the State Port Authority.

Funds for a full-time executive officer and other assistance are expected to be provided jointly by the State and cities in the area.

## Bomb Squad

Police Commissioner L. J. Valentine, New York City, has ordered creation of a bomb squad, consisting of police force members specially trained in handling

bombs, explosives, and suspicious packages. The squad is on 24-hour duty. Instructions for handling such evidence and delivering it to the technical research laboratory are summarized in a recent issue of the *Police Chiefs' News Letter*, which reports that similar instructions have been issued to firemen by City Fire Commissioner John J. McElligott.

## Texas City Officials Meet

The city's part in national defense, police and fire department organization to meet 1941 conditions, and airport development were discussed at the convention of the League of Texas Municipalities in Fort Worth, November 6-8. "No blackout for the League" was topic of President R. E. Rouer's address.

Organizations holding their annual meetings during the same period were: Texas Chapter, Municipal Finance Officers' Association; Municipal Utilities League; Texas City Managers' Association; Texas City Attorneys' Association.

## District of Columbia

A tenth member has been added to the District of Columbia Council of Defense to be chairman of the health committee.

Welfare and consumer problems remain under jurisdiction of one of the members previously appointed.

## Southern Cities

Defense and other problems confronting cities in Southern States were considered by recent meetings of the Georgia Municipal Association and the North Carolina League of Municipalities. Annual meeting of the Arkansas Municipal League is scheduled for December 9 in Little Rock.

## St. Louis Metropolitan Area

A Metropolitan Committee on Preparedness for National Defense has been set up to coordinate activities of all communities in the St. Louis area on both sides of the Mississippi River "to act as a clearing house for information on the defense program, to promote unity of action, to cooperate with Government agencies, and to work out some method for training an adequate supply of both skilled and semi-skilled labor." A 4-volume industrial survey of the manufacturing facilities of the area has just been completed. A similar survey covering the various municipalities in Missouri is under way.

## Absolute Deadline for Alien Registration

Despite the usual Christmas rush season in the Nation's post offices, there will be no postponement of the December 26 deadline for registration of aliens, Director of Registration Earl G. Harrison announces.

A proposal had been put forward that registration be halted during all or part of December because of the expected rush of business, and then resumed in January. However, the Alien Registration Act of 1940 gives no authority to do this. The Post Office Department gives assurance that it will be able to handle the Christmas rush as well as registration.

"No registration of aliens," says

Mr. Harrison, "who were in this country prior to August 27 will be accepted after close of business Thursday, December 26. It is, therefore, vital that those who have postponed their registration as non-citizens in the hope that the registration period might be extended, or for any other reason, should comply with this law immediately. We wish to avoid a last-minute rush." He pointed out that the registration of aliens is compulsory, not voluntary, and that severe penalties will result for failure to comply.

More than 2,800,000 of the estimated 3,600,000 aliens in the United States have already registered.



# The Week in Defense

CONTRACTS CLEARED by the National Defense Advisory Commission and awarded by the War and Navy Departments rose during the week to more than \$8,700,000,000.

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## Navy

Rear Adm. Clark Woodward said that the United States has "the greatest, most powerful, and most effective Navy of any single nation on earth" and added that when the present expansion program has been completed this country will be able to command the seas against any combination of nations.

Secretary of the Navy Knox outlined the following six-point defense program:

1. "We are going to give Great Britain every possible aid we can—short of leaving ourselves defenseless."
2. "I hope we soon will be able to aid China as we are now aiding Britain."
3. "We are going to pile up our armament whatever the cost. It is better to be ready too soon and too much than too late and not enough."
4. "We won't appease anybody on earth."
5. "We won't talk about what we are doing, but do it."
6. "We are going to harden our muscle and our will because self-preservation is possible only by self-sacrifice."

Wage increases of about \$3,800,000 a year to 44,000 civilian employees in the Navy Department field service went into effect. Under the new schedule, employees in the unskilled and semiskilled labor groups will receive larger increases than other employees in Navy Yards and shore stations throughout the country. Increases do not affect employees in the clerical, administrative, fiscal, custodial, professional, scientific, and subprofessional services.

## War Department

Secretary of War Stimson denied that evidence of sabotage had been found in investigation of explosions in three munitions plants in different parts of the country. Only one of the plants was working on Government orders. "The information I have is that they (the explosions) probably were due to negligence," Secretary Stimson said.

The Army's \$1,147,000,000 cantonment construction plan will be operated under a labor policy providing "just and equitable treatment of and cooperation with

labor" and time and a half for overtime. This policy follows the pattern set up during World War I and one promulgated by the National Defense Advisory Commission in September. The Army also announced that the ruling that all contractors and subcontractors must pay time and a half in excess of 40 hours a week is applicable to all cost-plus-fixed-fee contracts.

The Department amended its National Guard order of August 27 to provide for promotion of Guard officers to fill vacancies in their units. Under the amendment:

1. Officer personnel of all units now in Federal service will be brought at once to full war strength to prepare for increase to war strength of enlisted men.
2. Candidates recommended for promotion by their unit commanders will appear before boards of officers to demonstrate fitness for promotion rather than take an examination including "ability tests with troops." The boards can accept at their discretion "attendance at service schools as indicative of the required military knowledge qualifications."
3. Professional examination of candidates will be waived upon the recommendation of the division or separate unit commander if promotion is in the same arm or service which the candidate is already commissioned.
4. Regular officers may be assigned to National Guard units to fill vacancies for which no qualified Guard officers are available, but whereas the order of August 27 provided that such officers must be found within 30 days, the amendment sets no time limit.

The Comptroller General ruled that National Guard privates with prior service of 4 months or more are entitled to monthly base pay of \$30 immediately upon induction into the Federal armed forces. The Selective Service Act provides that all enlisted men in the Army will receive \$30 a month after 4 months at \$21. The ruling interpreted National Guard service as sufficient to qualify for higher pay.

## Materials

Federal Loan Administrator Jesse Jones announced signing of contracts between the Metals Reserve Company and tin ore producers of Bolivia for purchase of tin ores and concentrates sufficient to produce 18,000 tons of tin each year for the next 5 years. The Metals Reserve Company will advance up to 80 percent of the value of the tin ores and concentrates on warehouse receipts and the RFC will arrange for construction of a tin smelter in this country. Heretofore Bolivian tin has been smelted in England.

Dr. Robert E. Wilson, Chief of the Petroleum Products Division of the NDAC, told the American Petroleum Institute that

"the most probable bottleneck in meeting the demands of the Army and the Navy is synthetic 100-octane gasoline" and that 91-octane gasoline, which will be widely used in training planes and commercial airlines, "may also be a bottleneck by the time the training programs get well under way."

"The importance of building a stock pile now while we do have some surplus capacity seems obvious and a substantial start in this direction has been recently made by the Army and Navy," Dr. Wilson said. He added that as far as it has been possible to estimate, lubricating oil requirements "will not be much greater than the export demand which has been lost."

## Latin America

Acting Secretary of State Welles gave positive assurances that United States plans for defense cooperation with other American nations do not in any case involve any territorial cessions by other republics or any step by the United States which might even remotely be regarded as an encroachment upon the sovereignty of other republics.

Other Pan-American developments included initial conversations between Mr. Welles and Dr. Paul Prebisch, Manager of the Central Bank of Argentina, regarding the negotiations aimed to improve United States-Argentine relations; and the official announcement that Mexico has invited a party of United States Senators and Representatives as well as Vice President-elect Wallace to attend the inauguration of Mexican President Camacho at Mexico City, December 1.

## Housing

The number of defense housing units under construction rose from 12,000 to 13,900 during the week, Defense Housing Coordinator Charles F. Palmer announced.

## Selective Service

While every effort will be made to match civilian skills of Selective Service trainees with the Army's needs for specialists, their training will be fundamentally for military rather than civilian objectives, Col. William H. Draper, Jr., General Staff, War Department, said in an address. The basic purpose of Selective Service is to train an American army capable of coping with the best troops of any other nation and that purpose will control its operation, Colonel Draper said.

# WPA's Hand in National Defense

A SUMMARY OF DEFENSE WORK accomplished by the WPA in the past 5 years includes construction or improvement of some 13,000 buildings related to defense, most of them owned by the Army and Navy, and of 564 aviation landing fields. This includes work at three-fourths of all Army posts and 85 percent of all American airport construction since July 1, 1935.

A breakdown of the work done follows:

## Aviation Facilities

Accomplishments under the WPA airports and airways program include 197 new landing fields, 50 additions to landing fields, and reconstruction or improvement of 317. New runways total more than 373 miles in length. New buildings at airports number 474 (a third of them hangars), while 1,088 airport buildings have been rebuilt or improved, and 65 enlarged.

## Military Facilities

Next in importance is construction and improvement work done at Army posts and naval stations and for the National Guard. More than 1,600 new buildings have been erected under this program—

including 329 barracks and officers' residences, 255 mess halls and kitchens, 236 armories (most of them for the National Guard), and 221 storage buildings. Approximately 10,000 such buildings, including more than 3,500 barracks and officers' quarters, have been reconstructed, improved, or enlarged.

## Secondary Defense Work

Secondary defense work—work which has an important bearing upon the Nation's military preparedness, though not directly connected with defense facilities—includes construction or improvement of more than 517,000 miles of roads, as well as valuable work in the fields of public health and conservation of natural resources.

## Total Expenditures

In the past 5 years, the WPA has completed nearly half a billion dollars' worth of primary defense work, and perhaps a billion dollars' worth of additional, secondary defense work.

By October 1, 1940, total expenditures on WPA primary defense projects amounted to \$462,907,000. This includes

not only money spent on projects operated by the WPA but also expenditures on projects operated by other Federal agencies, notably the War and Navy Departments, with WPA funds transferred to them for that purpose.

Of this total, the largest share—\$191,398,000—went for airports and airways projects sponsored by States and localities. (This does not include money spent on airport projects sponsored or operated by Federal agencies.) The next largest amount—\$162,106,000—was spent on projects for the Army; while National Guard projects accounted for \$53,938,000, Navy projects \$48,273,000, Coast Guard \$1,421,000, and other agencies \$5,771,000.

## New Authorizations

Since the beginning of the present fiscal year, there has been a great increase in the amount of WPA funds authorized for defense projects. In the 4-month period from July 1 to November 1, new primary defense project authorizations totaled \$84,227,839. In addition, \$9,781,340 was set aside for vocational training of workers for defense industries, and \$1,429,690 for training of aviation ground servicemen.

# Wholesalers Elect Defense Advisory Group

A WHOLESALING TRADES ADVISORY COMMITTEE, to formulate methods of cooperation between wholesale distributors of consumer goods and the Consumer Division of the National Defense Advisory Commission, was elected November 12 at a 1-day conference of representatives of nearly 100 wholesaling groups meeting in Washington with the Consumer Division.

The conference adopted resolutions pledging general cooperation in the national defense program and specific cooperation "to discourage any unwarranted wholesale price advances" or "excessive inventories that might adversely affect consumer and national defense needs."

Principal topics discussed were utilization of distribution channels, warehousing, and storage facilities in the provision of both military and civilian requirements, and wholesale price policies in consumer goods in relation to the defense program.

Miss Harriet Elliott, Consumer Commissioner, presided over the conference.

She pointed out that "goods must be kept moving into civilian as well as military channels for ultimate consumption. That means keeping costs and margins at as low a level as is consistent with services rendered."

Dr. Theodore N. Beckman, professor of business organization at Ohio State University, urged the wholesaling industry to avoid speculation, to discourage "buy now and buy more" selling methods and price increases unrelated to costs, as a major service in national defense.

A panel discussion on warehousing and storage for defense reviewed the relation of hand-to-mouth buying to warehousing facilities of wholesale grocers, produce bottle-neck markets in large cities, possible problems in storage and warehousing of hardware products, cold storage warehousing facilities, and available merchandise warehouses.

Evening session was devoted to wholesale price policies in consumer goods in

relation to national defense. Problems considered related to contribution of the broker to price stability, price problems in wholesale meat, dry goods, tire and rubber goods, and drug trades.

Following the conference, the wholesalers' advisory committee of nine members held its first meeting. William H. Tyler, of Tyler and Simpson Co., Fort Worth, Tex., was elected chairman; and Thomas A. Fernley, Jr., National Wholesale Hardware Association, Philadelphia, secretary.

In addition to the chairman, members of the advisory committee are: John R. Baldwin of Baldwin-Pope Marketing Co., St. Louis, Mo.; Lee Wilson Hutchins of Hazeltine-Perkins Drug Co., Grand Rapids, Mich.; Robert M. Adair of The Jones-Witter & Co., Columbus, Ohio; Arthur May of May Hardware Co., Washington, D. C.; Gordon Johnson of Auto Spring & Bearing Co., Roanoke, Va.; Charles L. Engstrom of C. L. Engstrom Co., Peoria, Ill.; L. J. Schumaker of American Cone & Pretzel Co., Philadelphia, Pa.; and A. J. Campbell of A. J. Campbell Co., Charlotte, N. C.

An executive committee also was appointed.

# A Defense Challenge to Local Banks

FORTY-SEVEN OFFICERS of Federal Reserve banks and their branches met in Washington recently for the purpose of becoming familiarized with the recently announced plans of the National Defense Advisory Commission for dealing with problems of smaller business and industrial establishments in relation to the defense program.

In his capacity as Director of Small Business Activities, Donald Nelson, Coordinator of National Defense Purchases, said that "the fulfillment of the defense program has raised a grave challenge which the commercial banks of the Nation must face," and that "the future status of the commercial banking system will in large part be influenced by the manner in which local banks rise to meet the challenge of providing total finance for total defense."

Also attending the conference were Army and Navy procurement officers, members of the Board of Governors of the Federal Reserve System, and representatives of the National Defense Advisory Commission in addition to Mr. Nelson.

Mr. Nelson made it clear that, although he hoped his office would be regarded by small business men as their friend at court, nevertheless, the plan for bringing small business enterprises into the defense program is neither "the coming millenium of small business" nor a design for "converting little business men into big business men."

## "Industry as a Whole"

He said there is no reason for thinking

of big business or small business as separate industrial compartments. "Our job is to think in terms of men, materials, and money", which means "thinking of industry as a whole. Total defense requires the utilization of all available plant capacity; of all available man power; of all available financial resources."

Referring to the experience of the Nation at the end of World War I, Mr. Nelson said that "when this rearmament effort is over—and we all hope it will soon be—our economy should not find itself in the condition in which it was in the early twenties when we had overexpanded our industrial plant without giving due consideration to permanent civilian requirements." He characterized the defense program as one of "preparing for total defense without sacrificing the social necessities of civilian defense."

Mr. Nelson posed three questions:

1. How can we tap existing but unused subcontracting facilities?
2. How can we create new groups of subcontractors to take their place around existing primary contractors?
3. How can we ensure that existing subcontractors and potential subcontractors will have access to needed capital and credit?

## Lesson of Britain

Pointing to lessons to be learned from British experience, he said there must be no breakdown or collapse of our assembly lines because somewhere along the transmission belt there was a subcontractor who lacked capital or credit with which to com-

plete a defense order. To this end, the Federal Reserve System will serve as operating agent for the NDAC through which small business men throughout the country will be in a position to obtain promptly and accurately information and aid they require to play their part in the defense program.

## Officers Designated

An officer has been designated in each Federal Reserve bank and branch to handle all problems relating to activities of small business. Following the Washington conference, it is expected that the designated officers will be in position to report on small business enterprises in their districts available to participate in the defense program; to familiarize local banks with procedure to be followed in accepting assignment of government claims as security for loans; to encourage local banks to make loan commitments on condition that borrowers obtain Government contracts; to furnish business enterprises with information on procedure to be followed in obtaining defense contracts; and to assist small business to obtain necessary financing from local banks.

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## HEALTH PROGRAM FOR SCHOOL CHILDREN

A seven-point program "to strengthen national defense through improved health and physical fitness of every school child" has been drafted by school administrators and health workers who met recently with Commissioner John W. Studebaker of the U. S. Office of Education.

The program for every school recommends:

1. Secure and maintain a safe and healthful school environment.
2. Make adequate provision for the school lunch.
3. Provide health service for pupils, teachers, and other school employees.
4. Give instruction in health and safety.
5. Make provision for physical activities intended to develop physical and social fitness.
6. Provide recreational programs to meet needs of children and youth after school and in vacation periods, and needs of adults in the community.
7. Establish educational camps to insure for all children the experiences that only come from close contact with nature.

## About Lost Selective Service Cards

"I've lost my registration certificate; what shall I do?"

That question, in various forms, has been asked countless times by registrants under the Selective Training and Service Act of 1940 and it is answered by Brig. Gen. Lewis B. Hershey, Assistant Director, with the explanation that duplicate certificates may be issued by local boards.

"Of course the local board must first satisfy itself that it has the

registrant's card before issuing such duplicate certificates; the duplicate shouldn't be issued until the board is satisfied that the registrant actually has lost his certificate and is acting in good faith. After all, it is a matter for the discretion of the local board.

"And any instances of fraudulent use of registration certificates should be reported to the proper authority, which is the Department of Justice."

# Employment Survey

(Continued from page 3)

program are being drawn from other localities.

Mining and agriculture seem in general to have felt no labor shortages.

In agricultural areas the harvest season is coming to a close, thus releasing a considerable number of unskilled workers, some of whom are being absorbed by the construction industry.

## Great Lakes

(Indiana, Illinois, and Wisconsin. No reports received from Michigan and Ohio)

In the three States from which reports were received, business conditions are spotty, showing stimulation where defense orders have been received. A wide variety of goods has been contracted for—plane motors and parts, tractors and tanks, machine tools, tents, army cots, blankets, men's clothing, ammunition components, and many other items. Indiana reports manufacturing industries have increased employment at the rate of about 5,000 workers each week from mid-July to mid-September, and some industries are operating at maximum capacity. The construction industry also has been accelerated by both public and private contracts.

The supply of skilled workers is limited and there is definite need for skilled machinists and tool and die makers. A general shortage of domestic and farm help because of unwillingness to accept wages offered is reported by Wisconsin. However, the supply of semiskilled and unskilled workers is generally plentiful.

Numerous local stringencies are being met by clearance. There is also considerable migration of workers from inactive areas to centers of defense activity, but many of the unskilled migrants remain unemployed.

## Southeast

(Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee. No report received from North Carolina)

Greatest impetus of the defense program here is evident in construction. Army camps and airports are being built, naval bases and shipyards are being expanded, and new industrial plants are under construction to meet or anticipate defense orders. There is urgent need for skilled construction workers.

The textile industry is greatly accelerated and in most cases is rapidly approach-

ing capacity. The reserve of skilled workers is being absorbed but no shortages exist yet.

Harvesting of cotton, tobacco, and other crops has made widespread demands for unskilled labor. Some areas are having difficulty in obtaining workers because more attractive employment is offered in other fields, particularly in unskilled building operations. The usual volume of migratory workers failed to appear this year.

## Southwest

(Arkansas, Kansas, Louisiana, Missouri, and Texas. No report received from Oklahoma)

Although some parts of the Southwest report no upturn in business, many sections are beginning to feel the stimulus of defense contracts. Enlargement of army camps at several points and construction of a shipyard on the Texas Gulf Coast, as well as expansion of numerous industrial plants, are absorbing the supply of construction workers. In most areas there are enough construction workers to meet the demand, although some districts foresee local shortages soon.

Manufacturing industries are also stepping up their demands for labor as a result of Government contracts for airplanes, tents, bedding, shoes, and work clothing. Except for local shortages of skilled aircraft workers and skilled garment workers, the labor supply appears adequate for present needs.

## Midwest

(Iowa, Minnesota, Nebraska, North Dakota, and South Dakota)

There is here some activity resulting from Government orders for ammunition, tents, steel storage bins for corn, and army shell cases. A general increase in the construction industry is noted. There is no shortage of either skilled or unskilled labor.

## Rocky Mountain

(Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming)

Some slight industrial upturn is noted. Coal mining is active, an increase in poultry packing and canning is reported, and the harvest of sugar beets, broom corn, potatoes, cotton, beans, and apples resulted in the usual seasonal activity in agriculture. Some shortage of harvest hands and migrant labor is reported. However, the supply of both skilled and unskilled labor in general seems plentiful.

## Pacific

(Arizona, California, Nevada, Oregon, and Washington)

Greatest industrial upturn in this area is in aircraft and shipbuilding. Increased activity is evident in munitions, furniture, and products of foundries and machine shops; both civil and military building are causing sharp acceleration in the construction industry.

Some difficulties have been encountered in obtaining agricultural workers for harvesting, as well as skilled aircraft and shipbuilding workers, and the possibility of a stringency in skilled construction workers is foreseen.

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## TOOL PRIORITY

Establishment of a Machine Tool Priority Committee to coordinate national defense, commercial, and export demands on the machine tool industry is announced by the Priorities Board.

The committee, composed of representatives of the industry, the Army, Navy, and Defense Commission, will formulate policies governing operation of the voluntary preference rating system, now in effect, as it applies to machine tool contracts. Such policies will be submitted through Donald M. Nelson, Administrator of Priorities, to the Priorities Board for consideration and approval.

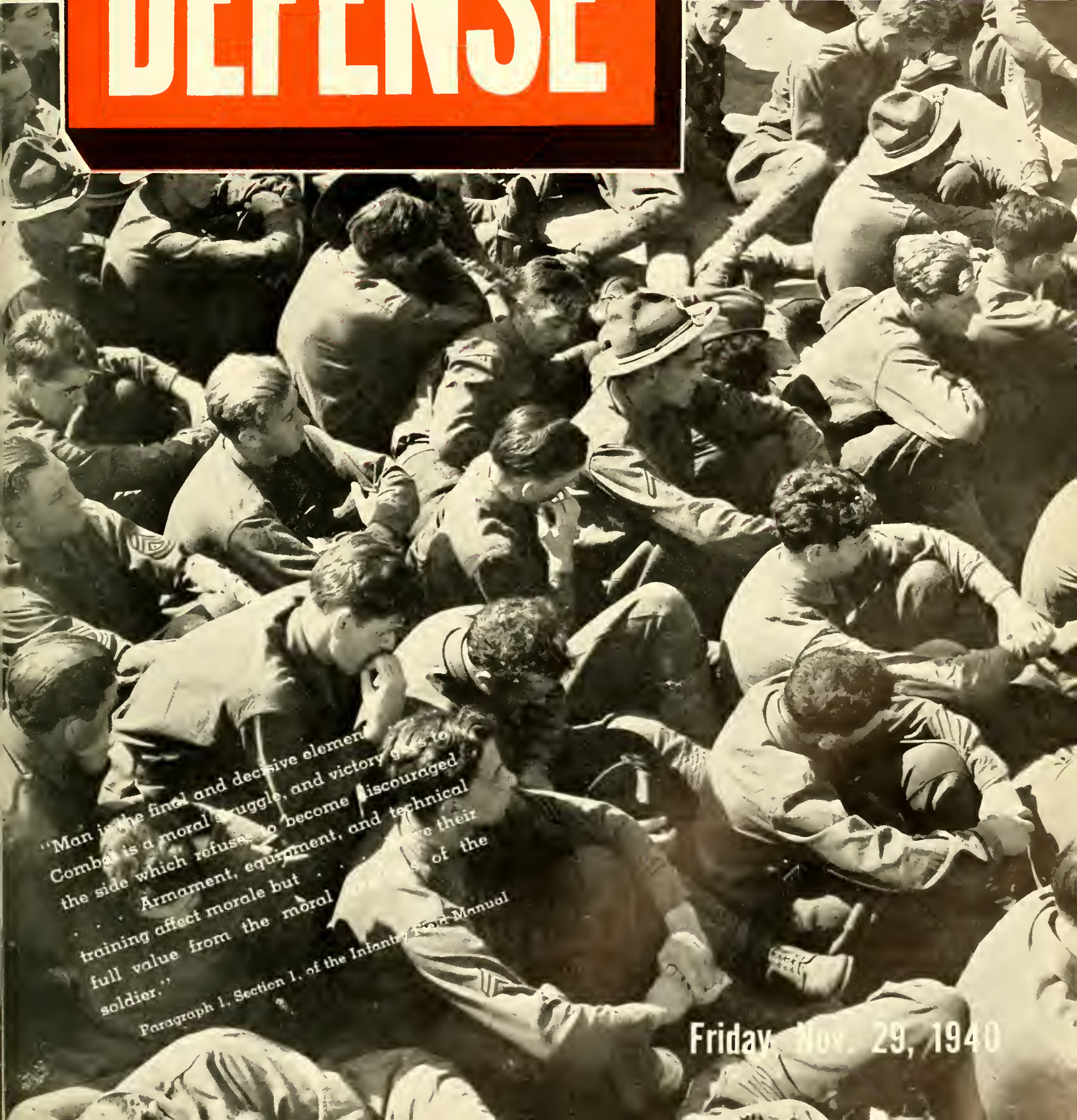
Mason Britton, assistant director of the Machine Tools and Heavy Ordnance Division of the Defense Commission, has been appointed administrative officer of the committee. Mr. Britton, working under the direction of the Administrator of Priorities, will carry out policies formulated by the committee and approved by the Board. He will handle all pertinent cases that may arise and will maintain the necessary contacts with industry and with government departments.

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## HEALTH SUBCOMMITTEE

The Health and Medical Committee of the Council of National Defense has appointed a Subcommittee on Negro Health, under the chairmanship of Dr. M. O. Bousfield, director of Negro Health, Julius Rosenwald Fund, Chicago. Functions of the subcommittee are to make recommendations and advise the Council of National Defense relative to improvements in the health of the Negro population and to coordinate with defense activities the health work among Negroes.

# DEFENSE



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Man is the final and decisive element in combat. Victory goes to the side which refuses to become discouraged. Armament, equipment, and technical training affect morale but derive their full value from the moral of the soldier."

Paragraph 1, Section 1, of the Infantry Training Manual

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Friday, Nov. 29, 1940

DEC 13 1940

# Military Housing Leads Construction

AN ANALYSIS of the defense construction program has been issued by the National Defense Advisory Commission as the first of a series of analyses of the expanded defense program now under way.

This analysis shows that present legislation calls for Federal expenditures of approximately two billion dollars for defense construction of various kinds through June 30, 1942. More than one billion dollars' worth of this work is under way, providing troop quarters, air and naval stations, plant facilities for manufacturing airplanes, tanks, ammunition, and other military supplies, and facilities for the construction of ships, etc.

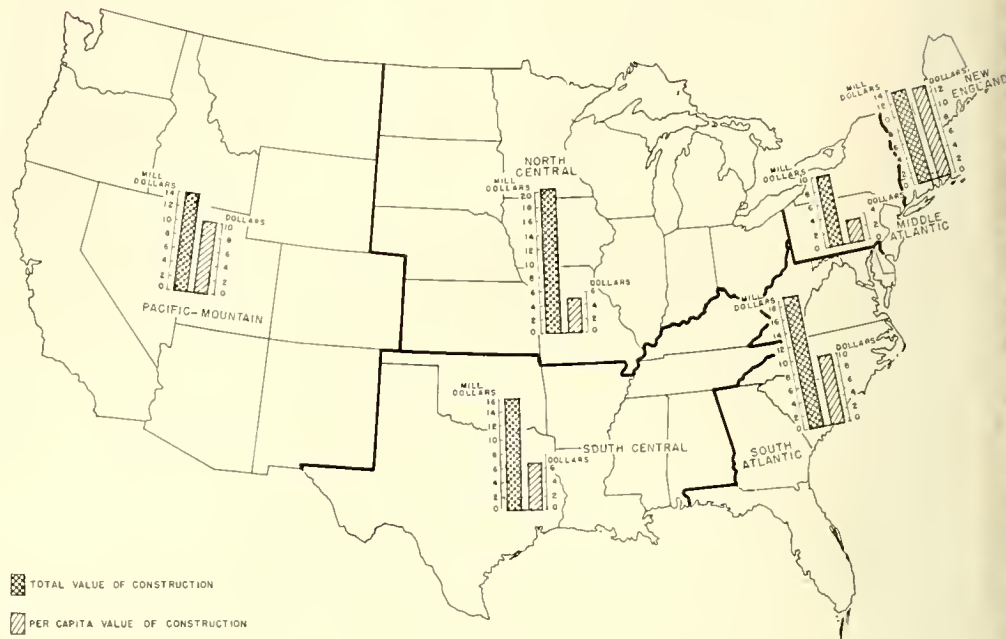
The largest single classification under the construction program is the building of shelters for trainees, at a total cost of \$631,000,000. This includes shelter for the National Guard, the expanded Regular Army, increased quarters for Navy personnel, as well as trainees under the Selective Service Program. These buildings will be largely of wooden construction, a majority of which will be completed within the next few months.

The second largest classification is \$520,000,000 for construction of "productive facilities," such as airplane and engine plants, armor, tank, ammunition and loading plants, shipways and shipyard facilities.

In addition, there are large plant expansions and new plant construction financed entirely with private funds. It is estimated that total private factory construction will be \$330,000,000 for this year, and may increase to \$500,000,000 in 1941.

The Reconstruction Finance Corporation has authorized loans of \$175,000,000 to private industry for defense construction (or for construction and equipment when the two are not separable). About \$154,000,000 of this total of loan authorizations has been made with firms producing aircraft and related products.

GEOGRAPHICAL DISTRIBUTION OF DEFENSE CONSTRUCTION



▨ TOTAL VALUE OF CONSTRUCTION  
▧ PER CAPITA VALUE OF CONSTRUCTION

The third classification is \$337,000,000 for air bases. This includes hangars, shops, administration buildings, and utilities at Army and Navy air bases. This construction will be spread over a longer period than the building of shelters for trainees.

The fourth classification calls for the expenditure of \$258,000,000 under "other military construction." This expenditure includes seacoast defenses, and construction at military and naval stations other than air bases.

The fifth classification under the breakdown shows \$240,000,000, including land cost, is available for defense housing. This is expected to provide 65,000 of the 70,000 dwelling units necessary for defense workers and families of enlisted men. Practically \$100,000,000 made available to the Army and Navy for defense housing has

been allocated, and construction is under way on thousands of units.

Further, preliminary planning and design studies are under way for construction of the remaining \$140,000,000 of housing for defense workers, the bulk of the actual work to be done during 1941.

In addition to the defense construction program covered by direct appropriations or contract authorizations, there are other Government-financed construction activities related to defense. The Civil Aeronautics Authority has \$40,000,000 for civil airports which contribute to the total air facilities of the country.

The WPA has been spending a similar sum annually for work on airports and airways. The extra set of locks for the Panama Canal are part of the total picture but have little immediate effect on construction totals.

COVER: National Defense Commission photo.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE Division of State and Local Cooperation.

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States. Published with the approval of the Bureau of the Budget. (Rule 42 J. C. P.)

Volume I Friday, Nov. 29, 1940 Number 14

U. S. GOVERNMENT PRINTING OFFICE

# Industrial Teamwork for Defense

WITH THE MAJORITY of primary contracts under the defense program already awarded, American industry is rapidly increasing the volume of subcontracting to speed production.

To aid this effort Sidney Hillman, Commissioner in charge of the Labor Division of the National Defense Advisory Commission, has announced appointment of an industrial engineer to coordinate activities designed to bring latent production and labor facilities of "ghost towns" into the defense effort, particularly in connection with execution of subcontracts.

Mr. Hillman also announced selection of five additional cities or towns to be surveyed in "shut-down" areas.

Additional communities to be surveyed are Bedford, Bloomington, and Clinton, Ind.; Paducah, Ky., and Superior, Wis.

Horace B. Drury, author of a standard textbook on scientific management, will lay the groundwork for Nation-wide cooperation among manufacturers in "shut-down" areas under the subcontracting program.

Under the expanding subcontracting technique, which will be applied generally, parts are manufactured and sometimes subassembled wherever idle machinery and idle manpower are available.

By establishing contact between business enterprises in communities that can be revitalized, industrial engineers will further implement the Defense Commission's policy of bringing all business community segments into the defense program.

This policy was advanced recently by appointment of Donald Nelson as Director of Small Business Activities to work through the Federal Reserve System, and serve as a focal point for small and medium-sized business enterprises. Government contracting officers, and local banks. This is expected to make credit more easily available to subcontractors for expansion and will aid in the program for revitalizing "ghost towns."

## Pooling Experience

Information resulting from the surveys will be made public, enabling industry to benefit from practices by manufacturers who have pooled equipment and experience to meet each other's needs.

In Milwaukee, firms have been handicapped by inability to acquire new machine tools. These firms are now cooperating closely with other companies which have idle tools but no defense orders. In

short, the system of teamwork and local initiative will be brought increasingly into play as demand for defense commodities is constantly enlarged.

As an illustration of the widespread results of the subcontract program, the Defense Commission has released a breakdown of the contracts already let by one major aircraft company. The list includes products from manufacturers in 30 States. Materials range from ignition cable from Rhode Island, through pumps and valves made in Ohio, to anchors and exhaust manifolds made in California. Under a contract with this company, calling for 2,000 additional planes, these subcontracts will be supplemented with millions of dollars' worth of new orders.

The list includes:

**CALIFORNIA:** Aircraft instruments and hydraulic equipment; exhaust manifolds and cowling; anchors; exhaust manifolds; engine baffle assemblies; muffler assemblies; engine baffle plates.

**COLORADO:** Belting and rubber goods.

**CONNECTICUT:** Armament; instruments and electrical equipment; power plants; propeller assemblies; tapes and fabrics; safety belts; forgings, steel; synthetic rubber products; ball and roller bearings; aircraft hinges; filters; screws.

**DELAWARE:** Fibre products; fins; box assemblies; panels; bomb-release switches; tracks, etc.

**FLORIDA:** Cypress lumber; turpentine.

**GEORGIA:** Cypress.

**ILLINOIS:** Aluminum alloy shapes; electrical switches and rheostats; lights, navigation, landing, formation; flexible controls; aircraft screws and bolts; name plates; aircraft instruments; bomb seat back rest pad.

**INDIANA:** Wheel and brake assembly; lights—navigation, instrument, landing; shock-absorber struts; fuel-flow meters.

**IOWA:** Pig and antimonial lead.

**KENTUCKY:** Airplane boxes and crates; plywood.

**LOUISIANA:** Cypress.

**MARYLAND:** Mill-supply products; aircraft radio receiver and transmitter equipment; cinder block; precision instruments; stainless-steel sheet and bar; commercial steel bar and sheets; forgings, alloy steel; airplane boxes; pyrotechnical equipment; gasoline; fittings; ailerons, rudders, elevators; boxes, UP-Lock assemblies; mat assembly gun tail; switches, panels, boxes; altitude controls.

**MASSACHUSETTS:** Instruments and electrical equipment; forgings, steel; snap

fasteners; special gears; screws; gears; radio products; engine mount forgings; sprockets.

**MICHIGAN:** Wheel and brake assemblies; plastics products; hydraulic valves, pumps, etc.; steel castings; finishes (paints, dopes, lacquers, etc.); steel forgings, flexible controls; cable ends; fire-fighting apparatus; rubber goods; navigation, landing, and formation lights; tires and tubes; welded streamline tubing; bent sections—trailing edge.

**MINNESOTA:** Cellulose tape; photographic supplies.

**MISSISSIPPI:** Airplane boxes and crates; masonite.

**MISSOURI:** Hydraulic fluid.

**NEW JERSEY:** Instruments and electrical equipment; aluminum alloy rivets; safety belts; power plants; propeller assemblies; exhaust manifolds; synthetic products (methacrylate resin sheets, bars, etc.); rubber goods; life rafts and inflation equipment; armament accessories; control cables; shielding, electrical conduit and fittings; fire extinguishing equipment; finishes; explosive rivets; gasoline and oils; plastic handles; rack door operating machinery gear sector—rudder pedals, tab control assembly, fittings, lever-engine control; fittings; cushion assembly—bomber's seat.

**NEW YORK:** Instruments and electrical equipment; finishes, paints, dopes, lacquers, etc.; tape and fabric; safety belts; forgings, steel; cable, ignition and lighting; oil coolers and Prestone radiators; slide fasteners; snap fasteners; lights—navigation, landing, formation; life rafts and inflation equipment; ball and roller bearings; bakelite and phenol fibre; steel bolts, nuts, standard AN parts and fittings; aluminum alloy rod and bar; magnesium alloy castings; alloy steel; electric storage batteries; aircraft machinery; photographic products; bearings; stabilizers; fittings, support assemblies, cross bar—bomb shackle; emergency release unit landing gears, fittings; gun torque operating equipment; operating mechanism door—nose wheel, operating mechanism M. landing gear, door operating mechanism—nose wheel, control column assembly, rheostat box assembly; mounting ring and gear—turret drive; seats, camera seat assemblies; propeller spinner and cuff.

**NORTH CAROLINA:** Airplane boxing and crating lumber; cypress.

**OHIO:** Pumps and valves; welded streamline tubing, instruments and electrical

(Continued on page 8)

# The States and Cities

## Minnesota

VARIATION in the pattern of State defense organization is shown by Minnesota's set-up, under which Mr. E. L. Ohlrich, named by Governor Stassen as defense coordinator, is responsible for coordinating defense activities of all departments and agencies. No State council of defense has been deemed necessary.

Departments are grouped under six functional headings, corresponding in general to fields assigned members of the National and many State defense councils. The coordinator sees that communications are referred to the proper administrative agency for action, and secures from the appropriate agency information needed for development of the State or National defense program.

Major State defense activities to date include cooperation with Federal authorities in vocational training of defense workers, and with the State selective service board. Under the State adjutant general, plans were made for a home defense force to take over when the National Guard was called into active service.

Working with the State bureau of criminal apprehension, the defense coordinator has been developing plans for protection of industrial plants and workers, and instructions to that end have been sent to such companies. Data on Minnesota's supply of lignite, manganese, and wood

pulp for munitions, result of research by the State University and Minnesota Resources Commission, have been furnished the National Government, as have also data on labor supply, wage rates, industrial conditions, idle or partially used manufacturing facilities. Information on the Government's material procurement program has been disseminated.

## Civil Protection for New Jersey

Gov. HARRY A. MOORE of New Jersey has sent to all mayors in the State an official municipal plan of defense developed as part of a State-wide plan.

By recommendation of the State defense council, the Governor has appointed the superintendent of State police as chief coordinating officer of all police and other enforcement agencies. The State has been divided into three civil defense regions, contained in the three troop areas of the Department of State Police, with the three troop captains as regional coordinating officers.

With assistance of county sheriffs and local chiefs of police, a survey is being made of all police and fire-fighting personnel and equipment. Arrangements are also being made with other agencies that might be called on in an emergency.

Where a city has a well organized police department, the chief of police will command in an emergency unless the com-

manding officer is appointed by the Governor. The captain of State police will be called on to provide assistance as needed.

## New York

"PUBLIC SERVICE training activities offer an unusual medium for the speedy training and effective transmission of defense information to State and local employees, for the training of replacements for public employees called into the armed services of the United States, and for the training of civilians in public emergency services," states Albert H. Hall, chief, Bureau of Public-Service Training of the New York Education Department.

Last year schools conducted in cooperation with the bureau enrolled about 30,000 State and local employees. The number is expected to be as large or larger this year.

Regional institutes for city and village elective officials and municipal department heads are being held. Similar institutes are to reach effectively a great body of rural officials in the 932 towns of the State.

## Texas

To acquaint small business enterprises in Texas with requirements of the War and Navy Departments, information has been disseminated by the Governor's office through the industrialization committees in 237 communities.

# Survey of Rent Changes

AT THE REQUEST of the National Defense Advisory Commission, the United States Bureau of Labor Statistics is surveying changes in rents over the past year in a number of cities and establishing a basis for quarterly reports on rents in the future.

For many years the Bureau of Labor Statistics has been collecting information on changes in rent, in connection with its studies of changes in the cost of living of wage earners and clerical workers now conducted in 34 large cities.

Since 1937 special quarterly surveys of rents for all types of homes, at all rent levels, in these cities have been made. In each city housing authorities, engineers, real estate boards, and other qualified experts have cooperated in assembling the

facts needed for selection of typical homes for which rentals will be obtained.

Every effort is made to provide and maintain adequate representation as to type of dwelling, number of rooms per dwelling, amount of rent paid, and distribution in different sections of the city.

If State and local defense councils receive requests for the extension of these rent surveys to other communities, it is requested that they communicate with the National Defense Advisory Commission. It is extremely important that all current rent surveys should follow the same plans and provide comparable figures in each community surveyed, although special types of rent information may be needed for some communities. Consultation with

the Defense Commission will make possible the coordination of all the rent surveys currently undertaken.

The collection of data on rent changes is now under way in Camden, N. J.; Newark, and the northern New Jersey industrial area; the Davenport—Moline-Rock Island area; Akron, Ohio; Louisville, Ky.; and Wichita, Kans.

In addition, information on rents will be covered in the complete cost-of-living surveys being made in Bridgeport, Conn.; South Bend, Ind.; Gadsden, Ala.; Corpus Christi, Tex.; and San Diego, Calif.

Present plans provide for the extension of these surveys to certain cities where the expansion of defense activity has increased the need for housing.



# The Week in Defense

WITH CONTRACT-LETTING STAGE of the defense program rapidly drawing to a close, the National Defense Commission surveyed the spread of defense contracts throughout the industrial structure of the Nation.

A total of \$7,616,650,000 for primary defense contracts was awarded by the War and Navy Departments up to November 1. Contracts were for ship and other construction, airplanes, engines, ordnance, ammunition, and other manufacturing.

Approximate totals by geographic regions and industrial areas are: New England, 1 billion, 322 million dollars; Middle Atlantic, 2 billion, 90 million; North Central, 1 billion, 13 million; South Central, 332 million; South Atlantic, 1 billion, 171 million; and Pacific Mountain region, 1 billion, 396 million dollars. Total contract awards for Alaska, Canal Zone, Hawaii, Puerto Rico, and other islands come to 79 million dollars.

These figures do not show subcontracts by which raw materials and subassemblies are provided for the main contractor. In many industries more than 50 percent of the entire contract will go to subcontractors.

Another survey made by the NDAC during the week was of the two billion dollar defense construction program. (See page 2.)

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## War Department

"State Guard" will be the official designation for the home guard, the War Department announced. Instructional material on this and other phases of civil defense is in preparation.

The Department said: "States desiring to organize a State Guard are required to prepare a comprehensive program of organization and training for guard duty, handling disorderly crowds, and overcoming light resistance of armed forces. Attention will be particularly directed toward guarding utilities, power plants, water works, industrial plants, docks, railroad yards, air fields, and other sensitive areas. The State Guard will be formed as infantry or as military police. Tables of organization will be furnished, but as a guide only."

The War Department will issue a certain amount of equipment for State Guard use, and will sell certain other individual equipment.

Assistant Secretary of War Patterson

cautioned business concerns against dealings with persons claiming to have influence with the War Department and offering to sell their services. "There is no truth in such representations," he said. "Contracts to be signed by contractors contain a warranty by contractor that he has not employed any person to solicit or secure the contract on any agreement for a commission, percentage, brokerage, or contingent fee, together with a further provision that breach of this warranty shall give the Government right either to cancel the contract or deduct amount of such commission."

The United States has released for delivery to Great Britain 26 four-engined bombing planes ordered for the United States Army Air Corps. In exchange, Chief of Staff General Marshall said, Britain has released to this country sufficient engines on order with American firms to equip 41 flying fortresses.

## Navy

Secretary of the Navy Knox said the Navy already is using some of the bases recently leased from Great Britain as stations for the Atlantic Patrol.

The Navy has lowered its enlistment age from 18 to 17 years "to encourage enlistments of younger men, particularly those of high-school caliber." Men of this age will be accepted only with consent of parents or guardians.

"Candidate schools" have been opened at Quantico, Va., at which 1,200 recent college graduates between 20 and 25 years old will be given a 3 months' intensive instruction course. Upon completion of this preliminary training, conducted on a competitive basis, selected candidates are eligible for commissioning as second lieutenants. After additional training, these new officers will be ordered to active duty with regular Marine Corps units.

Agreement between the United States and Great Britain was announced as to exact sites of seven of the eight naval bases which the United States is to have in British possessions.

## Local Market News

The Consumer Division of the Defense Commission issued a bulletin outlining local market news radio programs to protect living standards by guiding consumer food purchasing, and to help raise nutritional levels. Neville Miller, president of the National Association of Broadcasters, promised cooperation.

The Division will distribute twice monthly a bulletin, "Consumer Prices." First issue, showing retail prices of 54 foods in 51 cities, reports abundant supplies of most kinds of food and states that "Consumers should not find it necessary to cut down their usual purchases."

## Jobs for Selectees

Selective Service Director Dykstra announced a program of cooperation among Federal, State, and local Governments to assure jobs for selectees after they return from a year of military service.

The Selective Service Act provides for civilian reemployment of men who have fulfilled selective-service requirements. Selective Service advisers on occupational deferments at all State headquarters have responsibility of making certain the return of selectees to former jobs and, if possible, the finding of new jobs for selectees previously unemployed.

## First Line of Defense

Donald M. Nelson, Coordinator of National Defense Purchases and Director for Small Business Activities, stated:

"We must make sure that when this arduous effort is over our economy will not be deformed—overgrown in some directions, shriveled in others. . . . We must achieve total defense without destroying the social and economic standards of the civilian population. These constitute the first line of defense of any democracy."

## Tasks for Agriculture

NDAC Commissioner Davis pointed out that "agriculture in the years ahead faces two tough assignments. It must continue to maintain sufficient supplies of food and fiber to meet the Nation's needs regardless of what develops. And it must adjust itself to the effects of war abroad and industrial speed-up at home. . . ." For example, "We cannot be military friends and economic enemies with Latin America at the same time."

## Health Safeguard

Surgeon General Parran assigned nine Public Health physicians to the job of seeing that communities near military training camps are kept healthy. Each physician will work in one of the nine army corps areas and will act as liaison officer between Army medical men and local and State health departments.

# Behind the Program—Subcontractors

THE WORK of the vast army of subcontractors and suppliers behind the primary assembly lines of the national defense program was discussed in a recent address by Donald M. Nelson, Coordinator of Defense Purchases and Director of Small Business Activities.

"The great majority of these subcontractors," said Mr. Nelson, "have been trained to work in groups around certain primary contractors. The armed services for many years have been engaged in surveying and lining up subcontractors so they might fit into the defense program. We have, therefore, at the present time, groups of skilled subcontractors revolving about certain major prime contractors. This practice might be described as the subcontractor solar system—each subcontractor being a satellite in the orbit of some major contractor.

"In building up a munitions industry in this country a heavy responsibility and a heavy burden has been placed on the subcontractors. That burden will become even heavier as new defense orders are placed in the future.

"Therefore we must turn our attention to them. We must make sure that we tap all existing subcontracting facilities and that they have access to capital and credit to enable them to participate in the national defense program, for it is of the utmost importance that there be no breakdown in the steady flow of parts and supplies to the assembly lines.

## Small Business Aid

"That is why the National Defense Commission designated the Coordinator of National Defense Purchases as Director of Small Business Activities. We have enlisted the cooperation of the Federal Reserve System, which has appointed one of its officers in each of the 12 Federal Reserve banks and the 24 branch banks to provide points of contact between small business organizations, private bank capital, and representatives of the Army and Navy who know what the armed services require.

"As an example of how this program will work, let us take the case of a small manufacturer of metal office furniture. It occurs to him that the Government may want large quantities of metal lockers at the cantonments being built for the new army. But he is not sure. He has never had a Government contract before. He is not familiar with Government purchasing methods. He has no representative in

Washington. And he hesitates to make a personal trip to the Capital because he would not know whom to see and he might lose several days away from his own business, to no avail.

"This manufacturer can now go to his nearest Federal Reserve bank or branch. There an officer will be able to tell him if the Government can use his facilities for the manufacture of metal lockers, or, perhaps, for some other article that he never supposed he would be qualified to produce.

"If he needs credit to obtain a Government contract, he will be directed to the proper source—preferably a local commercial bank. He will be advised and assisted throughout his negotiations for a contract or loan, or both. The bank officer also will be in a position to inform the Government of the business standing and the personal reputation of the manufacturer. Thus we have, in effect, some 36 mobilization centers where national defense requirements, manufacturing facilities, and bank credit can be brought together and absorbed into the armament program. This is an example of the organization required for total defense.

## Lessons from 1917

"Let us take another aspect of total defense—the necessity for utilizing all our knowledge in the field of purchasing. First let us recall what happened in 1917 just after our entry into the World War. I do not make this comparison with 1917 because we are getting ready to enter this war.

"I make the comparison with 1917 because that was the only time when a comparable armament program was attempted. What happened then in the field of purchasing? The Army and Navy immediately began bidding against each other for the use of the Nation's factories. Different branches of the War Department entered into a furious scramble, all seeking the same manufacturing facilities, the same raw materials. Manufacturers lured skilled workers away from other manufacturers by offering them higher wages. Prices got out of hand and headed skyward. Some manufacturing facilities were overburdened while others lay idle. The Nation's railway system choked up and came to a standstill. Freight cars were lined up on sidings with no one to load or unload them. Looking back, one wonders how they ever built up the effective war machine that finally was developed.

"None of those things has happened as a result of the present defense program. None of them will happen if we do our jobs well.

"When we are placing contracts at the rate of millions of dollars a day, we must consider availability of manufacturing facilities, availability of labor—skilled and unskilled, availability of raw materials, transportation and power, effects of our buying on prices and business conditions in general, effects on production for use of civilian consumers. Moreover, we are endeavoring to spread contracts throughout the country as much as possible in order to take up all existing facilities and avoid over-expansion in certain sectors of the economy as well as to spread geographically the benefits of business stimulation.

## Cooperation

"The Army and Navy Munitions Board has done a splendid job over the past 20 years of surveying the Nation's manufacturing plants, charting their potential value, allocating armament orders to factories best equipped to handle them if need should arise, and spending what money they had to train management and labor in new techniques.

"The Division of Labor Training, under Sidney Hillman, has been able to furnish us with information on the number of unemployed workers possessing required skills and the number of general unemployed in the areas in which defense orders are to be placed.

"The Department of Agriculture informs us of the number of unemployed agricultural workers in each region, because we want to use them, too, whenever we can. The Industrial Materials Division studies and reports on the amount of raw materials available and the Transportation Division can tell us if there are adequate facilities for moving the materials into the plants and the finished products out to their destinations.

"All of you who are engaged in producing goods for civilian consumption know that most businesses have seasonal ups and downs. So whenever we can do so we buy during the slack season. The advantages are obvious: We avoid disrupting normal production, reduce seasonal unemployment, contribute to the over-all operating efficiency of the business by leveling out the year-round production curve, and secure a lower price for the Government than if the purchases were made at the height of the season.

"All this is part of total defense."

# Training Women for Defense Jobs

TRAINING WOMEN for defense jobs was discussed at a recent conference called by Miss Mary Anderson, Director of the Women's Bureau, United States Department of Labor.

Major topics were: Defense occupations for which women are especially adapted, training within industry, production work projects for girls (under NYA) and women (under WPA), vocational training, and women's service facilities important to the Army.

Report of a survey showed that more opportunities for skilled women workers

would be open in factories producing defense goods if women could be trained not only in manipulative skill but also in reading blueprints, micrometers, calipers, and in knowledge of metals and shop mathematics.

Mr. Dooley, of the Training Within Industry division in Mr. Hillman's Labor Division of the NDAC, showed how women's skills can be adapted to defense needs. He cited as an example a Government arsenal that is employing women to make time fuses. These women formerly operated embroidery machines. Previ-

ously, an unsuccessful effort had been made to use men who were watchmakers.

Number of girls in NYA shop work was reported to be increasing as boys leave for the CCC, the Army, or private industry. Very few women were reported in vocational education training courses under the United States Office of Education.

Those participating in the conference included the Women's Bureau labor advisory committee on standards for employment of women in the defense program; the general advisory committee to the Bureau, and others.

## Answers to Questions

*Q. Please give figures on volunteer enlistments in the Army.*

A. Such enlistments have brought the Army and National Guard to record peacetime strength of more than 500,000 men to date. Of these, about 375,000 are in the Regular Army. By June 30, 1941, combined armed strength of land forces will approximate 1,400,000 men.

*Q. Have retail food costs gone up?*

A. Commissioner Lubin, U. S. Bureau of Labor Statistics, reports that retail food costs declined 1 percent between mid-September and mid-October, following an increase of the same amount the preceding month. Reasons for recent decline are lower prices of meats, seasonal decline in fruit and vegetable prices, and lower bread prices in the New England and New York areas.

*Q. With what American republics does the United States provide for exchange of students?*

A. The Division of Cultural Relations of the State Department reports that professor-student exchanges have been established with nine American republics: Chile, Costa Rica, Dominican Republic, Guatemala, Haiti, Nicaragua, Panama, Paraguay, and Venezuela. The U. S. Office of Education cooperates with the State Department in selecting students for exchange. Ten American students had been chosen up to November, and four more were to be selected.

*Q. With all the expansion in airports and pilot training, what is being done to provide more ground-service men?*

A. Plans to train 5,000 airport ground-service men are under way as a WPA project, for which \$1,351,190 has been allotted. Men will be taken from WPA rolls. Cooperating with WPA are the U. S. Office of Education, Civil Aeronautics Administration, and air line and airport officials.

The experiment will begin with preparation of a course of study and teacher training by the U. S. Office of Education's specialist in aviation education, for instruction in Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia. After test training, study courses will be refined and program expanded to cover the Nation; States will take charge of training additional teachers and ground-service men. Plan aims are to improve ground service for rapidly multiplying air traffic, and to increase safety factors.

*Q. Who invented the Army's M-1 rifle?*

A. This rifle, also known as the Garand rifle, was invented by John C. Garand, senior ordnance engineer at Springfield, Mass., armory. The U. S. Civil Service Commission reports that Mr. Garand has been in the Federal civil service for 22 years, during which time he has assisted in design and development of several automatic rifles for Army use. He has given rights of his recent invention to the Government.

### DEFENSE HOUSING FOR 10 AREAS

Housing construction is to proceed at once in 10 areas where it is necessary to correct an existing or impending shortage that would impede national defense.

Defense Housing Coordinator Charles F. Palmer announced that President Roosevelt has found an acute shortage to the extent indicated, which would not be met by private capital when needed. The President's findings authorize Federal Works Administrator John M. Carmody to proceed at once, using defense housing funds.

Places and number of family dwellings to be constructed are as follows: Jacksonville, Fla., 300; Pensacola, Fla., 100; Charleston, S. C., 600; Philadelphia, Pa., and Camden, N. J., 1,000; Indian Head, Md., 650; New London, Conn., 300; Boston, Mass., 1,050; Vallejo, Calif., 950; Bremerton, Wash., 800; Island Oahu, T. H., 1,000.

# Federal Civil Service Rules Changed

JOHN SMITH, who passed a San Francisco civil service exam a while ago, may get a Federal civil-service appointment as a result. So may other John and Mary Smiths on city, county, and State eligible lists prepared on the basis of merit examinations.

This possibility is opened by Executive Order of the President, released November 13. The order makes a number of changes in Federal civil-service rules, some of which are an outgrowth of national defense activities.

Under the order, the U. S. Civil Service Commission is authorized to supplement ordinary recruiting methods by using State and local civil-service registers of eligibles in making Federal civil-service appointments. Not all such State and local regis-

ters can be used, however. To be used by the Federal commission, the lists of persons available for appointment must have been established as a result of examinations meeting Federal civil-service requirements and examination standards for the Federal classified civil service.

If all governmental units with formal merit systems had such standards, the order might eventually affect some 869 cities, 173 counties, and 17 States, as well as certain departments in the remaining States.

Although the U. S. Civil Service Commission officials do not expect to need to use this authorization immediately, they point out its value if a shortage of eligibles arises in certain localities for positions under the National Defense Program. The

authorization itself is significant as a step in building cooperation between Federal, State, and local civil-service agencies.

Several other changes in Federal civil-service rules are made by the same Executive order. These include: Reduction from a year to 6 months in the probationary period for new appointees; power to the Commission to enforce the prohibition against attempts to get persons on an eligible list to withdraw; specific prohibition against race discrimination to reinforce long-standing policy; and discretionary power to the Commission in handling eligible lists so as to speed its work under the defense program. Further changes are designed to establish uniformity and clarity of interpretation in civil-service rules.

## Teamwork . . .

(Continued from page 3)

cal equipment; pyrotechnical equipment; finishes (paints, varnishes, etc.); springs; alloy steel products; alloy steel tubing; alloy steel forgings; shock-absorber struts, axles, etc.; lights—navigation, landing, formation, etc.; shatterproof glass; rubber goods (tires, tubing, mechanical, etc.); control pulleys; bakelite and phenol parts; hand steering wheels; steel bolts, nuts, turnbuckles, standard AN parts and fittings; hydraulic, gas, and oil-line fittings, valves, pumps, etc.; cable, ignition and lighting; oil coolers and Prestone radiators; aluminum alloy forgings and castings; magnesium castings; armament accessories; tail-wheel assembly, tail strut, knuckle assembly, nose wheel assembly; main landing gear assembly, landing gear, "W" struts; fittings, rudder quadrants, hinge—navigation turret, lever assembly—connecting elevators, bracket assemblies, crank assemblies—bomb-bay mechanism; support assemblies—bomb-door mechanism, ailerons, bomb-bay fuel tanks; solenoid arming, solenoid release; ladders; lamp assembly forms.

OREGON: Crating and boxing fir lumber.

PENNSYLVANIA: Instrument and electrical equipment; aluminum alloy tube, sheet, extrusions, shapes, and other products; finishes (paints, dopes, lacquers, etc.); tapes and fabrics; stainless-steel products; alloy sheet, tube, bar stock; forgings, steel; gas- and oil-line fittings and valves; electrical switches and rheostats; storage bat-

teries; slide fasteners; shatterproof glass; synthetic products (methacrylate resin, sheet, bar, etc.); rubber goods; control cable; ball and roller bearings; bakelite and phenol fibre; steel bolts, nuts, standard AN parts and fittings; control pulleys; steel armor plating; brick; bakelite laminated products; oil tanks; drag ribs; bell crank assembly; bomb-bay doors, flaps, seats; "W" strut fittings, stabilizer spars; shutters, brackets, housings, fittings, etc.; box assemblies, ammunition boxes, chutes; gun switches, shutter controls; fittings.

RHODE ISLAND: Cable, ignition and

lighting; tapes and fabrics; fittings.

SOUTH CAROLINA: Cypress; pine lumber; turpentine.

TENNESSEE: Aluminum alloy sheet and corrugations; synthetic plastics.

VIRGINIA: Airplane boxing and crating lumber.

WASHINGTON: Crating and boxing fir lumber.

WEST VIRGINIA: Jig and fixture maple lumber.

WISCONSIN: Alloy steel forging; oil coolers and Prestone radiators; electric motors; electrical switches; sun visor—pilot's.

### DEFERMENT OF SELECTIVE SERVICE REGISTRANTS

No request for deferment from selective service training should be made until a registrant actually receives questionnaires that he is to fill out, according to an announcement by national headquarters, Selective Service System.

Deferment of an individual can be considered by local boards only after actual classification of individuals begins.

Prospective trainees, employers, and dependents who are submitting deferment requests to local boards ahead of the time of classification of a particular individual are merely complicating local board work without helping interested par-

ties. In all probability, it is a waste of effort for large corporations to ask for quantities of special selective service forms on which dependents and other interested parties may request deferment of registrants, in anticipation of the time when employees might be due for classification by local boards, states Mr. Dykstra, Director of Selective Service.

Employers in doubt as to likelihood of employees being called for selective service training should consult their State advisors on occupational deferments, who are at work in selective service headquarters in every State.

# DEFENSE



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AFTER SIX MONTHS

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SURVEY RESULTS

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Friday, Dec. 6, 1940

# Security Agency Given New Duties

ON DECEMBER 3 the President announced his approval of an order issued by the Council of National Defense designating the Federal Security Administrator as Coordinator of all health, medical, welfare, nutrition, recreation, and other related fields of activity affecting the national defense.

This order transfers to Federal Security Administrator Paul V. McNutt functions that had in part been carried by the National Defense Advisory Commission. Thus certain defense activities are integrated with the work of a permanent Federal agency.

The new duties include responsibility for the health of the Nation, for the rehabilitation of Selective Service registrants rejected for physical disabilities, for recreational facilities for mobilized trainees, and for the maintenance of nutritional standards.

The Health and Medical Committee, established by the Council of National Defense under the chairmanship of Dr. Irvin Abell, of Louisville, a former president of the American Medical Association, will work under Mr. McNutt. This committee is charged with responsibility for advising on the health and medical aspects of national defense and the coordination of resources in these fields. Subcommittees

have already been established dealing with hospitals, medical education, nursing, dentistry, industrial health, and Negro health.

Continuing responsibilities of the Federal Security Administrator include jurisdiction over the Social Security Board, the Public Health Service, the Office of Education, the Civilian Conservation Corps, the Food and Drug Administration, and the National Youth Administration.

The Division of State and Local Cooperation of the National Defense Advisory Commission and the Federal Security Administrator are now working out the relationship of State and local defense councils to the fields of defense activity affected by this order.

The text of the order follows:

## COUNCIL OF NATIONAL DEFENSE

### Coordination of Health, Welfare, and Related Defense Activities

Pursuant to the authority vested in it by Section 2 of the Act of August 29, 1916 (39 Stat. 649) the Council of National Defense, with the approval of the President, hereby designates the Federal Security Administrator as Coordinator of all health, medical, welfare, nutrition, recreation, and other related fields of activity affecting the national defense. In the performance of this responsibility the Federal Security Administrator as Coordinator shall, in cooperation with the Advisory Commission to the Council of National Defense, formulate and execute plans, policies, and programs designed to assure

the provision of adequate services of this character to the Nation during the national defense emergency; and to that end he shall coordinate the facilities of existing Federal Agencies with respect to these several fields of action and shall establish and maintain liaison with such other agencies, public or private, as he may deem necessary or desirable.

The Federal Security Administrator is authorized, with the approval of the President, to appoint such advisory committees and subcommittees with respect to health, medical, welfare, nutrition, recreation, and related activities as he may find necessary or desirable to assist him in the performance of his coordinating duties. Such committees and subcommittees may include representatives from Federal departments and agencies, State and local governments, organized private groups, and the public at large. The members of advisory committees and subcommittees shall serve as such without compensation but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties. Each committee and subcommittee shall operate under the direction and supervision of the Federal Security Administrator as Coordinator, and shall serve at his pleasure.

The Health and Medical Committee established by order of the Council of National Defense, dated September 19, 1940, is hereby transferred to the Federal Security Agency and such Committee shall hereafter exercise its duties and functions under the direction and supervision of the Federal Security Administrator. Vacancies occurring in the membership of this Committee shall, hereafter, be filled by appointment of the Federal Security Administrator, with the approval of the President. All

(Continued on page 7)

# Stabilizing Shipyard Employment

APPOINTMENT of a Shipbuilding Stabilization Committee to explore ways and means of stabilizing employment in the country's shipyards is announced by Sidney Hillman, Commissioner in charge of the Labor Division of the National Defense Advisory Commission.

The committee is composed of representatives of organized labor, shipbuilding industry, Navy, and Maritime Commission.

Mr. Morris L. Cooke, industrial engineering consultant attached to the staff of the Labor Division, has been named chairman.

The committee is expected to undertake a detailed investigation of wage rates and working conditions, with particular emphasis upon migration of workers from yard to yard and its effect upon production.

The inquiry will cover the various shipyard "zones" throughout the Nation and will form a basis for recommendations to the National Defense Advisory Commission as to a labor program that can be insured the most efficient construction of ships vitally needed for national defense.

A committee similar in personnel and purpose soon will be set up for the aircraft industry.

COVER ILLUSTRATION: Smoothing torpedo air flask, Naval Torpedo Station, Alexandria, Va. National Defense Advisory Commission photo by Palmer.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE, Division of State and Local Cooperation

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States. Published with the approval of the Bureau of the Budget. (Rule 42 J. C. P.)

Volume 1

Friday, Dec. 6, 1940

Number

U. S. GOVERNMENT PRINTING OFFICE

# The Score after Six Months

IN HIS capacity as director of the Bureau of Research and Statistics of the National Defense Advisory Commission, Stacy May recently summarized in a radio address the accomplishments of the first 6 months of the Commission's existence.

It is fitting that this report be made to the American people, Mr. May said, for "you will pay for the program and upon its effectiveness depends your security, your way of life, and your stake in freedom."

"I think that I know some of the questions you want me to answer: How large is the over-all program, and what will it provide by way of protection? Are the contracts going out with sufficient speed, and are delivery schedules on a satisfactory basis? Are proper steps being taken to anticipate bottlenecks and to keep them from choking off the production upon which our security depends? I shall try to give you answers to these questions.

## Over-all

"First, for the over-all program: There are a number of ways in which this may be measured, but I think that it may be stated most revealingly in this form. Up to date, Congress, in 1940, has appropriated funds or approved programs that call for direct expenditures for defense of something like 19 billions of dollars. This includes a shipbuilding program stretching out over a period of 6 years. However, we are going to need some more money to pay, feed, and clothe our increased Army and Navy, even though there be no further expansion of program. Thus, between last June and June 30, 1942, we have a program calling for actual defense expenditures by your Government approximating 17 billion dollars. On top of this our production facilities now have orders from the British which run into billions and are accelerating rapidly.

"What will we get for these expenditures?

"Navy.—We started this program with a Navy that was rated in effectiveness as one of the great navies of the world. It will be substantially stronger by the end of 1942, and by the end of 1946 it will have about 650 fighting ships, more than double those now in its possession and far more than double its present tonnage. By the end of next June Navy personnel will have increased by about 60 percent.

"Army.—Here the story is even more dramatic. Six months ago we started our program with a small peacetime army. By the end of next June it will have increased its personnel nearly fivefold, and by June 1942 this army of a million and a half men will be furnished with the finest and most modern equipment in the world, and there will be additional equipment for another half million men.

"Airplanes.—Our Army and Navy are proud of their present air force, but that is just the beginning. Under the new program the planes which our Army and Navy had on hand last June are being increased by about 650 percent. Our present equipment in other fields is being increased to a comparable or greater extent:

"Antiaircraft Guns.—By about 700 percent.

"Infantry Machine Guns.—By well over 1,000 percent.

"Tanks and Armored Cars.—By some 4,000 percent.

"Few contracts will grow out of funds appropriated for pay and subsistence. Contracts for an important portion of the naval building program that will come from 1943 to 1946 may reasonably be deferred for a considerable period. The part of the programs scheduled for completion by the end of June 1942 calls for contract commitments of a little more than 12 billion dollars.

## On Schedule

"Today, although we have only been at this for 6 months, close to 9 billions, almost three-quarters of this amount, is under contract. Progress is being made at a rate that will eat up the remainder in short order. I referred earlier to the expansion programs for the important combat items of planes, tanks and armored cars, Army antiaircraft guns and infantry machine guns. Measuring these by the number to be procured, the first three are more than 90 percent under contract and the machine guns over 85 percent.

"Do these contracts call for deliveries according to Army and Navy expectations? To date, and for the most part, they do. However, bottlenecks may develop as the weight of the Defense Program, and the civilian business it generates, presses upon our production resources.

"If we are to be confronted with drastic shortages of materials or facilities, there

are two courses open. One is to expand the source of supply—which usually means building new plants and equipment or increasing imports—and the other is to give the more important production first claim. Steps have been taken in both directions.

## Contracts and Plants

"A new type of contract has been developed in which Government shares with private capital the risk in emergency plant and equipment expansion for defense orders.

"We have been accumulating emergency stores of rubber, tin, manganese, chromium, mercury, quinine, tungsten, and other items.

"New Government plants are being built to produce smokeless powder, explosives like T. N. T. and D. N. T., Toluol, and for the assembly of artillery shells and bombs.

"Production has been encouraged of synthetic substitutes for vital materials not produced in this country—such as rubber.

"The Automobile Manufacturers' Association has offered its productive facilities to expedite plane production, thus relieving excessive pressure on the machine-tool industry.

"In the other direction, framework for a system of priority control has been established, to be used when, despite all effort, supply falls behind demand, to threaten defense production. A Priorities Board with an Administrator already has approved a system of voluntary preference ratings on defense contracts and has organized special committees to deal with machine tools and commercial aircraft. It has arranged clearances for the British Purchasing Commission to negotiate contracts on an additional 12,000 planes.

## The Impact

"If we do our job properly down here the impact upon our whole economy will be tremendous. Employment figures already reflect the demands for new labor, and over the next few years literally millions of new jobs will call for your services and your effort. New pay roll dollars will make for expanded demand for food, for clothing, for housing, for all of the necessities and amenities of life. Already our production level is higher than it has ever been in our national history. It is higher today by 12 percent than it was in the

(Continued on page 6)

# States and Cities

## City Attorneys Confer

Defense problems of particular concern to city attorneys were discussed by some 200 officials at the annual meeting of the National Institute of Municipal Law Officers, held in Washington, December 5-7.

Major topic was the protection of city power plants, water and gas lines, and transport facilities. Plans were analyzed for combating sabotage through cooperation of the Department of Justice and local law-enforcement agencies.

Other problems considered included surveillance by city officials of suspected "fifth-column" groups; city planning and zoning for new defense plants and defense housing projects; examination of contracts in which city governments have obtained priorities on materials vital to the National Defense Program; assistance of city officials in enforcement of immigration and alien registration laws, and cooperation in administration of selective service.

In addition to discussion of the role of cities in the National Defense Program, consideration was given to civil liberties, taxation, personnel, and other problems.

## Next Steps in Missouri

MISSOURI'S INDUSTRIAL COMMISSION, which acts as the State defense agency, conferred in Jefferson City November 29 with various organizations and officials.

Purposes were to analyze defense activities in the State to date and "to prepare to handle the impact of the national defense job on our local facilities."

Topics discussed were personnel training; regional planning, housing, public health, welfare, and related problems; civil protection and law enforcement; State highway development; agriculture in relation to national defense; legislation necessary to permit carrying out the program; and special and local problems.

## North Carolina

Governor Clyde R. Hoey has appointed an advisory State defense council of 49 members with coordination of civil and military affairs and other defense activities. Chairman is Col. J. W. Harrelson, administrative dean at North Carolina State College; executive secretary is J. T. Anderson, industrial engineer of the State department of conservation and development. The other 47 members include heads of several State administrative departments, college presidents, and other leading citizens.

## 50 Local Defense Councils in New York

New York State reports that 50 official local defense councils have been set up, of which 30 are in cities and 20 in counties.

Chairman of the local defense council in a number of cases is the mayor or the chairman or clerk of the county board of supervisors.

### County defense councils:

Albany	Oneida
Allegany	Rockland
Broome	Schenectady
Cattaraugus	Schuyler
Columbia	Steuben
Dutchess	Suffolk
Franklin	Sullivan
Jefferson	Ulster
Nassau	Wayne
Niagara	Westchester

### City defense councils:

Albany	Little Falls
Auburn	Mechanicville
Batavia	New York
Binghamton	North Tonawanda
Fulton	Norwich
Geneva	Oneida
Glen Cove	Oneonta
Glens Falls	Oswego
Gloversville	Port Jervis
Hornell	Rochester
Hudson	Rome
Ithaca	Schenectady
Jamestown	Sherrill
Kingston	Watertown
Lackawanna	Yonkers

# Lumber Demand Past Peak

LUMBER requirements for the defense program are being met on schedule, and demands on that industry have now passed their peak, it is announced by Edward R. Stettinius, Jr., member of the National Defense Advisory Commission in charge of Industrial Materials.

A 2-week survey of the industry shows that production for the current year will exceed last year's output by substantially more than the amount required by the national defense program. Despite the large sudden demand placed on the mills by Government orders for lumber required in the construction of cantonments, mills have been able to meet delivery schedules without causing a delay in construction work.

This is demonstrated by the fact that

construction work is now ahead of schedule, and 90 percent of the buildings required to house 1,000,000 men will be completed by January 1.

## Increased Production

The recently completed survey shows that increased production in the lumber industry has been particularly noticeable in the South, where many mills are working overtime and numerous small new units have been put into operation.

The South this year will produce approximately 8,000,000,000 feet of lumber, the survey showed, while Oregon and Washington will produce 7,500,000,000 feet and the Western Pine Region will turn out more than 5,000,000,000 feet.

Total production for the industry during the current year will approximate 28,500,000,000 feet, compared with 25,000,000,000 feet last year.

Lumber requirements directly resulting from the present defense program are estimated at one and one-half billion feet. Practically all of this material has already been purchased. The defense housing program, it is estimated, will use approximately one billion feet of additional lumber during 1941.

The ability of the lumber mills to meet defense requirements without delay has been aided by the practice of the War Department's Quartermaster Corps of centralizing lumber purchases in Washington. This has had a stabilizing effect on the industry and prevented pyramid bidding.



# The Week in Defense

PRESIDENT ROOSEVELT expressed general satisfaction with the preparedness program.

Generally speaking, the President said, the defense program is progressing satisfactorily, although there are specific items in the list of several hundred with whose progress he is not content. He added that he was particularly satisfied with a report from National Defense Advisory Commissioner Stettinius that armor-plate production is greater than officials had believed possible several months ago.

Commenting on the Army's demands that military-plane production be given precedence over commercial airline production for expansion, the President said he was inclined to feel that the matter would be settled without invocation of the priorities rule or a formal order.

## Air Corps Increase

Other reports of progress during the week included Army Chief of Staff General Marshall's announcement the Air Corps has been increased from 56 to 109 squadrons of combat planes and from 2,000 to 4,000 pilots; that the Army infantry has been expanded from 3 divisions to 18, with "9 more soon to come," that 1 division of cavalry has been brought to war strength of about 12,000 men with a second division "in process of activation; that 5 partially organized anti-aircraft regiments have been increased to 22 complete regiments"; and that similar changes have taken place in coast-defense troops, engineer regiments, communications battalions, medical organizations, and supply trains, so that there are now 500,000 men in the field undergoing intensive training and a prospect of 800,000 within "a very few weeks."

The NDAC pointed out that more than \$1,000,000,000 of defense construction of \$2,000,000,000 authorized is under way to provide troop quarters, air and naval stations, plant facilities for manufacturing airplanes, tanks, ammunition, and other military supplies and facilities for construction of ships.

## Money for Bases

Indicating future defense progress were these developments of the week:

President Roosevelt allocated \$50,000,000 from his emergency contingency fund to build eight air and naval bases on sites leased from Great Britain. Secretary of

the Navy Knox said it would take "some time" to complete the bases, although any one of them can be used immediately in danger threatens.

The National Advisory Committee for Aeronautics selected Cleveland, Ohio, as the site of its new \$8,400,000 airplane research laboratory for which Congress voted funds last June.

The President conferred with Secretary of the Navy Knox and Secretary of War Stimson, Attorney General Jackson, and NDAC Commissioner Hillman on keeping factories with Government contracts free from shut-downs arising from labor disputes and damage by sabotage.

Navy Secretary Knox decided that henceforth the Volunteer Naval and Marine Corps Reserves would be ordered to active duty with or without their consent when their services were needed, although every effort would be made to order only those to active duty who would suffer "the least personal hardship."

## Works Economy

The President announced that he would propose in his next budget message a rigid economy in dealing with nondefense public works. He said that expenditures for nonstrategic highways, rivers and harbors, public parks and forest-land purchases should be reduced to allow concentration on defense operations.

The President proposed, however, to perfect engineering plans on meritorious nondefense public works so that such projects might be used to take up the employment slack when the defense emergency has passed.

Asked if WPA projects would be discontinued, the President pointed out that an increasing amount of defense work is being done by that agency. The facts were, he said, that in addition to about 1,900,000 on the WPA rolls more than 750,000 other unemployed are on WPA waiting lists. These, Mr. Roosevelt said, must be absorbed before there can be any material reduction in the rolls. He added that he thought that by spring a great many of these unemployed will be working in defense industries.

## Britain Gets Bombers

The Navy granted permission to Great Britain to take first deliveries of a new type long-range patrol bomber being produced by the Consolidated Aircraft Corporation of California.

The President stated that armament shipments to Britain had reached a present peak and the Government was not at this time giving consideration to other forms of aid to the British such as the granting of credits and use of American naval vessels to convoy English supply ships. The President made it clear that every possible assistance in the production of armaments was being given and the chief difficulty was one of limited output of war materials.

The NDAC announced development of a long-range procurement policy for supplying the Army with meat with "the greatest possible efficiency and the least possible disturbance to civilian markets." The NDAC also announced that evidence of speculation in certain canned foods, with a resultant "unjustifiable increase in prices," had caused the Army to change its methods by buying tinned foods in small-size cans instead of the usual large size.

The War Department awarded a \$73,500,000 contract for operation and equipment of a small arms and ammunition plant at Lake City, Missouri.

## RFC Aid

Federal Loan Administrator Jones stated that "where there is a definite undertaking on the part of the War or Navy Department in a manner mutually acceptable for reimbursement over a period of 5 years, the RFC, either directly or through banks or the Defense Plant Corporation, will arrange or adjust such financing at an interest rate of 1½ percent per annum on payments made within the period."

Mr. Jones added that in accordance with its established policy the RFC will be glad to participate with banks in making defense loans, but the RFC will extend "proper credit at appropriate rates to any reputable manufacturers who have defense contracts if such credit cannot readily be had from banks."

A very large part of industrial financing for defense will involve working capital for submanufacturers who will not have a War or Navy contract calling for reimbursement of the cost of plant expansion, Mr. Jones said. "These loans should, wherever possible, be made by banks and should bear interest rates appropriate to the credit factors in the individual case. The RFC will consider such factors but in no case will charge more than 4 percent interest."

# Results of Ghost Town Survey

PRELIMINARY results of a survey of American "ghost town" areas, begun 3 weeks ago by a staff of economists and industrial engineers, have been announced by Sidney Hillman, Commissioner in Charge of the Labor Division of the National Defense Advisory Commission.

This preliminary survey has resulted in preparation of a special list of idle plants and equipment to aid defense contractors and speed up deliveries on their orders.

This list is being mailed to 500 firms now working on defense orders.

Mr. Hillman pointed out that in all communities so far surveyed there is available a reservoir of capable workers—most of them home owners who are anxious to work where they live. In the majority of cases the plants in "ghost town" regions, when put into operation again, can use this labor supply at once without the need for any additional training.

In these instances the Labor Division is laying particular stress upon the advantage of giving job preference to local people.

## Bulletin Available

In connection with its program for revitalizing the Nation's shut-down areas the Labor Division of the Defense Commission has made available the first of a series

### NO DEFERMENT FOR DEFENSE WORKERS

Workers in "defense industries" are just as eligible for selective service training as men in all other walks of life, National Headquarters, Selective Service System, has announced.

No occupational - group deferments can be made under the 1940 law. This is in contrast to the situation in the World War, when employees of shipbuilding and certain other industries had a blanket exemption.

Today, the registrant's local selective service board must decide in each individual case whether the man is "essential" in his job and could not be replaced readily. Deferment can be made on these grounds whether or not the industry is of a so-called "defense" character.

of bulletins, Labor Defense Bulletin No. 1, which describes the techniques of "farming out" defense orders here and abroad.

This bulletin may be obtained by writing to the Labor Division, National Defense Advisory Commission, Washington, D. C. The list of facilities being brought to the attention of concerns now engaged on defense orders follows:

Foundry in a small town in western Pennsylvania, 158,000 square feet with 91-inch cupola (20 tons per hour); adequate yard craneage, three railroads; high percentage of home ownership.

Central midwest. Railroad repair shop with a complement of machine tools, blacksmith, and forging equipment. Normally employs 1,000 men; now running one shift at 50-percent capacity. Capable of making and assembling any type of heavy machinery. Excellent transportation facilities.

In western Kentucky. Well-equipped machine manufacturing plant with heat-treating equipment employing about 75 mechanics (including six toolmakers expert on jigs and fixtures) capable of doing highest quality precision work. Working one shift, 50 percent. Excellent transportation facilities by rail or water.

South-Central Pennsylvania. Well-equipped foundry, pattern, and machine, tin and metal shops of specialized manufacture, running at less than 25 percent capacity. Adequate artisan force available. High proportion of home ownership.

Industrial county in western Pennsylvania (population 165,000) where owners of manufacturing plants with considerable machine-tool capacity have pooled all facilities and are ready, working as a single plant, to execute orders for Government, or Government contractors.

Group of manufacturers in large midwestern city with machine tools and equipment of all description are pooling facilities, thus providing equipment not generally available except in largest sized plants. This pooling has increased the potential capacity.

Group of small shops centrally located in midwest, with variety of small tools, such as engine and turret lathes, boring mills, drill presses, milling machines, planers, and shapers; prepared to pool facilities and execute orders.

In Tennessee Valley numerous small manufacturing plants with idle capacity are available for turning out a wide diversity of national defense products, such as bandages, first-aid kits, small ceramics, ammunition components from plastics, fatigue uniforms, parachute webbing, tent heaters, machine tools, and special machines. In an industrial town in Ohio-Pennsylvania

industrial region, a 400-ton blast furnace; foundry for making ingot molds; tank, tank-car, small stamping, light and heavy machine work plants, operating considerably below capacity. Good transportation facilities; high percentage of home ownership.

In Ohio-Pennsylvania-Great Lakes region. A rolling mill with available capacity for prompt fabrication of light structural steel of all kinds. In northwestern Pennsylvania industrial region; heavy-tool manufacturer with additional capacity for production of various types of compressor equipment. This company is also equipped to handle orders for the heat-treatment of steel for various types of machine equipment.

Close to Pittsburgh district. A machine manufacturer has equipment and trained workers available for turning out precision machines, including an equipped foundry for small- and medium-sized castings.

Integrated furniture factory in southern Indiana. Operating 50 percent capacity; is equipped to fabricate articles of wood. Served by two railroads and three commercial truck lines. Adequate local supply of raw material and experienced labor.

In southern Indiana a manufacturer of diamond saws, special tools, and small machine parts. Well equipped, but operating at less than 50 percent capacity.

Railway repair shop in Shenandoah Valley: complete with heavy and light lathes, drill presses, planers, boring mill, brass foundry woodworking equipment, welding equipment. Will work on defense work 20 hours a day. Reliable skilled labor, inexpensive electric power, and abundant water supply.

## Defense Score . . .

(Continued from page 3)

peak of the boom year of 1929. It must climb steadily in the next 2 years if we are to achieve the schedules we have set

"The Advisory Commission is charged with the task of seeing that the schedules are achieved. It has an equal regard to see that the living standards, the health and the welfare of our population are safeguarded, and where possible, improved.

"I hope that I have not given encouragement to an easy optimism about the Defense Program. I believe that we must step up our endeavor still further. I believe that you, with those of us who are working on defense, should not be satisfied with progress upon a program that represents anything less than the maximum of possible accomplishment."

# Warm Clothes for the Army

Bids are invited immediately for substantially all woolen goods to be purchased during the remainder of the fiscal year, ending June 30, 1941, by the Army and the CCC, the Office of the Coordinator of National Defense Purchases has announced.

After thorough study it has been decided by all interests involved that elimination of any doubts in the trade about the extent of national defense requirements for the rest of the fiscal year will have a stabilizing effect on the industry.

It will permit manufacturers of woolen goods to make the necessary arrangements to take care of both Government and civilian needs for the next several months with assurance that no further large orders are planned during that time.

Quartermaster Depot at Philadelphia receives bids.

To encourage the widest possible participation of the industry in this business and to prevent development of possible bottlenecks, the terms of this offering will require no deliveries before March and will permit manufacturers to spread deliveries at the rate of 20 percent monthly until August 1. This delivery schedule furthermore will permit the use, to a considerable extent, of wool from the new domestic clip.

## General Policy

This action has been taken in accordance with the general policy of the Defense Commission to see that clothing and blankets for the army in training are available when needed and to assure ample supplies of woolen and worsted goods at reasonable prices to the civilian population; to protect the American wool growers' market for the domestic clip and further to assure all elements in the industry, including labor, full opportunity to benefit from the increased business derived from the defense program.

It was pointed out by the Office of the Coordinator of National Defense Purchases that from the standpoint of the trade there are several reassuring elements in the present situation.

For instance, it is now made known to the trade for the first time that the Army program for the present fiscal year will be substantially complete with the placement of these contracts. This is also true of the Navy program.

Furthermore, recent relaxation of the law requiring exclusive use of domestic

wool in Army goods has relieved the fear of a severe shortage of wool suitable for military purposes.

It also should be remembered that future requirements of the Army for woolen goods are expected to be much smaller than the current buying program. In the present situation it was necessary to provide complete initial equipment as well as subsistence and reserve stocks for the entire Army in training, while in future it will be necessary to provide only for replacement of articles as they wear out.

## Can Absorb Work

It is the opinion of Defense Commission officials, based on analyses of existing capacity and operations, that the woolen industry can absorb the military purchase program with slight inconvenience to civilian buyers and that prevailing rumors

of a tight situation in the industry are exaggerated. In support of this conclusion it is pointed out that to date less than half of the industry has even bid on Government business.

In cooperation with other governmental agencies, the Defense Commission is continuing to study closely the question of assuring adequate supplies of raw wool for both military and civilian requirements.

It is known that ample supplies of wool from this year's clip are available in the Southern Hemisphere and that buying for export to the United States is active.

From present indications sufficient wool for all normal operations will be available as needed, but in event of serious difficulties in obtaining such supplies at reasonable prices the Commission will not hesitate to take such action as may seem necessary.

# Fire Committee Named

RECOGNIZING the vital place of fire fighters in a national defense program, the National Defense Advisory Commission has announced appointment of an Advisory Committee to explore the entire field of fire fighting and prevention.

This committee held its first meeting in Washington, December 5, with the following agenda:

1. To study the problems of fire prevention, fire protection, and fire communications, and the function of the fire services in the defense program;
2. To provide for the development of methods for the most effective use and coordination of existing fire-prevention and fire-fighting facilities;
3. To plan for such research and training activities as may be necessary for the general extension of defense fire prevention and protective facilities; and
4. To provide for procedures for the effective dissemination of such general and technical information as may be desirable with respect to this subject.

Mayor Maurice J. Tobin, of Boston, has been appointed chairman of the committee. The other members are: Commissioner John J. McElligott, of the New York Fire Department; Chief W. H. Palmer, Charlotte, N. C., president of the International Association of Fire Chiefs;

Isaac S. George, executive director of the Maryland Council of Defense and Resources; George J. Richardson, secretary-treasurer of the International Association of Fire Fighters, Washington, D. C.; H. A. Friede, Superintendent of Fire Alarms, Washington, D. C., and representatives of the Army, Navy, and Department of Agriculture.

Appointment of the advisory committee grew out of a recent Washington conference called by the director of the Division of State and Local Cooperation of the National Defense Advisory Commission, and attended by the country's leading fire-fighting experts.

## Security Agency...

(Continued from page 2)

rules and regulations, projects, and activities of the Committee required to be approved by the Council of National Defense or the President shall, prior to submission thereto, be approved by the Federal Security Administrator.

Within the limits of appropriations allocated for purposes encompassed by this order the Federal Security Administrator may contract with and transfer funds to existing governmental agencies and institutions and may enter into contracts and agreements with individuals or educational or scientific institutions for studies, reports, experimental investigations, and expert counsel.

★ ★ ★ ★ **EXECUTIVE ORDER** ★ ★ ★ ★

*Extending the Period of Eligibility on Civil Service Registers of  
Persons Who Serve in the Armed Forces of the United States*

BY VIRTUE of the authority vested in me by the provisions of paragraph Eight of subdivision Second of section 2 of the Civil Service Act (22 Stat. 403, 404), it is ordered that no period of time served in the armed forces of the United States under the provisions of the act authorizing the President to order members and units of reserve components and retired personnel of the Regular Army into active military service, approved August 27, 1940 (Pub. Res. No. 96, 76th Cong.), as amended, or the Selective Training and Service Act of 1940, approved September 16, 1940 (Pub. No. 783,

76th Cong.), shall be counted in determining the period of eligibility for appointment of those persons whose names appear on eligible registers of the Civil Service Commission at the time of entering the service of their country under the provisions of the said acts or who attain eligibility during such service: *Provided*, That such persons shall notify the Civil Service Commission within forty days after their service in the armed forces has terminated that they desire to have the benefits of this order.

THE WHITE HOUSE, November 25, 1940.

(No. 8602)



## How Defense Building Adds Up

THE National Defense Advisory Commission has made public a further analysis of the two billion dollars to be expended for defense construction up to June 30, 1942.

This sum provides for living quarters, air and naval stations, plant facilities for manufacturing airplanes, tanks, ammunition and other military supplies, shipyards, and other construction.

An estimated \$600,000,000 of this total will be spent for wages on construction sites in the 48 States and at our territorial defense outposts in Alaska, the Caribbean Islands, and the Pacific. The total construction-site employment furnished by this phase of the construction program will total over 730,000,000 man-hours during the next 16 months.

Over one billion dollars' worth of material orders will be called for under the defense construction program. This provides 1,260,000,000 man-hours of employment in the mines, forests, factories, and in transporting the materials to the construction sites.

Iron and steel products lead in the ma-

terial orders resulting from the construction program, with approximately \$240,000,000 in subcontracts either already placed or at present being negotiated. The major part of iron and steel orders (not classified under plumbing, etc.) will be for structural shapes and members, miscellaneous steel building materials.

With a large amount of frame construction called for under the troop housing program, over \$140,000,000 worth of orders are for lumber and millwork. In addition to the troop housing program, large quantities of lumber are needed for concrete forms and for trim in the permanent building called for under the program, as well as flooring and other items. Lumber for furniture is not included under this construction analysis.

Brick, hollow tile, and cement orders will total \$175,000,000. In addition, sand, gravel, and crushed stone, including sand and gravel used in concrete products, will total an additional \$80,000,000.

In the materials requiring more factory finishing, heat and ventilation materials

ordered for defense construction total \$80,000,000, and plumbing materials for the entire program total \$65,000,000.

Electric wiring and fixture orders come to over \$40,000,000. Contracts for electrical machinery, apparatus, and supplies total \$15,000,000.

Orders for marble, granite, slate, and other stone products for defense construction total \$18,000,000.

Wall plaster, wallboard, and insulating board will cost \$20,000,000 and roofing materials \$17,000,000.

The three remaining major building materials under this analysis are: non-ferrous metals and their products, \$7,000,000; tiling, floor and wall terrazzo, \$6,000,000; paints and varnishes, \$7,000,000.

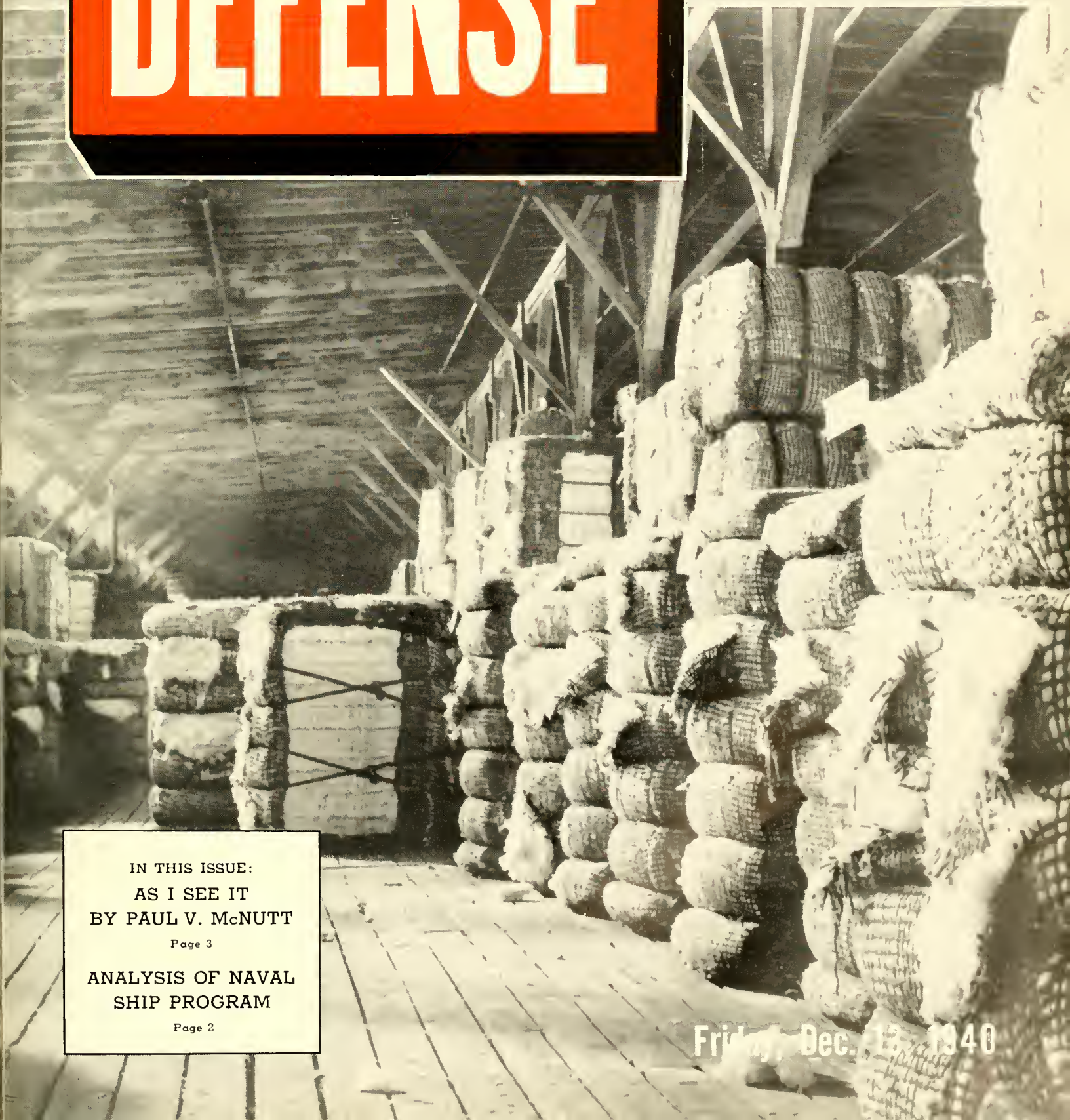
All other materials not listed come to \$125,000,000.

The remaining amount not under site payrolls and material orders includes generally such items as expenses, legal fees, taxes, and profit.

Dec 30

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# DEFENSE



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 AS I SEE IT  
 BY PAUL V. McNUTT  
 Page 3

ANALYSIS OF NAVAL  
 SHIP PROGRAM  
 Page 2

Friday, Dec. 15, 1940

# Analysis of Naval Ship Program

THE NATIONAL DEFENSE ADVISORY COMMISSION has made public an analysis of the \$7,700,000,000 naval ship construction and alteration program as the third of a series giving the details on the present expansion of the defense program.

This analysis reveals that contracts awarded for ship construction to date total over \$3,800,000,000. The remaining portion of the total will be utilized for armor, armament, and equipment, to be contracted for as the ships approach completion.

Meanwhile great progress has been made in expediting contracts for new ships. The major portion of the contracts for new ships was cleared within 24 hours after the appropriation bill was signed in September. The process alone of letting contracts had sometimes taken months under the procedure used before the emergency.

Shipbuilding time has been materially cut. The 40-month building period for completing cruisers has been cut as much as one-eighth, and submarine construction time has been cut from 30 months to 24 months. Destroyers under construction are being launched 3 months ahead of schedules.

## One Every 12 Days

At the present time new fighting ships are going into service with the Navy at the rate of one every 12 days.

With 330 major combat ships under contract, rapid expansion in the Nation's shipbuilding industries has been called for to meet the new speeded-up schedules. Present shipbuilding yards are being expanded, and new yards are being constructed on the West and Gulf Coasts. The enacted program for construction of shipways and shipyard facilities calls for

Navy construction totaling \$150,000,000.

Many sections of the Nation will participate in the primary contracts for ship construction. A regional breakdown of the contract awards shows that the major portion is concentrated in the northeastern section of the country. The New England region has received almost \$900,000,000 in awards, mostly in the cities of Boston, Mass.; Bath, Maine; and New London, Conn.

Over a billion dollars will be spent in the Middle Atlantic region, mostly in New York, N. Y.; Newark, N. J.; and the Philadelphia-Camden area. In the South Atlantic region, the shipyards at Norfolk, Newport News, and Portsmouth, Va., receive the major portion of awards totaling nearly \$600,000,000.

On the Pacific Coast, San Francisco and the yards at Seattle-Tacoma, Wash., take the greater portion of over \$500,000,000 in contract awards. Other regions, making up the central section of the country have received roughly \$200,000,000 in contract awards for construction of small ships in the Great Lakes area. The remaining amount is unassigned as to locality.

## Subcontracts Spread

Subcontracting will be more widely spread than ever before. Such items as navigating equipment and engine assemblies arrive in their completed form, ready for installation.

For example, in one instance, in the Tampa, Fla., shipyards, a completed Diesel engine was put in place, having been produced at the Nordberg Diesel Co. plant in Milwaukee. Following this same procedure, entire boilers will be delivered; auxiliary machinery will be completed and assembled outside the yards, thus requiring only the actual installation work to be

done within the shipbuilding yards themselves.

This procedure will free the larger subcontracting facilities for other defense projects, while the smaller machine shops throughout the Nation will participate in building up materials and subassemblies necessary to the program.

The intense activity in shipbuilding centers has resulted in a sharp rise in shipbuilding employment. The latest figures show 162,000 workers employed directly in the shipyards. For every employee in the shipyards there is another employed in plants furnishing materials for ship construction, bringing the total currently employed under the shipbuilding program to more than 300,000.

As subcontracts are let in ever-increasing numbers, the ratio of outside employment to the employment in the shipyards will increase.

## Job Stabilization

In order to explore ways and means of stabilizing employment in the Nation's shipyards, the Labor Division has appointed a Shipbuilding Stabilization Committee to undertake a detailed investigation of wage rates and working conditions. The committee will recommend the labor program that can best insure the most efficient and rapid construction of ships most vitally needed.

The increased employment at shipbuilding centers has resulted in need for greater housing facilities. The Coordinator of Defense Housing has announced a housing program in 11 centers, such as Boston and Newport News, to provide over 6,000 dwelling units financed by public funds and a greater number to be provided by private industry.

COVER ILLUSTRATION: COTTON—an important defense material; Memphis, Tenn., warehouse.—Farm Security Administration photo by Post.

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**DEFENSE**

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE, Division of State and Local Cooperation.

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States. Published with the approval of the Bureau of the Budget. (Rule 42 J. C. P.)

Volume 1 Friday, Dec. 13, 1940 Number 16

U. S. GOVERNMENT PRINTING OFFICE

# AS I SEE IT

IN A TOTAL DEFENSE PROGRAM, health and welfare problems of the civilian and military population are inseparable. Materials for defense are useless without adequate manpower, and adequate manpower can only be drawn from a strong, healthy people.

As Federal Security Administrator and Coordinator of Health and Welfare Activities affecting the National Defense, it will be my task to mobilize all resources pertaining to the social services and apply them to the physical problems of a Nation arming to preserve its freedom.

It is of even more vital importance today than it was in the peaceful surroundings of yesterday that the men, women, and children who make up the vast army on the home front be given proper care. Ill health, disease, malnutrition, and the distressing lack by so many of our people of adequate medical, hospital, and nursing facilities will tend to undermine morale and destroy the effectiveness of other preparedness efforts.

## Tools of Democracy

Our first step is to unite efforts of Federal and State Governments, and the professional, commercial, and voluntary groups in our unified drive for aggressive strength. The faith, enthusiasm, and ability of these groups to mobilize interest are as impressive tools as democracy possesses. And within the structure of the Federal Security Agency and with the cooperation of other Federal agencies concerned we pledge our continuing efforts to improve the basic services which it is our responsibility to administer. In accordance with the President's promise, we will utilize existing facilities of the Federal Government wherever they may be.

And, of course, we are confident that the agencies of the State and local governments will join with us in carrying out these responsibilities.

One of the most pressing problems facing us is that of malnutrition. Records compiled by various sources show that malnutrition is widespread and serious. This condition exists in spite of the fact that there is an apparent surplus of those foods in which the dietary of so many is deficient—milk and milk products, citrus fruits, green vegetables, and meat. Undernourishment, lack of energy, lowered production, and lost efficiency follow one another.

It is perfectly obvious that whatever cuts into the efficiency and productivity of

our workers materially hampers and handicaps us in our defense preparations and lowers the stamina of the Nation as a whole. We have made a beginning in attempting to solve this problem through the Department of Agriculture's food-stamp plan. What is needed in this emergency is an intensive national drive to use the food we have to improve the fitness of our manpower.

## Recreation Plans

Another important problem of coordination assigned this office falls within the field of recreation. As I see it, genuine recreation tends to refresh and stimulate and leaves the individual better prepared for the duties of existence. The program must be broad and planned for all groups. Our plan is to work through the Division of State and Local Cooperation of the National Defense Advisory Commission with local communities faced with recreational problems arising out of the Defense Program.

Already a Health and Medical Committee is at work. It is concerned principally with mobilization of medical and allied resources of the country and the wisest usage of such resources to protect both military and civilian interests. The committee has named subcommittees to deal with problems in the fields of hospitalization, medical education, dentistry, industrial health and medicine, nursing, and Negro health.

Problems commanding the committee's immediate attention include: Medical aspects of the operation of the Selective Service Act and selection of airplane pilots; sanitary and health services in and around mobilization and defense industry areas; rehabilitation of persons subject to selective service training but rejected because of corrective physical defects or disease; research problems of acute interest to the National Defense; and health and medical services in defense industries.

In this connection, we are beginning to see in specific localities where there are already heavy military concentrations or large industrial expansions how the influx of large additional population has its impact on every facet of governmental and social activity. We have received reports that there are already thousands of families moving into areas where new defense industries are developing. Moreover, communities which are adjacent to cantonments are beginning to experience the special problems in adapting their normal

community planning to the special needs arising out of the presence of troops.

The task of absorbing the impact of these developments is essentially one which the local community must face squarely. Responsibility for working out these and other essentially local problems is one which can be met primarily through the coordinated efforts of local citizens, both in professional and voluntary capacities.

The Federal and State Governments will, of course, assist the localities in every possible way to attain these ends. But if we believe in democracy, if we believe in the ability of local communities to meet local problems, then we have immediately ahead of us a test of the capacity of local government to develop within a national framework a plan by which this aspect of the Defense Program may successfully meet the challenge of those who would destroy democracy.

PAUL V. McNUTT,

*Federal Security Administrator and Coordinator of Health, Welfare, and Related Activities for the National Defense Advisory Commission.*

## SELECTIVE SERVICE APPEAL BOARDS

Urging Selective Service appeal boards to dispose of cases reaching them as promptly as full consideration will permit, C. A. Dykstra, director of Selective Service, also has cautioned individual members against occupational partisanship.

Selective Service regulations provide that a board of appeal shall be composite, representative of all activities in its district, and as such should include "one member from labor, one member from industry, one physician, one lawyer, and when applicable, one member from agriculture."

"In providing for such appointments it was believed that the knowledge and understanding of each as to problems arising in his usual field of endeavor would enable boards to have a broader conception of essential factors in determining proper classification of registrants." Maintenance of the national interest, Director Dykstra said, must be the primary consideration of each and every member of an appeal board.

# The Week in Defense

PRESIDENT ROOSEVELT said he would seek earliest possible Senate approval of a treaty with Canada for completion of the Great Lakes-St. Lawrence seaway and power project as a means to speed up defense production and provide a haven for ship construction in an emergency.

## Finance

Secretary of Commerce Jesse Jones estimated that the Reconstruction Finance Corporation has made national defense loans to business totaling between \$250,000,000 and \$300,000,000, while RFC subsidiaries have made allotments and commitments totaling \$500,000,000 for purchase of war reserves of strategic metals. About \$175,000,000 went for plant expansion.

Secretary of the Treasury Morgenthau announced a \$50,000,000 loan to Argentina for currency stabilization purposes under an agreement similar to that involved in a recent \$50,000,000 loan to China. Secretary of State Hull described the new Argentine loan as part of collaboration among American nations to develop hemispheric economic defense.

In addition to the currency stabilization loan to China, President Roosevelt announced financial aid to that country in the amount of \$50,000,000 in immediate credits, to be retired through deliveries here of essential defense metals.

Referring to loans to South American nations, Mr. Jones said he was impressed by the desire of South American nations to "meet their obligations and be good neighbors."

Secretary Morgenthau told the Senate Banking Committee that he agreed with a recent statement by Mr. Jones that Great Britain would be "a good risk" for loans.

The cost of carrying out the present defense program for the next 5 years was estimated at \$35,000,000,000 in a report by Agriculture Department economists.

The report predicated that defense spending will cut unemployment rolls in half by 1942 and the indicated increase in purchasing power would be reflected in higher prices for most farm products.

President Roosevelt stated he would oppose any proposals to enact a sales tax to finance Government defense spending. After a conference with the President, Chairman Harrison of the Senate Finance Committee said that it had been decided there will be no new taxes on the 1940 incomes of individuals or corporations at this session and no retroactive taxes at the next.

## Housing

Defense Housing Coordinator Charles F. Palmer stated that there are 20,000 family units of defense housing under construction contracts and 25,000 more allocated and in process of land purchase and contract negotiation. He added that private developers can be assured that the Government "will not encroach on their field at least until they have had a chance to perform." He assured them that Government housing agencies have agreed in advance to dispose of Government defense housing at the end of the emergency in such a way as not to destroy private investment in higher-rental permanent residential property.

Gen. George C. Marshall, Army Chief of Staff, said that rent profiteering and questionable civilian activities springing up in areas of troop concentrations are "troubling" the War Department because it has "no immediate remedy within its power." He called on communities, churches, and civic organizations to cooperate in bringing this "sordid business" under control.

## Army

The War Department estimated that by June 30, 1941, the United States Army will include 1,400,000 men as follows:

Infantry, 290,000; Field Artillery, 141,000; Coast Artillery, including anti-aircraft, 131,000; Air Corps, 128,000; Medical Department, 76,000; Quartermaster Corps, 69,000; Corps of Engineers, 61,000; Cavalry, 29,000; Signal Corps, 29,000; Armored Corps, 22,000; Ordnance Department, 18,000; Chemical Warfare Service, 4,000; and Finance Department, 2,000.

President Roosevelt allotted \$25,000,000 from his emergency contingency fund to the Army for garrisons at the eight Atlantic and Caribbean bases recently leased from Britain. Previously, \$50,000,000 had been awarded the Navy for construction of naval and air bases at these sites.

The Department announced plans for a \$9,000,000 anti-aircraft training center near Wilmington, N. C. Buildings to be built on leased coastal land will be ready for eight regiments March 15.

## Navy

Secretary of the Navy Knox called for higher pay for the Navy, declaring in his annual report that the "present inadequate

pay is occasioning discomfort and hardships." Navy pay now ranges from \$21 a month for recruits to \$8,000 a year, plus rent and subsistence allowances, for rear admirals. Secretary Knox said that the present pay schedule represents only a 10 percent upward adjustment since 1908.

The President called for further speed-up in construction of new destroyers and referred the problem to Commissioner Knudsen of the National Defense Advisory Commission in charge of industrial production.

## Employment

The continuing impetus of the defense program plus further seasonal gains in employment resulted in a record total of 339,000 private placements by the United States Employment Service during October.

## Pilots

The CAA's civilian pilot program, enlarged and altered last June to create a reservoir of citizen flyers from which the armed forces could draw pilot material, already has provided more than 2,600 of its trainees for Army and Navy air training centers.

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## DEFENSE PLANS IN OUR CITIES

"As we contemplate the sudden conquest of other countries which became aware of their danger too late . . . it is easy to understand the panting earnestness of the demand that 'we do something' and do it fast," states the *National Municipal Review* in a recent issue.

"But it may be in order," the editorial continues, "even at the risk of seeming to throw cold water on patriotic enthusiasm, to suggest that this is a time for cities to avoid hasty, ill-conceived action.

"Many local committees have added to the confusion in Washington by descending on busy officials with demands for armament factories, pilot-training schools, and airports. There have even been a few indications of the beginnings of violent attitudes which come with war hysteria. These things do not help. . . .

"The chief need is for orderly planning and integration. At this stage it is still very much a job for the experts. Ideas and discussion are always in order—at least in this country—but this is no time to mount our horse and gallop off in all directions."



# Model Sabotage Legislation Submitted

THE FEDERAL-STATE CONFERENCE on Law Enforcement has made public the report of its Drafting Committee. Model State legislation on sabotage prevention, control of explosives, State home guard mobilization, and for the protection of public properties, drafted by the Committee, is being sent to State officials and legislative leaders for consideration by the 43 State legislatures which convene in January.

Outstanding in the Drafting Committee's report was a recommendation tabling a proposed State firearms act and favoring enactment of a Federal statute requiring the registration of all firearms. The Committee's recommendation that Federal registration of all firearms is necessary from the standpoint of National defense was a unanimous one.

After consideration of a proposed model act for strict regulation of subversive groups and uniform-wearing organizations, the Drafting Committee, composed of State officials, withdrew this act. It was felt that because of Congress' enactment of the Voorhis Bill requiring Federal registration of various political and military groups, no State legislation in this field was necessary for the time being. The committee suggested, however, that State officials confer with Justice Department representatives to reconsider the subject after the Federal Government has had experience in enforcing this legislation.

## 10-Year Penalty

As approved, the model State anti-sabotage act provides for punishment of acts of sabotage already committed; regulates use of highways near National Defense properties; aids in detection of saboteurs by providing for questioning and detention of persons found to have unlawfully entered upon defense properties; assists in conviction of saboteurs by amending State laws covering conspiracy and the privilege against self-incrimination; and, finally, guards against the act being used as a means of oppressing organized labor.

Maximum punishment provided in each section is imprisonment for 10 years. However, if sabotage results in murder, or some other crime punished more severely under existing State laws, prosecution for that offense is permitted instead of for sabotage.

It is pointed out that, under our Constitution, prevention of sabotage in most cases is a State rather than a Federal func-

tion, especially when we are not at war.

The State guard bill is designed to meet the situation arising in the States by calling National Guard units into Federal service. Congress passed enabling legislation necessary to allow States to establish a State guard during absence of the National Guard. While several States already have laws which make adequate provision for the creation of a State guard by the governor, the majority have no such statutory authorization and probably will need this type of legislation. The bill provides for a guard set up under regulations prescribed by the State governor and prohibits the guard from being required to serve outside the State.

## Interstate Protection

The model State explosives act regulates manufacture, sale, distribution, use, and possession of explosives, and requires licensing of those who use explosives. Legitimate users of explosives are protected by this act, which is aimed at saboteurs or subversive groups that might cache explosives for use in sabotage or to create civil disorder. The bill would prevent possession or use of explosives by those not licensed to have them.

## Fire Defense Committee Meets

A COMMITTEE of leading American fire-fighting experts, under chairmanship of Maurice J. Tobin, mayor of Boston, Mass., met in Washington to begin work on model requirements for fire control and fire prevention throughout the Nation as part of the Defense program.

The committee was named at a recent conference called by the Division of State and Local Cooperation of the National Defense Advisory Commission.

Procedures and requirements are being set up by the committee for a coordinated program. Model requirements are being developed for protection of water mains and for fire communications systems between cities so that mutual aid may be rendered.

Recommendations are being made for a program to provide auxiliary personnel for fire prevention and protective work.

As fast as the standards are developed they will be transmitted to the Division of State and Local Cooperation of the National Defense Advisory Commission for

The act for interstate protection of public property is for use in those States in which property of one State, or any of its political subdivisions, is located in an adjoining State.

One such instance arises between Maryland and Pennsylvania, where the watershed and reservoir for the public water supply of Cumberland, Md., is located upstream in Pennsylvania. The act provides machinery for any extraordinary protection which Cumberland might want.

Appointment of the Drafting Committee, which is headed by James C. Wilkes, Commissioner on Uniform State Laws, Washington, D. C., grew out of the Federal-State Conference on Law Enforcement Problems of National Defense which met in Washington August 5 and 6. In attendance at this conference were the governors of 14 States, the majority of State attorneys general, and over 200 other State and Federal officials. The conference was called by the Council of State Governments, the Governors' Conference, the National Association of Attorneys General, and the Interstate Commission on Crime, in cooperation with the United States Department of Justice.

distribution to American communities.

Two subcommittees were appointed.

One is composed of technical experts under chairmanship of John J. McElligott, commissioner of the New York City Fire Department. Members are Chief W. H. Palmer, Charlotte, N. C., president of the International Association of Fire Chiefs; H. A. Friede, superintendent of fire alarms, Washington, D. C.; and George J. Richardson of the International Association of Fire Fighters.

The second subcommittee was appointed to plan procedure for dissemination of such technical information as may come out of the work of the whole committee. Members are Isaac S. George, executive director of the Maryland Council of Defense; Dr. David J. Price, chemical and engineering expert for the Department of Agriculture and vice president of the National Fire Protection Association; and Lloyd Eno, of the Division of State and Local Cooperation of the National Defense Advisory Commission.

# Looking Ahead . . .

"Too many Americans still are thinking of the national defense program in terms of 'business as usual,' too many leaders of enterprise still are thinking of their own competitive positions instead of gearing their capacities to the united effort of a whole industry," W. L. Batt, deputy commissioner of the Industrial Materials Division of the National Defense Advisory Commission, said in a recent address.

"Too many labor leaders," he continued, "are still engrossed with personal or organizational rivalries. Too many taxpayers are complacently viewing the cost of this program as something that somehow will be met without any personal inconvenience or contribution. . . . I do not know where the fault lies. Perhaps we are too cocksure of our ability to do bigger and better things than anybody else in the world.

"But we are attempting to do more in 2 years than Germany did in 6—Nazi Germany, whose entire national existence was geared to this one job of armament. We must grasp the enormity of these facts and what they mean. We must get it through our heads, by constant repetition if necessary, that modern war is a life and death struggle between the total economic strength of the opponents.

"That applies not only to war but to defense against war. For you must remember that preparation for the fighting going on today began a long time ago. War in the military sense is only the final chapter in the story of a conflict that started years before with the gathering of raw materials, the building of tools, and the planning of production lines.

"Remember that we got away to a slow start and that there are many obstacles—problems of production, finance, shipping. It is impossible to know if there is a deadline for completion of the job, and if so when it will be. There are several avenues of approach to the problem and we must use all of them, must overcome the inhibitions imposed by years of experience with normal business practices under peacetime conditions. Domestic production, if any, must be expanded; new sources close to home must be searched out and exploited; stock piles must be purchased and placed in reserve; substitutes must be discovered and used where practicable; salvage and reclamation schemes must be formulated and tucked away in a bottom drawer for use 'if, as, and when.' Given time, we can be prepared in this

vital sphere of defense, but we never know if we are to be granted the time.

"So much for the present picture.

"What about the future? We must face the perfectly plain, inescapable and inevitable fact that when this war is over, no matter who wins, the world will not resemble the world of 1939.

"I need not elaborate on the differences if Germany wins.

"But what if Britain wins? Will it be the same old story of the World War all over again, with the same old British Empire under the same leadership restored to a position of world dominance? We need only look to recent developments for a clear-enough indication that the answer to that question is 'no.'

"I want to go on record right here with the assertion that capitalistic imperialism and individual control of great financial and economic power is as dead in England today as the feudal system. The social and financial aristocracy that has directed the affairs of the British Empire for so long has seen its day.

"The British workingmen—the wage earners of the lower and middle classes—are the ones who have borne the brunt of this war's terror and in whose hands now rests the fate of the empire. It is they, not the old leaders, who cry out: 'This war will bloody well be fought to a finish.' Britain may go down, but no compromise settlement will be engineered behind their backs.

"Their spirit is the soul of England today—our guarantee that if we send help, it will be put to the use for which it was intended. When the fighting is over and Britain has won, they will remain in the saddle. Whatever the precise form of England's government, I should think that you can put it down as a fact that one of her leaders will continue to be Ernest Bevin, now Minister of Labor, a trade-union leader with a record and personality and capacity for governing that has earned him the respect of all England, including his former political opponents.

## Rebuilding the World

"According to Bevin, the war must be followed by 'economic reconstruction of the whole foundation of society. . . . The task of rebuilding the world has to be done by the working class.'

"There, then, is a phenomenon of great importance: If Britain is victorious it will be because of a new kind of leadership—a

leadership of the working people—of the people who stand the brunt of the struggle—out of whose burning sacrifices has grown this epic soul. British labor has been a hundred years trying by one means and another to reach this leadership—now it has it.

"Yes, you say, but Britain is at war and war breeds fundamental changes, while we are not at war; we are only building up our country's defenses. Stated simply, that is true. But if we are to build our defenses high enough and fast enough, we must do some things that will affect our economy almost as much as active participation—perhaps more than Britain's early war effort affected her economy.

## The Export Picture

"And let us remember one other thing: that the most violent disturbance to our own national economy during the World War took place not while we were participants, but before. It was during 1915 and 1916, when our export trade was twisted and distorted, and our eventual Allies were placing huge munitions orders here, that we whirled down the road to inflation, that commodity prices increased by 100 percent and more. It was then that we began to change from a debtor to a creditor nation, shipping out of this country in the 25 years following 1914 thirty-two billion dollars more in goods than we brought in.

"Once again our export picture has undergone a complete change. Our normal peacetime sales abroad of agricultural and consumer goods have been almost entirely replaced by war material.

"While this is going on, our own defense program is tending to make us more than ever self-sufficient, reducing our dependence upon purchases abroad. When this emergency is over and we are trying to convert our defense factories into producers of consumer goods for sale abroad, we shall find that we require fewer products and materials from abroad than ever before. Once it is over, will we repeat the old formula of subsidies of one kind or another to maintain war-stimulated domestic production? Will we put up another Smoot-Hawley tariff to close our markets to foreign goods, and thereby close foreign markets to our goods?

"We must examine our every move for its short-term effect on the economy. Shall we permit marginal demands to upset our price structure by simply sitting

back and letting the supply-demand situation adjust itself? Specifically, should we permit the price of copper to go up 2 cents a pound because we are going to need a little more copper than we can produce domestically at the going price—an increase that would cost the Nation's consumers \$40,000,000 a year and threaten to touch off a price spiral that might lead to general inflation? Or should we take some action such as importing a small pool of copper sufficient to care for the marginal demand, and thus keep copper prices where they are?

"It seems to me essential that we immediately create a small group of the ablest men in the country charged with studying long-range problems and working out solutions in advance. They ought to be instructed to forget all about the immediate problems of procuring war material, except as it affects the future national economy. They should set to work now on the

preparation of an industrial demobilization plan.

"Nations have spent decades preparing plans for the conversion of a peacetime economy to a wartime economy. So far as I know, nobody has seriously undertaken the preparation of plans for the opposite process.

"That might involve the discovery and development of new processes and new products for civilian consumption that could be manufactured on the same machines that now are turning out or preparing to turn out products that are useless in times of peace; plans for the absorption of our newly trained labor in peaceful pursuits; the fundamental policies of a foreign trade policy in a world that will be vastly different.

"The men who are devoting their time and efforts to the solution of our armament problem have no time for worrying about the disarmament problem. If we

wait until the end of the war, it will be too late.

"If I have seemed pessimistic in some of the things I have said, let me now prove that I am really an optimist. I sincerely believe that if we tackle this problem of post-war demobilization of industry and manpower with all the energy we are now devoting to the opposite process, we can build an economy and a standard of living the like of which the world has never dreamed of. We can, in that process, lay the ground work for an industrial system that will have as its only limits the limits of available manpower for production. This system would be based on a price structure designed to reach a vast new reservoir of potential consumers.

"We would, then, be planning for mobilization of all our resources—human and material—for better living in a world at peace."

## Airlines Agree to Deliver Engines

ACCELERATED DELIVERY of military aircraft is provided under policies adopted by the Priorities Board, it is announced by Donald M. Nelson, Administrator of Priorities.

The policies were formulated by the Commercial Aircraft Priority Committee and approved by the Priorities Board, after careful consideration and following a meeting with representatives of the various interests in the aviation industry.

The airlines agree to furnish to the Army Air Corps certain new engines recently delivered to them, thus assuring im-

mediate completion of additional combat aircraft.

"A spirit of cooperation was manifested by all concerned," Mr. Nelson said. "The scheduled airlines, by agreeing to give the Air Corps these new engines, have greatly expedited equipment of additional combat aircraft. A program is being developed in cooperation with the airlines and the manufacturers which will permit release to military services during 1941 of approximately \$7,500,000 worth of equipment part of which the airlines had planned to

use in expanding their services.

"Temporary preference delivery instructions have been issued to airplane and engine manufacturers. While expediting equipment for military use, these instructions also are designed to assure maintenance of present services and normal replacement of existing equipment.

"Ways and means are being studied by the Committee to permit delivery of additional planes to the airlines during 1941 and to permit continuation of current technical development activities."

## Labor Committee Pledges Cooperation

THE LABOR POLICY ADVISORY COMMITTEE of the National Defense Advisory Commission has made public a statement pledging labor's continued cooperation in the program of production for defense. This statement was unanimously adopted at a regular meeting of the Labor Policy Advisory Committee, which comprises 16 representatives of the three great labor groups—6 representing the A. F. of L., 6 representing the C. I. O., and 4 representing the railroad brotherhoods.

The session was presided over by Sidney

Hillman, chairman of the committee, and commissioner in charge of the Labor Division for the National Defense Advisory Commission.

The statement:

In this time of world crisis, American labor is awake to the crucial need for a strong National Defense Program. Labor recognizes fully that if the democratic way of life is to be preserved, and enlarged, our country must prepare itself for total defense—morally and materially. Labor knows that it is the first to be trampled under the march of dictatorship. Labor knows that if workers are to remain free men, and keep their free choices, democracy—as a living faith, as a living reality—must be equipped to

meet the threat of totalitarianism, within and without. Labor has been—and is—cooperating whole-heartedly throughout the entire defense effort. Until very recently no single serious interruption of production in defense industries had occurred; and then only two such work-stoppages took place—the first lasting 6 working days, and the second 4 days.

This record is ample evidence that labor recognizes the importance of continuous production to meet defense needs. Labor again reaffirms its assurance of cooperation with the National Defense Program and further pledges itself to take no action which may in any way impede production before all conciliation facilities of the Federal Government for resolving any existing controversy have been exhausted.

# Colleges Aid in Training Engineers

PLANS FOR ESTABLISHMENT in qualified engineering schools of special courses to be given at Government expense for intensive training of 30,000 students with technical background to meet future needs in carrying out the defense program have been announced by Paul V. McNutt, Federal Security Administrator.

To administer the program, Mr. Roy A. Seaton, dean of the division of engineering, Kansas State College, has been appointed director of engineering defense training in the United States Office of Education. This program is being developed with cooperation of the National Defense Advisory Commission and the War and Navy Departments.

Funds to finance the program were voted by Congress in the recent supplementary defense appropriation act, providing \$9,000,000 for this purpose to be expended under direction of John W. Studebaker, United States Commissioner of Education, who is also giving general supervision to a companion vocational training program in vocational schools.

Allotments will be made to cooperating

institutions to meet expenses of the program. American engineering schools were almost unanimous in offering to assist in carrying out the plan, Mr. McNutt said.

Courses will be offered by the colleges both for those able to devote full time to preparation for future defense jobs and for workers now employed who wish to fit themselves for more responsible positions.

All instruction will be of college grade equivalent to that given regular candidates for a degree, but the special courses, which will require from two to eight months of study, will concentrate on training of immediate practical application to specific defense jobs. Classes will be held both at the engineering schools and in or near industrial plants for the benefit of part-time and evening students. The regular college teaching staffs will be supplemented by additional teachers including specially qualified men from the industries to be served.

Actual and potential needs for additional technical and supervisory personnel will determine the specific courses to be offered and every effort will be made to

maintain a continuous balance between the supply of trainees and demands for their services.

The first courses to be established will be designed to forestall potential shortages of inspectors of materials, chemicals, explosives, instruments, and power units; designers of machinery, equipment, tools and dies, and aircraft power plants, structures, and instruments; production engineers and supervisors; physical metallurgists; marine engineers and naval architects.

As other needs become apparent, additional courses will be added to this program.

Assistance to the new director of engineering training will be given by a staff of engineering educators in the United States Office of Education, and by an advisory committee of 11 nationally known specialists headed by A. A. Potter, dean of the school of engineering, Purdue University. In addition, 22 regional advisers under the Office of Education will assist by working with defense industries and engineering schools.

# Increase Planned in Steel Production

THE NATIONAL DEFENSE ADVISORY COMMISSION has been informed by the Bethlehem Steel Co. that this company is ready to make the necessary investment to expand its annual steel ingot capacity by 850,000 tons to meet defense program requirements, it is announced by Edward R. Stettinius, Jr., head of the Industrial Materials Division of the Commission.

The company's proposed plan likewise would include an increase in its pig-iron capacity and also in its coke capacity with an accompanying increase in the production of toluol, used in the manufacture of important explosives.

"The proposed expansion by Bethlehem amounting to 8 percent of its present ingot capacity would go far toward taking care of its added steel load which defense needs will superimpose upon civilian requirements, and would aid in meeting the combined defense, export, and civilian demands," Mr. Stettinius said.

The Bethlehem Steel Co. has filed an

application with the Navy Department for a "Certificate of Necessity." This application is made under the recent tax law permitting a tax deduction for amortization over a 5-year period in connection with capital expenditures certified as necessary for defense requirements by the Defense Commission and the Secretary of War or the Secretary of the Navy.

"Present ingot capacity of the steel industry is approximately 83 million tons per annum," Mr. Stettinius said. "Production during the week ending November 23 was at the rate of approximately 78 million tons of ingots annually."

The prospect of normal demand absorbing the extra capacity from emergency facilities is thought to be very uncertain in view of the fact that the industry averaged only 37,800,000 tons during the past 10 years. The low during that period was 15,300,000 tons in 1932. The peak year was 1929, when 63,200,000 tons of ingots were produced.

Mr. Stettinius further pointed out that some of the emergency facilities should be ready to operate in about 6 months, but completion of this entire Bethlehem plan may take approximately a year. Therefore, any additional load which might come in the meantime from the expanded defense program, heavier demands for steel by the British, or increased civilian needs, would have to be met by existing capacity of the industry.

In view of the possible aggregate future requirements for defense purposes and stimulated civilian demands, Mr. Stettinius said that, in his opinion, the members of the Commission would look with favor upon the installation of desirable emergency facilities in the steel industry.

The Commission is giving consideration to the nature of adjustments that may have to be made after the emergency, if the industry becomes overexpanded as a result of meeting defense needs.

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# DEFENSE



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Pages 2 and 3

Friday, Dec. 20, 1946

JAN 4 1941

# Mr. Knudsen to Machine Tool Makers:

FOLLOWING is the text of the letter sent by William S. Knudsen, commissioner in charge of industrial production for the National Defense Advisory Commission, December 9, to leading American manufacturers of machine tools:

Gentlemen:

I have carefully read the Association's report on machine tool expansion. This shows a remarkable achievement, and I want to congratulate you.

But more is necessary.

It is not your fault that the Army and Navy requirements weren't known far enough in advance to prevent the dumping of millions of dollars worth of orders on the industry in a very short time. The changes in the program week by week necessitated by changed conditions in Europe make it impossible to figure machine tool requirements very far in advance. But the fact remains that practically all of you are now quoting from 6 to 12 months' delivery. This delivery **MUST** be speeded up.

Many of you have made large plant expansions, many of you are running three and two shifts, many are subcontracting some parts, subassemblies, and whole machines. But not enough of you are doing this.

I realize the difficulties of subcontracting such accurate tools as yours, but if some manufacturers of highly accurate tools can do this, more can. There are still many plants in this country capable of making machine tools or parts of machine tools that should be put to work by you.

There are difficulties in adding additional shifts, of getting the skilled men

THE FOLLOWING NOTICE was sent by Mr. Knudsen to manufacturers of machine tools with the suggestion that it be posted on factory bulletin boards:

### To All Machine Tool Employees:

Do you realize that you are as important to your country today as the soldiers in the Army and the sailors in the Navy? Even more so, because they are helpless without munitions.

Machine tools are the most essential item in the defense program, and your job is to build them. They are needed in almost unheard of quantities for production of airplanes, antiaircraft guns, machine guns, torpedo-boat destroyers, tanks—all kinds of munitions.

Nothing is more vital to your country's welfare just now than to hasten the supplying of these desperately needed machine tools. Every day, hour, or minute saved by greater efficiency helps Uncle Sam arm that much faster.

If you could see as I do, from the inside, the terrible urgency of the situation, you would understand why the Defense Commission is making this appeal to you to put everything you have, without stint, into your job. Only by the cooperation of everybody in this national emergency can the defense task be done in time.

Sincerely yours,

W. S. KNUDSEN.

necessary, but some builders of high-quality tools are doing it, and I believe others can do so.

I'm not telling you *how* to do your job. But if you could see as I do, from the inside, the terrible urgency of the situation, you would agree with me that I am not asking too much in requesting that you use every conceivable effort to speed up delivery and increase the production of ma-

chine tools during 1941. Let's forget everything except the welfare of our country.

The industry as a whole has done practically the impossible in trebling its rate of output in the last two years. I am appealing to you to do the impossible again.

Sincerely yours,

W. S. KNUDSEN,  
*Commissioner.*

COVER: Food for Defense—grain elevator, Minneapolis, Minn.; Farm Security Administration photo.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION TO THE COUNCIL OF NATIONAL DEFENSE, Division of State and Local Cooperation.

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Volume 1

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Number 17

U. S. GOVERNMENT PRINTING OFFICE

# Defense Keynote: Speed . . . Speed

THE DEFENSE JOB has not been sufficiently sold to Industry and Labor, William S. Knudsen, in charge of the industrial production division of the National Defense Advisory Commission, said in a recent address on the present status of the production program.

The public generally, he said, is sold on defense—the man in the street is for defense 100 percent and wants to see a lot of material turned out before he feels secure.

He continued:

The European war gradually is taking in more and more territory, and most of us hope that we will have the time necessary to get prepared for defense and thus avert attack. Well, after all, a war depends just as much on what the other fellow thinks as on what we think ourselves. The thing the United States must do under the circumstances is to prepare swiftly and well to protect ourselves—for by doing that I feel that we have the only insurance policy against attack.

## Our Responsibility

It is our responsibility to show the world that we can do the things we have been so wishfully forecasting the last 6 months. I myself have done my share of wishing, but I have to call your attention to some of the things I see which I think could help put more steam into the picture.

Friday night has become the big night in most of our industrial picture. It used to be Saturday night—we have cut 20 percent off our machine time. Can we afford to do this? Can't we stop this blackout, this lack of production, from Friday to Monday and get more use out of the equipment? We can train the men to operate it. Isn't it possible to put the defense job on a war basis even if we are at peace?

When I think of the seriousness of the whole world situation I wonder if we are not justified in doing just that. Have we done everything we can to utilize existing facilities and offer them to companies having defense contracts? Can we subcontract more of our work and spread it so as to make more speed that way? Every manufacturing concern which has a defense contract should be informed of idle facilities in the locality so as to confine the new equipment as far as possible to special machinery.

Our machine-tool industry is working hard. A recent survey shows that of 115 companies, 86 reported subcontracting as follows: 23 reported complete machines;

33 reported subassemblies; 80 reported parts subcontracted; 65 reported expansion averaging 30 percent of plant area, and employment has been practically doubled in a year.

Production of machine tools is estimated at a 50 percent increase in 1941 over 1940 and total value, \$600,000,000. Another valuable point in connection with the machine-tool industry is that you get your orders placed promptly so as to insure proper planning.

## "We Ought to Gain . . ."

The aircraft industry is still in the expanding stage and will be until spring. Still, while the production is far from satisfactory, we ought to gain from now on. Most of the heavy combat planes are new models not heretofore in production, and this has slowed the job up. The engine companies need equipment; in fact, 29 percent of all unfilled machine-tool orders is for the aviation industry, 37 percent is for the Army and Navy and other defense jobs, 28 percent is for foreign customers, and the balance covers miscellaneous.

There is one question in aircraft which I think should be realized and that is that one plane is recorded as one plane, whether it weighs 4,000 pounds or 40,000 pounds and whether it has a 350-horsepower training engine or four 1,250-horsepower fighting engines. There is no use worrying about the light planes—we can get them. On fighting planes we are in pretty fair shape, but bombing planes, from 16,000

pounds up to the heaviest, take time, and they must be worked out for real production before we can get quantities.

Frankly, we are not doing anything compared to the forecast by the manufacturers and the Commission in July, and our hoped-for production figures for January 1, 1941, of 1,000 planes per month have to be scaled down by 30 percent to be correct.

Guns and machine guns are still in the tooling stage except for such capacity as was ready before we started. However, jobs that are wholly on machines will pick up fast when the tools are ready because the assembling is the smaller part of the hours-per-job. The same reasoning applies to powder and its ingredients.

## Tanks—4 a Day

Light tanks are being produced now at the rate of four per day, and the larger so-called medium tanks will be available from three different plants by midsummer.

After we have all these orders in the field we shall need a lot of help from experienced industrialists to help solve problems which may arise on material, machines, specifications, and design. It has been very gratifying to me to see how, during the last month, in factories having defense jobs, a great deal of study is being given to shorten operations.

I don't know whether we have done a job yet in helping labor to get the proper understanding of what this defense job means. America is about the only spot left where law prevails and where the man at the bench has a chance to make his way without clicking his heels.

We all seem to be worrying about how we are going to divide the profits without giving consideration to the fact that we ourselves have to furnish the price to buy the materials with. It is my sincere hope that we will try to wipe out whatever differences there may be that do not depart from principles guaranteed us by the law of the land.

The only way to get this program going is to get a concerted effort and a cooperative effort—an incentive fired with the spirit of sacrifice from everybody from the bench to the manager's desk.

Congress has expressed the public will in laws such as the Sherman Act, the Clayton Act, the Walsh-Healy Act, and the National Labor Relations Act and the Fair Labor Standards Act. It has specifically directed, by the Walsh-Healy Act, that certain representations and stipula-

### This list is the war material that America must produce:

50,000 Airplanes	1,300,000 Regular Rifles and Ammunition
130,000 Engines	
17,000 Heavy Guns	380 Navy Ships
25,000 Light Guns	200 Mercantile Ships
13,000 Trench Mortars	210 Camps and Cantonments
33 Million Shells loaded	40 Government Factories
9,200 Tanks	
300,000 Machine Guns and Ammunition	Clothing and other equipment for 1,200,000 Men.
400,000 Automatic Rifles and Ammunition	

(Included is such British and other foreign material placed at the present time.)

tions shall form a part of the requirements and conditions in Government contracts involving over \$10,000, and has prescribed the penalty for violations. Congress has conferred upon permanent competent departments—the Department of Justice, the Federal Trade Commission, and the Labor Department, each equipped for the purpose—the power and responsibility in various forms, to enforce the other acts, to determine the fact of violation, to cause the violator to be punished, and the wronged to be indemnified. Furthermore, Congress has not directed that all or any part of these other acts be written into Government contracts, and the considered decision not to do so is as affirmative an indication of Congressional intent as is the direction for inclusion of the Walsh-Healy Act.

I am wholly in sympathy with the rights of Labor under the law. I am happy to see the published expressions by Labor of their willingness to mediate any difficulty before resorting to strikes, but I have also faith in Labor's acceptance of the spirit of fair play and the necessity for avoiding discrimination against industry equally as unfair as discrimination against Labor.

### "Red Tape"

I cannot regard our people as divided in essential interest so that we should consider Labor and Industry as other than parts of a compact national body. I cannot believe that either needs to be coerced or purchased, in the invidious sense. I believe all will do as I intend to do: Obey the orders of the Chief Executive and the laws enacted by Congress, as construed by the courts, and help to prove that a free people are capable of self-discipline and of productive work superior to that of a dictator's subjects.

Down in Washington we hear a lot about "red tape," which is another name for cumbersome procedure, but in justice to the top officials of the Army and the Navy we can generally get action when requested. All we ask is, give us speed and more speed. Full-time operation of all machines. Talk to your men—make them feel that it is their responsibility as well as yours. Ask them what they think of a civilization that drives women and children to live in cold and wet holes in the ground. We have gone back a thousand years in the past year. Why? Because a few individuals decide the actions of totalitarian nations, and Democracy is fighting for its life.

Let's get on this job spiritually. What is more important today? We are, to my mind, way beyond worrying about the cost, the laws we think we ought to have,

and the way we are going to live when this is all over. The important thing now is to get this job done or as much more of the job done as is required to permanently protect our standard of living and our institutions, our freedom and individual opportunities.

Let each manufacturer utilize his gift for organization to help the total picture. Let us not lay in inventories which we don't need. Let us order our equipment to come in to balance the operation. Get enough for one line and get it in operation without having an out-of-balance condition in the whole set-up. Sure, we have priorities, but the best way to have priorities is not to have to use them.

### Cooperation on Prices

I should like to ask cooperation in another matter and that is prices. With bigger and better business, prices generally get jittery and for some reason or another are subject to a lot of pressure, mostly due to conversation and seldom to fact. A price inflation through imaginary shortages or attempt to corner a supply brings with it all the evils of a total spiral. The Commission is in possession of extensive

data covering raw materials, both domestic and foreign, and will be happy to give any information regarding availability of any material where shortages may be predicted without grounds.

I am going to ask American manufacturers to support a most earnest request. I feel that when delivery schedules were made there was probably some cushion in them for contingencies, strikes, and acts of God. I am going to ask that the delivery schedules be forgotten and that we be given everything possible in the way of advanced deliveries. I would not be surprised if they could be advanced 20 percent. The first half of 1941 is crucial, after that we are sure to be under way; but if we can better the deliveries so that we could be in swing in the second quarter, our country will have been done an outstanding service.

I would estimate very roughly that we are 20 to 25 percent tooled up now, using the quantities as a base. I forecast that we could be 80 percent tooled up by April 1 and the balance by May 31. This is naturally an over-all figure which cannot be applied to specific items, but I consider it possible to attain.

★ ★ ★

### NEW SERVICE TO INDUSTRY

An Industrial Reference Service, started by the Bureau of Foreign and Domestic Commerce, now provides business men with prompt, regular reports issued under 14 sections according to commodity grouping. These cover foreign and domestic developments with reference to production, distribution, prices, standards and specifications, export and import trade, foreign tariffs and regulations as applied to specific commodities, and results of domestic-market research and foreign-market surveys.

★ ★ ★

### COMMUNICATIONS BOARD

The Defense Communications Board has invited the following executives of leading communication companies to be members of the Board's Industry Advisory Committee: Walter S. Gifford, president, American Telephone & Telegraph Co.; Jack Kaufman, executive vice president of Globe Wireless, Ltd.; Sosthenes Behn, president, International Telephone & Telegraph Co.; Joseph Pierson, president, Press Wireless, Inc.; David Sarnoff, president of the Radio Corporation of America; W. E. Beakes, president, Tropical Radio Telegraph Co.; and R. B. White, president, Western Union Telegraph Co.

**Coordinator of National Defense Purchases Donald Nelson, speaking before the Bankers Club of Chicago, declared he saw "disturbing signs that the American public is not yet fully aware of the peril" to the United States from the wars abroad and that he sensed "a let-down on the part of the general public . . . a form of drowsiness induced by familiarity with the struggle."**

**"The realities of today cry out for speed, speed and more speed on national defense," Mr. Nelson said. "This means more work, more disturbance to 'normal' processes, more sacrifice on the part of everybody."**

**"We must shrug off this drowsiness . . . this sense of complacency . . . reject these slogans that tell us we can build up the mightiest defense machine in our history and at the same time continue 'business as usual' . . . that we can have our cake and eat it too," the NDAC official said. "The democratic way is for groups that sometimes feel that their interests conflict—labor and management groups, farm and city groups, consumer and producer groups—to join their collective assets and capacities into the one supreme effort."**



# U. S. Geologists Survey Minerals

STEPS which may aid the United States in securing strategic and vital minerals for the Western Hemisphere defense program, and Latin-American countries' economic defense through the production and sale of such materials, are being undertaken by the Department of the Interior, which this winter plans to have eight geologists working in Latin America.

One geologist is on his way to make a 3 months' survey of Brazil's manganese deposits, while others are to study chromite and manganese in Cuba; tin, tungsten, and antimony in Bolivia; and chromite in Brazil. All are members of the staff of the Geological Survey, Department of the Interior. The present phase of the program will cost approximately \$25,000 and will be financed through an appropriation made to the State Department.

The results of these investigations will be available to agencies of this Government as a basis for considering negotiations to aid Latin-American industrial developments. The investigations are planned to contribute to the program of the Americas for the economic and military defense of the Western Hemisphere.

On the economic side of the picture, Secretary Ickes points out that Latin America has suffered some loss of European markets for its minerals, while at the same time the United States is encountering increasing difficulty in obtaining from the usual foreign sources certain minerals in which it is deficient.

## Manganese

A prime example is manganese, important mineral in the production of all steel, including that for all defense weapons. In 1939 Brazil produced 186,091 long tons of manganese ore, of which the United States received 103,526 tons, and of which a considerable amount was shipped to European countries. Today European shipments have been curtailed.

With the contemplated production under the defense program in the United States of 75,000,000 tons or more of steel annually, it is estimated that this country will require at least one and one-fourth million tons of high-grade manganese, only a small part of which can be produced domestically.

Through the State Department, the Cuban and Brazilian Governments have offered their cooperation.

Also important to the steel industry is chromite, used, among other things, in the production of stainless steel. The steel

industry uses three-fourths of the entire domestic consumption, most of which is imported. Chromite deposits will be investigated in Cuba, as yet the only important producing country in the Western Hemisphere, and in Brazil.

Domestic deposits of metallurgical grade chromite ore are small and sporadically distributed. Deposits of lower-grade material, however, which are submarginal under normal conditions, have been proven to be much larger by recent exploratory work of the Geological Survey and the Bureau of Mines.

In 1939 Cuba supplied 21 percent of the total of 317,511 long tons of chromite which the United States imported; 37 percent was shipped from Africa; 3 percent from Greece; 5 percent from New Caledonia; 5 percent from Turkey; and 29 percent from other countries, principally

from the Philippine Islands. According to the Bureau of Mines, domestic production, as measured by shipments from the mines, was only 3,614 long tons in 1939.

## Tin

According to the Geological Survey, there are reported to be promising chromite deposits as yet undeveloped in the central and western parts of Cuba.

In Bolivia, tin deposits will be investigated. Tin constitutes about 80 percent of Bolivia's export trade.

For the past several years Bolivia's entire production of tin, which ranges between 24,000 and 39,000 long tons annually, has been sent to European countries, chiefly Great Britain and Holland, for smelting, because there are no important smelters in the Western Hemisphere.

(Continued on page 6)

# New Army Buying Policy

DONALD M. NELSON, Coordinator of National Defense Purchases, has made public new purchasing policies adopted by the Quartermaster Corps of the United States Army on the recommendation of the National Defense Advisory Commission.

The new policies include central buying offices to be set up in San Francisco, Chicago, and New York.

These policies were outlined by Douglas C. MacKeachie, Assistant to the Coordinator, before the Maine Cannery Association.

Mr. MacKeachie also announced that Federal specifications for canned foods are being simplified and brought up-to-date. Work is under way to provide for inspection and acceptance of canned foods by Army inspectors before the goods are shipped from the warehouse. Plans are being worked out to increase the production of No. 10 cans in certain varieties, both for ease in handling and to save tin.

Mr. MacKeachie's statement:

"With the rapid expansion of the Army from its old peacetime size, the problem of furnishing it with food becomes a very important one. It is essential that the Army be able to obtain foods of good quality at fair prices and at the same time that the least possible disruption be caused to civilian trade and prices. The move-

ment of these purchases from point of origin to point of use must be quick and smooth. With the Army soon to become one of the largest food buyers in the Nation, Army procurement methods must be adequate to meet the problem.

## What and Where

"The Quartermaster General, with the advice of the Coordinator of National Defense Purchases, has prepared such a plan and is taking rapid steps to see that it is carried out. Central buying offices will be set up in San Francisco for the procurement of West Coast products, including canned fruits and canned salmon; in Chicago, where all canned meats and vegetables, flour, cereals, etc., will be purchased; and in New York to handle buying of coffee, sugar, tea, spices, preserves, and many manufactured food items.

"These offices will receive requisitions from the various Army Corps Areas, contract for these requirements, and arrange for shipments against these contracts. The central buying offices will keep constantly informed of the supply and market prices of the items which they buy. So far as is possible, taking into consideration conditions which affect all Government purchasing, ordinary commercial practices will be followed. . . ."

# The States and Cities

## Leagues Discuss Defense

MUNICIPAL FINANCE in the national emergency, extension of police and fire-fighting services, and the role of the Division of State and Local Cooperation of the National Defense Commission were among topics discussed at recent conventions of the Ohio League of Municipalities on November 27, the Indiana Municipal League November 28, the Kansas Official Council November 18, the Oklahoma Municipal League November 19, and the American Municipal Association November 14.

At the American Municipal Association meeting, Carl H. Chatters, executive director of the Municipal Finance Officers Association, outlined a "constructive program to stop waste of natural resources and manpower." He recommended:

Maintenance of public facilities (streets, sewers, light and water plants, buildings, and movable equipment) in first-class shape;

Adoption of a "pay-as-you-go" fiscal policy "to assist municipalities to meet unusual conditions which will probably follow the vast expenditure of money required for the defense program";

Prompt and careful reduction in administrative costs for caring for the unemployed as employment increases;

Rigid collection of local taxes;

Immediate action by public officials in communities affected by the defense program to "map out a sane program of development to keep the city clean, healthy, and solvent";

A fresh inventory of governmental activity so that expenditures can be allotted to various services on the basis of merit and not in response to organized pressures"; and

Study of Federal-State-local relationships and activities.

Discussions of police mobilization in emergencies by Bruce Smith of the Institute of Public Administration; Ontario municipalities under war conditions, by Eric Cross, Minister of Municipal affairs and Public Welfare of the Province of Ontario, Canada; and the work of the Division of State and Local Cooperation of the National Defense Advisory Commission, by Daniel W. Hoan, Associate Director of the Division, are reported in the published addresses at the convention of the American Municipal Association for 1940.

## Hampton Roads Council

To aid in handling problems of the Hampton Roads area, Governor Price of Virginia has increased the size of the regional defense council. Three new members, representing Suffolk and the counties of Nansemond and York, bring total membership of the council to 18. (*Defense*, November 22.)

The post of executive officer of the Hampton Roads regional defense council has been filled by appointment of Andre Melville Faure, town planner of Montclair, N. J. According to a report from the Council chairman, a special committee considered experience in research and planning to be an essential qualification for the position. Since "no candidate or nominee from the Hampton Roads area possessed this essential requirement," the committee, supported by the whole council and the Governor, sought elsewhere.

The council met December 12 to consider national defense recreational needs of the area.

## Defense Planning Coordinator for Indiana

A defense planning coordinator has been appointed by Gov. M. Clifford Townsend of Indiana to assist the Governor's Emergency Defense Council. The coordinator, Henry B. Steeg, reports that plans are under way to establish field offices, staffed with competent personnel, in each of the areas that are sites of defense industries.

The first such office has already been set up in Charlestown to handle problems of housing, sanitation, zoning, school facilities, and allied questions arising as a result of construction of a huge smokeless-powder plant and a bag-loading plant. The Division of State and Local Cooperation of the National Defense Commission assisted by bringing together Federal, State, and local authorities concerned with the numerous problems involved.

## New Hampshire Looks to 1950

"Thousands of new workers on defense jobs could become a serious liability to the State if they should be dropped as public charges when peacetime production resumes," points out the State's Industrial Agent, Laurence M. Meyer, in the New

England Council's November *News Letter*. But, he adds, "they can also be converted to valuable assets in New Hampshire's industrial life. For several months serious study has been and is now being given to the development of an industrial estate area devoted to the establishment of industries which, in time of peace, can absorb this labor, its skills, and its brains. Plans are under way for the establishment of such industries. New Hampshire today is building for 1950."

## Utah

A State defense council is in process of organization in Utah. To assist him in this task, Gov. Henry H. Blood has appointed Mr. D. D. Moffat as chairman, and has also named a vice chairman and a secretary.

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## Minerals . . .

(Continued from page 5)

except one of small capacity in Argentina, used for treating local ores.

Recently, however, the Metals Reserve Company has entered into a contract, guaranteed by the Government of Bolivia, for the annual purchase of 18,000 tons of fine tin from that country, for a period of 5 years, retroactive as of July 1, 1940. The Reconstruction Finance Corporation will, at an early date, arrange for the construction of a smelter in the United States.

In normal times, the consumption of tin in the United States is between 70,000 and 80,000 long tons annually, approximately 45 percent of the world output. In 1939 more than 80 percent of the United States imports of tin came from Asia, 19 percent from Europe, and only 1 percent from elsewhere.

Bolivian tungsten deposits also will be scrutinized. The situation of the United States with respect to this mineral is regarded as less precarious than for the other minerals, because, at existing high prices, domestic production supplies a substantial proportion of our needs.

Meanwhile, the domestic survey of strategic minerals is progressing in various sections of the United States. It is expected that this domestic survey, which has been in progress for the past 2 years, will be considerably expanded in the coming fiscal year.

# The Week in Defense

THE \$500,000,000 national defense Treasury note issue, first in the Nation's history subject to all Federal income taxes, was oversubscribed eight times, it was announced. This issue, bearing interest at three-fourths percent, will not be called before December 15, 1945. The notes will not be subject to taxes by States or United States possessions.

Secretary of the Treasury Morgenthau announced that the Department proposes to finance defense expenditures by "drafting money as well as men." To this end, he advanced a five-point plan:

1. Issuance by the Treasury of \$500,000,000 in 5-year defense notes, first fully taxable notes in Treasury history.
2. Request to Congress for discretionary authority to end the tax-exemption provision in all future issues of bonds, including United States savings bonds and Government-guaranteed obligations.
3. Launching, if Congress assents, a Nation-wide campaign to sell "baby bonds" in amounts as low as \$5 and to sell bond stamps for as little as 25 cents.
4. Request to Congress to raise the national debt limit to \$65,000,000,000 and to remove the "partition" that allows the Secretary to issue \$4,000,000,000 of a special class of 5-year defense notes outside the debt limit.
5. Urging of States and municipalities to follow Federal precedent by abolishing the tax-exemption privilege for their obligations.

Federal Loan Administrator Jones announced loans of \$60,000,000 to Argentina and \$7,500,000 to Uruguay. The Argentine loan is in addition to a loan of \$50,000,000 from the United States Treasury for stabilization purposes. Both the Argentine and the Uruguay loans include credits previously extended but unused.

Other credit negotiations are under way with Cuba for \$50,000,000 and with Peru. The RFC is studying possibility of purchasing nitrates and copper from "whatever country can supply those products."

## Army

Secretary of War Stimson announced a revised induction schedule for the National Guard under which 96,000 Guardsmen will be inducted between January 6 and April 1 instead of by February 3.

This postponement of from 1 week to 2½ months in mustering into the Army is necessary because of construction delays

at camps, he said. Delays have been due to engineering problems, labor shortage, inadequate water supplies, and similar factors. He stressed the fact that labor trouble is negligible, only 1 percent of delay being attributable to this cause.

Additional enlistments or reenlistments have been suspended by the War Department for about 3,000 members of the Army Enlisted Reserve Corps, which trains for reserve commissions. Members of the corps may be called to duty at discretion of the Army Corps Commanders. When discharged, they become subject to the Selective Service Act and must register with their local board.

By June 30, 1941, approximately 20,000 more Reserve officers will be called for active duty, the War Department announced. These men will supplement some 30,000 who will already be on duty.

Further developments reported by the War Department during the week included transference of direction of all Air Corps construction work, except that in the Panama Canal Zone, from the Quartermaster to the Engineer Corps.

## Navy

The Navy Department announced award of three contracts totaling \$18,000,000 to the United Aircraft Corporation for acquisition, construction, and installation of additional plant facilities at the company's factories in Connecticut. A \$1,000,000 cost-plus-fixed-fee contract for an ammunition depot at Charleston, S. C., was also awarded.

Improvement in anti-aircraft defenses of Navy ships was urged in a letter from Secretary Knox to the House Naval Affairs Committee asking authorization to spend \$300,000,000. Admiral Stark, Chief of Naval Operations, said present fleet aircraft defenses are "good" but our ships should be "not only abreast of requirements but ahead of them."

## Ships

Stating that a strong merchant marine is essential to the United States Navy and United States industry and that "we haven't enough new ships," Rear Admiral Land, NDAC Coordinator of Shipbuilding, declared, "The defense program of the Maritime Commission is further along than any other comparable defense activity, but I am not satisfied that we are far enough along."

Under the Maritime Commission program started in 1936, 179 new ships were started, of which 84 have been launched with 56 already in service; one additional ship is launched every week.

Praising the shipbuilding industry for its cooperation, Admiral Land said the Maritime Commission, handling acquisition of merchant ships for the Navy, has so far bought 37 vessels for the Navy and 12 for the Army and at the same time maintained at "their present high standard the essential trade services, especially those with Latin America." In addition, the Commission has reconditioned 10 freighters from its laid-up fleet and placed them in service.

## Labor

Secretary of Labor Perkins said present national defense needs furnish no reason for altering wage and hour standards. She said "loose talk" attributing collapse of the French Republic to wage and hour standards was no guide for the effect of the Government's wage and hour rules. The French work-week law, she said, was a "rigid statute."

United States hour laws were framed to avoid French "rigidity" and "any employer in this country can automatically work his employees as many hours beyond 40 a week as he cares to without asking permission of anybody so long as he pays the overtime rate of time and a half," Miss Perkins stated. She added that experience in Britain in the last and the present war showed reduction in working hours increased production.

Commissioner Lubin of the Bureau of Labor Statistics declared jobs for 6,000,000 persons will have been created directly or indirectly by the defense program by Christmas 1941. Defense industries alone will have created 4,000,000 new jobs, he said, while 2,000,000 more will be in occupations serving defense workers.

Mr. Lubin said that 37,000,000 persons were employed in the United States last October, highest number since the depression, but 700,000 under the 1929 peak. Since then the working population has been increased by 5,000,000, he said.

## Planes

The Army reported that the British R. A. F. considers American warplanes "among the finest" in the world. The report was made public "in view of recent press criticism."

# Executive Order on Noncombatant Training

## EXECUTIVE ORDER

### *Definition of Noncombatant Training and Service*

1. BY VIRTUE of authority contained in section 5 (g) of the Selective Training and Service Act of 1940, approved September 16, 1940, whereby it is provided:

"Nothing contained in this Act shall be construed to require any person to be subject to combatant training and service in the land or naval forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participation in war in any form. Any such person claiming such exemption from combatant training and service because of such conscientious objections whose claim is sustained by the local board shall, if he

is inducted into the land or naval forces under this Act, be assigned to noncombatant service as defined by the President, or shall, if he is found to be conscientiously opposed to participation in such noncombatant service, in lieu of such induction, be assigned to work of national importance under civilian direction. \* \* \*

I hereby declare that the following military service is noncombatant service:

(1) Service in any unit which is unarmed at all times.

(2) Service in the Medical Department wherever performed.

(3) Service in any unit or installation the primary function of which does not require the use of arms in combat, provided the individual's assignment within such unit or installation does not require

him to bear arms or to be trained in their use.

I further declare that noncombatant training consists of training in all military subjects except marksmanship, combat firing, target practices, and those subjects relating to the employment of weapons.

2. Persons inducted into the military service under the above act whose claim to exemption from combatant training and service because of conscientious objection has been sustained will receive noncombatant training and be assigned to noncombatant military service as defined in paragraph one.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

December 6, 1940.

(No. 8606)

## Teamwork for the Peacetime Army

WHOLEHEARTED TEAMWORK in the building of a vast, peacetime Army from which men will return to their homes as "finer, better citizens," was urged on nearly 200 State Selective Service officials at a recent meeting in Washington.

C. A. Dykstra, Director of Selective Service, and Brig. Gen. Lewis B. Hershey, Executive Officer of National Headquarters, stressed the importance of maintaining local Selective Service boards as "determining policy-making units," but said that uniformity of operation must be achieved in the building of the citizen Army so that "there will not be 6,500 different Selective Service policies," or one for each local board in the country.

Mr. Dykstra declared:

"We have great responsibility under the Selective Service Act. Part of that is be-

hind us—at least for the moment. Millions have been registered. We have had what we believe was a fair and impartial lottery.

"The boys are now going from the induction stations, or have in the last few weeks. There will be another call in the near future, and more will be going. From now on, then, our task particularly is to find men to send to our training camps, but we must not forget that there is also a part of that obligation to hold back those who cannot serve in camp, to defer others who are important to the national welfare in scores of ways.

"That responsibility comes straight home to the States, straight home to every local board in the United States."

The Director urged the State officials to make every effort to protect the interests

of the Nation, the States, local communities, and the trainees themselves so that in the building of the citizen Army there will be "sympathy and understanding."

Various problems of administration, including classification of registrants, questions relating to dependency and occupational deferments were to be discussed in the convention, Mr. Dykstra declared. He also stressed the importance of obtaining reemployment of the trainees after their return from the armed forces, and said:

"What is going to be the reception for these men when they come back home? We want them to be finer, better citizens. We must consider what the American people will think of Selective Service 6 months from now, a year from now, 2 years from now."

★ ★ ★

### ENOUGH POTASH

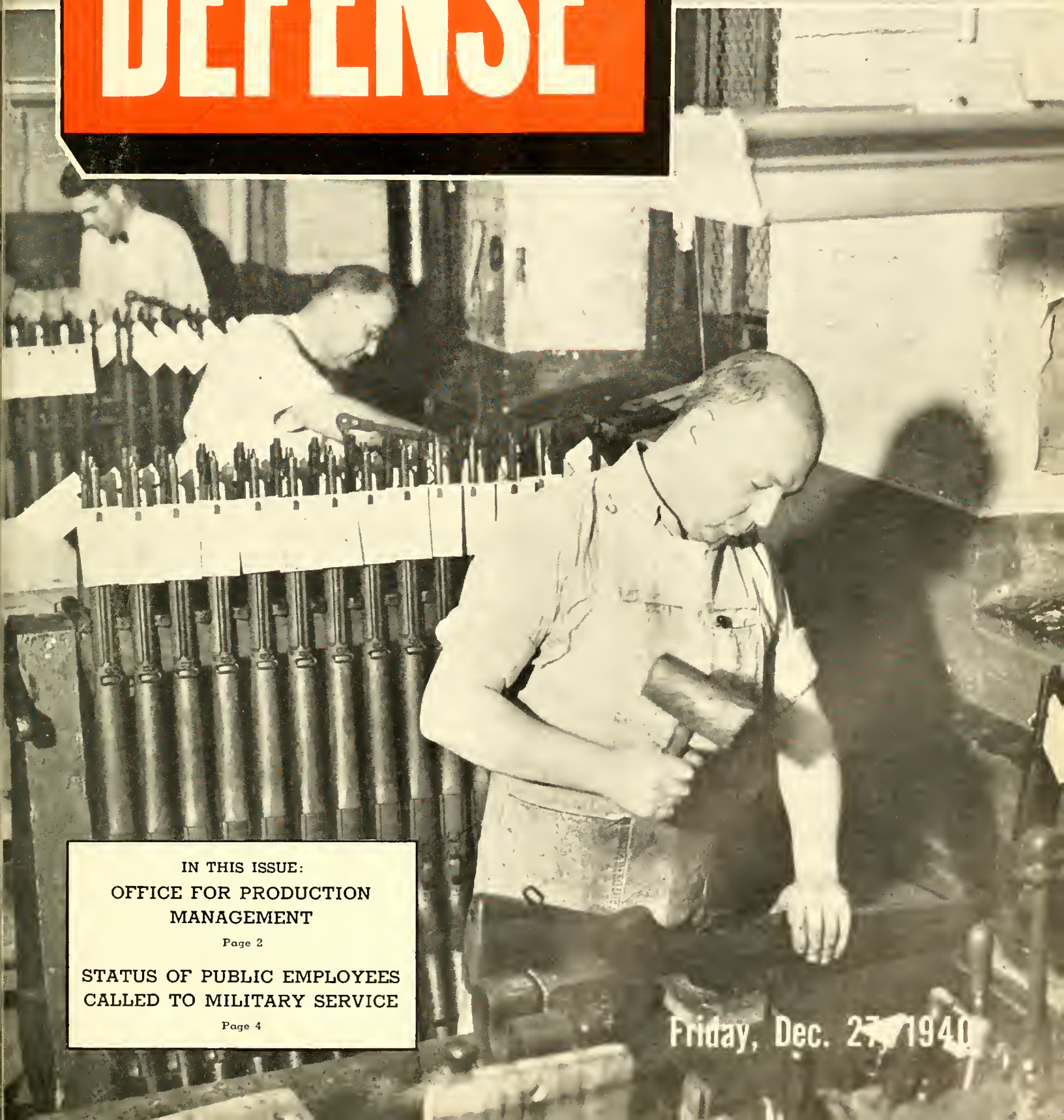
THE GENERAL LAND OFFICE reported to Secretary Ickes that supplies of potash available in the United States should be sufficient to meet all domestic demands. The Land Office Commissioner said that as a result of the European war, shipment of potash, a vital agricultural fertilizer ingredient, practically ceased, but "to meet the emergency more than 6,000 acres of land have been leased by the General Land Office."

DEADLINE for alien registration is December 26. All persons who have not achieved full citizenship should register at once at the nearest post office. This applies to aliens who have delayed in hope of completing citizenship formalities before December 26, as well as to all others not yet registered.

Registration already exceeds original estimates, the Department of Justice reports. Up to December 16, 3,850,000 completed alien registration blanks had been received in Washington, and they were still pouring in. Total is now expected to exceed 4,000,000.

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# DEFENSE



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**STATUS OF PUBLIC EMPLOYEES  
 CALLED TO MILITARY SERVICE**  
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Friday, Dec. 27, 1940

# Office for Production Management - - Mr. Knudsen's Statement

ON FRIDAY, December 20, President Roosevelt announced the creation of an Office for Production Management, with William S. Knudsen as Director, Sidney Hillman as Associate Director, and with the Secretaries of War and the Navy as members.

The newly created office is responsible for Production, Purchasing, and Priorities.

The President announced that subdivisions will be set up for each of these functions.

The National Defense Advisory Commission will continue to perform its functions.

The first informal meeting of the four members of the Office for Production Management was held December 21. The following statement on behalf of the members was made by Director Knudsen:

"The President's purpose in creating this Office was to consolidate and coordinate the various activities now in operation to provide an adequate National Defense. It is expected to provide the necessary authoritative leadership required to still further accelerate and augment the production of war materials of every kind.

"It is born out of a consciousness of the heightened

gravity of the world situation and a recognition that the contest which produced this crisis is irreconcilable in character and cannot be terminated by any method of appeasement.

"Both the future security of the United States and the total defense of our democratic principles in this world-wide contest demand that every resource of capital and management, and maximum effort on the part of labor, shall be ceaselessly employed to provide the means of defense against attack.

"The Office for Production Management has but one mission—production—production to the maximum of American resources in capital and labor, in management and industry, in every field which can contribute to victory.

"We call upon the people of the United States to recognize to the full the gravity of the crisis which called this organization into being, and figuratively, to pull off their coats and roll up their sleeves and give their concentrated, undivided attention to one thing—the swiftest possible production of the means of defense. To this end we invite the cooperation of every element in the American community."

COVER: Last checkup of Garand rifles, Springfield, Mass., armory—  
National Defense Advisory Commission photo by Palmer.

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## DEFENSE

BULLETIN of the ADVISORY COMMISSION  
TO THE COUNCIL OF NATIONAL DEFENSE  
Division of State and Local Cooperation

Issued weekly to keep members of State and local defense councils advised as to progress of the defense program in Washington and in the States. Published with the approval of the Bureau of the Budget. (Rule 42 J. C. P.)

Volume 1

Friday, Dec. 27, 1940

Number 1

U. S. GOVERNMENT PRINTING OFFICE

# The Week in Defense

PLANS FOR MORE aid to the British which the President is considering call for leasing to them under a "gentleman's agreement" material which would be paid for by the British after the war. Pending final agreement on plans, the British were given the right to proceed with negotiations up to the point of signing contracts for all future orders to fill their armament requirements.

Essence of the plan, the President said, is to build up American facilities which would include both United States defense machinery and permit further aid to Britain.

Secretary of the Treasury Morgenthau emphasized that no future contracts will be signed until "Congress has had a chance to go into the matter." He said that British officials had informed him that Great Britain has arrived at the point where financial assistance is needed as to future orders.

## Bases

With the creation of engineer districts with headquarters at Trinidad, St. Lucia, Antigua, British Guiana, and Jamaica, the organization for carrying on work at recently-acquired bases in the Caribbean area is well under way. On three islands, the President said, work is being delayed by difficulty in determining the most favorable sites. These are Trinidad, Bermuda, and Mayaguana.

## Labor

The Labor Department reported that on the basis of contracts already placed, the aircraft industry will require 455,500 workers in August, 1941, an increase of about 252,000 men over employment in October this year. This increase is a very conservative figure of labor requirements, A. F. Hinrichs, Assistant Commissioner of Labor Statistics, told War, Navy, and Defense Commission officials.

Mr. Hinrichs pointed out that the figure does not include the expansion necessary in accessory manufacturing plants or an estimated 40,000 additional workers for two plants under construction.

"The grand total employment in sight for the fall of 1941 already approximates 555,000 workers," he said. "This means that within the year the aircraft industry will become almost the largest employer of factory workers in the country, while 2 years ago it was an almost insignificant industry so far as employment was concerned."

## Sabotage Loophole

Attorney General Jackson disclosed that the Government cannot, under existing law, prosecute acts of sabotage of armaments produced for foreign countries, or of private industry not working on Federal contracts.

"The Federal sabotage laws even as extended by Congress less than a month ago make sabotage a Federal crime only when committed on articles 'intended for the use of the United States in connection with National Defense,' upon premises or plants used for the manufacture of such articles, or upon utilities supplying utility services to such plants, or upon property of the United States or any property which has been or is being made under contract for the War and Navy Departments," Mr. Jackson said, adding the suggestion that Congress close the loophole.

## Pan American Cooperation

United States economic and military cooperation with South America was continued in the form of a \$10,000,000 credit from the Export-Import Bank to the Central Bank of Peru and the furnishing of United States naval and military aviation missions to cooperate with the armed forces of Ecuador.

## Army

To facilitate further assimilation into the Army of selectees and recruits, Secretary Stimson also announced this week that the Army was ordering to active duty the 28,700 members of the Regular Army Reserve—former enlisted men who would be useful in training recruits and filling the ranks of regular divisions.

The Army also announced that, in furtherance of its "one Army" idea, all Army officers, including Reserve and Guard officers, on active duty, would hereafter wear the same insignia and be designated in the same manner on official papers.

## Public Works

President Roosevelt's plan to use for national defense money scheduled to be spent on public works will prevent construction of 150 Federal buildings costing \$30,000,000, the Public Buildings Administration announced in a statement.

Buildings for which bids have been advertised up to this time and those on which construction has started will not be stopped, the PBA said.

## Navy

Secretary of the Navy Knox issued a statement announcing award of contracts for 40 additional destroyers at an estimated cost of \$253,000,000. At the same time, Mr. Knox disclosed contract awards for expansion of facilities at several shipyards at an estimated cost of \$8,300,000.

The Navy Department, in a memorandum to the press, made public the following table of combatant naval vessel strength as of December 17:

Type	Underage	Overage	Building	Total
Battleships . .	12	3	17	32
Carriers . . . .	6	0	12	18
Cruisers . . . .	35	2	54	91
Destroyers . . .	85	74*	206	365*
Submarines . .	36	68	81	185
TOTAL	174	147*	370	691*

\* Does not include the 50 overage destroyers or 45 ex-destroyers converted to special types.

## Copper

Federal Loan Administrator Jones announced the Metals Reserve Company has purchased 100,000 tons of Latin American copper. The purchase included 57,000 tons from the Anaconda Copper Mining Co.; 10,000 tons from the American Metal Co., Ltd.; and 5,000 tons from the Phelps Dodge Corporation, all at a price of 10 cents a pound on the docks in New York. Mr. Jones said the remaining 28,000 tons were purchased from the Kennecott Copper Corporation at 9½ cents per pound delivered at Chilean ports "on the condition that on such portion of this copper for which the sellers can furnish transportation the Metals Reserve Company will allow sellers one-half cent per pound for transportation and insurance."

## Lumber

Although lumber prices have settled back to some extent from their recent high levels, it is believed that a further recession is necessary in order to bring such prices to a reasonable level, according to a statement by Leon Henderson, member of the National Defense Advisory Commission in charge of Price Stabilization.

The fact that approximately 90 percent of the lumber for cantonnments has been purchased and the remainder will be in relatively small lots has relieved pressure on the industry. Hence, prices should recede to a more stable level early in the coming year, according to Mr. Henderson.

# Status of Public Employees Called to Military Service

AS A RESULT of Selective Service and calling of National Guard members to active duty, States and cities throughout the country are confronted with problems of the status and compensation of public employees.

The following information relates to State laws affecting public employees in the National Guard, Naval Militia, and reserve components and to practices arising out of recent Congressional action.

## Compensation to Guardsmen

A number of States have had laws for a long time governing public employees who are members of the National Guard or other military or naval establishments.

According to an analysis by the State Law Index of the Library of Congress, there is a common type of State law providing for pay to State, or State and local public officers and employees, who are members of the National Guard or Naval Militia, or some other military organization, when ordered into training service or active duty.

This type of law usually limits the period of leave with pay to 30 days or less. The limit suggests, it is added, that the intention is to compensate for time spent annually with the National Guard within the State.

States with legislation of this general type include Alabama, California, Colorado, Florida, Louisiana, Massachusetts, Montana, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, and West Virginia.

Broader compensation provisions are found in some cases.

The New York law is an illustration. This law, like others, is limited to certain categories of employees, but it is more liberal as to compensation. Under section 245 of the State's military law:

"All State officers and employees who are members of the National Guard, Naval Militia, or Reserve Corps and who are called into Federal service, are entitled to their State compensation in full for the first thirty days of such service and thereafter to the difference, if any, in compensation paid them for military service and that paid them as State officers or employees."

A broader World War provision covering persons who volunteered or were drafted for military or naval service was repealed in 1920. Up to early December,

it had not been determined just how men called or volunteering for Selective Service will be treated. New York procedure in World War I was that benefits of Section 245 applied to them if they obtained consent of the department head, the mayor, or the Governor, as the case might be, before entering the Federal service.

New York's is one of the laws applying to employees of every town, village, and city as well as to State employees.

Compensation provisions in certain other States are broader than the typical State law.

Pennsylvania has comprehensive provisions for hiring substitutes for State or local appointive officers and employees who enlist, enroll, or are drafted into military or naval service. This law also provides for payment of one-half the salary of the office to dependents.

In Rhode Island, cities and towns are authorized to continue on the pay roll, either at full or partial pay, all or any regular officers and employees who are called into or enlist in the military or naval service.

In Utah, provision is made for financial assistance to dependents of National Guardsmen called into service.

## Civil Service Status and Rights

In addition to leave with pay, many State laws specify that leave shall be granted without loss of "time or efficiency rating," or without loss of "status or efficiency rating." The latter phrase is in the South Dakota law, for example, but in this particular State there is no provision for leave with pay.

Some laws, such as New York's, state that leave shall not be deducted from the vacation period due the employee. Texas, however, authorizes paid leave for the first 12 days, this period to be in lieu of any other paid vacation during the fiscal year.

## 1940 Developments

The various provisions discussed above were on the statute books before recent action by Congress giving the President power to call out the National Guard and the Reserve Corps, and providing for Selective Service and Training.

The 1940 Acts require that Federal and private employees, except those leaving temporary positions, must be restored to the positions they held or to others of like

seniority, status, and pay. These stipulations are conditional, however: the employee must have satisfactorily completed his military service, must still be qualified to perform the duties of the former position, and must apply for reemployment within 40 days after military service is completed.

Persons affected by the Federal laws must be regarded as on leave or furlough during their military service. They are entitled to insurance and other benefits ordinarily provided by the employer under leave regulations. When reinstated, these persons cannot be discharged for a year, except for cause.

## Executive Order

By Executive Order of the President on November 25, time spent in the armed forces of the United States by members of reserve components ordered to active service and by Selective Service trainees is not counted in determining the period of eligibility for appointment of persons already on eligible lists or attaining eligibility while they are in military service. To have benefit of this order, however, such persons must notify the Civil Service Commission within 40 days after termination of military service.

While these legal requirements do not apply to State and local governmental employees, Congress expressed the hope that similar standards would be adopted by State and local jurisdictions.

Several States and a number of localities have adopted less complete provisions. These commonly grant leaves of absence and assure reinstatement in the position formerly held or in one of comparable status. Examples of such action include that applicable to State employees in California; to city employees of Pueblo, Colo.; St. Petersburg, Fla.; Cook County, Elgin, and Springfield, Ill.; Gary, Ind.; Covington, Lexington, and Glasgow, Ky.; Flint, Mich.; Camden, N. J.; Columbus and Akron, Ohio; Portland, Oreg.; Clairton, Pa.; Charleston County, S. C.; Richmond, Va.; Seattle, Wash.; Milwaukee, Wis. In some cases, these provisions apply only to limited groups such as school personnel.

The Civil Service Assembly reports that increasing numbers of cities and States are amending personnel policies to protect the status of their employees called to defense training.



The State of Michigan and eight cities—Columbus, Ohio; Detroit, Flint, Mich.; Evanston, Ill.; Los Angeles, Calif.; St. Petersburg, Fla.; Akron, Ohio; and Seattle, Wash.—are among those that most recently have adopted measures affecting regular employees called for training, persons eligible for jobs, and substitutes for regular employees.

All grant leaves to employees called, but only Evanston provides for supplementary pay. Employees with at least 3 months' service with Evanston get leave and, for the first 3 months of training, they receive the difference between military and city pay, the difference not to exceed \$150 a month.

Various rights, benefits, and privileges—such as promotion, retirement, vacation, and sick leave—are protected by the rulings of Detroit, Evanston, Akron, St. Petersburg, and Seattle.

Employees discharged from military service must make application for reinstatement within 40 days in the State of Michigan, 60 days for regular Army men and 5 days for National Guardsmen in St. Petersburg, and 90 days in Los Angeles.

Adopted policies reflect the intention to restore trainees to their old jobs or, if those have been abolished, to similar jobs, the Assembly said. St. Petersburg stipulated competency on return and honorable discharge; the State of Michigan, honorable discharge. The Flint compulsory reinstatement measure contained the proviso that, in case of injury, trainees would receive positions equal to their capacity.

### Eligible for 2 Years

Ruling on persons on eligible lists called into service, Columbus held they would retain their positions on the list and, if a new list is created, the same relative positions as on the old list. They will be eligible within 30 days after discharge for certification to jobs and will continue to be eligible for 2 years unless they elect to take an intervening examination.

Detroit eligibles who are called to service and inform the Civil Service Commission within 45 days after induction will, on their return, be considered appointed if they have been reached on the eligible list. They must indicate, within 30 days after discharge, they want jobs. In Michigan, eligibles for State jobs called to duty may within 60 days have their names suspended for the duration of service and reentered in the appropriate place after honorable discharge.

Temporary employees taking the place of war service employees in Detroit receive no right to permanent tenure, nor do they in Flint unless a vacancy occurs in the same classification, in which case they will

## NYA PROGRAM FOR VOCATIONAL BUILDINGS

To help local public school systems establish vocational facilities in areas where they will contribute to national defense, the National Youth Administration has begun a program to build approximately 1,000 agricultural vocational buildings, Administrator Aubrey Williams has reported to the President.

These facilities will be located primarily in rural areas with a population of 2,500 or less. Buildings will include vocational shops, home economics cottages, farm buildings, and similar facilities.

Between July 1 and November 27 approved applications had been received for construction of 264 buildings and 12 additions. Applications had come from 30 States. Before July 1, 1941, the number of projects under construction is expected to total 1,000.

This NYA program is outgrowth of a survey by a committee of educators, which led to a request for NYA assistance in erecting the buildings. Buildings are for the State vocational school systems, and will be equipped and operated by local school authorities.

be given permanent status. In St. Petersburg, no temporary employees may retain the jobs they filled. If any regular employees have been promoted to fill positions of those on leave, they will return to their original jobs.

### Compensation for Trainees?

Proposals that public employees called under the Selective Service and Training Act be paid the difference between their civil and military pay have been advanced in a few cities. Examples: New York City, Newark, N. J., Lowell and Worcester, Mass., Waterbury, Conn. Action has already been taken in isolated cases. Evanston, Ill., will pay the difference in salary for 3 months, provided the total income of a draftee does not exceed \$150 per month. Savannah, Ga., is reported also as planning to pay the salary difference for 3 months.

On the other hand, it is reported that the Attorney General of Ohio ruled against salary payment to drafted employees of the State or any political subdivision, and barred draftees from further contributions to the State retirement system. Under a ruling of the Governor, State employees in New Jersey called to any branch of the Federal military service are to receive the difference between military and civil salary, but in one county, employees will not be paid the salary difference unless such action is required by law.

Following is a resolution adopted by the city of Detroit, Mich., on the status of city employees called up for military service:

"WHEREAS, In these times of national emergency some of the employees of the city of De-

troit have been and will be called into the United States military, naval, or marine service; and

"WHEREAS, It is the desire of this body to protect such city employees in their civil-service seniority and pension status while in the service of their country. Now, therefore, be it

"RESOLVED, That all employees of the city of Detroit who have been and shall be called into the United States military, naval, or marine service shall, during the period of their service, be given an indefinite leave of absence from the employ of the city of Detroit, and that after completion of such service they shall be restored to their former positions, provided they are physically capable of performing their former services in the city of Detroit; and be it further

"RESOLVED, That they shall, during such period of service, retain all of their civil service, seniority, and pension right; and be it further

"RESOLVED, That in the event any city employees shall be required to resign from their present city position, that upon completion of their military service they shall be reinstated to their former position upon completion of military service with United States military, naval, or marine service, and be reinstated to their former civil service, seniority, and pension rights, provided they have contracted no physical disability which would incapacitate them for city service."

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### REPORT CARDS FOR DEFENSE TRAINEES

New type report cards have been designed for use in the vocational education program for defense workers. These cards, issued by the U. S. Office of Education, record background, experience, training, and type of training received through defense funds. One copy remains in school files; student uses the other in applying for work.

# Contracts for 1,840,000 Pairs of Shoes

THE NATIONAL Defense Advisory Commission has announced that awards for purchase of 1,840,000 pairs of Army service shoes for delivery during the next 5 months, with purchase of approximately 1,500,000 pairs to be made later in the winter, will complete the Army's shoe program under present appropriations through June 30, 1941.

The date and delivery terms of the remaining purchase will be so fixed as to cause the minimum strain on industry facilities and to take advantage of favorable price and supply conditions in the leather market.

Because of increased prices of sole leather the Consumer Division of the Defense Commission has recommended that the Army consider a trial of the policy of purchasing part of its shoes with composition soles—a plan found satisfactory in the purchase of shoes for the Civilian Conservation Corps.

## Stabilizing Effect

With this announcement of requirements for the remainder of the fiscal year,

the industry is now supplied with information which should have a stabilizing effect. This allows time for the necessary hides to be tanned and for coordination with production for civilian use.

Total Army purchases for the present fiscal year, including shoes already purchased, will approximate 7,000,000 pairs. This constitutes less than 7 percent of the number of men's dress and work shoes produced by the American shoe manufacturing industry in 1939. It is emphasized that during the fiscal year 1941-42 an Army of the size contemplated by present mobilization plans will require the purchase of even fewer shoes, and that purchases will be carefully planned and adjusted to supply conditions throughout the year.

A study of the hide and leather manufacturing situation has been made. The present announcement was issued in accordance with a general Defense Commission policy to remove trade doubts concerning future Army purchases, particularly in view of the increased prices paid by the Army on today's awards.

## Up 17 percent

The average price paid for shoes on this purchase was 49 cents more per pair (about 17 percent) than that paid for the last previous order of 2,400,000 pairs placed in October. The higher purchase price is attributed to rising leather prices and to the participation of a larger number of higher-cost producers in the award.

The increase is not to be interpreted as an indication that prices of civilian shoes also will increase. Army specifications call for materials different from those generally used in civilian shoes. The soles for Army shoes can be cut from only a small part of the hide, the balance being available for civilian uses.

There is no present shortage of hides, and ample capacity exists to produce both leather and shoes. Hence, the Army does not propose at present to adopt a policy followed with respect to certain other Quartermaster items of purchasing raw materials and having the shoes manufactured with Government materials.

# Fresh Food for the Army

A SPECIAL committee representing all factors in the fresh fruit and vegetable trades, headed by Joseph DiGiorgio, met recently in Washington with Douglas C. MacKeachie, assistant to Donald Nelson, Coordinator of National Defense Purchases; Col. Paul P. Logan, Quartermaster Corps; and John A. Martin, Special Adviser to the Coordinator of National Defense Purchases.

Cooperation of all factors in the fresh fruit and vegetable trades with the Army procurement program was assured by the Committee.

At the meeting acute problems confronting the Army in some areas concerning its purchases of fresh fruits and vegetables were discussed. Advice and assistance of the practical leaders in the trade was assured when representatives at the meeting appointed a subcommittee to cooperate with Mr. Martin in the development of a program and in the selection of personnel for orderly purchasing and distribution of fresh fruits and vegetables for Army cantonments.

Among principles of Army procurement outlined by Mr. MacKeachie and Colonel Logan, the following are especially interesting to the fresh fruit and vegetable industry:

1. The Army needs and welcomes assistance in developing an efficient procurement program through which fruits and vegetables can be obtained at fair prices, making use of the present system of competitive bidding.

2. It is desirable and essential that any Army procurement program have the minimum of impact on the civilian market.

3. All available channels, large and small, will be given an opportunity to share in the purchasing for military forces.

4. Local growers adjacent to Army camps will be given first consideration in fresh-produce purchases.

5. Full consideration will be given to surplus agricultural commodities, and Army purchasing will, insofar as possible, be coordinated with the Surplus Marketing Administration program.

6. Fresh fruits and vegetables should and will be included in Army rations to the extent that they can be procured at prices which will permit their use within the limit of the Government ration allowance provided in established Army regulations. It must be recognized, however, that the lack of a proper procurement system for fresh produce would necessitate the substitution of canned fruits and vegetables in the Army rations.

In the interest of a balanced diet for our Army as well as the civilian population, an efficient system for the procurement and distribution of fresh fruits and vegetables is essential.

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## WPA DEFENSE PROJECTS

SIXTY-EIGHT WPA defense projects approved during the last 2 weeks of November brought to more than \$116,000,000 the total of such projects approved during the first 5 months of the fiscal year, WPA has announced.

# Amortization Certificate Deadline

THE NATIONAL DEFENSE ADVISORY COMMISSION and the War and Navy Departments remind manufacturers that the Internal Revenue Code of 1940 imposes a statutory "dead line" for the issuance of certain certificates required under amortization deduction provisions of that law.

These provisions permit manufacturers to amortize for tax purposes over a 5-year period any facilities constructed or acquired to meet the present emergency, provided the required certificates are issued by the Secretary of War or the Secretary of the Navy and the National Defense Advisory Commission.

Because of the careful consideration that must be given to applications for such certificates and the volume of such work that is likely to develop, the announcement was made today that unless applications are received before January 7—30 days before the "dead line"—no assurance can be given that they will be acted upon in time to meet requirements of the law.

Applications will be received after January 7, and every effort will be made to act upon them as promptly as possible, but no assurance can be given that action can be completed before the specified date.

This announcement concerns all applications for—

(1) a "Necessity Certificate" with respect to any facility, the construction of

which already has been begun or which already has been acquired, and

(2) a Certificate of Government Protection or a Certificate of Non-Reimbursement in connection with a contract which was executed more than 90 days before the statutory dead line.

The statement of the departments and the Defense Commission follows:

Sections 23 and 124 of the Internal Revenue Code allow a deduction for income and excess-profits tax purposes for amortization, over a 60-month period, with respect to any emergency facility, the construction of which was completed, or which was acquired, after June 10, 1940, upon the issuance of the certificate or certificate required by the statute. Such certificates are to be issued to the Commissioner of Internal Revenue by the Secretary of War or the Secretary of the Navy, and the Advisory Commission to the Council of National Defense.

Section 124 of the Internal Revenue Code provides that the "Necessity Certificate" must be made before February 5, 1941, or before the beginning of the construction or the date of acquisition of the emergency facility, whichever is later, and that the "Certificate of Government Protection" and "Certificate of Non-Reimbursement" must be made before February 6, 1941, or within 90 days after the execution of the contract, whichever is later.

It is apparent then that in order to satisfy the requirements of the statute an application for a "Necessity Certificate" with respect to facilities, the construction of which has been begun or which have been acquired, must be acted upon, and a Certificate issued, before February 5, 1941. For the same reason an

application for a "Certificate of Government Protection" and "Certificate of Non-Reimbursement" with respect to a contract which has already been executed must be acted upon, and a Certificate issued, within 90 days after the execution of the contract or before February 6, 1941, whichever is later.

The Notice of Procedure for Certification issued by the Treasury, War and Navy Departments, and the Advisory Commission states: "In order that the applications may be acted upon and certificates made within the prescribed time, applications for such certificates should be filed at the earliest possible date. Unless filed in sufficient time, it will not be possible to act upon the applications within the statutory periods, referred to above." In spite of this warning, applications have not been filed as promptly as was expected.

The Departments and the Advisory Commission are aware of the fact that many applications which must meet the statutory "dead line"—February 5 or February 6, 1941—have not yet been filed. For this reason the Departments and the Advisory Commission feel it necessary to state that, unless such applications are received before January 7, 1941, no assurance can be given that they will be acted upon in time to meet the statutory requirements. Applications will be received after January 7, 1941, however, and will be acted upon as promptly as possible. Such applications, it must be repeated, should be filed at the earliest possible date.

The Notice of Procedure and Instructions for the Preparation of Applications may be obtained from the Office of the Assistant Secretary of War (Purchase and Contract Branch), Washington, D. C., or from the Office of the Judge Advocate General of the Navy, Navy Department (Certification Unit), Washington, D. C.

## "Accepted Schedules of Production"

DONALD M. NELSON, Coordinator of National Defense Purchases, has announced that defense orders already placed with manufacturers will be given adequate consideration when additional orders are being allocated.

Mr. Nelson explained that for some 20 years the War Department has been making a plant-to-plant survey of industries. These industries are considered suitable to undertake the production of munitions. Selected firms have been earmarked to insure their effective utilization as part of the Industrial Mobilization Plan proposed for a major national emergency.

The Coordinator's Office has received inquiries from manufacturers whose plants have been surveyed and allocated in the past by the War Department. Some have

recently signed "Accepted Schedules of Production" in connection with the Army's advanced procurement-planning activities. They have indicated reluctance to accept current orders in the present program which are not in agreement with these schedules.

This possibility has been reported to the Assistant Secretary of War. The Assistant Secretary states that these planned schedules are regarded by the War Department as evidence of willingness and ability to cooperate in a major war effort. He points out that they are not binding either upon the manufacturer or the Government and are not to interfere in any way with orders being placed under the present defense program.

The present defense effort has not yet

absorbed the full capacity of all allocated plants. However, all defense orders placed with them, whether or not for the items originally scheduled, are considered as a part of the planned emergency load and the capacity still available is shown on the records of the War Department.

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### 6,000 INVENTIONS

The National Inventors Council, meeting to consider ideas on how America's defense can be speeded and improved and specific inventive problems submitted to the Army and Navy, reports that more than 6,000 inventions and suggestions have been received from the public at the rate of approximately 125 per day since the Council's creation.

# Report on Control of Exports

AFTER 4 MONTHS of control over the exportation of aviation motor fuel, Col. Russell L. Maxwell, administrator of Export Control, issued the following statement:

"The progress being made in the very difficult problem of satisfactorily controlling the export of aviation motor fuel is indeed gratifying.

"The biggest problem to date has been one of definition. Every attempt is being made to minimize restrictions on the petroleum export industry, by limiting control to those types of fuel and oil used exclusively for airplanes. More than adequate supplies of all other types being, of course, available.

"In the Regulations which accompanied the Presidential proclamation of July 26, the export licensing system was limited to motor fuel with an octane rating 87 or higher. This conserved the high test gasoline necessary for our military planes, but permitted the exportation of motor fuel with an octane rating of less than 87. This type is not normally produced for aviation purposes, but it is usable in some types of foreign aviation motors.

"An announcement, released shortly after the issuance of the proclamation, permitted export of 'high test' gasoline (over 87 octane) only if destined for the Western Hemisphere, the British Empire, or American-owned companies or concessions in other countries.

"Petroleum being the complex mixture, knowledge of the exact nature of petroleum products has lagged considerably behind the knowledge of their performance and application. Continuous study and collaboration with other Government agencies, as well as American exporters is necessary to insure the adequate controls required for defense purposes, without unnecessary constriction of foreign trade."

## License System Extended

Colonel Maxwell also has issued the following statement regarding machine tools:

"The increased pace of the National Defense Program requires extension of the export licensing system to include the following types of machine tools, hitherto exempted in our desire to minimize restrictions on normal export business. The following articles will be subject to export control after December 10, 1940:

All used or rebuilt machine tools of any description; pipe threading machines; metal cutting band saws; power-driven hack saws; key-

seating machines; disk-grinding machines; car wheel and locomotive wheel presses; burring machines, gear; chamfering machines, gear; burnishing machines, gear; planers, crank; bench power presses; saw-sharpening machines; filing machines; pipe-bending machines; thread chaser grinders; burnishing machines; tool and cutter grinders, universal and plain, hand feed; riveting machines; grinding machines, portable with flexible shaft; centering machines; grinders, face milling cutter; arbor presses (hand, air, and hydraulic); grinding machines, drill; grinding machines, tap; grinding machines, hob; nibbling machines; grinders, lathe tool; gear lapping machines; gear shaving machines; polishing machines; heat-treating furnaces; foundry machines; twist and other drills; reamers; milling cutters; hobs; taps; dies; die heads; and shear knives.

"It should again be emphasized that placing an article under the export control plan simply subjects it to the licensing procedure and in no sense implies an embargo."

After reviewing the iron and steel scrap situation, Colonel Maxwell issued the following statement:

In the interests of National Defense, No. 1 Heavy Melting Scrap, on July 26, 1940, was placed on the export control list, subjecting it to the licensing procedure, and ensuring adequate consideration of domestic needs before granting an export license.

The rising tempo of our rearmament program necessitated, on September 30, 1940, an extension of the export control plan to include "all iron and steel scrap of every kind and description, classified or unclassified." Consistent with the policy of minimizing disturbances to normal business, these regulations did not become effective until October 15, 1940.

The success of these controls is clearly indicated by contrasting 59,070 short tons, the November figure for export licenses granted of iron and steel scrap, with the October figure of 1,195,301 short tons, a reduction of 94 percent.

## Executive Order

### Amendment of Executive Order No. 8572 of October 21, 1940, Authorizing the Priorities Board and the Administrator of Priorities to Perform Certain Functions Under Section 2 (A) of the Act of June 28, 1940

Executive Order No. 8572 of October 21, 1940, authorizing the Priorities Board and the Administrator of Priorities to perform certain functions under section 2 (a) of the Act of June 28, 1940, is hereby amended to read as follows:

"WHEREAS section 2 (a) of the Act of June 28, 1940, Public No. 671, 76th Congress, provides that all naval contracts and orders and all Army contracts and orders shall in the discretion of the President take priority over all deliveries for private account or for export; and

"WHEREAS the public interest requires that provision be made to insure the prompt delivery of materials, articles, equipment, and supplies essential to the National Defense; and

"WHEREAS the Council of National Defense has established a Priorities Board composed of the following members of the Advisory Commission to the Council of National Defense: The Advisor on Industrial Production, as Chairman; the Advisor on Industrial Materials; and the Advisor on Price Stabilization; and

"WHEREAS the Priorities Board has designated Mr. Donald M. Nelson as Administrator of Priorities:

"NOW, THEREFORE, by virtue of the authority vested in me by section 2 (a) of the said Act of June 28, 1940, and as President of the United States, I hereby approve the establishment of the aforesaid Board and the designation of the said Administrator and authorize the said Board and the said Administrator, acting in the public interest and in the interest of the National Defense, under rules and regulations prescribed by the Board with the approval of the President, to require that deliveries of material under all orders placed pursuant to the authority of the said section 2 (a) and all other naval and Army contracts and orders shall take priority over all deliveries for private account or for export."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

December 15, 1940.

(No. 8612)

1941

